



Kothari Sugars and Chemicals Limited

50th Annual Report 2010 - 11

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director Dr. P. S. Mani Sundaram P. S. Gopalakrishnan V. R. Deenadayulu N.Chandramouli (Till 19.07.2011)
Company Secretary	:	R.Prakash
Statutory Auditors	:	R. Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue Luz, Mylapore Chennai – 600 004.
Internal Auditors	:	K.R.Sarangapani & Co. Chartered Accountants, Chennai – 600 083 V.P.Mukundan & Associates Chartered Accountants, Chennai 600 004
Cost Auditor	:	K.Suryanarayanan 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
Registrar & Share Transfer Agents	:	M/s. Cameo Corporate Services Limited, Subramanian Buildings, 5th Floor, No.1, Club House Road, Chennai - 600 002 Phone No.044 - 28460390 to 28460394 Fax No. 044 - 28460129 e-mail: investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
Stock Code	:	KOTARISUG
ISIN No.	:	INE419A01022
Manufacturing Units	:	Kattur Kattur Railway Station Road, Lalgudi Taluk, Trichy District, Tamil Nadu - 621 601 Sathamangalam Sathamangalam Village, Vetriyur Post, Keezhapalur, Ariyalur Taluk, Perambalur District, Tamil Nadu - 621 707

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Financial Highlights

(₹. In lakhs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Profitability items					
Gross Income	23,975	27,050	27,568	34,859	28,070
Gross Profit (PBDIT)	2,537	2,592	2,386	3,807	3,273
Profit After Tax (PAT)	1,768	1,001	84	1,139	757
Balance Sheet Items					
Net Fixed Assets	19,119	20,217	20,834	20,763	19,919
Investments	2,174	4,935	1,260	3,823	3,200
Net Current Assets	5,654	3,450	6,273	4,146	6,129
Total Capital Employed	26,947	28,602	28,367	28,732	29,248
Shareholders Funds	9,046	9,972	9,956	10,995	11,652
Ratios					
Book Value per share (Rs.)	11	12	12	13	14
EPS (Rs.)	2.04	1.05	0.10	1.37	0.91

NOTICE

Notice is hereby given that the 50th Annual General Meeting of **Kothari Sugars & Chemicals Limited** will be held on Thursday, 08th September 2011 at 10.30 A.M. at Rani Seethai Hall" No.603, Anna Salai, Chennai - 600 006 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the financial year ended on that date along with Auditors' and Directors' Report thereon.
2. To appoint a Director in the place of Mr.P.S.Gopalakrishnan, who retires by rotation and being eligible offers himself for re-appointment.
3. **Appointment of Auditors**

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

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

Special Business

4. To consider and if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**:
"Resolved that Mr.V.R.Deenadayalu, who was appointed by the Board of Directors on 27.04.2009, pursuant to the provisions of Section 262 of the Companies Act, 1956 and Article 99 of the Articles of Association of the Company, as a Director to fill the casual vacancy caused by the resignation of Mr.P.N.Devarajan and who, in terms of section 262, was entitled to hold the office until this annual general meeting, be and is hereby appointed as Director of the Company and is liable to retirement by rotation"

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

Place: Chennai
Date : July 29, 2011

R Prakash
Company Secretary

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted is annexed hereto.
3. **Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.**
4. Share Transfer books and Register of Members will remain closed from Thursday, 01 September 2011 to Thursday, 08 September 2011, (both days inclusive).
5. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, etc. to their respective Depositories Participants and those holding shares in physical form should intimate the above changes to the Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, No.1, Club House Road, Chennai-600 002.
6. Members are requested to bring copies of their Annual Reports, as no additional copies will be provided.
7. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of de-materialization which include easy liquidity (since trading is permitted only in dematerialized form) electronic transfer, savings in stamp duty and prevention of forgery, etc.

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956**Item No.4**

Mr.V.R.Deenadayalu was appointed as a Director of the Company on 27th April 2009 in the casual vacancy caused by the resignation of Mr.P.N.Devarajan and holds office as Director upto this Annual General Meeting.

Mr.V.R.Deenadayalu has experience of more than 3 decades in the field of Chemicals & Engineering. He was the Chief Executive of BHEL, Trichy for 8 years and was the Chairman & Managing Director of Madras Refineries Limited (currently Chennai Petroleum Corporation Limited). He was the recipient of Sir Jahangir Gandhi medal for Industrial peace instituted by XLRI, Jamshedpur. He was formerly the Chairman of Bharathidasan Institute of Management, Trichy and a Member of the Board of Governors of XIME, Bangalore,

Institute of Energy, Trichy and Xavier Institute of Management, Bhubaneshwar.

The Company has received Notice along with requisite deposit of Rs.500 from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr.V.R.Deenadayalu as a Director of the Company.

The Board of Directors considers that in view of the background and experience of Mr.V.R.Deenadayalu, it would be in the interest of the Company to appoint him as a Director of the Company, hence, the Board recommends the resolution for approval of the members.

Mr.V.R.Deenadayalu is interested and concerned in the proposed Resolution. None of the other Directors is interested or concerned in the proposed Resolution.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited, whose address is given in this Annual Report at page 17.



ANNEXURE TO THE NOTICE

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

Particulars	Item No.2	Item No.4
Name of the Director	Mr.P.S.Gopalakrishnan	Mr.V.R.Deenadayalu
Date of Birth	23.08.1935	24.05.1932
Date of Appointment	12.06.1995	27.04.2009
Qualification	B.Com, LLB	B.E. Mechanical Engineering
Experience in specific functional areas	He has wide experience in the Banking Industry. He was formerly the Chairman of leading Financial Institutions such as (1) The Industrial Finance Corporation of India (2) The Tourism Finance Corporation of India (3) Indian Overseas Bank and (4) Oriental Bank of Commerce He was an Executive Trustee of Unit Trust of India.	He was the Chief Executive of BHEL, Trichy for over 8 years and was the Chairman & Managing Director of Madras Refineries Limited. He was the recipient of Sir Jahangir Gandhi medal for Industrial peace instituted of by XLRI, Jamshedpur. He was the Chairman of Bharathidasan Institute of Management, Trichy and a member of the Board of Governors, of XIME-Bangalore, Institute of Energy-Trichy and Xavier Institute of Management, Bhubaneswar
List of other Companies in which Directorship held	(1) Dharani Sugars & Chemicals Limited (2) Shriram General Insurance Co. Limited (3) Sakthi Finance Limited	Cetex Petrochemicals Limited
Chairman/ Member of the Committee of the Board of Director of the Company	He is the Chairman of the Audit Committee as well as Share Transfer Cum Shareholders Grievances Committee.	Member - Audit Committee Member - Remuneration Committee
Chairman/ Member of the Committee of the other companies in which he is a Director	(1) Dharani Sugars & Chemicals Limited – Member of Audit Committee/ Management and Remuneration Committee. (2) Shriram General Insurance Co. Ltd - Chairman of Investment Committee.	Nil
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2011	Nil	Nil

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

Place: Chennai
Date: 29th July, 2011

R Prakash
Company Secretary

DIRECTORS' REPORT

To the Members

The Directors present the 50th Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2011.

