



*Kothari Sugars And
Chemicals Ltd.*

54th Annual Report
2014 - 15



Bhadrashyam H Kothari

11.11.1961 - 22.02.2015



*With fond memories of our Dearest Chairman
You will always inspire and guide us.*

CORPORATE INFORMATION

Board of Directors	Nina B. Kothari - Chairperson (w.e.f. 08.04.2015) Arjun B. Kothari - Managing Director (w.e.f. 08.04.2015) P.S.Gopalakrishnan V.R.Deenadayalu P.S.Balasubramaniam
Company Secretary	R.Prakash
Chief Financial Officer	R. Krishnan
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, Chennai - 600 083 (b) V.P.Mukundan & Associates Chartered Accountants, Chennai - 600 004
Cost Auditor	K.Suryanarayanan Chennai - 600 018
Secretarial Auditor	M. Alagar, Company Secretary in Practice Chennai - 600 018.
Legal Advisors	S.Ramasubramanian & Associates, Advocates, 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 e-mail: secdept@hckgroup.com website: www.hckotharigroup.com/kscl
Registrar & Share Transfer Agents	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)
Stock Code	KOTARISUG
ISIN	INE419A01022
CIN	L15421TN1960PLC004310
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



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Financial Highlights

(₹. In lakhs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
PROFITABILITY ITEMS					
Gross Income	35,131	33,274	44,091	32,684	28,115
Gross Profit (PBDIT)	2,050	3,011	4,133	3,662	3,273
Depreciation	1,598	1,610	1,689	1,315	1,379
Profit/ (Loss) Before Interest & Tax	452	1,401	2,444	2,347	1,894
Interest	486	942	529	467	648
Profit/ (Loss) Before Tax	(35)	460	1,915	1,880	1,246
Income Tax	425	59	367	374	235
Deferred Tax	(5)	121	687	664	253
Profit/ (Loss) After Tax	(454)	279	861	841	757
BALANCE SHEET ITEMS					
Net Fixed Assets (incl.CWIP)	20,903	22,445	22,736	20,764	19,919
Investments	1,836	1,583	838	656	3,200
Net Assets (current / non current)	3,231	3,757	4,030	4,679	4,984
Total Capital Employed	25,970	27,802	27,604	26,098	26,124
Shareholders' Funds	12,107	12,849	13,155	12,393	11,652
OTHERS					
Book Value per share (Rs.)	15	16	16	15	14
EPS (Rs.)	(0.55)	0.34	1.04	1.01	0.91

NOTICE to the Members

Notice is hereby given that the 54th Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Tuesday, 11th August 2015 at 10.30 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a) the Audited financial statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors and
 - b) the Audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To appoint a Director in the place of Mrs.Nina B Kothari, (DIN 00020119) who retires by rotation and being eligible offers herself for re-appointment.

3. Appointment of Auditors

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

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

Special Business:**4. Appointment of Mr.Arjun B Kothari as Director**

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

“**Resolved** that Mr.Arjun B Kothari (DIN 07117816), who was appointed as an Additional Director of the Company with effect from April 08, 2015 by the Board of Directors at its meeting held on April 08, 2015 as recommended by the Nomination and Remuneration Committee, in terms of Article 100 of the Company and Section 161 of the Companies Act, 2013 who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

5. Appointment of Mr.Arjun B Kothari as Managing Director and Whole Time Key Managerial Person

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

“**Resolved** that in accordance with Sections 164, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule V including any statutory modification or re-enactment thereof and subject to Central Government approvals, approval of members of the Company be and is hereby accorded to the appointment of Mr.Arjun B Kothari (DIN 07117816) as the Managing Director of the company for a period of five years from April 08, 2015 to March 31, 2020 without any remuneration and whose directorship is liable to retirement by rotation”.

6. Approval of Remuneration to Cost Auditor

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

“**Resolved** that subject to the provisions of Section 148 of the Companies Act, 2013, and Companies (Audit & Auditors) Rules 2014, approval of the members of the Company be and is hereby accorded for the payment of a remuneration of Rs.1,00,000/- (Rupees One Lakh Only) plus applicable service taxes and re-imburement of out of pocket expenses to Mr.K.Suryanarayanan, Cost Accountant in practice, for conducting the audit of cost records of the Sugar, Distillery & Co-gen units of the Company for the year 2015-2016.

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

Place: Chennai
Date: 29th May, 2015

R. Prakash
Company Secretary

Important Notes

- a) **The Register of Members and Share Transfer books will remain closed from Wednesday, the 05th August, 2015 to Tuesday, 11th August, 2015 (both days inclusive) towards Annual General Meeting.**
 - b) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
 - c) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
 - d) A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - e) The instrument appointing a Proxy should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting i.e. by 10.30 a.m. on Tuesday, 11th August 2015. A Proxy form is sent herewith. The Proxy shall not be entitled to vote except on a poll.
 - f) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
 - g) **Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.**
 - h) Members who have not encashed their dividend warrants pertaining to the financial year 2013-14 are advised to write to the Company / RTA immediately claiming the dividend declared by the Company.
 - i) Members holding shares in Dematerialized form are requested to intimate immediately all changes pertaining to their Bank details NECS / ECS, mandates, nominations, power of attorney, change of address / name etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agents (RTA). Changes intimated to the Depository Participant will be automatically reflected in the Company's records which will help the Company and the RTA to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise the above changes and Transfer of Shares to the Company's RTA viz. M/s. Cameo Corporate Services Limited.
 - j) Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, etc.
- Important Note:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies towards service of notice / documents including Annual Report can be sent through email to its members. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited, whose address is given elsewhere in this Annual Report. Kindly ensure to update your fresh Email ID with the Depository / M/s.Cameo, if you have changed the same.
- k) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
 - l) 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.



- m) **The shareholders are expected to send their queries on annual accounts / other items of Annual Report to the Company in the email id secdept@hckgroup.com, atleast 3 days before the date of meeting, so that the requisite information/explanations can be provided on time.**
- n) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made thereunder the Members holding shares may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in form SH-14. The nomination forms can be downloaded from the Company’s website www.hckotharigroup.com/kscl.
- o) Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting is appended below.
- p) Electronic copy of the Notice and Annual Report of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice and Annual Report of the 54th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are sent in the permitted mode.
- q) Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company’s website www.hckotharigroup.com/kscl for their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same at free of cost. For any communication, the shareholders may also send requests to the Company’s investor email id: secdept@hckgroup.com.

Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Rule 21 of the Companies (Management and Administration) Rules, 2014 and the provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchange, the Company shall to provide members facility to exercise their right to vote at the 54th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited, (CDSL):

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

In case of members receiving e-mail:

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

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

Then enter the Captcha Code as displayed and Click and Login

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

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

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

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

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

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) Click on the relevant EVSN on which you choose to vote.
- x) On the voting page, you will see Resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xii) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xv) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorize to vote on their behalf in PDF format in the system for the scrutinizer to verify the vote. Further, they are requested to send the scanned copy of the Board Resolution/Authorization to the email id of scrutinizer (kscl.scrutinizer@gmail.com) and RTA (murali@cameoindia.com) with a copy marked to helpdesk.evoting@cdslindia.com.

xvi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Phone No. 022-22723333.

xvii) If Demat account holder has forgotten the password then enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.

In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company / depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.

Voting at AGM:

- i) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- ii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

General

- a) The remote e-voting period commences on Friday, 07th August, 2015 at 9.00 a.m. and ends on Monday, 10th August, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date i.e. Tuesday, 4th August, 2015 may cast their vote electronically. The remote e-voting module shall be blocked by CDSL for evoting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) Any person, who acquires shares of the Company and becomes member of the Company after despatch of the notice and holding shares on the cut-off date i.e. Tuesday, 4th August, 2015 may obtain the login ID and password by sending an email to investor@cameoindia.com or secdept@hckgroup.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- c) A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date (i.e. Tuesday, 4th August, 2015) only shall be entitled to vote.
- d) The voting rights of a shareholder shall be in proportion to his shares in the paid up equity share capital of the Company as on the cut-off date of i.e. Tuesday, 4th August, 2015.
- e) Mr.N.Sridharan, Practising Company Secretary (Membership No. PCS 7469), Chennai has been appointed as Scrutinizer to scrutinize the e-voting process (electronically or otherwise) in a fair and transparent manner.
- f) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days after the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- g) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hckotharigroup.com/kscl and website of CDSL <http://www.evotingindia.com> and also forward the same to The National Stock Exchange of India Limited, Mumbai, simultaneously, where the Company's shares are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4 & 5

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on April 08, 2015 appointed Mr.Arjun B Kothari as an Additional Director of the company to hold office from April 08, 2015. Mr.Arjun B Kothari holds office upto the date of this Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr.Arjun B Kothari as a candidate for the office of Director of the Company.

Due to the sudden demise of Shri B.H.Kothari, Chairman and Managing Director (Key Managerial Person) of Kothari Sugars and Chemicals Limited (KSCL) on 22.02.2015, the vacancy of Key Managerial Personnel has to be filled within 6 months from the date of such vacancy pursuant to Section 203 of the Companies Act, 2013.

As a part of succession planning, the Nomination and Remuneration Committee has unanimously accepted the nomination of Mr.Arjun B Kothari, son of Shri B.H.Kothari and appointed him as the Managing Director and Whole Time Key Managerial Person (KMP) without remuneration, and the same was approved by the Board of Directors at its Meeting held on 08.04.2015 subject to Shareholders and Central Government Approval. Considering the current financial position of the company, Mr.Arjun B Kothari volunteered not to take any remuneration.

Mr.Arjun B Kothari, son of Late Shri B H Kothari aged about 23 years, has a Bachelor of Science (Education and Social Policy) degree from the Northwestern University, Evanston, Illinois, United States of America and Global Health & European Politics from Paris Institute of Political Studies, Paris, France. He worked in General Electric Company, USA as a Senior Specialist in the Management Development Rotation Program. He has also held various positions during his studies in USA which includes off-campus senator at Northwestern University, Evanston, USA and Research Assistant at Kellogg School of Management at Northwestern University, Evanston, USA.

Since Mr.Arjun B Kothari is a Non-Resident Indian (NRI) during the previous year, to comply with the requirement of Schedule V of the Companies Act, 2013, his appointment as Managing Director will be subject to approval from Central Government and the Board approved to submit the requisite application to Central Government for appointing Mr.Arjun B Kothari as a Managing Director for a period of 5 years with effect from April 08, 2015 to March 31, 2020.

The Nomination & Remuneration Committee and the Board are satisfied about his positive attributes, quality and willingness to shoulder the responsibilities and consider him to be a good resource to the company based on his qualification, family and business background.

Except Mr.Arjun B Kothari, being the appointee and Mrs.Nina B Kothari relative of appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out at Item No.4 & 5. The disclosure under Clause 49 of the Listing Agreement with the Stock Exchange is annexed to the Notice.

Item No.6

The Audit Committee and the Board of Directors of the Company at the meeting held on 29th May, 2015 appointed Mr.K.Suryanarayanan, Cost Accountant as the Cost Auditor for the Sugar, Distillery & Co-gen units of the Company for the year 2015-2016.

As per the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 the members of the Company should approve / ratify the remuneration of the Cost Auditor.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out in Item No.6 of the Notice to approve / ratify the remuneration of Rs.1,00,000/- (Rupees One Lakh Only) plus applicable service taxes and re-imbursment of out of pocket expenses to Mr.K.Suryanarayanan, Cost Accountant and as Cost Auditor for the Sugar, Distillery & Co-gen units of the Company for the year 2015-2016 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company at the meeting held on 29th May, 2015.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out at Item No.6

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

Place: Chennai
Date: 29th May, 2015

R Prakash
Company Secretary

THE INFORMATION IN RESPECT OF ITEM NO. 2, 4 & 5 IN ACCORDANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT FOR CORPORATE GOVERNANCE ABOUT THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No.2	Item No. 4 & 5
Name of the Director	Nina B Kothari	Arjun B Kothari
Date of Birth	21.07.1962	11.09.1991
Date of Appointment	27.05.2014	08.04.2015
Qualification	B A (Economics)	Bachelor of Science (Education and Social Policy), Northwestern University, Evanston, Illinois, United States of America & Global Health and European Politics from Paris Institute of Political Studies, Paris, France.
Experience in specific functional areas	She is holding directorship in H.C.Kothari Group of Companies. She held various positions in prestigious institutions as Treasurer of Crafts Council of India, World Crafts Council and Chairman of National Crafts & Heritage Committee of ASSOCHAM. She was the President of International Womens' Association (IWA).	Mr.Arjun B Kothari, is holding directorship in H C Kothari Group of Companies. He also worked in General Electric Corporation, USA as a Senior Specialist in the Management Development Rotation Programme. His work involved analyzing future interests of the company, developing strategic plans to achieve goals and collaborating and implementing steps to improve retention rate for expatriate workers.
List of other Public Companies in which Directorship held	a) Kothari Petrochemicals Ltd. b) Kothari Safe Deposits Ltd. c) 13 other Private Companies.	a) Kothari Petrochemicals Ltd. b) Kothari Safe Deposits Ltd. c) 12 other Private Companies.
Chairman/ Member of the Committee of the Board of Director of the Company	Chairperson of Corporate Social Responsibility Committee	Member a) Stakeholders' Relationship Committee b) Corporate Social Responsibility Committee Chairman - Investment & Credit Approval Committee
Chairman/ Member of the Committee of the other companies in which he is a Director	In Kothari Petrochemicals Limited as Member of (i) Stakeholders' Relationship Committee (ii) Nomination and Remuneration Committee (iii) Investment & Credit Approval Committee Chairperson of Corporate Social Responsibility Committee	(a) In Kothari Petrochemicals Limited as Member of (i) Stakeholders' Relationship Committee (ii) Corporate Social Responsibility Committee as Chairman of Investment & Credit Approval Committee (b) In Kothari Safe Deposits Limited: as Chairman of (i) Investment Committee (ii) Share Transfer and Shareholders' Grievances Committee
Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2015	25,10,537 Equity Shares	14,400 Equity Shares

DIRECTORS' REPORT
To the Members

Your Directors present the 54th Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2015.

Financial Summary & Highlights of the Company

(₹. in Lakhs)

Financial Performance	2014-15	2013-14
Net revenue	35,131	33,274
Profit/(Loss) before Interest and Depreciation	2,050	3,010
Interest	486	941
Depreciation	1,598	1,610
Profit/(Loss) before Tax	(35)	459
Tax Adjustments including Deferred Tax	419	180
Profit / (Loss) after Tax	(454)	279
Appropriations:		
Transfer to Debenture Redemption Reserve	-	75.00
Transfer to Capital Redemption Reserve	287.50	100.00
Proposed Dividend	-	414.44
Dividend Distribution Tax	-	70.43
Balance Carried Forward	(741)	(381)

Operational Review and State of Affairs:
Sugar Industry Overview

For the fifth consecutive year the world sugar production has recorded a surplus with major contribution coming from Brazil and India. Due to excess production, the international price registered a huge fall. This made the Indian sugar exports unviable with export realization far below the domestic price. The scenario in India is no different with the production outstripping demand for the fifth year in succession. For the sugar season 2014 -2015 (Oct-Sep) the estimated production in India will be around 28 million tonnes (with Maharashtra, Karnataka and Uttar Pradesh being the main contributors) as against the static demand of around 24.80 million tonnes, leading to a current year surplus of around 3.20 million tonnes.

With a carry over of 7 million tonnes of previous years, the overall surplus sugar will be around 10.20 million tonnes. This has led to a crash in sugar price resulting in prices nose diving to around Rs.23.50 to Rs.24 per Kg.

During the year under consideration, the Tamil Nadu Government removed the purchase tax of Rs.60 per MT payable by the mills but introduced VAT at 5% on sale of sugar, which works out to Rs.120/- per quintal. With the implementation of VAT sales to markets in Kerala (Major market for Tamil Nadu) has become unviable resulting in complete loss of market to Karnataka since that state does not levy VAT.

With mounting cane outstanding of around Rs.20,000 Crores (all India) the mills are under severe financial stress. To overcome this situation the sugar industry through its representative body (SISMA /ISMA) has made representation to the Central / State Govt. to ease the situation and recommended the following measures:

- The cane price should be proportional to the sugar price as recommended by Dr.C.Rangarajan Committee.
- Excise Duty should be removed on production of Ethanol which will greatly help in the mandatory blending with petrol and will also result in savings in foreign exchange.
- Outright purchase of sugar to the extent of 10% of 2014 -15 production by the Central Government and paying for the same of around Rs.8500 Crores which will enable the mills to clear the huge cane outstandings.
- Restructuring of loans taken by mills by extending repayment periods with interest reduction.

Company Performance

Quantitative Performance	2014 - 2015	2013 - 2014
Cane Crushed (Metric Tones)	8,89,885	8,77,841
Sugar recovery (%)	8.96	8.42
Sugar produced (Quintals)	7,97,340	7,38,770
Alcohol produced (Kilo liters)	15,792	15,278
Power Generated (lakh Kwh)	748	771

a. Sugar

With drought conditions continuing to haunt Tamil Nadu, the cane availability has come down drastically. Yet, your company managed to increase the cane crushing marginally by over 1%. The production of sugar however increased by 7.93% due to better recovery. The sugar realisation has seen a decline from around Rs.30/- kg at the beginning of the year to around Rs.24/-kg at the end of the year. This has led to inventory write down which resulted in posting losses as the cost of production was much higher than the actual realisation.

b. Alcohol

With only a marginal increase in sugar cane crushing the resultant alcohol production which is dependent on Molasses (by-product of Sugar) increased only marginally by 3.36% compared to the previous year. The realisation was however much better than the previous year which helped the Distillery division to post higher profits. The disparities in value added tax between intra and inter state poses a serious threat in terms of realisation compared to cheaper imports from other states.

c. Co-generation of Power

The scenario here is no different from Sugar as the raw material for power generation i.e. Bagasse which is a by-product of Sugar cane, was in short supply. The power generation dropped by 3% compared to the previous year. The average realisation per unit of sale is Rs.3.15 and Rs.3.67 for Kattur and Sathamangalam units respectively. This is far below the cost of production of power. The revision in tariff is pending before TNERC for quite a long period and the Company eagerly awaits upward revision in tariff.

Dividend:

The Directors do not recommend any dividend for the current financial year due to loss incurred by the company and the prospects in the near future also being not promising.

Board Meetings:

During the year, 05 Board Meetings and 04 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between two meetings was within the period as prescribed under the Companies Act, 2013.

Share Capital:

The paid up equity share capital as on March 31, 2015 was Rs.8,288.86 Lakhs. The company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

Directors and Key Managerial Personnel:

The Board informs with deep regret the passing away of Shri B.H.Kothari, Chairman and Managing Director of the Company on 22.02.2015. The Board places on record its deep appreciation of the valuable contribution made by Mr. Kothari during his tenure as the Chairman and Managing Director of the Company.

On the unanimous suggestion of the Board, Mrs.Nina B. Kothari was elected as the Chairperson of the Board of Directors of the Company w.e.f. 08.04.2015 in the place of Shri.B.H.Kothari.

The Board of Directors at its meeting held on April 08, 2015 appointed Mr.Arjun B Kothari (DIN.07117816) as an Additional Director of the Company to hold office up to the date of the forthcoming Annual General Meeting of the Company and he is eligible for appointment as Director by the members.

The Board of Directors appointed Mr.Arjun B Kothari as a Managing Director and Whole Time Key Managerial Person of the Company w.e.f. April 08, 2015 subject to approval from the Members and Central Government. Mr.Arjun B Kothari has volunteered not to take any remuneration.

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

Declaration from Independent Directors

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that each of them meets with the criteria of their Independence as laid down in Section 149(6).

Composition of Audit Committee

The Audit Committee comprised of the following directors for the year ended 31st March 2015:

Sl. No.	Name of Directors	Designation
(i)	Mr.P.S.Gopalakrishnan	Chairman (Independent Director)
(ii)	Mr.P.S.Balasubramaniam	Member (Independent Director)
(iii)	Mr.V.R.Deenadayalu	Member (Independent Director)

The Board has not rejected any proposal / recommendations of the Audit Committee during the year.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The detail of the Remuneration Policy is stated in the Corporate Governance Report.

Vigil Mechanism:

The Company has a Vigil Mechanism named “Whistle Blower Policy” to deal with genuine concern raised by the Directors / Employees, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the Company’s website www.hckotharigroup.com/kscl

Prevention of Insider Trading:

The Company has adopted a Code for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the designated employees have confirmed compliance with the Code.

Director’s Responsibility Statement:

In terms of Section 134(5) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Subsidiary Company

The Kothari International Trading Limited (KITL) is a wholly owned subsidiary of the Company. It carries on the business as Merchants, Traders and Commission Agents and had secured Government of India recognition as an Export House.

KITL has made a profit before tax of Rs.53.55 Lakhs for the year ended March 31, 2015 as against a profit of Rs.161.65 Lakhs in the previous year.