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

Financial Highlights

(₹. In lakhs)

Description	2010 - 2011	2009 - 2010
Profit before Interest and Depreciation	3,272.53	3,807.06
Interest	648.39	528.70
Depreciation	1,379.27	1,356.76
Profit Before Tax	1,244.87	1,921.60
Tax Adjustments	487.80	782.81
Profit after Tax	757.07	1,138.79
Transfer to Debenture Redemption Reserve	75.00	75.00
Transfer to Capital Redemption Reserve	100.00	207.71
Profit after Appropriation	582.07	856.08

Your Directors are pleased to report that the company has made a profit after tax of Rs.757.07 Lakhs.

Operations and Performance Performance

The Gross total income for the financial year 2010-11 was Rs.28,070.48 lacs as compared to Rs.34,858.81 lacs during the financial year 2009-10. Fall in sugar sales quantity is mainly on account of volatile sugar selling prices which had affected our Gross total income. The profit after tax was Rs.757.07 lacs for the financial year 2010-11 compared to Rs.1138.79 lacs during the financial year 2009-10. The PBT was low mainly due to increase in input cost and high fluctuation in sugar price coupled with low volumes. Division-wise performance of the company is given below:

a. Sugar

During the financial year 2010-11 due to volatility in sugar prices the profitability was lower compared to financial year 2009-10 during which the sugar prices in domestic market was continuously raising. Performances of our two sugar units were as under.

Kattur Unit: The plant at Kattur had crushed 5,01,809 Metric Ton (MTs) of sugarcane with a recovery of 9.03% during 2010-11 as against 7,44,232 MTs during 2009-10 with a recovery rate of 8.90%.

Sathamangalam Unit: The Plant at Sathamangalam unit had crushed 1,76,846 MTs of sugarcane with a recovery

of 8.86% in 2010-11 as against 2,62,748 MTs in 2009-10 with a recovery rate of 8.34%.

The drop in the cane crushing is mainly due to low availability of sugar cane leading to lower production of Sugar, Bagasse & Molasses which impacted the value chain. The cane price paid to the farmers for the year was Rs.1925.00 per MT of sugar cane compared to Central Government cane price (i.e. Fair and Remunerative Price) of Rs.1391.20 Per MT and State Government., cane price (State Advised Price) of Rs.1900 per MT. In addition to the cane price we have also paid transport subsidy for transporting cane from cane growers' field to the factory, to the farmers. Your company had taken various measures to improve the quality of sugar cane and sugar yield levels so that both the stakeholders in the business i.e. the farmers and the company would benefit.

b. Co-generation

Power exported during the financial year 2010-11 at Kattur unit was 11,752 Mega Watt (MW) as against 18,697 MW of power during 2009-10. At Sathamangalam unit power exported was 1,23,107 MW during 2010-11 as against 1,05,755 MW during 2009-10. Considering the high demand for power in Tamil Nadu and the good price offered, the Co-generation plant at Sathamangalam had operated and exported 1,06,215 MW of power to the grid through M/s. Power Trading Corporation.

c. Distillery

Alcohol production during the financial year 2010-11 was 16,135 Kilo Liters (KLs) as against 10,618 KLs in 2009-10. The demand for alcohol by the IMFL units in the state remained high and supported the marketing efforts of the company. The ethanol blending programme of the Central Government has not been implemented in the state so far since the State Government has not accorded permission for supply of ethanol to the oil companies, as they are yet to perceive a short fall of alcohol to the potable sector. Despite high fluctuation in molasses prices, systematic planning of our team helped us to procure the good molasses at very competitive prices.

Dividend

The Directors do not recommend dividend for this year.

Directors

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

Mr.V.R.Deenadayalu joined the Board in the Casual Vacancy caused by the resignation of Mr.P.N.Devarajan on April 27, 2009 and he will hold office till the ensuing Annual General Meeting. The Company has received Notices from Members proposing the appointment of Mr.V.R.Deenadayalu as Director of the Company.

Mr.N.Chandramouli, Director resigned from the Board with effect from 20.07.2011. The Board of Directors places on record its appreciation for the valuable services rendered by him.

Directors' Responsibility Statement

The Directors confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and profit of the company for that period
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) that they have prepared the Annual Accounts on a going concern basis.

Corporate Governance

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

Public Deposits

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

Re-appointment of Auditors

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

Cost Audit

Pursuant to Section 233B of the Companies Act, 1956, Mr.K.Suryanarayanan, a Practising Cost Accountant, was appointed as Cost Auditor for the year 2011 - 2012.

Filing of Cost Audit Report

Particulars	2010 - 2011	2009 - 2010
Due Date	30.09.2011	30.09.2010
Actual Date	(Target) 25.09.2011	27.09.2010
Cost Auditor Details	Mr.K.Suryanarayanan, M.No.24946, Chennai	Mr.K.Suryanarayanan M.No.24946, Chennai
Audit Qualification in Report	NA	None

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

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

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

Subsidiary Companies

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

The Annual Accounts of Kothari International Trading Limited, subsidiary of your company is kept at registered office for inspection of members during working hours and

the same is available in Kothari Sugars and Chemicals Limited website : www.hckotharigroup.com/kscl