Pursuant to Section 136 of the Companies Act, 2013, the Companies are exempted from attaching the Audited Financial Statements and other particulars of its subsidiary Companies alongwith the Annual Report of the Company. However, a Statement containing salient features of the financial statement of the subsidiary Company in form AOC-1 as a part of the Financial Statements.

The Financial Statement of 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 on the website of Kothari Sugars & Chemicals Limited. The Company shall provide the copy of the financial statements of its subsidiary Company to the shareholders upon their request.

Associate Company

Kothari Petrochemicals Limited (KPL) is an Associate Company and it produces high quality PIB of various grades using Iso Butylenes, being sourced from Refineries / Petrochemical complex and it continues to retain its status as the "Largest Poly Iso Butylene (PIB) manufacturer in India" with an annual installed capacity of 24,000 tons.

KPL has made a profit before tax of Rs. 16.36 Crores for the year ended March 31, 2015 as against a profit of Rs.11.96 Crores in the previous year.

Extract of Annual Return:

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT - 9 is annexed with this Report as Annexure I.

AUDITORS:

a) Statutory Auditors

The Statutory Auditors of the Company, M/s.R.Subramanian and Company, Chartered Accountants, Chennai, hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed there under.

The Audit Committee and the Board of Directors recommend the re-appointment of M/s.R.Subramanian and Company, Chartered Accountants, Chennai as the Auditors of the Company in relation to the financial year 2015-16 till the conclusion of the next Annual General Meeting. The re-appointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Section 139 of the Companies Act, 2013.

As required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit Records maintained by the Company in respect of its Sugar, Co-gen and Distillery Unit are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed Mr.K.Suryanarayanan, Cost Accountant in practice for conducting the audit of cost records of the Company for the financial year 2015-16 on a remuneration of Rs.1,00,000/- (Rupees One Lakh Only). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Mr.K.Suryanarayanan, Cost Accountant is included at Item No.6 of the Notice convening this Annual General Meeting.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.M.Alagar, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure II.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure III.

Deposits

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

Significant & Material Orders Passed by the Regulators

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

Internal Control Systems and their Adequacy

The Company has an Internal Control system, commensurate with the size, scale and complexity of its operations. The Internal Auditor function is carried out by independent firm of Chartered Accountants. The scope and authority of the Internal Audit (IA) function is defined by the Audit Committee. The Internal Audit Reports are placed before the Audit Committee for its scrutiny and suggestions, if any. The Internal Auditors are present at all the meetings of Audit Committee.

The Internal Auditors monitor and evaluates the efficacy and adequacy of the internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the Internal Auditors, the Company undertakes corrective action in the respective areas and strengthen the controls.

Particulars of Loans, Guarantees or Investments

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

Risk Management Policy

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company had laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company periodically submits the Risk Management Review Report to the Board for the review and suggestions.

Corporate Social Responsibility Policy

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee was formed to recommend: (a) the policy on Corporate Social Responsibility and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The policy on Corporate Social Responsibility as approved by the Board is posted on the Company's website www.hckotharigroup.com/kscl.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes for promotion of education. The contributions in this regard have been made to a Registered Trust which is undertaking these schemes. Detailed Report on CSR activities in the prescribed format are attached in Annexure IV.

Related Party Transactions

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

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseeable and repetitive nature. For the transactions entered into pursuant to the omnibus approval so granted, a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

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

Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, with the format (Questionnaire) prescribed by the Nomination and Remuneration Committee of the Company.

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the Evaluation process.

Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the year to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and also reviewed the access, the quality, quantity and timeliness of flow of information between the company management and the Board with out the presence of the Non-Independent Directors and members of the Management.

Disclosure about Cost Audit

Filing of Cost Audit Report	2014 - 2015	2013 - 2014
Due Date	10.09.2015	27.09.2014 (Filed with MCA on 25.09.2014)
Cost Auditor Details	Mr.K.Suryanarayanan, M.No.24946, Chennai	Mr.K.Suryanarayanan, M.No.24946, Chennai
Audit Qualification in Report	Nil	Nil

Listing with Stock Exchanges:

The Company is listed in The National Stock Exchange of India Limited (NSE) and the Stock Code is KOTARISUG. The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to NSE where the Company's Shares are listed.

Corporate Governance and Shareholders Information:

Your Company has taken adequate steps to adhere all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached with Corporate Governance Report.

Particulars of Employees and related disclosure

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

No Employee draws remuneration in excess of the limits in terms of the provisions of the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Consolidated Financial Statements

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the Consolidated Financial Statements have been prepared by the Company in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India alongwith Auditors Report and form part of this Annual Report.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statement depending on the circumstances.

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: May 29, 2015

Nina B. Kothari
Chairperson

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15421TN1960PLC004310
Registration Date	07.11.1960
Name of the Company	Kothari Sugars and Chemicals Limited
Category/ Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details	"Kothari Buildings", No. 115, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034 Ph. No. 044-30281595/30225507 Fax No.044-28334560 Email: secdept@hckgroup.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Sugar	10721	65.37%
2	Distillery	11019	23.71%
3	Cogen	35106	4.02%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GNL	Holding / Subsidiary / Associates	% of Shares held	Applicable Section
1	Parvathi Trading and Finance Company Private Limited No. 18, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	U65191TN1989 PTC017390	Holding	70.20%	2(46)
2	Kothari International Trading Limited No. 115, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	U51101TN1995 PLC029759	Subsidiary	99.99%	2(87)
3	Kothari Petrochemicals Limited No. 115, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	L11101TN1989 PLC017347	Associate	20.42%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. No.	Categories of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoter									
1	Indian									
(a)	Individual / Hindu Undivided Family	2,60,909	-	2,60,909	0.31	27,60,909	-	27,60,909	3.33	3.02
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	5,81,86,610	-	5,81,86,610	70.20	5,81,86,610	-	5,81,86,610	70.20	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	5,84,47,519	-	5,84,47,519	70.51	6,09,47,519	-	6,09,47,519	73.53	3.02
2	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investors (QFIs)	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5,84,47,519	-	5,84,47,519	70.51	6,09,47,519	-	6,09,47,519	73.53	3.02

Sl. No.	Categories of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	80	305	385	-	95	290	385	-	-
(b)	Financial Institutions / Banks	-	33	33	-	-	33	33	-	-
(c)	Central Government/ State Government(s)	675	10,350	11,025	0.01	675	10,350	11,025	0.01	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	22,56,788	-	22,56,788	2.72	22,56,788	-	22,56,788	2.72	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	22,57,543	10,688	22,68,231	2.73	22,57,558	10,673	22,68,231	2.73	-
2	Non-institutions									
(a)	Bodies Corporate	41,65,603	3,884	41,69,487	5.03	29,25,262	3,884	29,29,146	3.53	1.50
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	1,06,27,261	78,202	1,07,05,463	12.92	1,04,42,929	77,340	1,05,20,774	12.69	0.23
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	68,19,235	-	68,19,235	8.23	57,40,861	-	57,40,861	6.93	1.30
(c)	Any Other									
	1) Directors & Relatives	505	474	979	-	505	474	979	-	-
	2) Non-Resident Indians (NRI's)	4,77,494	172	4,77,666	0.58	4,80,898	172	4,81,070	0.58	-
	Sub-Total (B)(2)	2,20,90,098	82,732	2,21,72,830	26.76	1,95,90,455	82,375	1,96,72,830	23.73	3.03
	Total Public Shareholding (B)=(B)(1)+(B)(2)	2,43,47,641	93,420	2,44,41,061	29.49	2,18,48,013	93,048	2,19,41,061	26.46	3.03
	TOTAL (A)+(B)	8,27,95,160	93,420	8,28,88,580	100.00	8,27,95,532	93,048	8,28,88,580	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	2) Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8,27,95,160	93,420	8,28,88,580	100.00	8,27,95,532	93,048	8,28,88,580	100.00	-

ii) Shareholding of Promoters

Sl. No.	Promoters Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	Parvathi Trading & Finance Co. Pvt. Ltd.	5,81,86,610	-	5,81,86,610	70.20	5,81,86,610	-	5,81,86,610	70.20	-
2	Nina B. Kothari	10,537	-	10,537	0.01	25,10,537	-	25,10,537	3.03	3.02
3	B.H.Kothari	1,72,961	-	1,72,961	0.21	1,72,961	-	1,72,961	0.21	-
4	Rasika H.Kothari	39,986	-	39,986	0.05	39,986	-	39,986	0.05	-
5	Nayantara B Kothari	23,025	-	23,025	0.03	23,025	-	23,025	0.03	-
6	Arjun B Kothari	14,400	-	14,400	0.02	14,400	-	14,400	0.02	-
	Total	5,84,47,519	-	5,84,47,519	70.52	6,09,47,519	-	6,09,47,519	73.54	3.02

iii) Change in Promoters Shareholdings (Please specify, if there is no change)

Particulars	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
At the beginning of the year	10,537	0.01	10,537	0.01
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for Increase / Decrease (e.g. Allotment / Transfer/ Bonus/ Sweat Equity etc)	25,00,000 (Market Purchase) 05.05.2014	3.02	25,00,000	3.02
At the end of the year	25,10,537	3.03	25,10,537	3.03

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Life Insurance Corporation of India	22,56,788	2.72	22,56,788	2.72
2	Century Tecsol Pvt. Ltd.	15,52,697	1.87	15,52,697	1.87
3	Finquest Securities Pvt. Ltd.	7,08,546	0.85	-	-
4	Rudraraju Appalaraju	4,44,200	0.54	4,49,200	0.54
5	Hridaynath Consultancy Pvt. Ltd.	3,80,025	0.46	-	-
6	Rakesh Kumar Jain	3,04,256	0.37	-	-
7	Harjit Kaur	2,75,022	0.33	2,33,725	0.28
8	S N Rajan	2,48,630	0.30	2,56,141	0.31
9	Sameer Rajaram Gaikwad	2,03,372	0.25	2,03,372	0.25
10	Bharat Jayantilal Patel	1,94,079	0.23	-	-
11	Ajay Girdharilal Bhartiya	1,69,694	0.20	1,95,201	0.24
12	Shilpa Ajay Bhartiya	1,88,545	0.23	1,88,545	0.23
13	Santosh Kumar Saraogi	1,40,000	0.17	1,40,000	0.17
14	G Vijayaraghavan	1,29,861	0.16	1,29,861	0.16

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors					
Sl. No	Name of Directors	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Mr.B.H.Kothari – Chairman & Managing Director*	1,72,961	0.21	1,72,961	0.21
2	Mr.Arjun B. Kothari**	14,400	0.02	14,400	0.02
3	Mr.P.S.Gopalakrishnan	-	-	-	-
4	Mr.V.R.Deenadayalu	-	-	-	-
5	Mr.P.S.Balasubramaniam	505	0.00	505	0.00
6	Mrs.Nina B. Kothari	10,537	0.01	25,10,537	3.03
For Each of the KMP					
1	Mr.R.Prakash - Company Secretary and Compliance Officer	-	-	-	-
2	Mr. R.Krishnan - Chief Financial Officer	-	-	-	-

* Mr.B. H. Kothari expired on 22nd February 2015

** Mr.Arjun B .Kothari inducted as Managing Director on 08th April 2015

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

₹ in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,812.02	645.41	--	13,457.43
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	872.19	--	--	872.19
Total (i+ii+iii)	13,684.21	645.41	--	14329.62
Change in Indebtedness during the Financial Year				
Addition	4,347.29	--	--	4,347.29
Reduction	1,808.62	22.26	--	1,830.88
Net Change	2,538.67	(22.26)	--	2,516.41
Indebtedness at the end of the Financial year				
i) Principal Amount	15,350.70	623.15	--	15,973.85
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	914.03	--	--	914.03
Total (i+ii+iii)	16,264.73	623.15	--	16,887.88

VI) Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director / Whole Time Director / Manager.**

No remuneration was paid to Managing Director during the year 2014-15.

B. Remuneration to Other Directors**1. Independent Directors**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount in Rs.
		Mr.P.S.Gopalakrishnan	Mr.V.R.Deenadayalu	Mr.P.S. Balasubramaniam	
1	Sitting fee for attending Board and Committees Meetings	1,19,500	99,500	1,19,500	3,38,500
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
				Total (B) (1)	3,38,500

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors	
		Mrs. Nina B. Kothari	Total Amount In.Rs.
1	Sitting fee for attending Board and Committee Meetings	18,500	18,500
2	Commission	-	-
3	Others, please specify	-	-
		Total (B) (2)	18,500
		Total (B) = (B)(1)+ (B)(2)	3,57,000

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director / Manager / Whole Time Director

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of KMP		
		Mr.R.Prakash Company Secretary & Compliance Officer	Mr.R.Krishnan Chief Financial Officer	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	16.87	19.23	36.10
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of Profit	--	--	--
	- others, Specify	--	--	--
5	Others, Please specify	--	--	--
	Total (C)	16.87	19.23	36.10

VII. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Director					
Penalty					
Punishment					
Compounding					
C. Other Officer in Default					
Penalty					
Punishment					
Compounding					

**Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2014-15**

To,
The Members,
Kothari Sugars and Chemicals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kothari Sugars and Chemicals Limited (hereinafter called the "KSCL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Kothari Sugars and Chemicals Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the year ended March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the year ended March 31, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- Not Applicable
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
2. We have also examined compliance with the Listing Agreements entered into by the Company with Stock Exchange(s).
3. We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Labour & Industrial Laws, Environmental Laws, Rules, Regulations and Guidelines made thereunder as listed below;
 - (i) The Apprentices Act, 1961
 - (ii) The Contract Labour (Regulation and Abolition) Act, 1970
 - (iii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - (iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
 - (v) The Employee's Compensation Act, 1923

- (vi) The Factories Act, 1948
- (vii) Indian Boilers Act, 1923
- (viii) The Industrial Employment (Standing Orders) Act, 1946
- (ix) The Tamil Nadu Industrial Establishments (National & Festival Holidays) Act, 1958
- (x) The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
- (xi) The Tamil Nadu Payment of Subsistence Allowance Act, 1981
- (xii) Tamilnadu Tax on professions, Trade & Calling and Employment Act, 1992
- (xiii) The Tamil Nadu Labour Welfare Fund Act, 1972
- (xiv) The Maternity Benefit Act, 1961
- (xv) The Minimum Wages Act, 1948
- (xvi) The Payment of Wages Act, 1936
- (xvii) The Payment of Bonus Act, 1965
- (xviii) The Payment of Gratuity Act, 1972
- (xix) Air (Prevention and Control of Pollution) Act, 1981
- (xx) Water (Prevention and Control of Pollution) Act, 1974
- (xxi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

4. We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
5. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance.
6. We further report that during the audit period, there are no instances of:
 - i. Public / Rights / Preferential Issue of Shares / Debentures / Sweat Equity.
 - ii. Redemption / Buy-Back of Securities.
 - iii. Merger / Amalgamation / Reconstruction etc.
 - iv. Foreign Technical Collaborations.

for **M. Alagar & Associates**

M. Alagar

FCS No: 7488

C P No.: 8196

Place: Chennai

Date : May 19, 2015

Annexure - III

Conservation of Energy, Technology Absorption and Foreign Exchange Outgo:

(A) Conservation of energy:

- i. The company has revamped the Bio Digester of Distillery Unit with Stirred Anerobic Reactor technology from the Structured media. With this modification, the bio gas production has improved with higher methane percentage of 55 to 57% and the steam production from bio gas has increased to 8.4 TPH
- ii. Condensate flash recovery system is installed in one evaporator station of Sathamangalam unit for recovery of waste heat from the flash vapour. This has resulted in reduction of process steam consumption by about 0.5%.
- iii. Evaporator 1st effect vapour is being used for pan washing instead of low pressure steam at Sathamangalam unit which has resulted in saving of thermal energy.
- iv. "B" Masecuite pan boiling in Sathamangalam unit is being done with evaporator 3rd effect vapour against earlier arrangement of 2nd effect vapour which has resulted in reduction of thermal energy for the process.

A. POWER AND FUEL CONSUMPTION

Sl. No.	Particulars	Kattur				Sathamangalam	
		Sugar & Co-gen		Distillery		Sugar & co-gen	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1.	Electricity						
	a. Purchased Unit	31,29,626	33,01,600	5,75,779	5,81,244	7,12,657	6,33,839
	Total Amount Paid (Rs.)	2,93,31,265	2,87,54,599	49,87,735	46,70,685	1,01,05,558	71,45,526
	Rate per unit (Rs.)	Rs.9.37/unit	Rs.8.71/unit	Rs.8.66/unit	Rs.8.04/unit	Rs.14.18/unit	Rs.11.27/unit
	b. Own Generation through Diesel						
	Generator Unit in KWH	7,744	8,864	-	-	1,395	1,739
	Unit per Litre of Diesel	2.15	2.34	-	-	2.72	2.90
	Cost per Unit (Rs.)	25.91	22.06	-	-	19.72	17.98
	c. Power generated through Steam turbine Unit in KWH	2,49,85,100	2,07,67,500	-	-	4,98,07,091	5,63,50,000
	Unit per ton of fuel	235	221	NA	NA	409	413
	Cost per unit (Rs.)	5.29	6.14	NA	NA	4.73	4.78
2.	Coal (specify quantity and where used)						
	Quantity (tonnes)	NA	NA	NA	NA	14,123	17,840
	Total cost (Rs.)	NA	NA	NA	NA	7,81,29,969	10,84,15,562
	Average Rate (Rs.)	NA	NA	NA	NA	5,532	6,077
3.	Fuel Oil						
	Quantity (tonnes / kilo liters)	NA	NA	0.62	2.85	NA	NA
	Total Cost (Rs.)	NA	NA	26,238	1,35,642	NA	NA
	Average Rate/ litre (Rs.)	NA	NA	42.39	47.56	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 M ³ (Rs.)	NA	NA	NA	NA	NA	NA
5.	CONSUMPTION PER UNIT OF PRODUCTION						
	Total in-house consumption (units)	1,34,49,989	1,20,90,004	43,73,253	41,77,427	1,28,94,017	1,36,55,138
	Products (Sugars & Alcohol)	3,62,190	2,94,990	1,57,91,565	1,52,77,605	4,35,150	4,43,780
		Qtl.	Qtl.	ltrs.	ltrs.	Qtl.	Qtl.
	Electricity consumed (Units)	37.14	40.98	0.2769	0.2734	29.63	30.77
		Units/Quintal	Units/Quintal	Units/Litres	Units/Litres	Units/Quintal	Units/Quintal

B. Technology absorption:

- The performance of existing high sugar variety of cane (CO 86032) is very poor in terms of yield in wet land areas. Therefore company has developed new variety which contains high sugar as well as better yield in wet land. Company expects about fifty percent of bulk planting under this variety in about two years time.
- As part of effluent reduction and waste water recycling initiative, the Company has installed R.O. Plant for the treatment of bio-methanated spent wash in the distillery unit to recover about 50% water from the effluent stream and as a result company has minimised raw water consumption.

C. Foreign exchange earnings and Outgo

₹. in Lakhs

S. No.	Particulars	2014-15	2013-14
(i)	Total Foreign Exchange earned	Nil	Nil
(ii)	Total Foreign Exchange outflow	15.16	2.02

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

In alignment with the "Vision" of the company, KSCL, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

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

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons. The web-link on CSR policy: <http://www.hckotharigroup.com/kscl/pdf/kscl-csr-policy.pdf>

For purposes of focusing its CSR efforts in a continued and effective manner, the following eight thrust areas have been identified:

- i. Education / Literacy Enhancement
- ii. Environment Protection / Horticulture
- iii. Infrastructure Development
- iv. Drinking water / Sanitation
- v. Healthcare / Medical facility
- vi. Community Development / Social Empowerment
- vii. Contribution to Social Welfare funds set up by Central / State Government
- viii. Relief of victims on Natural Calamities

2. The Composition of the CSR Committee:

The Company has constituted the CSR Committee with the following Directors:

Sl. No.	Name	Members
(i)	Mrs.Nina B Kothari	Chairman (Non-Executive & Non-Independent)
(ii)	Mr.P.S.Gopalakrishnan	Member (Independent)
(iii)	Mr.P.S.Balasubramaniam	Member (Independent)
(iv)	Mr.Arjun B Kothari	Member (Non-Independent)

3. Average net profit of the company for the last three financial years:

(₹. In Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2013 - 2014	463.02
(ii)	2012 - 2013	1,917.38
(iii)	2011 - 2012	1,883.86
Total		4,264.26
Average Annual Net Profit		1,421.42

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

2% of Average Net Profit is around Rs.28.43 Lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year	Rs.28.43 Lakhs
(b) Amount unspent, if any:	Nil
(c) Manner in which the amount spent during the financial year	Attached as per annexure in this report

6. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.
Boards' Responsibility:

The Board of Directors is required to approve the CSR Policy after considering recommendations of CSR Committee.

The Board shall make sure that the

- (i) Activities included in CSR Policy are related to activities included in Schedule VII of the Act.
- (ii) Activities as included in CSR Policy are undertaken by the Company.