Acknowledgement

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

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

Place : Chennai
Date: July 29, 2011

B.H. Kothari
Chairman and Managing Director

FORM A

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

A. POWER AND FUEL CONSUMPTION

Annexure I

Sl. No.	Particulars	Kattur				Sathamangalam	
		Sugar & Co-gen		Distillery		Sugar & Co-gen	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1.	Electricity						
	a. Purchased Unit	32,03,300	6,18,600	49,37,994	29,13,418	3,92,172	5,75,700
	Total Amount Paid (Rs.)	2,11,44,780	64,96,570	2,10,14,420	32,40,995	26,03,486	37,92,251
	Rate per unit (Rs.)	4.00 per unit + MD charges @ Rs.300 per KVA	3.50 per unit + MD charges @ Rs.300 per KVA	4.00 per unit + MD charges @ Rs.300 per KVA	3.50 per unit + MD charges @ Rs.300 per KVA	6.64	6.59
	b. Own Generation through Diesel						
	Generator Unit in KWH	30,821	33,600	Nil	Nil	3701	5423
	Unit per Litre of Diesel	2.40	2.47	Nil	Nil	2.04	2.99
	Cost per Unit (Rs.)	16.67	14.25	Nil	Nil	19.22	11.718
	c. Power generated through Steam turbine Unit in KWH	3,31,63,600	4,83,05,500	Nil	5,83,016	14,28,46,000	12,61,76,000
	Unit per ton of fuel	244	237	Nil	NA	487.05	477.66
	Cost per unit (Rs.)	4.04	3.88	Nil	NA	3.49	3.29
2.	Coal (specify quantity and where used)						
	Quantity (tonnes)		NA	NA	NA	92,968.55	72,500.99
	Total cost (Rs.)		NA	NA	NA	36,75,94,812	26,72,47,268
	Average Rate (Rs.)		NA	NA	NA	3954	3686.12
3.	Fuel Oil						
	Quantity (MT)		NA	174.45	107.02	NA	NA
	Total Cost (Rs.)		NA	53,65,739	28,46,317	NA	NA
	Average Rate/ litre (Rs.)		NA	30.8	26.6	NA	NA
4.	Natural Gas						
	Quantity M ³		NA	NA	NA	NA	NA
	Total Cost (in Rs.)		NA	NA	NA	NA	NA
	Average Rate per M ³ (Rs.)		NA	NA	NA	NA	NA
5.	CONSUMPTION PER UNIT OF PRODUCTION						
	Total in-house consumption (unit)	1,96,73,836	2,77,82,320	49,37,994	34,96,434	54,22,850	82,13,631
	Product (Sugars) in Quintal	4,53,000	6,59,850	1,61,34,792 litres	1,06,17,414 litres	1,74,000	2,28,170
	Electricity (Unit per Quintal)	43.43	42.10	0.306 Units / Litres	0.329 Units / Litres	31.17	35.99

Notes: N.A. - Not Applicable

B. TECHNOLOGY ABSORPTION

FORM B

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

Research and Development (R & D):

The Company adopts the following R & D measures:

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

Expenditure on R&D: Nil

Technology absorption, adoption and innovation: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹. In lakhs)

S.No.	Particulars	2010-2011	2009-2010
(i)	Total Foreign Exchange earned	44.93	60.05
(ii)	Total Foreign Exchange outflow	50.30	33.11

MANAGEMENT DISCUSSION AND ANALYSIS:

Indian Industry performance - Sugar year (SY) 2010-11

Sugar production in India after 2 years of low production, recovered in the SY 2010-11. During SY 2010-11, sugar output is likely to see a 25-30 per cent growth mainly due to improved cane acreage, adequate rainfall and the consequent increase in sugar production. Domestic sugar stock position is expected to turn surplus in the current season 2010-11 even after considering the exports of sugar around 1.50 million MT. Sugar production is likely to overtake domestic consumption marginally.

Sugar prices, which declined to around Rs.2,600 per Quintal by August 2010 from around Rs.3400 per Quintal in February 2010 firmed up, since then and stood at around Rs.2600-2700 per Quintal during Jan-Mar'11. This was largely driven by an increase in demand during the festive season; a fall in sugar releases by the government during Sep to Nov'10. Further a rise in international sugar prices also improved the sentiments for the domestic sugar industry.

With the crushing season of SY 2010-11 coming to a close, there will not be any significant variation in final production from the estimated range. Hence, the sugar price trends in the near term will be largely determined by three factors.

- International crude oil prices which is critical for ethanol mix in Brazil, the world's largest producer, which will determine the raw sugar availability
- The Government of India's policies regarding exports of sugar and import duties.
- Expectations on domestic sugar production for the coming season (SY 2011-12).

During the month of June 2010, the Government of India (GOI) increased the levy sugar prices (which had been stagnant at Rs.1250-1350 per Quintal across the country since SY 2003-04) to Rs.1650-1850 per Qtl. from SY 2009-10 onwards. In October 2010, the GOI reduced the levy quota from 20% prevailing in SY 2009-10 to the earlier level of 10%, following the upward revision in the estimates for domestic production. Reduction in levy % coupled with an increase in levy sugar price is likely to benefit the sugar mills significantly.

Further during 2010-11, the Indian Government relaxed many import restrictions due to concerns over food price inflation. Imported sugar was exempted from levy sugar obligations and market quota release requirements. Duty-free imports of sugar were extended to the end of March 2011.

Indian Industry Outlook - Sugar year (SY) 2011-12

Sugar Production in India is expected to continue to recover in SY 2011-12. Despite weak sugar prices during SY 2010-11, cane area is expected to expand to around 5.0 million hectares in SY 2011-12. With normal monsoon conditions, yields should improve over previous year and Cane production should be around 350 million MT. Total sugar production, which includes khandasari sugar, is forecast at around 28.3 million MT in SY 2011-12.

Domestic sugar consumption is expected to be high in SY 2011-12 due to strong growth of the Indian economy and also population growth. With the prospect of improved domestic sugar supply, wholesale sugar prices are expected to decline from SY 2010-11 levels. Lower sugar prices will likely to limit consumption of non-centrifugal sugar in India.

As of April 1, 2011, the normal import duty was re-imposed. Imports for SY 2011-12 are expected to be very low compared to SY 2010-11 levels. Considering sugar supply conditions, exports are expected at 1.8 million MT for the SY 2011-12.

Year end stocks for SY 2011-12 are forecast at around 7.90 million MT. This amount is slightly over 25% of expected consumption the level considered to be an optimal stockholding percentage in India.

Going forward, as far as the medium to long-term outlook is considered, the long-term prices and profitability of Indian sugar companies would remain volatile and dependent on domestic and international supply-demand trends. These in turn would depend on 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 would be the key determinants of future profitability. Further, government actions in ensuring a rational linkage between cane prices and sugar prices will also be a key to long-term viability of sugar operations.

Opportunities and Threats:

1. Expectations on high domestic sugar production due to Cane area poised to raise
2. Domestic sugar consumption is expected to be high
3. The Government of India's policies regarding exports of sugar and import duties.
4. Expectations on building a rational linkage between cane prices and sugar prices
5. International crude oil prices which is critical for ethanol mix and availability of Raw Sugar in international market
6. Sugar price prospects uncertain due to volatile domestic and international supply-demand trends
7. Agro-Climatic Conditions which is key for Agro based industry

Outlook:

Profitability has taken a hit during financial year 2010-11 on account of downward trend of sugar price and high cane cost; while cane prices have corrected in SY 2010-11, sugar prices will be the key factor for determining the profitability of financial year 2011-12. Agro-Climatic Conditions will still play a key role which is totally unpredictable. As on date, the Government of India's policies regarding exports and import duties had helped to regain the momentum but there is still a long way to go. As in the past, Distillery and Co-generation divisions will play a vital support role for improving the bottom line in the coming years too. With all the above pros and cons, we are expecting the financial year 2011-12 to be a tough year but comparatively much better year than the financial year 2010 - 2011.

Risk and concern

a. Raw Material risk:

Reduced agricultural yield due to lack of fertilizers & inadequate monsoon during the critical cane growth period and Low recovery.

Risk Mitigation: To improve yield, we are recommending the right variety crops and also proving timely "monetary as well as technological" support.

b. Product price risk:

Sugars, being essential commodity, prices are controlled by Government.

Risk Mitigation: Government of India's policies regarding exports and imports will help to stabilize the price for sugar. Moreover, building a rational linkage between cane prices and sugar prices will also reduce the volatility in sugar price.

c. Competitive risk:

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

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

d. Legal & Regulatory Risk

Since Sugar is classified as essential commodity, both input and output prices are being controlled by Government and we also need to comply with legal and regulatory requirements.

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

Internal Control Systems and their adequacy

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

Human Resources / Industrial Relations

The Industrial Relations remained cordial at all levels and the employees have demonstrated dedication and high degree of commitment in achieving the company goals.

As a part of developing and retaining the internal talents, opportunity for growth within the organization was provided during the year. To provide higher level exposure to the lower & middle level executives various committees are formed and it is convened at regular intervals to discuss and decide on the key initiatives taken up at the plant level. The KPI system and Daily work Management practices are introduced at all levels.

Training programs focusing on the soft skills like communication & Leadership skills were conducted. Knowledge Management initiatives were implemented and continued.

Weekly communication meetings, and open house sessions were also introduced to improve the efficiency in operations, business process and to address the concerns of employees.

During the year the Industrial Relations have been cordial, conducive and mutually productive. The Total number of employees as on 31st of March 2011 is at 569 in respect of sugar and allied operations.

On Behalf of the Board
for Kothari Sugars & Chemicals Limited

Place: Chennai
Date: July 29, 2011

B.H.Kothari
Chairman and Managing Director

CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

(1) Company's Philosophy

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

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

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

(2) Board of Directors

In compliance with the Corporate Governance norms the present strength of the Board is four, headed by the Chairman & Managing Director, Mr. B.H.Kothari. Except Mr.B.H.Kothari all others are Independent Directors.

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

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosure regarding Committee positions in other companies as on 31 March 2011 have been made by the Directors.

The details of composition of the Board, the attendance at Board meetings during the financial year and at the last Annual General Meeting, number of directorships and committee positions held during the 2010-11 are furnished in the following tables.

Company's Board of Directors details as on March 31, 2011

Name of the Director	Category	No. of Board Meetings attended	Attendance at previous AGM held on September 21, 2010	No. of Directorship in other public Companies	No. of Committees positions (as Chairman / Member) held in other public Companies	
					Chairman	Member
Mr.B.H.Kothari	CMD	05	Present	03	Nil	02
Dr.P.S.Mani Sundaram	ID	05	Present	Nil	Nil	Nil
Mr.P.S.Gopalakrishnan	ID	05	Present	03	Nil	02
Mr.V.R.Deenadayalu	ID	05	Present	01	Nil	Nil
Mr.N.Chandramouli (*)	NED	05	Present	02	Nil	02

(*) Resigned w.e.f. 20.07.2011

ID - Independent Directors & NED - Non- Executive Directors

Board Meetings held during the financial year 2010-2011

Board Meetings				
April 26, 2010	August 11, 2010	September 21, 2010	November 08, 2010	February 09, 2011

(3) Committees of the Board

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

a. Audit Committee

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

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

b. Audit Committee Meetings held during the financial year 2010-2011

Audit Committee Meetings			
April 26, 2010	August 11, 2010	November 08, 2010	February 09, 2011

c. Board Reference to the Audit Committee

The Statutory Auditors, the Internal Auditors and the Cost Auditor of the Company participate in the Audit Committee Meetings. Head Finance and other operational heads of the Company also participate in the meetings of the Committee. The Company Secretary acts as the Secretary of the Audit committee. The powers and role of the Audit Committee are as specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Board's terms of reference to the committee include following:

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

d. Share Transfer Cum Shareholders Grievances Committee

The Share Transfer cum Shareholders Grievances Committee comprises of Messrs P.S.Gopalakrishnan, B.H.Kothari and P.S.Mani Sundaram to look into redressing of Shareholders' and Investors complaints such as transfer of shares, non-receipt of annual reports etc. R.Prakash, Company Secretary, is the Compliance Officer.

During the period under review, the committee met 12 times and the attendance details of Committee Members is as follows:

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

e. Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2010 – 2011.

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redressal under process at the year end
1	Non receipt of Dividend	2	2	Nil
2	Non receipt of new share certificate	1	1	Nil
3	Non receipt of annual reports	10	10	Nil
4	Non receipt of final redemption warrants	4	4	Nil
5	Non receipt of fractional warrants	8	8	Nil
6	Transfer of shares	Nil	Nil	Nil
7	De-materialization matters	Nil	Nil	Nil
8	Others	Nil	Nil	Nil
TOTAL		25	25	--
1	Securities Exchange Board of India (SEBI)	1	1	Nil
2	Ministry of Corporate Affairs (MCA)	Nil	Nil	Nil
3	National Stock Exchange (NSE)	1	1	Nil
4	Registrar of Companies (ROC)	Nil	Nil	Nil
5	Consumer Forum	Nil	Nil	Nil
TOTAL		02	02	Nil

f. Remuneration Committee

The Committee was constituted to recommend the appointment / reappointment and tenure of office, whether of Executive or Non-Executive Directors and to approve the remuneration payable to the Managing Director for every financial year.

The Committee currently consists of three Independent Directors - Mr.P.S.Gopalakrishnan (Chairman), Dr.P.S.Mani Sundaram and Mr.V.R.Deenadayalu. The Committee did not meet during the year.

The details of remuneration paid to Chairman and Managing Director from 1st April 2010 to 31st March 2011 is as follows:

(Amount in ₹.)

Name	Fixed Component			Variable Component
	Salary & Allowances	Retirement Benefits	Other Benefits	Commission
Mr. B H Kothari	48,00,000	5,76,000	--	12,21,000

The Company has not paid any remuneration to its Non-Executive Directors during the financial year 2010-11 other than the sitting fees for attending the Board/Committee meetings. The Company does not have any Stock Option Scheme.

(4) Directors' Sitting fees

Sitting fees for the Board/Committee meetings and the details are furnished hereunder: (Amount in ₹.)