Implementation

The Company can implement its CSR activities through:

- ✓ programmes undertaken by the Company at various work centers to the best possible extent.
- ✓ its own non-profit foundations/company (incorporated under Section 8 of the Act) so as to facilitate this initiative.
- ✓ a registered trust or a society/agency;
 Provided that such specialized trust or society/agency; shall have a track record of three years in undertaking similar programs or projects;
- ✓ the process of collaborating or pooling with other companies for undertaking projects or programmes or CSR activities in such manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- ✓ The CSR programmes or activities undertaken in India only shall amount to CSR Expenditure
 Provided that, the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Monitoring and Feedback

Effective steps to be implemented:

- ✓ To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation would be reported to the corporate office on a monthly basis.
- ✓ The CSR Committee at the corporate office will conduct impact studies on a periodic basis, on the proper functioning of the implemented CSR programmes.
- ✓ Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the website for public reference.
- ✓ The CSR policy and their progress will also be reported in the yearly Annual Report and Board Report of the Company.

(Managing Director)

(Chairman CSR Committee)

Annexure: Manner in which the amount spent during the financial year

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency (*)
1	Construction of Classroom for School located at Kattur, Lalgudi Taluk, Trichy, Tamil Nadu	Promoting Education / Literacy Enhancement	Local area, where the company operates and the location is Kattur Village, Lalgudi Taluk, Trichy District, Tamilnadu	Rs.28.43 Lakhs	Direct Expenditure of Rs.28.43 Lakhs	Rs.28.43 Lakhs spent during the financial year 2014-15	Amount of Rs.28.43 Lakhs has been spent through Registered Trust namely HCK Educational & Development Trust.

(*) The details of implementing agency as given below:

Name of the Registered Trust	Address	Details of Trust and Experience
HCK Educational & Development Trust	No.18, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034	Trust Constituted on 24.06.2010 and received the exemption under Section 80G of the Income Tax Act, 1961. Experience: Since its inception the Trust involved in the activities of developing and improving the Education. They are having the experience in constructing the School building.

Management Discussion and Analysis

Industry Performance

The sugar production in the country has reported an increase of around 15% to 28 million tonnes in the sugar year 2014 - 2015 compared to the previous year. This increase is on account of higher area of cane cultivation in Maharashtra and Karnataka coupled with higher yield in Uttar Pradesh Maharashtra and Karnataka.

Similarly the world sugar production is also likely to reach a record 172.1 million tonnes in 2014-2015.

Fifth consecutive year of surplus production in the country as well as in the world has resulted in steep fall in the sugar price which has touched the lowest in six years.

The current season has commenced with relatively high opening stock of about 7.5 million tonnes which, coupled with the surplus production of SY 2014 -15 and limited exports is likely to result in continued sugar surplus scenario with the estimated closing stock of about 10 million tonnes.

Domestic sugar prices continue to be impacted by sugar surplus scenario in both the domestic and international markets. Existing surplus situation coupled with the arrival of fresh sugar supply of SY 2014-15 season and delay in the notification of export subsidy for SY15 has resulted in a declining trend in the sugar prices, which have significantly fallen to Rs.2,400/Qtl by March 2015 from Rs.3,100/Qtl in July 2014.

Indian Industry Outlook 2015 - 2016

It is expected that in sugar year 2015 - 2016 the domestic sugar production in India will be 27.5 million tons against consumption of about 25 million tons which indicates one more year of surplus to follow. Though the production in Tamil Nadu is falling due to drought in many parts of the State, steep increase in production in states like Maharashtra and Karnataka is pushing glut situation to continue. High opening stock of about 10 million MT coupled with limited scope for exports with continued low global prices are likely to result in continuation of sugar surplus in the country in SY 2015-16

Tamil Nadu is affected due to failure of monsoon which resulted in severe drought in most parts of Tamil Nadu. Our units which are situated in Tamil Nadu are also facing severe drought conditions which may affect cane availability besides adversely affecting sugar cane yield and recovery.

World Sugar Industry scenario

World sugar market fundamentals were decidedly bearish at the start of the SY 2014-2015. World sugar prices continued to follow a down trend in the last 12 months and with lower price volatility, the markets may have to adjust to a fifth consecutive year of global sugar surplus. Higher global production can be largely attributed to higher production in Brazil, India and Thailand.

Strength:

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

Weakness:

Higher cost of raw material - sugar cane in Tamil Nadu when compared to other states coupled with lower tariff for the cogenerated power sold to the state grid makes the company's operations uncompetitive. Command area available for the sugarcane cultivation for both the units is not optimal and results in lower production volume.

Opportunities

Demand for Sugar, Power and Alcohol show an increasing trend. The world sugar production is sliding and expected to reach deficit position in the sugar year 2015-16. The Central Govt policies on ethanol blending can help in liquidating some amount of surplus sugar.

Threats

Factors causing concern to the industry are inadequate availability of raw material, huge surplus in the domestic and world market, 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

For the profitability in forthcoming financial years, the stabilization of sugar price is a key factor. The Industry is looking for the support of Government by way of buffer stock/ strategic reserve creation. Tariff revision for cogeneration power sold to TANGEDCO is pending for a long time. Agro climatic conditions will still play a key role which is totally unpredictable. The Government of India's policies regarding exports and import duties are helpful to some extent but it is still a long way to go. As in the past, Distillery division will play a vital supportive role for improving the revenues of the coming years too. With all the pros and cons, we are expecting the financial year 2015-16 to be more or less the same as financial Year 2014-15.

The long-term prices and profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supply-demand trends which depend on the agro climatic conditions in major producing countries and crude oil price trends, which determine the diversion of cane crop to ethanol. Consequently, the price trends in international markets will be one of the key determinants of future profitability. Further, government policy in ensuring a rational linkage between cane prices and sugar prices will also be a key to long-term viability of sugar operations. Within the sugar industry however, players who have high operating efficiencies, forward integration and a strong capital structure will be best placed to ride out the cycles

RISKS AND CONCERNS

Raw Material Risk

Heavy drought in Tamil Nadu and in the company's command areas would result in lower capacity utilization and lower fixed cost absorption. Higher cost of sugar cane in Tamil Nadu over other states of the country will result in increase in the cost of production of sugar which may affect the company's competitiveness.

Risk Mitigation

We are propagating technologies like micro irrigation for cultivating higher area within the available water sources. Further new technologies like chip bud seedling plantation, are propagated to the farmers for higher productivity. We are also focusing on the improvement of operation efficiency and cost reduction in all possible areas in order to remain competitive.

Competitive risk

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

Risk Mitigation

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

Internal Control Systems and their adequacy

The Company has established system of internal control across all of its business operations and for safeguarding the Assets. The functions of Internal Audit are carried out by independent firm of Chartered Accountants, who submit their reports on a quarterly basis to the Management. These reports are also placed before the Audit Committee on its meetings and they are reviewed by the Audit Committee. The Board, Audit Committee and the Management ensure that the internal control system operates effectively within the organisation. The Internal Auditors review the adequacy of internal control system and suggest necessary check and balances to ensure and increase the effectiveness of the system. Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital expenditure are subjected to detailed appraisal and review. Capital and revenue expenditure are monitored and controlled with reference to approved budgets.

Human Resources / Industrial Relations

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

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.

The company is focused on Career development of employees and Manpower requirement is filled by giving priority to internal sources - through promotions / horizontal transfers. Key Performance Indicators are utilized for the career growth of employees. During the year, the industrial relations have been cordial, conducive and mutually productive.

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

Total number of employees as on 31st March 2015 was 547 in respect of Sugar and allied operations.

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

Place: Chennai
Date: May 29, 2015

Nina B. Kothari
Chairperson



PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES:

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: No directors are in receipt of remuneration except sitting fees.

For this purpose, Sitting fees paid to the Directors have not been considered as Remuneration.

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

Sl. No.	Name	Designation	Percentage of Increase
i)	Mr.B.H.Kothari	Managing Director	No Salary was paid during the year
ii)	Mr.R.Krishnan	Chief Financial Officer	8%
iii)	Mr.R.Prakash	Company Secretary	8%

- c) The percentage increase in the median remuneration of employees in the financial year: Percentage varies between 05 to 10 %

- d) The number of permanent employees on the rolls of company as on 31st Mar 2015: 547.

- e) The explanation on the relationship between average increase in remuneration and company performance:

The company's performance has only been moderate due to deficient rain, drought conditions and non availability of raw material. To prevent the morale of the employees sagging and in line with the industry standards, the management has, on an average provided between 5% to 10% increase to each employee based on their performance during the year.

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

₹ in Lakhs

Name	Designation	CTC	% increase in CTC	PAT	% increase in PAT
Mr. B.H.Kothari	Managing Director	No salary was paid during the year	NA	Rs.454 (Loss)	--
Mr.R.Krishnan	Chief Financial Officer	19.23	8%		
Mr.R.Prakash	Company Secretary	16.87	8%		

- g) Variation in the market capitalisation of the Company, Price Earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

Date	Issued Capital	Closing Market Price per share	EPS	PE Ratio	Market Capitalisation
31.03.2014	82.88 Crores	6.65	0.34	19.55	55.12 Crores
31.03.2015	82.88 Crores	6.15	-0.55	-11.18	50.98 Crores
Increase / (Decrease)	--	(0.50)	(0.89)	(30.73)	(4.14 Crores)
% increase / (Decrease)	--	(7.5)	(261.76)	(157.18)	(7.5%)
Issue Price of the Share at the last Public Offer(IPO)	--	Rs.45 (Rs.35 Premium) (in 1992)	--	--	--
Increase in market price as on 31.03.2015 as compared to Issue Price of IPO	--	Rs.6.15/-	--	--	--
Increase in %	--	--	--	--	--

- h) Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Increase of remuneration for employees was in the range of 5 to 10 % and for KMP the increase was 8% for the year.

- i) The Key parameters for any variable component of remuneration availed by the Directors: No salary was paid to Managing Director during the year and other directors are paid only sitting fees.

- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable

- k) if remuneration is as per the remuneration policy of the company: Yes

CORPORATE GOVERNANCE

(In accordance with Clause 49 of the Listing Agreement of the Stock Exchanges)

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.

Board of Directors

The Board consists of Five Directors as on the date of this Report. The composition of the Board is in conformity with Clause 49 of the listing agreement.

Sl. No	Designation	Name of Director
(a)	Chairperson	Mrs.Nina B Kothari
(b)	Managing Director	Mr.Arjun B. Kothari
(c)	Independent Directors	Mr.P.S.Balasubramaniam Mr.V.R.Deenadayalu Mr.P.S.Gopalakrishnan

Note:

- (i) Mr.B. H. Kothari, erstwhile Chairman and Managing Director (CMD), expired on 22nd February, 2015
- (ii) Mrs.Nina B Kothari was appointed as Chairperson of the Company w.e.f. 08th April 2015.
- (iii) Mr.Arjun B Kothari was appointed as Managing Director on 08th April 2015.

All independent Directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other Chairmanship / Directorship / Committee membership of each Director is given below:

Sl. No.	Name of the Director	Director Category	Number of Directorships in other companies	No. of Committee positions (as Chairman / Member) held in other public Companies	
				Chairman	Member
1	Mrs.Nina B.Kothari*	Non- Executive	15	-	1
2	Mr.Arjun B.Kothari **	Executive	14	1	1
3	Mr.P.S.Gopalakrishnan	Independent	3	1	3
4	Mr.V.R.Deenadayalu	Independent	-	-	-
5	Mr.P.S.Balasubramaniam	Independent	8	1	7

Note:

- * (i) Mrs.Nina B.Kothari appointed as Director on 27th May, 2014 and elected as Chairperson on 08th April, 2015.
- ** (ii) Mr.Arjun B. Kothari appointed as Managing Director on 08th April, 2015
- (iii) Other directorships also include Private Limited Companies.
- (iv) Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for Committee Memberships.

Board Meetings and Attendance at Board Meetings

The Board met 5 times during the financial year 2014 - 2015. The Board of Directors of the Company had met within a maximum time gap of one hundred and twenty days. The relevant details are as under:

Sl. No	Date	Board Strength	No. of Directors present
(i)	May 27, 2014	04	04
(ii)	Aug 12, 2014	05	03
(iii)	Sep 03, 2014	05	05
(iv)	Nov 11, 2014	05	03
(v)	Feb 12, 2015	05	03

The dates for the Board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda, notes are sent to the directors. All the information required for decision making are provided well in advance. Those that cannot be included in the agenda are tabled at the meeting. The Chairman and the Managing Director appraise the Board on the overall performance of the company at every Board Meeting. The Board reviews performance of the company on a regular basis. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the Executives and Managing Director regarding compliances of all laws on a quarterly basis.

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Name of the Director	Category	No. of Board Meetings held	No. of Board Meetings attended	Attendance at previous AGM held on September 03, 2014
Mr.B.H.Kothari*	-	05	02	Present
Mrs.Nina B. Kothari**	NED	05	01	Present
Mr.Arjun B. Kothari***	MD	NA	NA	NA
Mr.P.S.Gopalakrishnan	INED	05	05	Present
Mr.V.R.Deenadayalu	INED	05	05	Present
Mr.P.S.Balasubramaniam	INED	05	05	Present

Note: (NED: Non Executive Director; INED: Independent Non-Executive Director)

- * (i) Mr.B.H.Kothari Chairman and Managing Director expired on 22nd February, 2015.
- ** (ii) Mrs.Nina B. Kothari appointed as Director on 27th May, 2014 and elected as Chairperson on 08th April, 2015.
- *** (iii) Mr.Arjun B. Kothari appointed as Managing Director on 08th April, 2015

COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Non-mandatory Committee viz. Investment and Credit Approval Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

AUDIT COMMITTEE

The Audit Committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The revised terms of Reference, Powers, Role and Responsibilities of the Audit Committee as enunciated in Sec 177 of Companies Act, 2013 and amended Clause 49 of the Listing agreement were taken on record by the Board of Directors Meeting held on 27th May, 2014.

The Audit Committee acts as a link between the Board of Directors and the statutory and internal auditors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- a) Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- b) Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- c) Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- d) Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- e) To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- f) To discuss with the Statutory Auditor / Internal Auditor any significant difficulties encountered during the course of the Audit.
- g) Review annual Cost Audit Report submitted by the Cost Auditor.

Other Duties

- To approve the appointment, removal and terms of remuneration of the Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
- The committee also looks into those matters specifically referred to it by the Board.

As on 31st March 2015 the Audit Committee comprised of three Independent Directors, all of whom are financially literate and have relevant finance / audit exposure. The Managing Director, Chief Financial Officer and President are permanent invitees to the meetings of the committee. The Statutory Auditors and Internal Auditors were present at all Audit Committee meetings. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as per Clause 49 of the Listing Agreement.

The Audit Committee comprised of the following Directors for the year ended 31st March 2015:

Sl. No.	Name of Directors	Designation
(i)	Mr.P.S.Gopalakrishnan	Chairman
(ii)	Mr.P.S.Balasubramaniam	Member
(iii)	Mr.V.R.Deenadayalu	Member

Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 03rd September, 2014. The Audit Committee met four times during the year on 27th May 2014, 12th August 2014, 11th November 2014 & 12th February 2015. The details are as follows:

Attendance of each Director at Audit Committee Meetings

Sl. No.	Name of Directors	No. of Meeting Attended
(i)	Mr.P.S.Gopalakrishnan	04
(ii)	Mr.P.S.Balasubramaniam	04
(iii)	Mr.V.R.Deenadayalu	04

NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independence of Directors and the Board;
- Devising a policy on Board Diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee comprises of Non-Executive and Independent Directors. Mr.P.S.Gopalakrishnan, is the Chairman of the Committee. Mr.V.R.Deenadayalu and Mr.P.S.Balasubramaniam are the other members. The Company Secretary is the Secretary to the Committee. The Committee has not met during the financial year 2014 - 15.

Remuneration Policy:

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

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director / KMPs and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors

- a) The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.
- c) The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e) In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i) A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii) A Non Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii) The N&R Committee may recommend to the Board, the payment of commission to the Non - Executive Directors of the Company.
- iv) In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Directors.
- v) The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- vi) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

Managing Director - Criteria for selection / appointment

For the purpose of selection of the Managing Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director

- i) At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii) The remuneration of the Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus by way of commission.
- iv) In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a. the relationship between remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by the Managing Director, the industry benchmarks and the current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees, the N&R Committee shall ensure / consider the following:
 - i. the relationship between remuneration and performance benchmark is clear;
 - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Criteria for Performance evaluation framed by N & R Committee

- Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee shall lay down the criteria for the formal annual evaluation of Board, Committees and Individual Directors.
- Pursuant to the above requirements, the Nomination and Remuneration Committee has framed a format inter alia containing attendance & participation of meetings, inputs provided & its impact on the company whether positive or adverse etc. for the Annual Evaluation of Independent Directors, Board and its Committees. Thus, Nomination and Remuneration Committee recommends the devised format to the Board to apply while conducting the Annual Evaluation.

The Remuneration Policy approved by the Board of Directors was posted on the website of the Company www.hckotharigroup.com/kscl

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Share Transfer cum Shareholders Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required
- monitoring and expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The Stakeholders Relationship Committee comprises of Messrs P.S.Gopalakrishnan, P.S.Balasubramaniam and Arjun B. Kothari (inducted on 08.04.2015 in lieu of Mr.B.H.Kothari who expired on 22.02.2015) to look into redressal of Shareholders' and Investors complaints such as transfer of shares, non-receipt of annual reports, dividend etc.

The committee meets regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the members of the Stakeholders' Relationship Committee and the Company Secretary to approve the share transfers / transmissions and accordingly, the Stakeholders' Relationship Committee or the Company Secretary approve the transfer / transmission of shares generally on a fortnight basis. The committee also reviews the performance of the Registrar and Share Transfer Agents.

The committee met 12 times during the year 2014 - 2015. No sitting fee is paid for attending the meetings of the Committee.

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redressal under process at the year end
1	Non receipt of Dividend	06	06	-
2	Non receipt of new share certificate	08	08	-
3	Non receipt of annual reports	-	-	-
4	Non receipt of final redemption warrants	01	01	-
5	Non receipt of fractional warrants	06	06	-
6	Transfer of shares	-	-	-
7	De-materialization matters	-	-	-
8	Others	-	-	-
	TOTAL	21	21	-
1	Securities Exchange Board of India (SEBI)	-	-	-
2	Ministry of Corporate Affairs (MCA)	-	-	-
3	National Stock Exchange (NSE)	01	01	-
4	Registrar of Companies (ROC)	-	-	-
5	Consumer Forum	-	-	-
	TOTAL	01	01	-

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended within the stipulated time and nothing was pending for disposal at the end of the year. Mr. R.Prakash, Company Secretary is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact the Secretarial Department at the registered office of the company

Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

Two meetings of Committee were held during the financial year 2014 - 2015 i.e., on November 11, 2014 and 30th March, 2015.

The composition and attendance of the Committee members are as follows:

Sl. No.	Name of Directors	Designation	No. of Meetings	Directors Attendance
(a)	Mrs.Nina B Kothari	Chairperson (Non Executive & Non Independent)	2	1
(b)	Mr.Arjun B.Kothari*	Member (Executive & Non-Independent)	N.A	N.A
(c)	Mr.P.S.Balasubramaniam	Member (Independent Director)	2	2
(d)	Mr.P.S.Gopalakrishnan	Member (Independent Director)	2	2

* Mr. Arjun B.Kothari inducted as a Member on 08th April, 2015.

The further details have been provided elsewhere in the Directors' Report and the Corporate Social Responsibility policy which is posted on the Company's website www.hckotharigroup.com/kscl

Investment and Credit Approval Committee - Non Mandatory Committee

The Investment and Credit Approval Committee formed for the purpose of investing the funds of the company, power to borrow and power to make loans.

Pursuant to Section 179 of the Companies Act, 2013, the Board delegates its power to borrow monies, power to invest the funds of the company and the power to make loans to the Investment and Credit approval Committee within the total sanction limit approved by the Members of the Company from time and time. The Committee met 12 times during the year. No sitting fee is paid for attending the meetings of the Committee.

The Committee comprises of the following directors

Sl. No.	Name	Members
(i)	Mr.Arjun B. Kothari	Chairman (Executive & Non-Independent)
(ii)	Mr.P.S.Balasubramaniam	Member (Independent)
(iii)	Mr.P.S.Gopalakrishnan	Member (Independent)

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The devised format recommended by the Nomination and Remuneration Committee for Annual Evaluation was sent to all the Directors well in advance to carry out this exercise. Based on the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, suitable follow up action will be taken by the Company.