Name of the Directors	Sitting Fees Paid		
	Board Meeting	Audit Committee	Total
Mr.B.H.Kothari	Nil	Nil	Nil
Mr.P.S.Gopalakrishnan	25,000	20,000	45,000
Dr.P.S.Mani Sundaram	25,000	20,000	45,000
Mr.V.R.Deenadayalu	25,000	20,000	45,000
Mr.N.Chandramouli	25,000	Nil	25,000
Total	1,00,000	60,000	1,60,000

(5) Annual General Meeting

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

Year	Venue	Date	Day	Time
2009-2010	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai-600 014	September 21, 2010	Tuesday	10.30 A.M
2008-2009		September 24, 2009	Thursday	11.00 A.M.
2007-2008		September 19, 2008	Friday	10.00 A.M

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

Date of AGM	Whether any Special Resolution was passed	Particulars
September 21, 2010	No	-
September 24, 2009	No	-
September 19, 2008	03	Appointment Mr.N.Chandramouli, Director to hold office as 'an Advisor to the Company' Consent for Corporate Guarantee given to Indian Bank, to facilitate Cane Growers to avail Crop Loan from the Bank. Re-appointment of Mr.B.H.Kothari, as Managing Director of the company effective from 01.10.2009 for a period of 5 years.

(7) Postal Ballot

During the financial year 2010-2011, no Special Resolution was passed through Postal Ballot.

(8) Disclosures

During the financial year 2010-2011, the Audit Committee and the Board considered periodically the statement of related party transactions with details together with the basis at their respective meetings. However, the Company had no materially significant related party transactions, which are considered to have potential conflict with the interests of the Company at large. As required by the Accounting Standard AS-18 and Clause 49(A) of Listing Agreement entered into with NSE, the details of related party transactions are given as a schedule in Notes to accounts, which is forming part of accounts.

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

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

As required under Clause 49 of the Listing Agreement a Certificate signed by the Chairman & Managing Director and Finance In-Charge is attached.

(9) Management Discussion and Analysis Report

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

(10) Communication

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

(11) General Shareholder Information

Annual general meeting

Date and Time	September 08, 2011, Thursday at 10.30. A.M.
Venue	Rani Seethai Hall, No.603, Anna Salai Chennai - 600 006

(12) Financial Calendar year of the company

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

Financial Reporting for 2011-2012 (Tentative)

Results for Quarter ending 30th June, 2011	Second fortnight of July 2011
Results for Quarter ending 30th September, 2011	First fortnight of November, 2011
Results for Quarter ending 31st December, 2011	First fortnight of February, 2012
Results for Quarter ending 31st March, 2012	First fortnight of May, 2012

(13) Date of Book Closure

The period of book closure is fixed from Thursday, 01 September 2011 to Thursday, 08 September 2011 (both days inclusive)

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

Not applicable.

(15) Listing Particulars

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2011 - 12 has been paid. (Stock Code: KOTARISUG).

(16) Market Price Data: High, Low in each month of the Financial Year 2010-2011 on The National Stock Exchange of India Limited.

(Amount in ₹.)

Month	High	Low	Month	High	Low
April 2010	8.65	7.30	October 2010	9.30	8.00
May 2010	8.20	6.20	November 2010	9.00	7.00
June 2010	7.80	6.70	December 2010	9.20	7.30
July 2010	8.45	6.50	January 2011	8.95	7.10
August 2010	9.50	6.80	February 2011	7.80	6.50
September 2010	9.50	7.75	March 2011	7.40	6.45

(17) Registrar and Share Transfer Agents

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

(18) Distribution of Shareholding

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5000	24,367	32,09,911
5001-10000	3,162	27,95,868
10001-20000	1,612	26,16,050
20001-30000	580	15,28,591
30001-40000	296	10,86,581
40001-50000	313	15,14,079
50001-100000	391	29,25,132
100001 and above	323	6,72,12,368
Total	31,044	8,28,88,580

19) Shareholding Pattern

Sl. No.	Category	No. of Holders	No. of shares	% of Shares
(i)	Resident Indians	30,322	2,41,46,820	29.13
(ii)	Domestic Companies	578	87,42,093	10.55
(iii)	Non-Resident Indians	119	5,02,259	0.61
(iv)	Promoters	7	4,63,27,794	55.89
(v)	Directors & Relatives	2	474	0.00
(vi)	Mutual Funds	7	325	0.00
(vii)	Financial Institutions	9	31,68,815	3.82
	Total	31,044	8,28,88,580	100.00

(20) De-materialization of Shares

As on March 31, 2011, 8,27,83,395 shares representing 99.87 % of the Company's total shares were held in dematerialized form and the balance shares were held in physical form.

ISIN No.INE419A01022

(21) Plant Locations & Addresses

Kattur	Kattur Railway Station, Lalgudi, Trichy District – 621 601. 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

(22) Contacts

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Sugars & Chemicals Limited Kothari Buildings 115, Mahatma Gandhi Salai Nungambakkam Chennai – 600 034. Tel. No. : 044-30281595, 30225507 Fax No. : 044 – 28334560 Email : secdept@hckgroup.com	M/s.Cameo Corporate Services Limited Unit: Kothari Sugars & Chemicals Limited Subramanian Building, 5th Floor No.1, Club House Road Chennai – 600 002 Tel. No.: 044 – 28460390 (5 Lines) Fax No.:044 – 28460129 Email : investor@cameoindia.com

On Behalf of the Board
for Kothari Sugars and Chemicals Limited

Place : Chennai
 Date : July 29, 2011

B.H.Kothari
 Chairman and Managing Director

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

for Kothari Sugars & Chemicals Limited

Place: Chennai
 Date : July 29, 2011

B.H.Kothari
 Chairman and Managing Director

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT

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

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we

are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

B.H.Kothari
Chairman and Managing Director

N.S.Rangachari
President
Finance In-Charge

Place : Chennai
Date : July 29, 2011

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, 2011 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 there of adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certificate by the Registrar and Share Transfer Agent of the Company, there were no investors' grievances remaining unattended / pending for more than 30 days as on March 31, 2011.

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

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

Place : Chennai
Date : July 29, 2011

R.Rajaram
Partner
M.No.25210

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of **Kothari Sugars and Chemicals Limited** as at 31st March 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the company.
4. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from directors and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) in so far it relates to the Balance Sheet, the state of affairs of the company as at 31st March 2011,
 - ii) in so far it relates to the Profit and Loss account, of the profit for the year ended on that date, and
 - iii) in so far it relates to the Cash Flow Statement, of the Cash Flow for the year ended on that date.

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

R.Rajaram
Partner
M.No.25210

Place : Chennai
Date : July 29, 2011

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

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

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

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

5. The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
6. The company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and there was no continuing failure to correct any major weakness.
8. In our opinion and according to the explanations given to us, there are no transactions made in pursuance of contracts

or arrangements requiring entry in the registers maintained under section 301 of the Companies Act, 1956.

9. The company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act.
10. The Internal Audit function has been carried out by a firm of Chartered Accountants and is commensurate with the size of the company and the nature of its business.
11. We have broadly reviewed the books and records maintained by the company relating to the manufacture of sugar and Industrial alcohol, pursuant to the order made by the Central government for the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained for the period under audit. We have not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central government has not prescribed the maintenance of cost records for any other product manufactured by the company.

12. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income tax, Sales tax, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and any other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, purchase tax and sales tax amounting to Rs.1,015.13 lacs has been in arrears for a period exceeding six months from the date they became payable. The Sales Tax arrears are for the period April 2001 to 16th June 2004. The company has appealed to the authorities in terms of the AAIFR order dated 17.06.2004 in respect of these liabilities.

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

(₹. In lakhs)

Sl. No	Nature of dues	Forum Where Disputed	Amount Unpaid
1	Central Excise	Joint Asst. Comm. Central Excise	386.80
2	Central Excise	CESTAT	156.00
3	Central Excise	High Court	70.79
4	Customs	Commissioner Appeals	73.39

13. The Company has no accumulated losses at the end of the year. The Company has not incurred any cash loss during the year and in the immediately preceding financial year.
14. The Company has not defaulted in the dues payable to financial institutions, Banks and debenture holders during the financial year.
15. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
16. In our opinion and according to the information and explanations given to us the Company is dealing in , trading in shares, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in .These shares debentures and other securities have been held by the company .
17. In our opinion and according to the information and explanations given to us the Company has not given any guarantee during the year for loans taken by others from banks and financial institutions during the financial year.
18. To the best of our knowledge and belief and according to the information and explanations given to us, new term loan availed by the Company during the year have been applied for the purposes for which loans were obtained
19. According to the cash flow statement and other records examined by us and the information and explanations given to us, no short term funds have been raised during the financial year.
20. The company has not allotted shares during the financial year to companies covered in the register maintained under section 301 of the Companies Act 1956.
21. According to the information and explanations given to us and the records examined by us, no new debentures have been issued during the year.
22. According to the information and explanations given to us and the records examined by us there has been no public issue of shares and hence verification of end use does not arise.
23. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the financial year.

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

R.Rajaram
Partner
M.No.25210

Place : Chennai
Date : July 29, 2011



Balance Sheet

₹ in lakhs

Particulars	Schedule	As at	
		31-Mar-11	31-Mar-10
SOURCES OF FUNDS			
Shareholders' Funds			
a. Capital	1	9,313.86	9,413.86
b. Reserves & Surplus	2	2,338.15	1,581.08
		11,652.01	10,994.94
Loan Funds			
a. Secured Loans	3	15,895.93	16,073.11
b. Unsecured Loans	4	980.16	1,197.43
		16,876.09	17,270.54
Deferred Tax Liability		719.88	467.18
Total		29,247.98	28,732.66
APPLICATION OF FUNDS			
Fixed Assets	5		
a. Gross Block		31,420.02	31,166.78
b. Depreciation Reserve		13,015.87	11,650.04
Net Block		18,404.15	19,516.74
Capital Work in Progress including advances		1,514.58	1,246.13
		19,918.73	20,762.87
Investments	6	3,200.31	3,823.03
Current Assets, Loans and Advances	7		
a. Inventories		5,470.40	5,131.56
b. Sundry Debtors		1,493.40	1,987.74
c. Cash and Bank Balances		3,899.53	2,368.81
d. Loans and Advances		1,835.66	1,510.90
		12,698.99	10,999.01
Less : Current Liabilities and Provisions	8		
a. Current Liabilities		5,782.19	6,302.40
b. Provisions		787.86	549.85
		6,570.05	6,852.25
Net Current Assets		6,128.94	4,146.76
Total		29,247.98	28,732.66
Significant Accounting Policies	15		
Notes on Accounts	16		
The Schedules 1 to 8, 15 and 16 form part of this Balance Sheet			

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

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Profit and Loss Account

(₹. in Lakhs)

Particulars	Schedule	31-Mar-11	31-Mar-10
INCOME			
Sales (Gross)	9	27,631.21	35,054.75
Less : Excise duty		566.59	916.02
Sales (Net)		27,064.62	34,138.73
Other Income	10	1005.86	720.08
Total		28,070.48	34,858.81
EXPENDITURE			
Materials Consumed	11	20,613.13	24,117.05
Manufacturing and Other Expenses	12	4,701.49	5,435.17
(Increase)/Decrease in Stock of Finished Goods & WIP	13	(516.67)	1,499.53
Total		24,797.95	31,051.75
Profit before Interest and Depreciation		3,272.53	3,807.06
Interest	14	648.39	528.70
Depreciation		1,379.27	1,356.76
Profit/(Loss) for the year before exceptional item		1,244.87	1,921.60
Less : Exceptional items		-	-
Profit/(Loss) for the year before Tax		1,244.87	1,921.60
Less : Income Tax current year		235.10	327.00
Less : Deferred Tax Expenses		252.70	467.18
Add : Write back		-	11.37
Profit/(Loss) for the year after Tax		757.07	1,138.79
Less : Transfer to Debenture Redemption Reserve		75.00	75.00
Less : Transfer to Capital Redemption Reserve		100.00	207.71
		582.07	856.08
Add : Balance brought forward		856.08	-
Balance carried to the Balance Sheet		1,438.15	856.08
Earnings per share - Basic & Diluted (Rs.):			
- (Face value of Rs.10/-)			
- Before Exceptional item		0.91	1.37
- After Exceptional item		0.91	1.37
Significant Accounting Policies	15		
Notes on Accounts	16		

The Schedules referred above and notes in Schedule 15 & 16 form an integral part of this Profit and Loss Account and should be read in conjunction therewith

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

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Firm No. 004137S

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Cash Flow Statement

(₹. In lakhs)

Particulars	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after Extra-ordinary items	1,244.87	1921.60
Adjustments for :		
Depreciation	1,379.27	1,356.76
Interest Received	(204.07)	(205.61)
Dividend Income	(70.22)	(78.63)
Interest paid	648.39	528.70
Loss on Sale of assets (Vehicles)	7.11	3.67
MF Income	(208.17)	(223.51)
	1,552.32	1,381.39
Operating Profit before Working Capital changes	2,797.19	3,303.99
Trade Debtors and Other Receivables	494.33	(1,443.56)
Loans and Advances	(182.21)	1,705.21
Inventories	(338.84)	1,493.69
Trade Payables	(517.29)	(1,841.37)
	(544.01)	(86.03)
Cash Generation from Operations	2,253.18	3,216.96
Less: Direct Taxes paid	142.54	285.27
Net Cash Generation from Operating Activities - A	2,110.64	2,931.69
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(290.39)	(692.76)
Capital Work in Progress	(268.44)	(606.56)
Redemption of Investments	622.71	(2,562.73)
Interest Received	204.07	205.61
Dividend Income & MF Income	70.22	78.63
Consideration for Sale of Fixed assets (Vehicles)	16.59	9.65
(Purchase) / Sale of Investments (Net)	208.17	223.51
Net Cash from investing activities - B	562.93	(3,344.66)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of preference share capital	(100.00)	(100.00)
Secured Loans	(177.17)	(313.18)
Unsecured Loans	(217.28)	(827.03)
Interest Paid	(648.39)	(528.70)
Net Cash used in Financing activities - C	(1,142.84)	(1,768.91)
Net Increase/(Decrease) in Cash & Cash equivalents - A+B+C	1,530.72	(2181.87)
Cash & Cash equivalents at the beginning of the year	2,368.81	4,550.68
Cash & Cash equivalents at the close of the year	3,899.53	2,368.81
	(1,530.72)	2,181.87

This the Cash flow statement referred to in our report of even date

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Schedules

₹ in lakhs

Particulars	31-Mar-11	31-Mar-10
Schedule 1		
AUTHORISED SHARE CAPITAL		
13,00,00,000 Equity shares of Rs.10 each	13,000.00	13,000.00
12,00,000 Redeemable Preference shares of Rs.100 each	1,200.00	1,200.00
20,00,000 Redeemable Preference shares of Rs.10 each	200.00	200.00
Total	14,400.00	14,400.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
Redeemable Preference Share Capital		
12,00,000 Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	300.00	225.00
Balance (a)	900.00	975.00
(Of the above 2,50,000 Preference Shares are held by the Holding Company)		
20,00,000 Zero Percent Redeemable Preference shares of Rs.10 each fully paid	200.00	200.00
Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	75.00	50.00
Balance (b)	125.00	150.00
Total (a+b)	1,025.00	1,125.00
These will be redeemed as under: 50% of the face value of preference shares in 28 equal quarterly instalments commencing from 17.09.2007 50% of the face value of preference shares in 8 equal quarterly instalments commencing from 17.09.2014		
Equity Share Capital		
8,28,88,580 Equity shares of Rs.10 each fully paid {Of the above holding company holds 4,60,66,885 shares (previous year 4,58,90,000)}	8,288.86	8,288.86
Total	9,313.86	9,413.86
Schedule 2		
RESERVES & SURPLUS		
Profit and Loss Account (Surplus)	1,438.15	856.08
Capital Redemption Reserve (Refer Schedule 16 (3))		
As per last Balance Sheet	275.00	67.29
Add : Additions during the year	100.00	207.71
	375.00	275.00
Debenture Redemption Reserve		
As per last Balance Sheet	450.00	375.00
Add : Additions during the year	75.00	75.00
	525.00	450.00
Total	2,338.15	1,581.08

(₹. in Lakhs)

	31-Mar-11	31-Mar-10
Schedule 3		
SECURED LOANS		
Debentures		
20,31,018 Zero Coupon Bonds of Rs.100/- each redeemable at par in equal quarterly instalments from 4 th (2007-2008) to 10 th year (2013-2014) Less : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004 of the above Rs.543.18 Lakhs (Previous year Rs.710.32 Lakhs is due to the Holding Company)	2,031.02	2,031.02
	1,088.05	797.90
	942.97	1,233.12
20,31,017 Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of 25 th year (2029 - 2030) Of the above Rs.1,533.44 Lakhs is due to the Holding Company [Refer Schedule 16 (1)]	2,031.02	2,031.02
	2,973.99	3,264.14
Loans and Advances from Bank		
Banks [Refer Schedule 16(2)(b)]	4,341.51	4,970.50
Total	4,341.51	4,970.50
Other Loans		
Holding Company [Refer Schedule 16 (2) (c)]	1,202.45	1,319.77
Sugar Development Fund-Govt. of India {Refer schedule 16 (2) (a)}	7,377.98	6,512.02
Hire Purchase Loans (Secured against Vehicles)	-	6.68
	8,580.43	7,838.47
Total	15,895.93	16,073.11
Schedule 4		
UNSECURED LOANS		
Inter Corporate Loan {Refer Schedule 16 (2) (d)}	912.47	1,001.49
Irrigation Loan from Bank{Refer Schedule 16 (2) (d)}	67.69	195.94
Total	980.16	1,197.43

Schedule 5

FIXED ASSETS

₹ in lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions / Adjustment	Deductions	As at 31.03.2011	As at 01.04.2010	For the year	Deductions	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	362.34	-	-	362.34	-	-	-	-	362.34	362.34
Buildings	3,426.20	70.05	-	3,496.25	671.13	101.01	-	772.14	2,724.11	2,755.08
Plant & Machinery	27,007.67	191.11	-	27,198.78	10,811.24	1,255.78	-	12,067.02	15,131.76	16,196.44
Vehicles	103.09	-	37.14	65.95	63.30	12.76	13.44	62.62	3.33	39.80
Furniture & Fittings	193.77	29.23	-	223.00	90.94	9.72	-	100.66	122.34	102.82
Leased Vehicles	73.70	-	-	73.70	13.44	-	-	13.44	60.27	60.26
Sub Total	31,166.78	290.39	37.14	31,420.02	11,650.04	1,379.27	13.44	13,015.87	18,404.15	19,516.74
Capital WIP including advances	1,246.13	458.75	190.30	1,514.58	-	-	-	-	1,514.58	1,246.13
Total	32,412.91	749.14	227.44	32,934.60	11,650.04	1,379.27	13.44	13,015.87	19,918.73	20,762.87
Previous Year	31,136.21	1,814.70	537.99	32,412.91	10,302.57	1,356.76	9.28	11,650.04	20,762.87	20,833.62

Schedule 6

(₹. In lakhs)