A separate exercise was carried out to evaluate the performance of individual Directors (Independent Directors), who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board (without the presence of concerned Independent Director). The Directors expressed their satisfaction with the evaluation process.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on March 24, 2015, inter alia, to discuss:

- Performance review of Non-Independent Directors and the Board of Directors as a whole;
- Performance review of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Performance review of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting without the presence of Non-Independent Directors and members of the Management.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company during the year, conducted a Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company (www.hckotharigroup.com/kscl)

REMUNERATION PAID TO DIRECTORS

No remuneration paid to Executive Director . The non executive directors also do not draw any remuneration from the company except sitting fees for attending the meetings of the Board and the Committees.

a) Details of Sitting Fees paid during the financial year 2014-2015

(Amount in ₹)

Name of the Directors	Sitting Fees Paid				
	Board Meeting	Audit Committee	CSR Committee	Nomination and Remuneration Committee	Total
Mrs.Nina B. Kothari	8,500	-	10,000	-	18,500
Mr.P.S.Gopalakrishnan	55,500	34,000	20,000	10,000	1,19,500
Mr.V.R. Deenadayalu	55,500	34,000	-	10,000	99,500
Mr.P.S.Balasubramaniam	55,500	34,000	20,000	10,000	1,19,500
Total	1,75,000	1,02,000	50,000	30,000	3,57,000

There was no pecuniary relationship or transactions concerning the Non-Executive Directors' vis-à-vis the company during the Financial Year ended 31st March, 2015.

b) Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015, the company has one Executive and one Non Executive Non Independent Director and others are Independent Directors. Mr.B.H.Kothari, then Chairman and Managing Director held 1,72,961 equity shares and Mrs. Nina B. Kothari non executive director holds 25,10,537 equity shares in the company. The other non-executive independent directors do not hold any shares in the company except Mr.P.S.Balasubramaniam who holds 505 equity shares.

ANNUAL GENERAL MEETINGS

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

Year	Venue	Date	Day	Time
2013-2014	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014	September 03, 2014	Wednesday	10.30 A.M
2012-2013	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014	September 06, 2013	Friday	10.15 A.M
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.

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

Date of AGM	Whether any Special Resolution was passed	Particulars
Sep 03, 2014	Yes	i. Consent under Section 180(1) (c) of the Companies Act, 2013 for borrowings ii. Consent under Section 180(1)(a) of the Companies Act, 2013 to create charges, mortgages etc.,
Sep 06, 2013	Yes	Re-appointment of Mr. B.H.Kothari, as Chairman and Managing Director w.e.f 01.10.2013 to 30.09.2018
Sep 25, 2012	No	-

No special resolutions were required to be passed by the shareholderies of the company through postal ballot during the year 2014 - 2015.

SUBSIDIARY COMPANIES

The financials of the subsidiary company viz., M/s.Kothari International Trading Limited have been duly reviewed by the Audit Committee and the Board of the company. The Board minutes of the unlisted subsidiary company has been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary company.

The Company has also formulated a policy for determining the Material Subsidiaries and the details of such policies are disseminated in the website of the Company (www.hckotharigroup.com/kscl)

RISK MANAGEMENT

The Company has in place mechanism to inform Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy of Vigil Mechanism and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. The Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behavior. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The company affirms that no personnel have been denied access to the Audit Committee.

Further details are available in the Whistle Blower policy of the Company posted in Company Website www.hckotharigroup.com/kscl.

DISCLOSURES

RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis.

There was no materially significant related party transactions during the year having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, Directors their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties during the year were in the ordinary course of business and at arm's length basis. In terms of amended Clause 49 of the Listing Agreement, the Company started obtaining prior approval of the Audit Committee from October 1, 2014 for entering into transactions with related parties.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: www.hckotharigroup.com/kscl

COMPLIANCES:

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

MEANS OF COMMUNICATION

- a) The Audited and unaudited quarterly financial results and Annual Financial Results of the company are published in leading newspapers such as The Financial Express and Malai Sudar (Tamil).

- b) The company's website address is: www.hckotharigroup.com/kscl. The website contains basic information about the company and such other details as required under the Listing Agreement. The company ensures periodical updation of its website. The company has designated the email-id secdept@hckgroup.com to enable the shareholders to register their grievances.
- c) Pursuant to the Listing Agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS within the time frame prescribed in this regard.
- d) No presentations have been made to institutional investors or to analysts.

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business Conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said Code of Conduct is available on the website www.hckotharigroup.com/kscl. As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2014-2015.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day, Date and Time	Tuesday, August 11, 2015 at 10.30. A.M.
Venue	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014

b) Financial Calendar of the Company

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

Financial Reporting for 2015 - 2016 (Tentative)	
Results for Quarter ending 30th June, 2015	First fortnight of August, 2015
Results for Quarter ending 30th September, 2015	First fortnight of November, 2015
Results for Quarter ending 31st December, 2015	First fortnight of February, 2016
Results for Quarter ending 31st March, 2016	Last Week of May, 2016

c) Date of Book Closure

The period of Book Closure is fixed from Wednesday, the 05th August, 2015 to Tuesday, 11th August, 2015 (both days inclusive)

d) Management Discussion and Analysis Report

A Management discussion and Analysis Report, which forms part of the Directors Report.

e) Listing of Shares

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2015 - 16 has been paid. (Stock Code: KOTARISUG).

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

g) Stock Market Data

(Amount in ₹)

Month	High	Low	Month	High	Low
Apr 2014	10.40	6.70	Oct 2014	9.85	8.00
May 2014	9.55	7.30	Nov 2014	9.35	8.20
Jun 2014	10.75	8.30	Dec 2014	9.40	7.70
Jul 2014	9.55	7.80	Jan 2015	9.00	7.15
Aug 2014	10.80	7.65	Feb 2015	8.00	6.55
Sep 2014	10.95	8.10	Mar 2015	8.00	6.00

h) Shareholding Pattern as on 31st March 2015

Sl. No.	Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	%
(A)	Promoter and Promoter Group				
(a)	Bodies Corporate	1	-	5,81,86,610	70.20
(b)	Individuals	5	-	27,60,909	3.33
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	8	290	95	-
(b)	Financial Institutions / Banks	3	33	-	-
(c)	Central Government/ State Government(s)	2	10,350	675	0.01
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	1	-	22,56,788	2.72
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
2	Non-institutions				
(a)	Bodies Corporate	410	3,884	29,25,262	3.53
(b)	Individuals -	25,609	77,845	1,61,83,790	19.62
(c)	Non-Resident Indians (NRI's)	89	172	4,80,898	0.58
(d)	Directors and Relatives	3	474	505	-
	TOTAL (A)+(B)	26,131	93,048	8,27,95,532	100.00

i) Distribution of Shareholding as on 31st March 2015

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5,000	21,473	24,28,585
5,001-10,000	2,212	19,51,182
10,001-20,000	1,105	18,08,708
20,001-30,000	436	11,39,880
30,001-40,000	204	7,46,785
40,001-50,000	215	10,37,101
50,001-1,00,000	269	20,40,489
1,00,001 and above	217	7,17,35,850
Total	26,131	8,28,88,580

j) Registrar and Share Transfer Agents

M/s.Cameo Corporate Services Limited, having its registered office at Subramanian Building, 5th Floor, No.1, Club House Road, Chennai - 600 002 are the Registrars and Share Transfer Agents of the Company, to whom communications regarding share transfer and grievances must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the Share Transfer Agent. Share transfers are processed within 15 days of lodgement.

k) Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Under the provisions of the Companies Act, 1956 / 2013 dividends that remain unclaimed for a period of seven years from the date of payment are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The unclaimed dividend as on March 31, 2015 is as follows:

Nature of Dividend	Financial Year	Date of Payment of Dividend	Due Date for transferring to IEPF
Final Dividend	2013-14	01.10.2014	02.10.2021

- ❖ Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.

l) Request to Investors

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- ❖ Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- ❖ Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- ❖ Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- ❖ It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- ❖ Shareholders holding shares in physical form, those who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form SH-13 to the Company or STA. Those holding shares in electronic form are advised to contact their DPs. The requisite form can be download from the company website.
- ❖ As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

m) Reconciliation of Share Capital Audit

A quarterly audit was conducted by a Practising Company Secretary (PCS), reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical and Demat form. Certificate on Reconciliation of Share Capital Audit issued by the Practising Company Secretary (PCS) were submitted to the Stock Exchange within the prescribed time limit. As on 31st March 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in demat form with the depositories. 8,27,95,532 equity shares representing 99.89% of the paid up equity capital have been dematerialized as on 31st March 2015.

n) Information to Shareholders

A brief resume of the director appointed / re-appointed together with the nature of his experience and details of the other directorships held by him is annexed to the Notice convening the Annual General Meeting.

o) Plant Locations

Kattur	Kattur Railway Station, Lalgudi, Trichy District - 671 706. 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

p) Address for Correspondence

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

**DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members

I, here by declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2015.

for **Kothari Sugars and Chemicals Limited**

Place: Chennai
Date: May 29, 2015

Arjun B.Kothari
Managing Director

CERTIFICATE UNDER SUB CLAUSE IX OF CLAUSE 49 OF LISTING AGREEMENT

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

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2015 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 based on our most recent evaluations wherever applicable to the Auditors and the Audit Committee
 - (i) significant changes, if any, in internal control over financial reporting during the year
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chennai
Date : May 29, 2015

R. Krishnan
Chief Financial Officer

Arjun B. Kothari
Managing Director

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, 2015 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 of effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai
Date : May 29, 2015

R. Rajaram
Partner
M.No. 25210

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 of the Balance Sheet as at 31st March 2015, Statement of Profit & 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

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's directors, 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 on the financial statements.

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 31st March 2015; and
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date.
- c) in the case of 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 2015, ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 and 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 aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audits and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:-
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. There was no amount which was required to be transferred to the Investor Education and Protection Fund.
 - iii. The company did not have any contracts including long term derivative contracts for which there were any material foreseeable losses.

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

R. Rajaram
Partner
M.No. 25210

Place : Chennai
Date : May 29, 2015

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date to the members of **Kothari Sugars and Chemicals Limited** on the accounts of the company for the year ended 31st March, 2015 :

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) (a) Inventories have been physically verified by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts and were not material.
- (iii) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance Act, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty Value Added Tax other material statutory dues, as applicable, with the appropriate authorities in India. No undisputed amounts payable in respect of the above statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Sales Tax and Value Added Tax which have not been deposited on account of disputes. Dues of Service Tax, Customs Duty, Excise Duty and Electricity Consumption Tax as on 31st March 2015 which have not been deposited on account of disputes are given below:

₹. lakhs

Name of the Statute	Nature of Dues	Amount Rs. in Lacs	Forum where the dispute is pending	Period of dispute (financial year)
Central Excise Act, 1944	Excise Duty	88.12	CESTAT	1993-94 to 1996-97, 2003-04
Central Excise Act, 1944	Excise Duty	3.87	Assistant Commissioner. Central Excise	1999-2000
Central Excise Act, 1944	Excise Duty	427.17	Joint / Assistant Commissioner Central Excise	2005-06 to 2010-11
Central Excise Act, 1944	Excise Duty	12.48	High Court Madras	1995-96, 1998-99, 2002-03
Central Excise Act, 1944	Excise Duty	128.19	Supreme Court	1995-96 to 1998-99
Finance Act 1994	Service Tax	1.47	CESTAT	2010-11 to 2011-12
Tamilnadu Tax on Consumption or sale of Electricity Act, 2003	Electricity Consumption Tax	525.39	Supreme Court	2009-10 to 2011-12

- (c) There was no amount which was required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The company has no accumulated loss as at 31st March 2015. The company has not incurred cash loss in the financial year under report and in the immediately preceding financial year.
- (ix) The company has not defaulted in repayment of dues to banks.
- (x) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) The Term loans have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management

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

R. Rajaram
Partner
M.No. 25210

Place : Chennai
Date : May 29, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

₹ in lakhs

	Particulars	Note No.	As at 31.03.2015		As at 31.03.2014	
I	EQUITY AND LIABILITIES					
1)	Shareholders' funds					
	a) Share Capital	2	8,726.36		9,013.86	
	b) Reserves and surplus	3	3,380.74		3,834.63	
				12,107.10		12,848.49
2)	Non-Current liabilities					
	a) Long-term borrowings	4	10,689.83		11,451.44	
	b) Deferred tax liabilities (Net)	5	2,187.30		2,192.58	
	c) Other Long term liabilities	6	986.08		1,309.72	
				13,863.21		14,953.74
3)	Current liabilities					
	a) Short-term borrowings	7	4,208.12		400.83	
	b) Trade payables	8	3,239.06		4,863.96	
	c) Other current liabilities	9	2,316.81		3,931.33	
	d) Short-term provisions	10	75.34		535.42	
				9,839.33		9,731.54
	TOTAL			35,809.64		37,533.77
II	ASSETS					
1)	Non-current assets					
	a) Fixed assets					
	i) Tangible assets	11	20,900.78		21,888.43	
	ii) Intangible assets		1.70		6.42	
	iii) Capital work-in-progress		0.57		549.73	
	b) Non-current investments	12	29.04		29.04	
	c) Long-term loans and advances	13	456.86		867.43	
	d) Other non-current assets	14	40.28		37.26	
				21,429.23		23,378.31
2)	Current assets					
	a) Current investments	15	1,807.12		1,554.45	
	b) Inventories	16	9,934.66		10,239.82	
	c) Trade receivables	17	818.46		1,324.76	
	d) Cash and bank balances	18	870.04		248.30	
	e) Short-term loans and advances	19	429.04		475.07	
	f) Other current assets	20	521.09		313.06	
				14,380.41		14,155.46
	TOTAL			35,809.64		37,533.77
	Significant Accounting Policies & notes to accounts	1 - 44				

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
Chartered Accountants

Arjun B Kothari
Managing Director

P.S.Gopalakrishnan
Director

R. Rajaram
Partner

Place : Chennai
Date : May 29, 2015

R.Prakash
Company Secretary

R.Krishnan
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015

₹ in lakhs

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Revenue from Operations (Gross)	21	34,778.27	33,142.18
	Less:Excise Duty		781.51	798.00
	Revenue from operations (net)		33,996.76	32,344.18
II	Other Income	22	1,134.17	929.98
III	Total Revenue (I+II)		35,130.93	33,274.16
IV	Expenses:			
	(a) Cost of materials consumed	23	26,010.79	25,150.13
	(b) Changes in inventories of finished goods Work-in-progress and Stock-in-Trade	24	539.11	(538.30)
	(c) Employee benefits expense	25	1,687.53	1,701.07
	(d) Finance costs	26	508.46	996.02
	(e) Depreciation and amortization expenses	27	1,598.01	1,609.62
	(f) Other expenses	28	4,821.66	3,896.43
	Total Expenses		35,165.56	32,814.97
V	Profit before exceptional and extraordinary items and tax (III-IV)		(34.63)	459.19
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		(34.63)	459.19
VIII	Less : Tax expense			
	(a) Tax expense of current year		-	59.21
	(b) Tax expenses of earlier years written off		424.54	-
	(c) Deferred tax		(5.28)	121.26
			419.26	180.47
IX	Profit for the year (VII-VIII)		(453.89)	278.72
X	Earnings per equity share:			
	1) Basic		(0.55)	0.34
	2) Diluted		(0.55)	0.34
	Significant Accounting Policies & notes to accounts	1 - 44		

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
 Chartered Accountants

Arjun B Kothari
 Managing Director

P.S.Gopalakrishnan
 Director

R. Rajaram
 Partner

 Place : Chennai
 Date : May 29, 2015

R.Prakash
 Company Secretary

R.Krishnan
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

₹ in lakhs

	Particulars	As at 31.03.2015		As at 31.03.2014	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) before tax		(34.63)		459.19
	Adjustments for :				
	Depreciation	1,598.01		1,609.62	
	Interest Income	(83.66)		(80.18)	
	Dividend Income from Associate	(120.19)		(90.14)	
	Bad Debts	138.56		14.64	
	Liability no longer required written back	(450.34)		(187.29)	
	Provision for Compensated absences	23.30		25.44	
	Finance Cost - Interest	486.47		941.33	
	Provision for Diminution / (accretion)in value of Investments	(36.30)		(34.45)	
	Loss on Sale of assets (Vehicles)	-		1.65	
	Loss / (Gain) on sale of Investments	(97.87)		(14.59)	
	Income from Mutual Fund Investment	(67.93)		(61.14)	
		1,390.05		2,124.89	
	Operating Profit before Working Capital changes	1,355.42		2,584.08	
	(Increase) / Decrease in Trade Receivables	367.75		333.19	
	(Increase) / Decrease in Other Receivables	344.27		438.59	
	(Increase) / Decrease in Inventories	305.15		(466.26)	
	Increase / (Decrease) in Trade and Other Payables	(3,535.76)		3,591.33	
			(2,518.59)		3,896.85
	Cash Generation from Operations		(1,163.17)		6,480.94
	Less: Income Tax Paid		115.00		50.70
	Net Cash Generation from Operating Activities - (A)		(1,278.17)		6,430.24
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital Expenditure		(56.48)		(1,322.55)
	Proceeds from sale of Investments (net)		(216.37)		(710.87)
	Interest Received		83.66		80.18
	Dividend Income from Associate		120.19		90.14
	Consideration for Sale of Fixed assets		-		2.54
	(Loss) / Gain on sale of Investements		97.87		14.59
	Income from Mutual Fund Investment		67.93		61.14
	Net Cash from Investing activities - (B)		96.80		(1,784.81)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Preference Share Capital		(287.50)		(100.00)
	Proceeds from Term loan Borrowings		540.00		2,815.87
	Proceeds/(Repayment) from short term borrowings		3,807.28		(5,455.46)
	Repayment of Term loan Borrowings		(1,301.61)		(1,981.41)
	Dividend paid		(414.44)		-
	Dividend Distribution tax paid		(70.43)		-
	Interest paid		(486.47)		(941.33)
	Net Cash used in Financing activities - (C)		1,786.83		(5,662.34)
	Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C		605.45		(1,016.91)
	Cash and Cash equivalents at the beginning of the year		104.58		1,121.49
	Cash and Cash equivalents at the close of the year (Ref.Note 18)		710.03		104.58
			(605.45)		1,016.91

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

Arjun B Kothari
Managing Director

P.S.Gopalakrishnan
Director

R. Rajaram
Partner

Place : Chennai
Date : May 29, 2015

R.Prakash
Company Secretary

R.Krishnan
Chief Financial Officer

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 Power generating having units at Kattur and Sathamangalam, Tamilnadu.

Parvathi Trading & Finance Co.Pvt.Ltd.owns 70.20% of the Company's equity share capital and hence its holding Company.

SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of "the Company" have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. The statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) USE OF ESTIMATES

The preparation of financial statements requires 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) FIXED ASSETS & DEPRECIATION

(i) Fixed assets are recorded at cost and 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 tangible fixed assets acquired after 01st April 2014 are provided under straight line method based on the useful life of the assets and in accordance with Schedule II to the Companies Act, 2013 and reckoning the maximum residual value @ 5% of the original cost of the asset. Assets acquired prior to 01st April 2014, the carrying amount as on 01st April 2014 is depreciated over the remaining useful life of the asset. In respect of assets costing up to Rs.5,000/- the Company has fully depreciated considering the materiality aspect in the year of acquisition.

(iii) Intangible assets are amortized equally over their estimated useful life not exceeding 5 years.

(d) 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.

(e) INVESTMENTS

Investments are classified into current and long term Investments. 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.

(f) 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.

(g) REVENUE AND EXPENDITURE RECOGNITION

i) All revenues and expenses are accounted on accrual basis

ii) Sales are net of trade discounts and Sales Tax and Excise Duty. Excise duty recovery from customer is deducted from turnover (gross). The excise duty differential between closing and opening stocks of excisable goods is included under "Change in inventories"

(h) EMPLOYEE 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 a section of the workmen for whom it is considered as a long term benefit is actuarially valued and provided for but is not funded. Liability for unavailed leave for other employees considered as short term benefits and provided according in the books of accounts.

(i) RESEARCH AND DEVELOPMENT

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

(j) 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".

(k) 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.

(l) PROVISION OF CONTINGENT LIABILITIES

A provision is created 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.

(m) 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.

(n) 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.

(o) 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.

In the case of leased 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 2015	As at 31 st March 2014
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 {Of the above the holding company holds 5,81,86,610 shares (P.Y. 5,81,86,610 shares)}	8,288.86	8,288.86
	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 installments as per AAIFR Order dated 17.06.2004	825.00	578.57
	A	375.00	621.43
	{Out of 12,00,000 shares, the holding Company (Parvathi Trading & Finance Co. Pvt. Ltd) holds 8,90,000 shares}		
	The redemption is as under:		
	50% of the face value of Preference Shares in 28 equal quarterly installments commencing from 17.9.2007 and ended 16.06.2014. The balance 50% of the face value of the preference in 8 equal quarterly installments 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 (held by holding Company Parvathi Trading & Finance Co. Pvt. Ltd.)	200.00	200.00
	Less: Amount paid towards redemption in quarterly installments as per AAIFR Order dated 17.06.2004	137.50	96.43
	B	62.50	103.57
	These will be redeemed as under:		
	50% of the face value of Preference Shares in 28 equal quarterly installments commencing from 17.9.2007 and ended by 16.06.2014. The balance 50% of the face value of the preference in 8 equal quarterly installments commencing from 17.09.2014.		
	A+B	437.50	725.00
	Total	8,726.36	9,013.86

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
	(a) Equity Shares	No. of Shares	
	Reconciliation of Number of Shares		
	Shares outstanding at the beginning of the year	8,28,88,580	8,28,88,580
	Shares outstanding at the end of the year	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. (Holding Company) (70.20%) (P.Y. 70.20%)	5,81,86,610	5,81,86,610
	(b) Preference Shares		
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.100/-each		
	Shares outstanding at the beginning of the year	12,00,000	12,00,000
	Shares outstanding at the end of the year	12,00,000	12,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Parvathi Trading & Finance Co.Pvt.Ltd (Holding Company) (74.17%) (P.Y. 74.17%)	8,90,000	8,90,000
	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 the beginning of the year	20,00,000	20,00,000
	Shares outstanding at the end of the year	20,00,000	20,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Parvathi Trading & Finance Co. Pvt. Ltd (Holding Company) (100%) (P.Y. 100%)	20,00,000	20,00,000
3	Reserves and Surplus	₹ in lakhs	
	Capital Redemption Reserves		
	Opening Balance	675.00	575.00
	Add:On redemption of Preference Shares	287.50	100.00
	Total	962.50	675.00
	Debenture Redemption Reserve		
	Opening Balance	750.00	675.00
	Add:Transferred from Surplus in Statement of Profit and Loss	-	75.00
	Total	750.00	750.00
	Surplus in statement of Profit and Loss		
	Opening Balance	2,409.63	2,790.78
	Add: Profit / (Loss) for the Year	(453.89)	278.72
	Less:		
	Proposed Dividend	-	414.44
	Dividend Tax on Proposed Dividend	-	70.43
	Transfer to Capital Redemption Reserve	287.50	100.00
	Transfer to Debenture Redemption Reserve	-	75.00
	Closing Balance	1,668.24	2,409.63
	Grand Total	3,380.74	3,834.63

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
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.	2,031.02	1,958.48
	Total (a)	-	72.54
	Transferred to current maturities of long term Debt	-	72.54
	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) as per AAIFR Order dated 17.06.2004	2,031.02	2,031.02
	Of the above, amount due to the Holding Company Rs.1533.43 Lacs		
	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. Repayment in year 2029-30 in one single installment. Rate of Interest Nil		
	Total (b)	2,031.02	2,031.02
	Total (a+b)	2,031.02	2,031.02
	Term Loans from		
	Banks	3,835.45	4,159.55
	Sugar Development Fund	3,379.01	3,816.52
	Holding Company (Parvathi Trading & Finance Co.Pvt. Ltd.)	821.20	821.20
	Others (Ekansha Enterprises Pvt.Ltd.)	623.15	623.15
	Total	8,658.81	9,420.42
	Secured	8,035.66	8,797.27
	Unsecured	623.15	623.15
	Total (c)	8,658.81	9,420.42
	Total (a+b+c)	10,689.83	11,451.44
	Current maturities of Long Term Debt grouped under "Other Current Liabilities" (Refer Note. 9)	1,301.61	1,605.18

NOTES FORMING PART OF FINANCIAL STATEMENTS

Term Loan from banks

Term Loan from Indian Bank Rs.1,249.96 lacs (P.Y. Rs.1464.28 lacs) of which Rs.1,035.64 lacs under long term borrowings and Rs.214.32 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 installments 70. Rate of Interest 11.70% p.a. Amount of monthly installment Rs.17.86 lacs.

Term Loan from Indian Bank 93.72 lacs (P.Y. Rs.125.28 lacs) of which Rs. 62.16 lacs under long term borrowings and Rs.31.56 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 installments 36. Rate of Interest 11.45% p.a. Amount of monthly installment Rs.2.63 lacs.

Interest Free Term Loan from Indian Bank Rs.2,815.87 lacs (P.Y. Rs.2,815.87 lacs) under Scheme for Extending Financial Assistance to Sugar units 2014. Repayment in 5 years with 2 year moratorium. 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.

Term Loan Sugar Development Fund

Rs.1,283.10 lacs (P.Y. Rs.1,283.10 Lacs) of which Rs.1026.48 lacs under long term borrowings and Rs.256.62 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. Annual repayment in 5 equal annual installments starting from September 2015 to September 2019. Rate of Interest 4% p.a. Amount of each installment Rs.256.62 lacs. Balance installments 5.

Rs.1,026.48 lacs (P.Y. Rs.1,283.10 Lacs) of which Rs.769.86 lacs under long term borrowings and Rs.256.62 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. Annual repayment in 5 equal annual installments starting from December 2014 to December 2018. Rate of Interest 4% p.a. Amount of each installment Rs.256.62 lacs. Balance installments 4.

Rs.1,032.14 lacs (P.Y. Rs.1,376.19 lacs) of which Rs.688.09 lacs under long term borrowings and Rs.344.05 lacs under current maturity 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 10 equal half yearly installment starting from September 2013 to March 2018 Rate of Interest 4% p.a. Amount of each installment Rs.172.02 lacs. Balance installments 6.

Rs.87.60 lacs (P.Y. 116.80 lacs) of which Rs.58.40 lacs under long term borrowing and Rs.29.20 lacs under current maturity secured by bank Guarantee Repayment in 4 Annual Equal installments starting from April 2014 to April 2017. Balance installments 3. Rate of Interest 4% p.a. Amount of each installment Rs.29.20 lacs.

Rs.204.59 lacs (P.Y. Rs.272.79 lacs) of which Rs.136.39 lacs under long term borrowing and Rs.68.20 lacs under current maturity. Repayment 4 equal Annual installments starting from February 2015 to February 2018. Secured by Bank Guarantee. Balance installments 3. Rate of Interest 4% p.a. Amount of each installment Rs.68.20 lacs.

Rs.182.61 lacs (P.Y. Rs.182.61 lacs) of which Rs.159.78 lacs under long term borrowing and Rs.22.83 lacs under current maturity. Repayment 4 equal Annual installments starting from February 2016 to February 2019. Secured by Bank Guarantee. Balance 8 half yearly installments. Rate of Interest 6.75% p.a. Amount of each installment Rs.22.83 lacs.

Rs.297 lacs (P.Y Rs. Nil) of which Rs.297 lacs under long term borrowing and Rs. Nil under current maturity. Repayment 8 equal Annual installments starting from June 2017 to December 2020. Secured by Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam Sugar & Cogeneration Unit. Balance 8 half yearly installments. Rate of Interest 7% p.a. Amount of each installment Rs.37.12 lacs.

Rs.243 lacs (P.Y. Rs. Nil) of which Rs.243 lacs under long term borrowing and Rs. Nil under current maturity. Repayment 8 equal Annual installments starting from January 2018 to July 2021. Secured by Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam Sugar & Cogeneration Unit. Balance 8 half yearly installments. Rate of Interest 7% p.a. Amount of each installment Rs.30.38 lacs.

Term Loan From Holding Company (Parvathi Trading & Finance Co.Pvt.Ltd.)

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 installment 1.

Term Loan From Others(Ekansha Enterprises Pvt.Ltd.) (Unsecured)

Rs.623.15 lacs (P.Y. Rs.623.15 lacs) payable in June 2029. Rate of Interest – Nil. No.installment 1.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
5	Deferred Tax Liability / (Asset)		
	Deferred Tax Liability		
	Timing Difference on Depreciation of Fixed Assets	3,251.33	3,170.75
	Deferred Tax Asset on		
	Sec.43B expenses allowable on payment under IT Act 1961	(21.82)	(68.41)
	Provision for Diminution in value of current investments	(19.97)	(31.75)
	Carry Forward Depreciation loss	(1,022.24)	(878.02)
	Deferred Tax Liability (Net)	Total 2,187.30	2,192.58
6	Other Long-term Liabilities		
	Trade payables	7.97	8.28
	Advances from Customers	10.84	10.84
	Gratuity	37.34	-
	Compensated absences	6.71	6.84
	Interest accrued but not due on Loans	897.22	861.91
	Other payables and Deposits	26.00	421.85
	Total	986.08	1,309.72
	Current Liabilities		
7	(A) Short-Term Borrowings - Secured		
	Loans repayable on demand From banks*	4,208.12	400.83
	Total	4,208.12	400.83
	*Cash Credit from Indian Bank for Rs.4,208.12 lacs (Previous year Rs.400.83 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		
8	Trade Payables	3,239.06	4,863.96
	Total	3,239.06	4,863.96
9	Other Current Liabilities		
	Current maturity of long term debt	1,301.61	1,605.18
	Current maturity of Deferred Sales Tax payable as per AAIFR scheme	-	210.84
	Current maturity of Interest accrued but not due on borrowings	16.82	10.28
	Current maturity of vehicle loan	-	30.96
	Statutory Remittances	208.63	229.71
	Advances from related parties	-	127.00
	Advances from Customers	25.46	1,038.77
	Others (Excise duty,Salaries etc.)	764.29	678.59
	Total	2,316.81	3,931.33
10	Short- term Provisions		
	Provision for employee benefits		
	Gratuity	8.81	-
	Superannuation	5.96	3.04
	Compensated absences	23.30	18.60
	Bonus & Exgratia	37.27	28.91
	Others		
	Dividend payable	-	414.44
	Dividend distribution tax payable	-	70.43
	Total	75.34	535.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

11. Fixed Assets

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Disposals	As at 31.03.2015	As at 01.04.2014	For the Year	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets										
Land	364.34	-	-	364.34	-	-	-	-	364.34	364.34
Buildings	4,428.19	27.51	-	4,455.69	1,251.90	219.56	-	1,471.46	2,984.23	3,176.28
Plant and Equipment	33,868.36	578.13	-	34,446.49	16,016.54	1,267.91	-	17,284.45	17,162.04	17,851.82
Furniture and Fixtures	247.71	-	-	247.71	160.67	42.09	-	202.76	44.95	87.04
Vehicles	527.36	-	-	527.36	118.41	63.72	-	182.14	345.22	408.95
Total	39,435.95	605.64	-	40,041.59	17,547.52	1,593.29	-	19,140.81	20,900.78	21,888.43
Previous year	38,607.03	838.99	10.07	39,435.95	15,948.70	1,604.70	5.87	17,547.53	21,888.43	22,658.33
(ii) Intangible assets										
Computer Software	33.98	-	-	33.98	27.56	4.72	-	32.28	1.70	6.42
Total	33.98	-	-	33.98	27.56	4.72	-	32.28	1.70	6.42
Previous year	33.98	-	-	33.98	22.64	4.92	-	27.56	6.42	11.34

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
12	Non-Current Investments		
	Non-Trading Investments	1,309.64	1,309.64
	Less : Provision for Diminution [Refer Note no 15 (a)]	1,280.60	1,280.60
	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		
	Security deposits		
	Others (Electricity,Caution,Rental etc.) (Unsecured,considered good)	210.83	306.33
	Loans and advances to related parties		
	Doubtful {includes subsidiary of Rs.55.51 lacs (P.Y. Rs.55.51 lacs)}	76.73	76.73
	Others (Unsecured, considered good)	-	10.00
		287.56	393.06
	Less: Provision for doubtful loans and advances	76.73	76.73
	Total (a)	210.83	316.33
	Other loans and advances - Income Tax refund receivable net of provision for Tax		
	Total (b)	246.03	551.10
	[Income tax Paid Rs.1,986.66 lacs less provision for tax Rs.1,462.76 lacs (P.Y. Rs.1,626.57 lacs and Rs.1,096.18 lacs) respectively.		
	Total (a+b)	456.86	867.43
14	Other Non-Current Assets		
	Advance to Suppliers	0.63	0.93
	Others (Interest on bonds,Subsidy etc.)	39.65	36.33
	Total	40.28	37.26
15	CURRENT ASSETS		
	Current Investments		
	Investments in Equity instruments	110.03	112.08
	Investments in Mutual funds	678.82	560.40
	Investments in Bonds/Debentures	1,079.83	979.83
	Less : Provision for Diminution [Refer Note no 15 (b)]	61.56	97.86
	Refer note 1 (e) for method of valuation		
	Total	1,807.12	1,554.45

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

As at 31.03.15 Qty.	As at 31.03.14 Qty.	Investment	Category	As at 31.03.15	As at 31.03.14
Note - 15 (a)		NON-CURRENT INVESTMENT AT COST			
		Government Securities			
		INDIRA VIKAS PATRA	Non-Trading	0.06	0.06
		Subsidiary Companies -Equities (Fully paid up) Unquoted			
9,99,950	9,99,950	KOTHARI INTERNATIONAL TRADING LTD - Rs.10/- EACH	Non-Trading	99.99	99.99
		Less: Diminution in Value of Investments		(99.99)	(99.99)
		Associate Companies - Equities (Fully paid up)-Quoted			
1,20,19,000	1,20,19,000	KOTHARI PETROCHEMICALS LTD OF Rs.10/- EACH	Non-Trading	1,201.90	1,201.90
		Less: Diminution in Value of Investments		(1,178.62)	(1,178.62)
		Total		23.28	23.28
		Joint control Companies - Equities (Fully paid up)-Unquoted			
20	20	KOTHARI BIO- TECH LTD - Rs.10/- EACH	Non-Trading	0.003	0.003
		Less: Diminution in Value of Investments		(0.002)	(0.002)
		Total		0.001	0.001
		Equities - Others (Fully paid up) - Quoted			
5,000	5,000	GUJARAT PETROSYNTHESE LTD (Rs.10/- EACH)	Non-Trading	2.50	2.50
		Less: Diminution in Value of Investments		(2.00)	(2.00)
		Total		0.50	0.50
		Equities - Others (Fully paid up) - Unquoted			
50,000	50,000	BIO- TECH CONSORTIUM LTD (Rs.10/- EACH)	Non-Trading	5.00	5.00
		Equities - Others (Fully paid up)-Unquoted			
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 (Net)		29.04	29.04
		Aggregate of :			
		Quoted non-current investments at cost		23.78	23.78
		Market Value of Quoted non-current Investments		1,430.98	1,023.32
		Unquoted non-current investments at cost		5.26	5.26
		Provision for diminution in value of investments		1,280.60	1,280.60
Note - 15 (b)		CURRENT INVESTMENT AT COST			
		(Valued at lower of cost and market value)			
		Investment in Mutual Funds (Quoted)			
-	59,738	FRANKLIN FLEXICAP FUND	Trading	-	10.00
-	41,548	FRANKLIN INDIA PRIMA FUND	Trading	-	20.00
-	51,960	FRANKLIN INDIA PRIMA PLUS FUND	Trading	-	16.20
-	27,333	FT INDIA BALANCED FUND	Trading	-	6.00
86,881	-	SUNDARAM INFRASTRUCTURE ADVANTAGE FUND	Trading	14.73	-
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	SUNDARAM SMILE FUND	Trading	-	10.00
-	2,45,694	SBNPP CAPEX OPPORTUNITIES FUND	Trading	-	38.00
-	62,321	FRANKLIN INDIA PRIMA FUND	Trading	-	30.00
28,496	-	BIRLA SUN LIFE FLOATING RATE FUND STP	Trading	53.00	-
-	1,23,908	HDFC FLOATING RATE INCOME FUND	Trading	-	27.11
30,60,073	7,24,762	IDFC DYNAMIC BOND FUND	Trading	526.08	106.71
-	46,624	BIRLA SUN LIFE SAVINGS FUND	Trading	-	114.62
-	5,488	RELIANCE MONEY MANAGER FUND	Trading	-	96.77
5,00,000	5,00,000	HDFC FMP	Trading	50.00	50.00
		Total Current Investments at cost		678.82	560.40
		Less: Provision for diminution in value of Investments		6.02	44.97
		Net Current Investments		672.80	515.43

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

As at 31.03.15 Qty.	As at 31.03.14 Qty.	Investment	Category	As at 31.03.15	As at 31.03.14
		<u>Equity - Others (Fully Paid) Quoted</u>			
2,500	2,500	BHARAT HEAVY ELECTRICALS LIMITED (Rs.2 EACH)	Trading	10.86	10.86
-	300	ABB LIMITED (Rs. 2 EACH)	Trading	-	3.49
290	290	BGR ENERGY SYSTEMS LIMITED (Rs.10 EACH)	Trading	1.97	1.97
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
5,000	5,000	RELIANCE COMMUNICATIONS LIMITED (Rs.5 EACH)	Trading	20.34	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
4,375	4,375	RELIANCE POWER LTD (Rs.10 EACH)	Trading	12.37	12.37
1,800	1,800	SINTEX INDUSTRIES LIMITED (Re.1 EACH)	Trading	3.20	3.20
19,380	17,000	TATA POWER COMPANY LIMITED (Re.1 EACH)	Trading	24.19	22.76
		Total Current Investments at cost		110.03	112.08
		Less: Provision for diminution in value of Investments		55.54	52.89
		Net Current Investments		54.49	59.19
		Investment in NCD / Bonds (Quoted)			
30	30	TATA MOTORS FINANCE LIMITED	Trading	300.00	300.00
10,000	-	IFCI LIMITED	Trading	100.00	-
4,86,958	4,86,958	L&T FINANCE HOLDINGS LIMITED	Trading	486.96	486.96
1,500	1,500	NABARD	Trading	192.87	192.87
		Total		10,79.83	979.83
		Aggregate of :			
		Current investments at cost (Quoted)		18,68.68	1,652.31
		Market Value current investments (Quoted)		18,07.12	1,554.45
		Diminution in value of current investments		61.56	97.86

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
16	Inventories		
	Raw materials and packing materials	143.87	218.56
	Work in progress	315.84	438.22
	Finished goods	8,554.02	8,845.53
	Raw Sugar (Bought out)	-	17.18
	Stores and spares	920.93	720.33
	Total	9,934.66	10,239.82
	Refer note 1(f) for method of valuation		
17	Trade Receivables		
	(Unsecured, Considered good)		
	For a period exceeding six months	80.70	82.41
	Others	737.76	1,242.35
	Total	818.46	1,324.76
18	Cash and bank balances		
	Cash on Hand	1.80	0.83
	Balances with Bank - In current accounts	673.78	68.17
	Fixed Deposit with Banks	34.45	35.58
	Total (a)	710.03	104.58
	Other Bank Balances		
	Balances with Bank-Under Lien	-	0.49
	Balances held as margin money or security against borrowings, guarantees and other commitments	155.50	143.23
	Unpaid Dividend- Held in separate Bank account	4.51	-
	Total (b)	160.01	143.72
	Total (a+b)	870.04	248.30
19	Short Term Loans And Advances		
	(Unsecured and considered good)		
	Balances with government authorities		
	- CENVAT credit receivable	181.70	214.07
	- Service Tax credit receivable	14.51	10.11
	- VAT credit receivable	1.99	-
	Others (Balance with State excise/PLA etc.)	2.39	3.17
	Prepaid Expenses	104.54	117.69
	Other loans and advances (Employee advances etc.)	123.91	130.03
	Total	429.04	475.07
20	Other Current Assets		
	Other Receivables (Interest accrued on NCD, recovery from Ryots)	437.36	212.12
	Advance to Suppliers	83.73	100.94
	Total	521.09	313.06

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
21	Revenue from Operations		
	Sale of products		
	Sugar	22,959.98	23,190.56
	Industrial Alcohol	8,092.25	6,217.80
	Electric Power	1,365.73	1,469.27
	Bagasse	1,866.61	1,822.36
	Others (Biocompost, CO ₂ , cane inputs etc.)	282.77	349.94
	Other Operating revenues	210.93	92.25
	Total	34,778.27	33,142.18
22	Other Income		
	Interest Income		
	- From Bank Deposits	69.93	76.49
	- Others (TNEB etc.)	13.73	3.69
	Dividend Income from Current Investments		
	- Others (Shares & Mutual funds)	67.93	61.14
	Dividend Income from Associate	120.19	90.14
	Net gain on sale of current investments	97.87	14.59
	Other Non-Operating Income		
	- Other Miscellaneous income	252.37	436.35
	- Rental Income	25.51	25.83
	- Accretion in value of investments	36.30	34.45
	- Liability no longer required written back	450.34	187.29
	Total	1,134.17	929.98
	EXPENSES		
23	Cost of Materials Consumed		
	Raw Material		
	Sugarcane	22,128.92	21,863.47
	Coal	781.30	1,084.16
	Others (Molasses, Bagasse etc.)	2,208.80	1,283.13
	Chemical and Others	373.98	389.71
	Packing	517.79	529.67
	Total	26,010.79	25,150.13

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
24	Changes in Inventories of Finished Goods, Work-in-progress		
	Opening Stock		
	Finished Goods		
	Sugar	8,304.50	8,069.25
	Molasses	187.77	219.78
	Industrial Alcohol	353.25	257.75
	Work in progress		
	Sugar	424.32	263.58
	Molasses	13.90	11.30
	Total A	9,283.75	8,821.66
	Closing Stock		
	Finished Goods		
	Sugar	7,582.50	8,304.50
	Molasses	771.93	187.77
	Industrial Alcohol	199.58	353.25
	Work in progress		
	Sugar	304.12	424.32
	Molasses	11.72	13.90
	Total B	8,869.85	9,283.75
	(Increase) / Decrease over the previous year	Total A-B	
		413.90	(462.09)
	Add: Decrease in Sugar (Boughtout)	17.18	-
	Add: Excise duty adjustment for movement in Finished goods inventory	108.03	(76.21)
	Net change (Increase) / Decrease	Total	
		539.11	(538.30)
25	Employee Benefits Expense		
	Salaries and Wages	1,449.55	1,511.93
	Contribution to Provident and Other Funds	160.52	112.32
	Staff Welfare Expenses	77.46	76.83
	Total	1,687.53	1,701.07
26	Finance Cost		
	Interest Expense	486.47	941.33
	Other Borrowing Costs	21.99	54.69
	Total	508.46	996.02
27	Depreciation and amortization expense	1,598.01	1,609.62

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
28	Other Expenses		
	Consumption of stores and spare parts	1,151.47	814.49
	Power and Fuel	884.79	526.92
	Rent	23.89	46.42
	Repairs-Buildings	110.48	115.93
	Repairs to Machinery	418.20	371.84
	Repairs to Others	81.11	99.66
	Biocompost	85.97	82.65
	Insurance	84.25	87.24
	Rates and Taxes	147.26	141.80
	Excise duty expunged	493.44	378.87
	Freight & Clearing Expenses	563.80	582.09
	Directors Sitting fees	3.57	2.17
	Auditor's Remuneration		
	- Statutory Audit	3.50	3.50
	- Certification	1.20	1.20
	Travelling Expenses	50.10	45.39
	Research and Development	-	2.23
	Conveyance	4.54	8.47
	Professional Fees	36.45	71.85
	Commission	25.52	23.08
	Loss on Sale of Assets	-	1.65
	CSR expenditure	28.43	-
	Administration Expenses	447.20	457.96
	Bad Debts	138.56	14.64
	Miscellaneous Expenses	37.92	16.36
	Total	4,821.66	3,896.41

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 Statement of Profit and Loss.

Earned Leave

₹ in lakhs

Principal Actuarial Assumptions	2014-15	2013-14
Interest rate (Liabilities)	7.80%	8.00%
Rate of return on plan assets wherever applicable	8.70	8.70
Mortality table	Indian Assured Lives (2006 – 08)	Indian Assured Lives (2006 – 08)
Resignation rate per annum	2%	2%
Salary escalation rate	6.50%	6.50%

Net Liability Recognized	2014-15	2013-14
Present Value of Obligation	6.71	6.84
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized (Long Term)	(6.71)	(6.84)

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 participating enterprise.

₹ in lakhs

Particulars	Gratuity Plan	
	2014-15	2013-14
Basic actuarial assumptions		
Mortality Table:	Indian Assured Lives	Indian Assured Lives
Date of Valuation:	(2006 – 08) Ultimate	(2006 – 08) Ultimate
Rate of Discount (p.a)	31-03-2015	31-03-2014
Rate of Salary Escalation:	7.80%	8.00%
Employee Attrition Rate due to reasons other than death or retirement	6.50%	6.50%
Rate of Return on Plan Assets	2.00%	2.00%
	8.70%	8.70%
Projected benefit obligation at the beginning of the period	301.32	323.31
Current service cost	77.26	47.68
Interest cost	22.80	25.83
Actuarial loss / (gain)	(22.10)	(56.49)
Benefits paid	(32.68)	(39.01)
Projected benefit obligation at the end of the period	346.60	301.32
Amounts recognized		
Projected benefit obligation at the end of the period	346.60	301.32
Fair value of plan assets at end of the period	307.20	312.27
Liability to be recognized	39.40	(10.95)
Cost for the period		
Current service cost	77.26	47.68
Interest cost	22.80	25.83
Expected return on plan assets	(25.75)	(24.76)
Net actuarial (gain)/loss recognized in the period	(23.97)	(59.70)
Total	50.34	(10.95)
Less: Share of contribution from Associate Company	(3.69)	3.61
Net Cost recognized in Statement of Profit & Loss	46.65	Nil

30. Contingent Liabilities: -

₹ in lakhs

	2014-15	2013-14
a) Claims not acknowledged by the Company		
Sales Tax	-	-
Customs	73.39	73.39
Central excise	679.96	662.70
Tangedco (Electricity)		438.19
Generation Tax	525.39	
Tariff revision	227.86	284.11
Electricity tax (Third party sale)	860.92	753.12
Urban Land tax	44.38	42.33
Others	-	1.87
Total	2,411.89	2,255.71

NOTES FORMING PART OF FINANCIAL STATEMENTS

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

South Indian Sugar Mills Association (SISMA), Tamilnadu has filed a writ petition in the High Court of Madras on behalf of all the private sector sugar mills in the State challenging the power of the State Government to fix the State Advisory Price (SAP).

Since the Hon'ble Supreme Court has held in 2004 that SAP is only recommendatory in nature in Tamilnadu. Therefore, the Company does not foresee any adverse impact on the financial position.

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 includes generation of power from bagasse and coal and Distillery segment reflects the manufacture of Extra neutral and denatured alcohol.

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. 72

32. Related Party Disclosures:

Refer separate workings on Related Party Transactions - Annexure - II at Page No. 73

33. Earnings per Share:

Particulars	2014-15	2013-14
Net Profit after Tax excluding Exceptional Item (Rs.in lakhs)	(453.89)	278.72
No. of Equity Shares of Rs.10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	(0.55)	0.34

34. Rental Income

A sum of Rs.25.51 lakhs (Previous Year Rs.25.83 lakhs) has been considered as rental Income from property.

35. Operating Lease

a) A sum of Rs.23.89 lakhs (Previous Year Rs.46.42 lakhs) has been debited to Rent account, being the rent paid on premises which has been taken on lease.

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

₹ in lakhs

Particulars	2014-15	2013-14
Less than one year	Nil	30.96
Between 1 year and less than 5 year	Nil	Nil
Total	Nil	30.96

36. Foreign Exchange earnings and outgo

₹ in lakhs

S.No.	Particulars	2014-15	2013-14
(i)	Total Foreign Exchange earned	Nil	Nil
(ii)	Total Foreign Exchange outflow	15.16	Nil

37. CIF value of Imports

₹ in lakhs

S.No.	Particulars	2014-15	2013-14
(i)	Stores and Spares	Nil	2.02

38. Value of Imported and Indigenous Raw & Packing materials

Item	31/03/2015		31/03/2014	
	Quantity (MT)	Value (Rs. lakhs)	Quantity (MT)	Value (Rs. lakhs)
Sugarcane	8,89,885	22,128.92	8,77,841	21,863.47
Coal	14,123	781.30	17,840	1,084.16
Molasses	39,797	2,067.45	16,768	1,132.87
Others	-	1,033.13	-	1,069.64
Total	-	26,010.79	-	25,150.13
Of the above	-	-	-	-
-Imported	-	-	-	-
-Indigenous	100%	26,010.79	100%	25,150.13
Total		26,010.79		25,150.13

39. Amount spent on CSR during the year

The amount required to be spent on CSR (Corporate Social Responsibility) as calculated in accordance with Section 198 of the Companies Act, 2013 was Rs.28.43 lakhs.

Particulars	Amount paid	Yet to be paid	Total (Rs.Lakhs)
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	28.43	-	28.43
Total	28.43	-	28.43

40. Quantitative details relating to Finished Goods.

₹ in lakhs

Particulars	Unit	31/03/2015		31/03/2014	
		Quantity	Value	Quantity	Value
Sugar :					
Opening Stock	Quintals	2,65,253	-	3,00,151	-
Production		7,97,340	-	7,38,770	-
Sales		7,58,685	22,223.84	7,73,668	22,435.66
Closing Stock		3,03,908	-	2,65,253	-
Molasses :					
Opening Stock	M.T	7,950	-	13,318	-
Production		41,313	-	40,443	-
Purchase		39,797	-	16,768	-
Sales		-	-	-	-
Consumption		62,705	-	62,579	-
Closing Stock		26,355	-	7,950	-
Power:					
Opening Stock	Kwh	-	-	-	-
Production		74,792,191	-	77,120,628	-
Purchase		3,684,423	-	4,516,683	-
Sales		38,326,386	1,365.73	40,681,644	1,469.27
Captive use		40,150,228	-	40,955,667	-
Closing Stock		-	-	-	-
Industrial Alcohol :					
Opening Stock	KLs	1,991	-	2,066	-
Production		15,792	-	15,278	-
Sales		16,973	8,062.15	15,353	6,188.97
Closing Stock		810	-	1,991	-

41. Liability no longer required shown in note 22 under the head "Other Income" includes a sum of Rs.391.80 lakhs towards provision made for additional cane cost at Pandavapura, Karnataka and Rs.37.92 lakhs as wages arrears which are no longer a liability to the Company.

42. Remuneration / Fee paid to Statutory Auditors

₹ in lakhs

Sl. No.	Description of the Service	Amount Paid
(a)	Statutory Audit of accounts	3.50
(b)	Limited Audit Review	1.20
(c)	VAT audit	0.40
(d)	Certification - Others	0.12
	Total	5.22

43. The Company has changed the method of providing depreciation from 01st April 2014 as required by the Companies Act, 2013. Depreciation is hence provided in accordance with Schedule II for the current year as against the rates specified in Schedule XIV to the Companies Act, 1956 adopted in the previous year. As a result depreciation in the current year is lower by Rs.16.29 lakhs.

Further in respect of assets whose remaining useful life as prescribed in Schedule II to Companies Act, 2013 is nil at their carrying amounts as on 01st April 2014 after retaining the residual value aggregating to Rs.148.39 lakhs (excluding deferred tax of Rs.48.14 lakhs) has been charged to Statement of Profit and Loss and included under the item "Depreciation and amortization expenses".

44. 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

Arjun B Kothari
Managing Director

P.S.Gopalakrishnan
Director

R. Rajaram
Partner

Place : Chennai
Date : May 29, 2015

R.Prakash
Company Secretary

R.Krishnan
Chief Financial Officer

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	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Segment revenues	25,317.91	25,683.26	5,070.69	5,059.47	8,288.80	6,482.26	38,677.41	37,224.99
Segment results	(4,006.96)	(2,220.74)	(463.74)	(582.07)	4,027.28	3,318.04	(443.41)	515.23
Segment assets	20,147.73	20,052.64	5,190.61	6,612.01	6,986.30	6,675.34	32,324.64	33,339.99
Segment Liabilities	24,154.69	22,273.38	5,654.34	7,194.08	2,959.02	3,357.30	32,768.05	32,824.76
Capital Expenditure	58.50	214.82	12.34	34.37	534.30	579.01	605.14	828.20
Depreciation	682.10	682.21	645.11	683.32	202.01	216.10	1,529.22	1,581.62

₹ in lakhs

Reconciliation of reportable segments with the Financial Statements:												
Particulars	Gross Revenues		Results / Net profit		Assets		Liabilities		Capital Expenditure		Depreciation	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Total Reportable Segment	38,677.41	37,224.99	(443.41)	515.23	32,324.64	33,339.99	32,768.05	32,824.76	605.14	828.20	1,529.22	1,581.62
Corporate-Unallocated	-	-	(397.20)	(463.60)	6,644.79	5,472.28	6,655.26	5,708.79	0.50	10.78	68.79	28.00
Inter Segment	(4,792.88)	(4,849.53)	-	-	-	-	-	-	-	-	-	-
Other revenues	1,246.40	898.71	-	-	-	-	-	-	-	-	-	-
Interest (Corporate)	-	-	(4.53)	(5.10)	-	-	-	-	-	-	-	-
Interest and Dividend income	-	-	391.26	232.18	-	-	-	-	-	-	-	-
Total	35,130.93	33,274.16	(453.89)	278.72	38,969.43	38,812.27	39,533.55	38,533.55	605.64	838.99	1,598.01	1,609.62

- (b) Secondary Segment Information

₹ in lakhs

Particulars	2014-15		2013-14	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	38,677.41	-	37,224.99	-
2. Carrying amount of Segment Assets	32,324.64	-	33,339.99	-
3. Additions to Fixed / Intangible Assets	605.64	-	838.99	-

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹. in Lakhs)

Sl. No.	Name of the subsidiary	Kothari International Trading Limited (KITL)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding Company
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
3	Share capital	100
4	Reserves & surplus	(142.60)
5	Total assets	44.77
6	Total Liabilities	44.77
7	Investments	1.55
8	Turnover	84.93
9	Profit before taxation	53.55
10	Provision for taxation	10.16
11	Profit after taxation	43.39
12	Proposed Dividend	None
13	% of shareholding	99.99%
Notes:		
a	Names of subsidiaries which are yet to commence operations	None
b	Names of subsidiaries which have been liquidated or sold during the year.	None

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

Sl. No.	Name of the Associates	Kothari Petrochemicals Limited (KPL)
1	Latest audited Balance Sheet Date	31st March 2015
2	Shares of Associate held by the company on the year end	
	(a) No of Shares	1,20,19,000
	(b) Amount of Investment in Associates (Rs.in lakhs)	1,201.90
	(c) Extent of Holding %	20.42
3	Description of how there is significant influence	Extent of holding in equity capital of associate exceeding the prescribed limit of 20%
4	Reason why the associate is not consolidated	Consolidated
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs.in lakhs)	1,318.98
6	Profit / Loss for the year (Rs.in lakhs)	230.90
	(i) Considered in Consolidation	Yes
	(ii) Not Considered in Consolidation	No
Notes:		
a	Names of associates or joint ventures which are yet to commence operations	None
b	Names of associates or joint ventures which have been liquidated or sold during the year.	None

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
 Chartered Accountants

Arjun B Kothari
 Managing Director

P.S.Gopalakrishnan
 Director

R. Rajaram
 Partner

 Place : Chennai
 Date : May 29, 2015

R.Prakash
 Company Secretary

R.Krishnan
 Chief Financial Officer

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
To the Members of Kothari Sugars and Chemicals Limited
Report on Financial Statements

We have audited the accompanying consolidated financial statements of KOTHARI SUGARS AND CHEMICALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") its associate which comprise of the Consolidated Balance Sheet as at 31st March 2015, Consolidated Statement of Profit & 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 Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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, of the consolidated state of affairs of the Group, its associate as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of Kothari International Trading Limited (subsidiary), whose financial statements / financial information reflect total assets of Rs.44.77 lakhs as at 31st March, 2015, total revenues of Rs.84.93 lakhs and net cash flows amounting to (Rs.5.77) lakhs- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs.230.90 lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of Kothari Petrochemicals Limited (Associate), whose financial statements / financial information have been audited by us. These financial statements / financial information of company audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company and associate company, none of the directors of the Group companies, its associate company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the Consolidated Financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Group.

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

Place : Chennai
 Date : May 29, 2015

R. Rajaram
 Partner
 M.No: 25210

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

Annexure referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date to the members of Kothari Sugars and Chemicals Limited on the Consolidated accounts of the Group for the year ended 31st March, 2015:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) (a) Inventories have been physically verified by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and nature of its business.
- (c) The Group is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts and were not material.
- (iii) The Group has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Group and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Group and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Group has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and based on the records of the Group examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance Act, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty Value added tax and other material statutory dues, as applicable, with the appropriate authorities in India. No undisputed amounts payable in respect of the above statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax and Value added tax which have not been deposited on account of disputes, Dues of Service Tax Customs Duty, Excise Duty and Electricity Consumption Tax as on 31st March 2015 which have not been deposited on account of disputes are given below:

₹. in lakhs

Name of the Statute	Nature of Dues	Amount Rs. in Lacs	Forum where the dispute is pending	Period of dispute (financial year)
Central Excise Act, 1944	Excise Duty	88.12	CESTAT	1993-94 to 1996-97, 2003-04
Central Excise Act, 1944	Excise Duty	3.87	Assistant Commissioner. Central Excise	1999-2000
Central Excise Act, 1944	Excise Duty	427.17	Joint / Assistant Commissioner Central Excise	2005-06 to 2010-11
Central Excise Act, 1944	Excise Duty	12.48	High Court Madras	1995-96, 1998-99, 2002-03
Central Excise Act, 1944	Excise Duty	128.19	Supreme Court	1995-96 to 1998-99
Finance Act 1994	Service Tax	1.47	CESTAT	2010-11 to 2011-12
Tamilnadu Tax on Consumption or sale of Electricity Act, 2003	Electricity Consumption Tax	525.39	Supreme Court	2009-10 to 2011-12

- (c) There was no amount which was required to be transferred to Investor Education and Protection Fund in Accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Group has no accumulated loss as at 31st March 2015. The company has not incurred cash loss in the financial year under report and in the immediately preceding financial year.
- (ix) The Group has not defaulted in repayment of dues to banks.
- (x) The Group has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) The Term loans of the holding company have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Group, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

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

R. Rajaram
Partner
M.No: 25210

Place : Chennai
Date : May 29, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

₹ in lakhs

	Particulars	Note No.	As at 31.03.2015		As at 31.03.2014	
I	EQUITY AND LIABILITIES					
1)	Shareholders' funds					
	a) Share Capital	2	8,726.36		9,013.86	
	b) Reserves and surplus	3	4,573.66		5,021.14	
				13,300.02		14,035.00
2)	Non-Current liabilities					
	a) Long-term borrowings	4	10,689.83		11,451.44	
	b) Deferred tax liabilities (Net)	5	2,187.30		2,192.58	
	c) Other Long term liabilities	6	1,004.86		1,338.51	
				13,881.99		14,982.53
3)	Current liabilities					
	a) Short-term borrowings	7	4,208.12		400.83	
	b) Trade payables	8	3,239.23		4,864.13	
	c) Other current liabilities	9	2,316.81		3,931.33	
	d) Short-term provisions	10	75.34		535.42	
				9,839.50		9,731.71
	TOTAL			37,021.51		38,749.24
II	ASSETS					
1)	Non-current assets					
	a) Fixed assets					
	i) Tangible assets	11	20,900.78		21,888.43	
	ii) Intangible assets		1.70		6.42	
	iii) Capital work-in-progress		0.57		549.73	
	b) Non-current investments	12	1,211.20		1,211.20	
	c) Long-term loans and advances	13	462.71		871.10	
	d) Other non-current assets	14	40.28		37.26	
				22,617.24		24,564.14
2)	Current assets					
	a) Current investments	15	1,807.12		1,554.45	
	b) Inventories	16	9,934.66		10,239.82	
	c) Trade receivables	17	818.46		1,324.76	
	d) Cash and cash equivalents	18	893.90		277.94	
	e) Short-term loans and advances	19	429.04		475.07	
	f) Other current assets	20	521.09		313.06	
				14,404.27		14,185.10
	TOTAL			37,021.51		38,749.24
	Significant Accounting Policies & Notes to Accounts	1-39				

For and on behalf of the Board

As per the report of even date

 for R.Subramanian and Company
Chartered Accountants

 Arjun B Kothari
Managing Director

 P.S.Gopalakrishnan
Director

 R. Rajaram
Partner

 Place : Chennai
Date : May 29, 2015

 R.Prakash
Company Secretary

 R.Krishnan
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015 ₹ in lakhs

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	Revenue from Operations (Gross)	21	34,778.27	33,142.18
	Less:Excise Duty		781.51	798.00
	Revenue from operations (net)		33,996.76	32,344.18
II	Other Income	22	1,182.09	896.46
III	Total Revenue (I+II)		35,178.85	33,240.64
IV	Expenses:			
	(a) Cost of materials consumed	23	26,010.79	25,150.13
	(b) Changes in inventories of finished goods Work-in-progress and Stock-in-Trade	24	539.11	(538.30)
	(c) Employee benefits expense	25	1,717.69	1,712.55
	(d) Finance costs	26	508.52	996.02
	(e) Depreciation and amortization expenses	27	1,598.01	1,609.62
	(f) Other expenses	28	4,822.81	3,898.94
	Total Expenses		35,196.93	32,828.98
V	Profit before exceptional and extraordinary items and tax (III-IV)		(18.08)	411.66
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		(18.08)	411.66
	Add: Share of Profit before exceptional income in Associate		230.90	161.39
VIII	Less : Tax expense			
	(a) Tax expense of current year		10.20	91.58
	(b) Tax expenses of earlier years w/off		424.49	-
	(c) Deferred tax		(5.28)	121.26
			429.41	212.84
IX	Profit for the year (VII-VIII)		(216.59)	360.21
X	Earnings per equity share:			
	1) Basic		(0.26)	0.43
	2) Diluted		(0.26)	0.43
	Significant Accounting Policies & Notes to Accounts	1-39		

For and on behalf of the Board

As per the report of even date

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

Arjun B Kothari
 Managing Director

P.S.Gopalakrishnan
 Director

R. Rajaram
 Partner

 Place : Chennai
 Date : May 29, 2015

R.Prakash
 Company Secretary

R.Krishnan
 Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015 ₹ in lakhs

	Particulars	As at 31.03.2015		As at 31.03.2014	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) before tax (Including share of profits from Associates)		212.82		573.05
	Adjustments for :				
	Depreciation	1,598.01		1,609.62	
	Interest Income	(85.03)		(80.83)	
	Dividend Income from Associate	(120.19)		(90.26)	
	Bad Debts	138.56		14.64	
	Liability no longer required written back	(450.34)		(187.29)	
	Provision for Compensated absences	8.81		25.44	
	Finance Cost - Interest	486.53		941.33	
	Provision for Diminution / (accretion)in value of Investments	(36.30)		(34.45)	
	Loss on Sale of assets (Vehicles)	-		1.65	
	Loss / (Gain) on sale of Investments	(97.87)		(14.59)	
	Income from Mutual Fund Investment	(68.08)		(61.14)	
	Adjustments for reserves - Associate	(230.90)		(161.39)	
			1,143.20		1,962.73
	Operating Profit before Working Capital changes		1,356.02		2,535.78
	(Increase) / Decrease in Trade Receivables	367.75		333.19	
	(Increase) / Decrease in Other Receivables	349.23		470.14	
	(Increase) / Decrease in Inventories	305.15		(466.26)	
	Increase / (Decrease) in Trade Payables and Other Payables	(3,541.41)		3,552.40	
			(2,519.28)		3,889.47
	Cash Generation from Operations		(1,163.26)		6,425.25
	Less: Income Tax Paid		122.14		77.08
	Net Cash Generation from Operating Activities - (A)		(1,285.40)		6,348.17
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital Expenditure		(56.48)		(1,322.55)
	Proceeds from sale of Investments (net)		(216.37)		(710.87)
	Interest Received		85.03		80.83
	Dividend Income from Associate		120.19		90.26
	Consideration for Sale of Fixed assets		-		2.54
	(Loss) / Gain on sale of Investments		97.87		14.59
	Income from Mutual Fund Investment		68.08		61.14
	Net Cash from Investing activities - (B)		98.32		(1,784.05)
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Preference Share Capital		(287.50)		(100.00)
	Proceeds from Term loan Borrowings		540.00		2,815.87
	Proceeds/(Repayment) from short term borrowings		3,807.28		(5,455.46)
	Repayment of Borrowings		(1,301.61)		(1,981.40)
	Dividend paid		(414.44)		-
	Dividend Distribution tax paid		(70.43)		-
	Interest paid		(486.53)		(941.33)
	Net Cash used in Financing activities - (C)		1,786.75		(5,662.33)
	Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C		599.67		(1,098.22)
	Cash and Cash equivalents at the beginning of the year		134.22		1,232.44
	Cash and Cash equivalents at the close of the year (Ref.Note 18)		733.89		134.22
			(599.67)		1,098.22

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

Arjun B Kothari
Managing Director

P.S.Gopalakrishnan
Director

R. Rajaram
Partner

Place : Chennai
Date : May 29, 2015

R.Prakash
Company Secretary

R.Krishnan
Chief Financial Officer

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

CORPORATE INFORMATION

Kothari Sugars and Chemicals Limited (referred to as “KSCL” or the “Company” or the “Parent”) (CIN L15421TN1960PLC004310) are the Manufacturers of Sugar, Alcohol and power generating units at Kattur and Sathamangalam, Tamilnadu.

Parvathi Trading & Finance Co.Pvt.Ltd.owns 70.20% of the Company’s equity share capital and its holding Company. Kothari International Trading limited (the subsidiary) is in the business of export trading and material sourcing. Kothari Petrochemicals Limited (Associate) are manufacturers of Poly Iso Butene (PIB).

SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) Basis of consolidation and significant accounting policies

The consolidated financial statements of the Company and its subsidiaries (together the ‘Group’) have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/ Companies Act, 1956 (“the Act 1956”), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Principles of consolidation

The consolidated financial statements relate to KSCL (the ‘Parent’) and of the consolidated financial statements of its wholly owned subsidiary M/s.Kothari International Trading Limited and its Associate M/s.Kothari Petrochemicals Limited. (Collectively referred to as the ‘Group’). The consolidated financial statements have been prepared on the following basis:

- (1) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Parent i.e. 31 March, 2015.
- (2) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. In respect of its associate the investor’s (KSCL) share of results of operations has been dealt with in the statement of Profit and Loss account.
- (3) Following subsidiary and associate company have been considered in the preparation of the consolidated financial statements:

Name of the Company	Relation ship	Percentage of holding and voting power	
		As at 31 March, 2015	As at 31 March, 2014
KITL	Subsidiary	100	100
KPL	Associate	20.42	20.42

(b) USE OF ESTIMATES

The preparation of financial statements 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) FIXED ASSETS & DEPRECIATION

- (i) Fixed assets are recorded at cost and 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 tangible fixed assets acquired after 01st April 2014 are provided under straight line method based on the useful life of the assets and in accordance with Schedule II to the Companies Act, 2013 and reckoning the maximum residual value @ 5% of the original cost of the asset. Assets acquired prior to 01st April 2014, the carrying amount as on 01st April 2014 is depreciated over the remaining useful life of the asset. In respect of assets costing up to Rs.5,000/- the Company has fully depreciated considering the materiality aspect in the year of acquisition

(iii) Intangible assets are amortized equally over their estimated useful life not exceeding 5 years.

(d) 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.

(e) INVESTMENTS

Investments are classified into current and long term Investments. 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.

(f) 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.

(g) REVENUE AND EXPENDITURE RECOGNITION

i) All revenues and expenses are accounted on accrual basis

ii) Sales are net of trade discounts and Sales Tax and Excise Duty. Excise Duty recovery from customer is deducted from turnover (gross). The excise duty differential between closing and opening stocks of excisable goods is included under "Change in inventories"

(h) EMPLOYEE BENEFITS**(i) 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.

(ii) 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 a section of the workmen for whom it is considered as a long term benefit is actuarially valued and provided for but is not funded. Liability for unavailed leave for other employees considered as short term benefits and provided according in the books of accounts.

(i) RESEARCH AND DEVELOPMENT

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

(j) 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".

(k) 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.

(l) PROVISION OF CONTINGENT LIABILITIES

A provision is created 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.

(m) 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.

(n) 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.

(o) 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.

In the case of leased 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 2015	As at 31 st March 2014
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 5,81,86,610 shares (previous year 5,81,86,610) }		
	The Company has issued only one class of Equity shares having par value of Rs.10/- each. Each holder of equity shares is entail 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	825.00	578.57
	A	375.00	621.43
	{Out of 12,00,000 shares, the holding Company (Parvathi Trading & Finance Co.Pvt.Ltd) holds 8,90,000 shares}		
	The redemption is as under:		
	50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007 and ended by 16.06.2014. The balance 50% of the face value of the preference 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 (held by holding Company Parvathi Trading & Finance Co. Pvt. Ltd.)	200.00	200.00	
Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	137.50	96.43	
B	62.50	103.57	
These will be redeemed as under:			
50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007 and ended by 16.06.2014. The balance 50% of the face value of the preference in 8 equal quarterly instalments commencing from 17.09.2014.			
A+B	437.50	725.00	
Total	8,726.36	9,013.86	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
	(a) Equity Shares	No. of Shares	
	Reconciliation of Number of Shares		
	Balance at the beginning of the year	8,28,88,580	8,28,88,580
	Balance at the end of the year	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.(Holding Company) (70.20%) (P.Y.70.20%)	5,81,86,610	5,81,86,610
	(b) Preference Shares		
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.100/-each		
	Balance at the beginning of the year	12,00,000	12,00,000
	Balance at the end of the year	12,00,000	12,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Holding Company		
	Parvathi Trading & Finance Co.Pvt. Ltd (Holding Company) (74.17%) (PY 74.17%)	8,00,000	8,00,000
	Others		
	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		
	Balance at the beginning of the year	20,00,000	20,00,000
	Balance at the end of the year	20,00,000	20,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Parvathi Trading & Finance Co. Pvt. Ltd (Holding Company) (100%) (PY 100%)	20,00,000	20,00,000
3	Reserves and Surplus	₹ in lakhs	
	Capital Redemption Reserves		
	Opening Balance	675.00	575.00
	Add:On redemption of Preference Shares	287.50	100.00
	Total	962.50	675.00
	Debenture Redemption Reserve		
	Opening Balance	750.00	675.00
	Add:Transferred from Surplus in Statement of Profit and Loss	-	75.00
	Total	750.00	750.00
	Surplus in Statement of Profit and Loss		
	Opening Balance	3,256.89	3,556.56
	Add: Profit for the Year	(216.59)	360.21
	Less:		
	Proposed Dividend	-	414.44
	Dividend Tax on Proposed Dividend	-	70.43
	Transfer to Capital Redemption Reserve	287.50	100.00
	Transfer to Debenture Redemption Reserve	-	75.00
	Closing Balance	2,752.80	3,256.89
	Add: Excess provision on investments in Associate	108.36	339.25
	Grand Total	4,573.66	5,021.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
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.	2,031.02	1,958.48
	Total (a)	-	72.54
	Transferred to current maturities of long term Debt	-	72.54
	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) as per AAIFR order dated 17.06.2004	2,031.02	2,031.02
	Of the above, amount due to the Holding Company Rs.1533.43 Lacs		
	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. Repayment in year 2029-30 in one single installment. Rate of Interest Nil		
	Total (b)	2,031.02	2,031.02
	Total (a+b)	2,031.02	2,031.02
	Term Loans from		
	Banks	3,835.45	4,159.55
	Sugar Development Fund	3,379.01	3,816.52
	Holding Company (Parvathi Trading & Finance Co.Pvt. Ltd.)	821.20	821.20
	Others (Ekansha Enterprises Pvt.Ltd.)	623.15	623.15
	Total	8,658.81	9,420.42
	Secured	8,035.66	8,797.27
	Unsecured	623.15	623.15
	Total (c)	8,658.81	9,420.42
	Total (a+b+c)	10,689.83	11,451.44
	Current maturities of Long Term Debt grouped under "Other Current Liabilities" (Refer Note 9)	1,301.61	1,605.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Term Loan from banks

Term Loan from Indian Bank Rs.1,249.96 lacs (P.Y Rs.1,464.28 lacs) of which Rs.1,035.64 lacs under long term borrowings and Rs.214.32 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 installments 70. Rate of Interest 11.70% p.a. Amount of each installment Rs.17.86 lacs.

Term Loan from Indian Bank 93.72 lacs (P.Y Rs.125.28 lacs) of which Rs.62.16 lacs under long term borrowings and Rs.31.56 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 installments 36. Rate of Interest 11.45% p.a. Amount of each installment Rs.2.63 lacs.

Interest Free Term Loan from Indian Bank Rs.2,815.87 lacs (P.Y Rs.2,815.87 lacs) under Scheme for Extending Financial Assistance to Sugar units 2014. Repayment in 5 years with 2 year moratorium. 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.

Term Loan Sugar Development Fund

Rs.1,283.10 lacs (P.Y.Rs.1,283.10 Lacs) of which Rs.1,026.48 lacs under long term borrowings and Rs.256.62 lacs under current maturity secured by exclusive second charge on all Movable and Immoveable Properties except book debts of the Company situated at Kattur,Tamil Nadu. Annual repayment in 5 equal annual installments starting from September 2015 to September 2019. Rate of Interest 4% p.a. Amount of each installment Rs.256.62 lacs. Balance installments 5.

Rs.1,026.48 lacs (P.Y.Rs.1,283.10 Lacs) of which Rs.769.86 lacs under long term borrowings and Rs.256.62 lacs under current maturity secured by exclusive second charge on all Movable and Immoveable Properties except book debts of the Company situated at Kattur,Tamil Nadu. Annual repayment in 5 equal annual installments starting from December 2014 to December 2018. Rate of Interest 4% p.a. Amount of each installment Rs.256.62 lacs. Balance installments 4.

Rs.1,032.14 lacs (P.Y Rs.1,376.19 lacs) of which Rs.688.09 lacs under long term borrowings and Rs.344.05 lacs under current maturity secured by exclusive second charge on all Movable and Immoveable Properties except book debts of the Company situated at Kattur Unit, Tamil Nadu. Repayment in 10 equal half yearly installment starting from September 2013 to March 2018 Rate of Interest 4% p.a. Amount of each installment Rs.172.02 lacs. Balance installments 6.

Rs.87.60 lacs (P.Y 116.80 lacs) of which Rs.58.40 lacs under long term borrowing and Rs.29.20 lacs under current maturity secured by bank Guarantee Repayment in 4 Annual Equal installments starting from April 2014 to April 2017. Balance installments 3. Rate of Interest 4% p.a. Amount of each installment Rs.29.20 lacs.

Rs. 204.59 lacs (P.Y Rs.272.79 lacs) of which Rs.136.39 lacs under long term borrowing and Rs.68.20 lacs under current maturity.Repayment 4 equal Annual installments starting from February 2015 to February 2018. Secured by Bank Guarantee.Balance installments 3 . Rate of Interest 4% p.a. Amount of each installment Rs.68.20 lacs. Rs. 182.61 lacs (P.Y Rs.182.61 lacs) of which Rs.159.78 lacs under long term borrowing and Rs.22.83 lacs under current maturity. Repayment 4 equal Annual installments starting from February 2016 to February 2019. Secured by Bank Guarantee. Balance 8 half yearly installments. Rate of Interest 6.75% p.a. Amount of each installment Rs.22.83 lacs.

Rs.297 lacs (P.Y Rs.Nil) of which Rs.297 lacs under long term borrowing and Rs.Nil under current maturity. Repayment 8 equal Annual installments starting from June 2017 to December 2020. Secured by Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam Sugar & Cogeneration Unit. Balance 8 half yearly installments. Rate of Interest 7% p.a. Amount of each installment Rs.37.12 lacs.

Rs.243 lacs (P.Y Rs.Nil) of which Rs.243 lacs under long term borrowing and Rs.Nil under current maturity. Repayment 8 equal Annual installments starting from January 2018 to July 2021. Secured by Paripassu first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam Sugar & Cogeneration Unit. Balance 8 half yearly installments. Rate of Interest 7% p.a. Amount of each installment Rs.30.38 lacs.

Term Loan From Holding Company

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 installment 1.

Term Loan From Others(Ekansha Enterprises Pvt.Ltd.) (Unsecured)

Rs 623.15 lacs (P.Y Rs.623.15 lacs) payable in June 2029. Rate of Interest – Nil. No.installment 1.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
5	Deferred Tax Liability / (Asset)		
	Deferred Tax Liability		
	Timing Difference on Depreciation of Fixed Assets	3,251.33	3,170.75
	Deferred Tax Asset on		
	Sec.43B expenses allowable on payment under IT Act 1961	(21.82)	(68.41)
	Provision for Diminution in value of current investments	(19.97)	(31.75)
	Carry Forward Depreciation loss	(1,022.24)	(878.02)
	Deferred Tax Liability (Net)	Total 2,187.30	2,192.58
6	Other Long-term Liabilities		
	Trade payables	7.97	8.28
	Advances from Customers	10.84	10.84
	Gratuity	37.34	-
	Compensated absences	6.71	6.84
	Interest accrued but not due on Loans	897.22	861.91
	Other payables and Deposits	44.78	450.64
	Total	1,004.86	1,338.51
7	(A) Short-Term Borrowings - Secured		
	Loans repayable on demand		
	From banks*	4,208.12	400.83
	Total	4,208.12	400.83
	*Cash Credit from Indian Bank for Rs.4208.12 lacs (P.Y. Rs.400.83 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		
8	Trade Payables	3,239.23	4,864.13
	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	1,301.61	1,605.18
	Current maturity of Deferred Sales Tax payable as per AAIFR	-	210.84
	Current maturity of Interest accrued but not due on borrowings	16.82	10.28
	Current maturity of vehicle loan	-	30.96
	Statutory Remittances	208.63	229.71
	Advances from related parties	-	127.00
	Advances from Customers	25.46	1,038.77
	Others (Excise duty, Salaries etc.)	764.29	678.59
	Total	2,316.81	3,931.33
10	Short- term Provisions		
	Provision for employee benefits		
	Gratuity	8.81	-
	Superannuation	5.96	3.04
	Compensated absences	23.30	18.60
	Bonus & Exgratia	37.27	28.91
	Others		
	Dividend payable	-	414.44
	Dividend distribution tax payable	-	70.43
	Total	75.34	535.42

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11. Fixed Assets

(₹ in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2014	Additions	Disposals	As at 31.03.2015	As at 01.04.2014	For the Year	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets										
Land	364.34	-	-	364.34	-	-	-	-	364.34	364.34
Buildings	4,428.19	27.51	-	4,455.69	1,251.90	219.56	-	1,471.46	2,984.23	3,176.28
Plant and Equipment	33,868.36	578.13	-	34,446.49	16,016.54	1,267.91	-	17,284.45	17,162.04	17,851.82
Furniture and Fixtures	247.71	-	-	247.71	160.67	42.09	-	202.76	44.95	87.04
Vehicles	527.36	-	-	527.36	118.41	63.72	-	182.14	345.22	408.95
Total	39,435.95	605.64	-	40,041.59	17,547.52	1,593.29	-	19,140.81	20,900.78	21,888.43
Previous year	38,607.03	838.99	10.07	39,435.95	15,948.70	1,604.70	5.87	17,547.52	21,888.43	22,658.33
(ii) Intangible assets										
Computer Software	33.98	-	-	33.98	27.56	4.72	-	32.28	1.70	6.42
Total	33.98	-	-	33.98	27.56	4.72	-	32.28	1.70	6.42
Previous year	33.98	-	-	33.98	22.64	4.92	-	27.56	6.42	11.34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
12	Non-Current Investments		
	Non-Trading Investments	1,211.20	1,211.20
	[Refer Note no 15 (a)]		
	Total	1,211.20	1,211.20
	Investments in Equity instruments	1,211.15	1,211.15
	Investments Others	0.05	0.05
13	Long Term Loans And Advances		
	Security deposits		
	Others (Electricity,Caution,Rental etc.)(Unsecured,considered good)	210.83	306.33
	Loans and advances to related parties		
	Doubtful	21.22	21.22
	Others	3.30	10.00
		235.35	337.55
	Less: Provision for doubtful loans and advances	21.22	21.22
	Total (a)	214.13	316.33
	Other loans and advances - Income Tax refund receivable net of provision for Tax	248.14	554.33
	Loans and advances - Others	0.44	0.44
	Total (b)	248.58	554.77
	Total (a+b)	462.71	871.10
14	Other Non-Current Assets		
	Advance to Suppliers	0.63	0.93
	Others (Interest on bonds,Subsidy etc.)	39.65	36.33
	Total	40.28	37.26
15	CURRENT ASSETS		
	Current Investments		
	Investments in Equity instruments	110.03	112.08
	Investments in Mutual funds	678.82	560.40
	Investments in Bonds/Debentures	1,079.83	979.83
	Less : Provision for Diminution	61.56	97.86
	[Refer Note no 15 (b)]		
	Refer note 1 (e) for method of valuation		
	Total	1,807.12	1,554.45
16	Inventories		
	Raw materials and packing materials	143.87	218.56
	Work in progress	315.84	438.22
	Finished goods	8,554.02	8,845.53
	Raw Sugar (Bought out)	-	17.18
	Stores and spares	920.93	720.33
	Refer note 1 (f) for method of valuation		
	Total	9,934.66	10,239.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

As at 31.03.15 Qty.	As at 31.03.14 Qty.	Investment	Category	As at 31.03.15	As at 31.03.14
Note 15 (a)		NON-CURRENT INVESTMENT AT COST			
		Government Securities			
		INDIRA VIKAS PATRA	Non-Trading	0.05	0.05
		Associate Companies - Equities (Fully paid up)-Quoted			
1,20,34,500	1,20,34,500	KOTHARI PETROCHEMICALS LTD OF RS 10 EACH	Non-Trading	1,203.45	1,203.45
		Associate Companies - Equities (Fully paid up)-Unquoted			
20	20	KOTHARI BIO- TECH LTD - RS.10 EACH	Non-Trading	0.003	0.003
		Equities - Others (Fully paid up) - Quoted			
5,000	5,000	GUJARAT PETROSYNTHESIS LTD (Rs. 10 EACH)	Non-Trading	2.50	2.50
		Equities - Others (Fully paid up) - Unquoted			
50,000	50,000	BIO- TECH CONSORTIUM LTD (Rs..10 EACH)	Non-Trading	5.00	5.00
		Equities - Others (Fully paid up)-Unquoted			
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		1,211.20	1,211.20
		Aggregate of :			
		Quoted non-current investments at cost		1,205.95	1,205.95
		Market Value of Quoted non-current Investments		1,430.98	1,023.32
		Unquoted non-current investments at cost		5.25	5.25
Note 15 (b)		CURRENT INVESTMENT AT COST (Valued at lower of cost and market value)			
		Investment in Mutual Funds (Quoted)			
-	59,738	FRANKLIN FLEXICAP FUND	Trading	-	10.00
-	41,548	FRANKLIN INDIA PRIMA FUND	Trading	-	20.00
-	51,960	FRANKLIN INDIA PRIMA PLUS FUND	Trading	-	16.20
-	27,333	FT INDIA BALANCED FUND	Trading	-	6.00
86,881	-	SUNDARAM INFRASTRUCTURE ADVANTAGE FUND	Trading	14.73	-
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	SUNDARAM SMILE FUND	Trading	-	10.00
-	245,694	SBNPP CAPEX OPPORTUNITIES FUND	Trading	-	38.00
-	62,321	FRANKLIN INDIA PRIMA FUND	Trading	-	30.00
28,496	-	BIRLA SUN LIFE FLOATING RATE FUND STP	Trading	53.00	-
-	1,23,908	HDFC FLOATING RATE INCOME FUND	Trading	-	27.11
30,60,073	7,24,762	IDFC DYNAMIC BOND FUND	Trading	526.08	106.71
-	46,624	BIRLA SUN LIFE SAVINGS FUND	Trading	-	114.62
-	5,488	RELIANCE MONEY MANAGER FUND	Trading	-	96.77
5,00,000	5,00,000	HDFC FMP	Trading	50.00	50.00
		Total Current Investments at cost		678.82	560.40
		Less: Provision for diminution in value of Investments		6.02	44.97
		Net Current Investments		672.80	515.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

As at 31.03.15 Qty.	As at 31.03.14 Qty.	Investment	Category	As at 31.03.15	As at 31.03.14
		<u>Equity - Others (Fully Paid) Quoted</u>			
2,500	2,500	BHARAT HEAVY ELECTRICALS LIMITED (Rs. 2 EACH)	Trading	10.86	10.86
-	300	ABB LIMITED (Rs. 2 EACH)	Trading	-	3.49
290	290	BGR ENERGY SYSTEMS LIMITED (Rs. 10 EACH)	Trading	1.97	1.97
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
5,000	5,000	RELIANCE COMMUNICATIONS LIMITED (Rs. 5 EACH)	Trading	20.34	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
4,375	4,375	RELIANCE POWER LTD (Rs. 10 EACH)	Trading	12.37	12.37
1,800	1,800	SINTEX INDUSTRIES LIMITED (Re. 1 EACH)	Trading	3.20	3.20
19,380	17,000	TATA POWER COMPANY LIMITED (Re. 1 EACH)	Trading	24.19	22.76
		Total Current Investments at cost		110.03	112.08
		Less: Provision for diminution in value of Investments		55.54	52.89
		Net Current Investments		54.49	59.19
		Investment in NCD / Bonds (Quoted)			
30	30	TATA MOTORS FINANCE LIMITED	Trading	300.00	300.00
10,000	-	IFCI LIMITED	Trading	100.00	-
4,86,958	4,86,958	L&T FINANCE HOLDINGS LIMITED	Trading	486.96	486.96
1,500	1,500	NABARD	Trading	192.87	192.87
		Total		1,079.83	979.83
		Aggregate of :			
		Current investments at cost (Quoted)		1,868.68	1,652.31
		Market Value current investemments (Quoted)		1,807.12	1,554.45
		Dimunition in value of current investments		61.56	97.86

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2014	As at 31 st March 2013	
17	Trade Receivables			
	(Unsecured, Considered good)			
	For a period exceeding six months	80.70	82.41	
	Others	737.76	1,242.35	
	Total	818.46	1,324.76	
18	Cash and Cash Equivalents			
	Cash on Hand	1.80	0.83	
	Balances with Bank - In current accounts	686.17	87.05	
	Fixed Deposit with Banks	45.92	46.34	
		Total (a)	733.89	134.22
	Other Bank Balances			
	Balances with Bank-Under Lien	-	0.49	
	Balances held as margin money or security against borrowings, guarantees and other commitments	155.50	143.23	
	Unpaid Dividend- Held in separate Bank account	4.51	-	
		Total (b)	160.01	143.72
	Total (a+b)	893.90	277.94	
19	Short Term Loans And Advances			
	(Unsecured and considered good)			
	Balances with government authorities			
	CENVAT credit receivable	181.70	214.07	
	Service Tax credit receivable	14.51	10.11	
	VAT credit receivable	1.99	-	
	Others (Balance with State excise/PLA etc.)	2.39	3.17	
	Prepaid Expenses	104.54	117.69	
	Other loans and advances (Employee advances etc.)	123.91	130.03	
	Total	429.04	475.07	
20	Other Current Assets			
	Other Receivables (Interest accrued on NCD, recovery from Ryots)	437.36	212.12	
	Advance to Suppliers	83.73	100.94	
	Total	521.09	313.06	
21	Revenue from Operations			
	Sale of products			
	Sugar	22,959.98	23,190.56	
	Industrial Alcohol	8,092.25	6,217.80	
	Electric Power	1,365.73	1,469.27	
	Bagasse	1,866.61	1,822.36	
	Others (Biocompost, CO ₂ , cane inputs etc.)	282.77	349.94	
	Other Operating revenues	210.93	92.25	
	Total	34,778.27	33,142.18	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
22	Other Income		
	Interest Income		
	- From Bank Deposits	71.29	76.49
	- Others (TNEB etc.)	13.73	4.34
	Dividend Income from Current Investments		
	- Others (Shares & Mutual funds)	68.08	61.14
	Dividend Income from Associate & others	120.19	90.26
	Net gain on sale of current investments	97.87	14.59
	Other Non-Operating Income		
	- Other Miscellaneous income	215.37	229.63
	- Rental Income	25.51	25.83
	- Accretion in value of investments	36.30	34.45
	- Commission	83.41	172.43
	- Liability no longer required written back	450.34	187.29
	Total	1,182.09	896.45
	EXPENSES		
23	Cost of Materials Consumed		
	Raw Material		
	Sugarcane	22,128.92	21,863.47
	Coal	781.30	1,084.16
	Others (Molasses, Bagasse etc.)	2,208.80	1,283.13
	Chemical and Others	373.98	389.71
	Packing	517.79	529.67
	Total	26,010.79	25,150.14
24	Changes in Inventories of Finished Goods, Work-in-progress		
	Opening Stock		
	Finished Goods		
	Sugar	8,304.50	8,069.25
	Molasses	187.77	219.78
	Industrial Alcohol	353.25	257.75
	Work in progress		
	Sugar	424.32	263.58
	Molasses	13.91	11.30
	Total (a)	9,283.75	8,821.66
	Closing Stock		
	Finished Goods		
	Sugar	7,582.50	8,304.50
	Molasses	771.93	187.77
	Industrial Alcohol	199.58	353.25
	Work in progress		
	Sugar	304.12	424.32
	Molasses	11.72	13.91
	Total (b)	8,869.85	9,283.75
	(Increase) / Decrease over the previous year	Total (a-b)	413.90
	Add: Decrease in Sugar (Boughtout)	17.18	-
	Add: Excise duty adjustment for movement in Finished goods inventory	108.03	(76.21)
	Net change (Increase) / Decrease	539.11	(538.30)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2015	As at 31 st March 2014
25	Employee Benefits Expense		
	Salaries and Wages	1,479.71	1,523.41
	Contribution to Provident and Other Funds	160.52	112.32
	Staff Welfare Expenses	77.46	76.83
	Total	1,717.69	1,712.56
26	Finance Cost		
	Interest Expense	486.53	941.33
	Other Borrowing Costs	21.99	54.70
	Total	508.52	996.03
27	Depreciation and amortization expense	1,598.01	1,609.62
28	Other Expenses		
	Consumption of stores and spare parts	1,151.47	814.49
	Power and Fuel	884.79	526.92
	Rent	23.92	46.45
	Repairs-Buildings	110.48	115.93
	Repairs to Machinery	418.20	371.84
	Repairs to Others	81.11	99.66
	Biocompost	85.97	82.65
	Insurance	84.25	87.24
	Rates and Taxes	147.56	141.80
	Excise duty expunged	493.44	378.87
	Freight & Clearing Expenses	563.80	582.09
	Directors Sitting fees	3.57	2.17
	Auditor's Remuneration	-	-
	- Statutory Audit	3.67	3.67
	- Certification	1.20	1.20
	Travelling Expenses	50.10	45.39
	Research and Development	-	2.23
	Conveyance	4.54	8.47
	Professional Fees	36.70	73.72
	Commission	25.52	23.08
	Loss on Sale of Assets	-	1.65
	CSR expenditure	28.43	-
	Administration Expenses	447.32	458.41
	Bad Debts	138.56	14.64
	Miscellaneous Expenses	38.21	16.37
	Total	4,822.81	3,898.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

29. A sum of Rs.556.88 lakhs was paid to DRAT, Mumbai during the previous 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 Profit and Loss account of the Parent Company (i.e. Kothari Sugars and Chemicals Limited). With the payment of Rs.37 lakhs during 2014-15 the entire sum has been recovered by the Parent Company and same is considered as 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.

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 Statement of Profit and loss.

(i) Earned Leave

₹ in lakhs

Principal Actuarial Assumptions	2014-15	2013-14
Interest rate (Liabilities)	7.80%	8.00%
Rate of return on plan assets wherever applicable	8.70	8.70
Mortality table	Indian Assured Lives (2006 – 08)	Indian Assured Lives (2006 – 08)
Resignation rate per annum	2%	2%
Salary escalation rate	6.50%	6.50%
Net Liability Recognized	2014-15	2013-14
Present Value of Obligation	6.71	6.84
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized (Long term)	(6.71)	(6.84)

(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 participating enterprise.

₹ in lakhs

Particulars	Gratuity Plan	
	2014-15	2013-14
Basic actuarial assumptions		
Mortality Table:	Indian Assured Lives	Indian Assured Lives
Date of Valuation:	(2006 – 08) Ultimate	(2006 – 08) Ultimate
Rate of Discount (p.a)	31-03-2015	31-03-2014
Rate of Salary Escalation:	7.80%	8.00%
Employee Attrition Rate due to reasons other than death or retirement	6.50%	6.50%
Rate of Return on Plan Assets	2.00%	2.00%
	8.70%	8.70%
Projected benefit obligation at the beginning of the period	301.32	323.31
Current service cost	77.26	47.68
Interest cost	22.80	25.83
Actuarial loss / (gain)	(22.10)	(56.49)
Benefits paid	(32.68)	(39.01)
Projected benefit obligation at the end of the period	346.60	301.32
Amounts recognized		
Projected benefit obligation at the end of the period	346.60	301.32
Fair value of plan assets at end of the period	307.20	312.27
Liability to be recognized	39.40	10.95)
Cost for the period		
Current service cost	77.26	47.68
Interest cost	22.80	25.83
Expected return on plan assets	(25.75)	24.76)
Net actuarial (gain)/loss recognized in the period	(23.97)	(59.70)
Total	50.34	(10.95)
Less: Share of contribution from Associate Company	(3.69)	3.61
Net Cost recognized in Statement of Profit & Loss	46.65	Nil

31. Contingent Liabilities not provided for

₹ in lakhs

Particulars	2014-15	2013-14
a) Claims not acknowledged by the Company		
Sales Tax		
Customs	73.39	73.39
Central excise	679.96	662.70
Tangedco (Electricity)		
Generation Tax	525.39	438.19
Tariff revision	227.86	284.11
Electricity tax (Third party sale)	860.92	753.12
Urban Land tax	44.38	42.33
Others	-	1.87
Total	2,411.89	2,255.71

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

South Indian Sugar Mills Association (SISMA), Tamilnadu has file a writ petition in the High Court of Madras on behalf of all the private sector sugar mills in the State challenging the power of the State Government to fix the State Advisory Price (SAP).

Since the Hon'ble Supreme Court has held in 2004 that SAP is only recommendatory in nature in Tamilnadu. Therefore, the Company does not foresee any adverse impact on the financial position.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

32. 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 includes generation of power from bagasse and coal and Distillery segment reflects the manufacture of Extra neutral and denatured alcohol.

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. 100)

33. Related Party Disclosures:

(Refer Separate workings on Related Party Transactions - Annexure - II at Page No. 101)

34. Operating Lease

a) A sum of Rs.23.89 lakhs (Previous Year Rs.46.42 lakhs) has been debited to Rent account, being the rent paid on premises which has been taken on lease.

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

Particulars	2014-15	2013-14
Less than one year	-	30.96
Between 1 year and less than 5 year	-	-
Total	-	30.96

35. Earnings per Share:

Particulars	2014-15	2013-14
Net Profit after Tax excluding Exceptional Item (Rs.in lakhs)	(216.59)	360.21
No. of Equity Shares of Rs. 10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	(0.26)	0.43

36. The net worth of the subsidiary KITL has been eroded on account of it's carried over losses. The management of the subsidiary has expressed confidence in continuing the current trend of registering profits as the subsidiary has made cash profits during this year as well as the immediately preceding previous years.It is however not likely to have any major impact in the consolidated financials of the KSCL as the investment in its subsidiary is fully provided in Parent Company's books.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37. Remuneration / Fee paid to Statutory Auditors

Sl. No.	Description of the Service	Amount Paid (Rs. lakhs)
(a)	Statutory audit of accounts	3.50
(b)	Limited Audit Review	1.20
(c)	VAT audit	0.40
(d)	Certification - Others	0.12
	Total	5.22

38. The Parent Company has changed the method of providing depreciation from 01st April 2014 as required by the Companies Act, 2013. Depreciation is hence provided in accordance with Schedule II for the current year as against the rates specified in Schedule XIV to the Companies Act, 1956 adopted in the previous year. As a result depreciation in the current year is lower by Rs.16.29 lakhs.

Further in respect of assets whose remaining useful life as prescribed in Schedule II to Companies Act,2013 is nil at their carrying amounts as on 01st April 2014 after retaining the residual value aggregating to Rs.148.39 lakhs (excluding deferred tax of Rs.48.14 lakhs) has been charged to statement of profit and loss and included under the item "Depreciation and amortization expenses".

39. 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

Arjun B Kothari
Managing Director

P.S.Gopalakrishnan
Director

R. Rajaram
Partner

Place : Chennai
Date : May 29, 2015

R.Prakash
Company Secretary

R.Krishnan
Chief Financial Officer

Annexure - I - Segment Information (Note - 32)

a) Primary segment reporting (by Business Segments)

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	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Segment revenues	25,317.91	25,683.26	5,070.69	5,059.47	8,288.80	6,482.26	38,677.41	37,224.99
Segment results	(4,006.96)	(2,220.74)	(463.74)	(582.07)	4,027.28	3,318.04	(443.41)	515.23
Segment assets	20,147.73	20,052.64	5,190.61	6,612.01	6,986.30	6,675.34	32,324.64	33,339.99
Segment Liabilities	24,154.69	22,273.38	5,654.34	7,194.08	2,959.02	3,357.30	32,768.05	32,824.76
Capital Expenditure	58.50	214.82	12.34	34.37	534.30	579.01	605.14	828.20
Depreciation	682.10	682.21	645.11	683.32	202.01	216.10	1,529.22	1,581.62

₹ in lakhs

Reconciliation of reportable segments with the financial statements:

Particulars	Gross Revenues		Results / Net profit		Assets		Liabilities		Capital Expenditure		Depreciation	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Total Reportable Segment	38,677.41	37,224.99	(443.41)	515.23	32,324.64	33,339.99	32,768.05	32,824.76	605.14	828.20	1,529.22	1,581.62
Corporate-Unallocated	-	-	(434.20)	(495.97)	6,644.79	5,472.28	6,655.26	5,741.16	0.50	10.78	68.79	28.00
Inter Segment	(4,792.88)	(4,849.53)	-	-								
Other revenues	1,246.40	688.98	-	-								
Interest (Corporate)	-	-	(4.53)	(5.10)								
Interest and Dividend income	-	-	391.26	232.18								
Others (Subsidiary)/Associate share of profits	47.93	176.20	274.30	113.86	1,211.30	1,215.49	1,204.90	1,263.02				
Total	35,178.85	33,240.64	(216.59)	360.21	40,180.73	40,027.76	40,628.22	39,828.94	605.64	838.99	1,598.01	1,609.62

b) Secondary Segment Information

₹ in lakhs

Particulars	2014-15		2013-14	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	38,677.41	-	37,224.99	-
2. Carrying amount of Segment Assets	32,324.64	-	33,339.99	-
3. Additions to Fixed / Intangible Assets	605.64	-	838.99	-

Annexure - II - Related Party Disclosures (Note - 33)

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

- | | | |
|---|--|--|
| (i) Parties with Significant influence
(Direct and Indirect) | Holding Company
Joint control
Joint control
Associate
Joint control
Joint control
Joint control
Joint control
Joint control
Affiliated Trust
Wholly owned Subsidiary | Parvathi Trading & Finance Co.Pvt. Ltd.
Parsakthi Trading Co.Pvt. Ltd.
Spellbound Trading Pvt. Ltd
Kothari Petrochemicals Limited
Century Foods Pvt. Limited
Santoor Commercials Pvt.Ltd
Kothari Safe Deposits Limited
Kothari Bio Tech Limited
HCK Educational and Development Trust
Kothari International Trading Limited |
| (ii) Key Management Personnel | Chairman & Managing Director | Mr.B H Kothari (till 22nd Feb 2015) |

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Nature of Transactions	Parties with Significant influence (Direct and Indirect)																							
	Parvathi Trading & Finance Co. Pvt. Ltd.		Parasakthi Trading Co. Pvt. Ltd.		Spellbound Trading Pvt. Ltd.		Kothari Petro Chemicals Ltd.		Century Foods Pvt. Ltd.		Santoor Commercials Pvt. Ltd.		Kothari Safe Deposits Ltd.		Kothari Biotech Ltd.		Kothari International Trading Ltd.		HCK Educational and Development Trust		Key Management Personnel			
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14		
Rent	-	-	-	-	-	-	-	-	17.76	23.61	-	-	12.25	-	7.85	-	-	-	-	-	-	-	-	
Electricity charges	-	-	-	-	-	-	-	3.99	4.05	2.87	-	-	-	1.16	1.17	-	-	-	-	-	-	-	-	
Travel and other reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other receipts	-	-	-	-	-	-	-	42.10	52.23	-	-	-	-	5.00	3.98	-	-	-	-	-	-	-	-	
Advance received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase of water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	-	-	-	-	-	-	
Material purchased	-	-	-	-	-	-	-	0.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Advance for purchases / (refund)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00	10.00	-	-	-	-	-	-	
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31.57	27.50	-	-	-	
CSR expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28.43	-	-	-	-	
Remuneration of CMD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53.76	
Interest	-	-	-	138.44	-	89.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unsecured Loan-Borrowing	-	-	-	(500.00)	-	(1,800.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan Repayment	71.11	284.45	-	2,000.00	-	1,800.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Outstanding Balances																								
Loans and Advances	-	-	-	-	-	-	-	-	(127.00)	-	-	-	-	-	-	21.22	31.22	55.51	55.51	-	-	-	-	-
Term Loans	(821.20)	(850.52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zero Coupon Bonds	(1,533.44)	(1,575.22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



KOTHARI SUGARS AND CHEMICALS LTD.,
CIN : L15421TN1960PLC004310

Regd. Office: "Kothari Buildings" No.115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034.
 Phone No. 044- 30281595 / 30225507 / Fax No. 044-28334560
 Email: secdept@hckgroup.com / Website: www.hckotharigroup.com/kscl

Form No. MGT 11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

CIN : L15421TN1960PLC004310
 Name of the company : KOTHARI SUGARS AND CHEMICALS LIMITED
 Registered office : KOTHARI BUILDINGS, NO.115, MAHATMA GANDHI SALAI, NUNGAMBAKKAM, CHENNAI - 600034

Name of the member(s)	
Registered address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, being the member (s) of shares of the above named company, hereby appoint

- Name Address
 Email-Id..... Signature..... or failing him
- Name Address
 Email-Id..... Signature..... or failing him
- Name Address
 Email-Id..... Signature..... or failing him

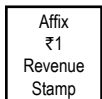
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the company, to be held on Tuesday the 11th day of August, 2015 at 10.30 a.m. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below

Resolution No.	Resolutions	Optional **	
		For	Against
Ordinary Business			
1.	Consider and adopt:		
	a) Audited Financial Statements, Reports of the Board of Directors and Auditors		
	b) Audited Consolidated Financial Statements		
2.	Re-appointment of Mrs.Nina B Kothari who retires by rotation		
3.	Appointment of Auditors		
Special Business			
4.	Appointment of Mr.Arjun B Kothari as Director		
5.	Appointment of Mr.Arjun B Kothari as Managing Director and Whole Time Key Managerial Person		
6.	Approval of Remuneration to Cost Auditor		

Signed this day of 20.....

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder Signature of shareholder:



Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

**KOTHARI SUGARS AND CHEMICALS LTD.,****CIN : L15421TN1960PLC004310**

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Phone No. 044- 30281595 / 30225507 / Fax No. 044-28334560

Email: secdept@hckgroup.com / Website: www.hckotharigroup.com/kscl

ATTENDANCE SLIP

Regd. Folio / DP ID & Client Id	
No. of Shares held	
Name and Address of the Shareholder	

1. I hereby record my presence at the 54th Annual General Meeting of the company, to be held on Tuesday the 11th day of August, 2015 at 10.30 a.m. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014.

2. Signature of the Shareholder / Proxy Present.

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of Annual Report for reference at the meeting.

E - VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USED ID	PASSWORD
150622014	Folio No. / Client ID	Pan Number / Bank Account No. / Date of Birth

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Friday, 7 th August, 2015 (from 9.00 A.M.)	Monday, 10 th August, 2015 (upto 5.00 P.M.)

Note: Please refer the details and instructions form integral part of the Notice for the Annual General Meeting.

If undelivered, please return to:

KOTHARI SUGARS AND CHEMICALS LIMITED

Regd. Office. "Kothari Buildings"

No. 115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034.