31-Mar-11 Nos		INVESTMENTS	31-Mar-11 Cost	
31-Mar-10			31-Mar-10	
		A LONG TERM INVESTMENTS		
		Government Securities - Unquoted		
		Indira Vikas Patra	0.06	0.06
		Total	0.06	0.06
		Subsidiary Companies		
		Equity Shares - Unquoted		
9,99,950	9,99,950	Kothari International Trading Ltd - Rs.10 Each	99.99	99.99
		Total	99.99	99.99
		Equity Shares - Quoted - Long term		
1,20,19,000	1,20,19,000	Kothari Petrochemicals Ltd of Rs 10 each	1,201.90	1,201.90
5,000	5,000	Gujarat Petrosynthese Ltd of Rs 10 each	2.50	2.50
300	300	ABB Limited (Rs 2 Each)	3.49	3.49
-	3,700	Ambuja Cements Ltd (Rs 2 Each)	-	4.76
2,500	2,500	Balrampur Chini Mills Ltd	3.09	2.31
4,050	2,650	Bharti Airtel Limited (Rs 10 Each)	16.57	11.62
700	700	CESC Ltd -(Rs 10 Each)	3.82	3.82
475	475	DLF Ltd (Rs 2 Each)	4.36	4.36
-	1,894	Federal Bank	-	5.75
15,000	13,000	GMR Infrastructure (Rs 2 Each)	14.49	13.03
2,800	2,800	HCL Infosystems Ltd (Rs 2 Each)	5.41	5.41
1,000	1,000	IDFC (Rs 10 Each)	2.11	2.11
-	5,800	IFCI (Rs 10 Each)	-	4.23
1,000	1,000	Indian Hotels (Rs 1 Each)	1.26	1.26
4,200	1,650	Jaiprakash Associates Ltd -(Rs 10 Each)	6.56	5.40
300	300	Mundra Port (Rs 10 Each)	3.01	3.01
11,700	3,300	NTPC Ltd (Rs 10 Each)	24.50	8.12
2,500	2,500	Powergrid (Rs 10 Each)	3.61	3.61
3,000	1,500	Prakash Industries (Rs 10 Each)	6.84	4.59
4,900	3,600	Punj Lloyd Limited (Rs 2 Each)	15.90	12.65
5,000	2,927	Reliance Communications Limited (Rs.5 Each)	20.34	15.20
2,350	250	Reliance Industries Ltd -(Rs 10 Each)	26.44	7.26
4,375	7,300	Reliance Power Ltd (Rs 10 Each)	12.37	13.17
			1,378.59	1,339.57
		Equity shares - Unquoted - Long Term		
50,000	50,000	Bio- Tech Consortium Ltd - Rs.10 each	5.00	5.00
20	20	Kothari Bio- Tech Ltd - Rs.10 each	0.00	0.00
2,086	2,086	Kothari Sugars & Chemicals Ltd - Employees Cooperative Society Ltd of Rs.10 each	0.20	0.20
			5.20	5.20
		Mutual Fund Investment - Long Term		
-	1,93,798	AIG Equity Fund - D	-	25.00
-	97,800	AIG Infrastructure & Economic Reform Fund-d	-	10.00
-	2,43,902	Birla International Equity Plan-B - D	-	25.00
-	2,54,148	Birla Special Situations Fund-D	-	25.99
97,561	97,561	Fortis China - India Fund	10.00	10.00
3,27,255	3,27,255	Fortis Oppurtunities Fund-D	65.00	65.00
-	99,750	Fortis Sustainable Development Fund-G	-	13.74
-	2,43,887	Franklin High Growth Co.fund-G	-	31.36

(₹. in Lakhs)

31-Mar-11		Investment	31-Mar-10	
Units	Units		Cost	Cost
-	1,05,170	HDFC Core & Satellite Fund-D	-	25.14
1,14,133	1,14,133	HSBC Equity Fund-D	50.00	50.00
-	1,95,599	ICICI Indo Asia Equity Fund-D	-	20.00
47,041	47,041	JM Basic Fund-D	13.65	13.65
1,61,751	1,61,751	LIC MF Index Nifty Fund-d	25.00	25.00
77,440	77,440	Principal Balanced Fund - D	15.00	15.00
1,36,986	1,36,986	Principal Large Cap Fund-D	36.05	36.05
-	1,24,750	Principal Resurgent Equity Fund-D	-	25.00
-	2,43,887	Reliance Equity Adv.fund-G	-	30.87
57,291	57,291	Reliance Power Sector Fund-D	31.11	31.11
36,459	36,459	Reliance Vision Fund-D	25.00	25.00
-	7,219	Reliance Vision Fund-G	-	18.61
2,94,805	2,94,805	Religare Agile Fund-(lotus India Agile Fund-D)	30.00	30.00
-	97,555	Religare Growth Fund-G	-	11.89
75,697	75,697	Sundaram BNP Paribas Select Midcap Fund-D	19.04	18.72
66,782	66,782	Sundaram BNP Smile Fund - D	10.00	8.03
2,45,694	2,45,694	Sundaram Capex Opportunities Fund - D	38.00	32.17
90,941	90,941	Sundaram Capex Opp. - G	29.46	29.46
1,19,078	1,19,078	Tata Infrastructure Fund - D	37.68	35.75
-	84,361	Tata Service Industries Fund - G	-	21.63
54,915	54,915	Taurus Infra Tips	10.00	10.00
1,91,729	1,91,729	Uti Nifty Index Fund-d	60.00	60.00
			505.00	779.18
		Total Long Term Investments	1,988.83	2,223.98
		Less:		
		Provision For Diminution In Value of Long Term Investments	1,280.60	1,280.60
		Long Term Investments - A	708.23	943.39
B Current Investments				
Mutual Fund Current Investment				
-	3,17,405	Baroda Pioneer Liquid Fund - Regular - G	-	50.69
-	2,48,136	Baroda Pioneer PSU Bond Fund - G	-	25.00
18,205	-	Baroda Pioneer Liquid Fund - Institutional - G	204.45	-
1,315	1,315	Bharti Axa Equity Fund Regular Plan - D	0.18	0.17
-	73,855	Birla Sunlife Dividend Yield Plus - D	-	10.00
64,851	1,11,408	Birla Sunlife Frontline Equity Fund - D	14.01	24.25
-	8,31,121	Birla Sunlife Medium Term Fund - G	-	86.96
-	37,432	Canara Robeco Balance Fund - D	-	17.81

(₹. In lakhs)

31-Mar-11		Investment	31-Mar-11	
Units	31-Mar-10		Cost	31-Mar-10
8,76,391	-	Canara Robeco Floating Rate Short Term	133.25	-
1,24,573	-	Canara Robeco Income Fund- G	25.00	-
-	1,32,599	Canara Robeco Treasury Advantage - Retail - G	-	20.00
14,14,558	-	Dws Treasury Fund Cash - Instl - D	141.46	-
-	37,256	Franklin India Blue Chip Fund - D	-	14.49
59,738	2,09,083	Franklin India Flexi Cap Fund - D	10.00	31.08
51,960	51,960	Franklin India Prima Plus Fund - D	16.20	14.04
41,547	-	Franklin India Prima Fund- D	43.30	-
27,333	-	FT India Balanced Fund - D	5.79	-
-	4,35,371	FT Life Stage FOF 50's Plus Floating Rateplan- G	-	78.40
1,00,000	-	Fidelity Short Term Fund - Regular - G	10.00	-
1,33,333	-	Fidelity Cash Fund - Retail Plan - G	17.40	-
-	62,536	HDFC Capital Builder Fund - D	-	14.73
-	21,317	HDFC Floating Rate Income Fund - STP - WS - G	-	3.54
1,12,977	-	HDFC Income Fund- G	25.00	-
1,23,625	-	HDFC Cash Management Fund	26.27	-
-	1,03,782	ICICI Prudential Liquid Instl Plus Fund - Growth	-	236.64
1,00,000	-	IDBI Nifty Junior Index Fund - D	8.84	-
-	6,93,787	IDFC Cash Fund - Plan B - G	-	114.81
23,494	-	IDFC Savings Advantage Fund.- D	234.98	-
-	2,50,000	JP Morgan India Short Term Income Fund - G	-	25.00
2,26,440	-	JP Morgan India Liquid Fund - Retail - G	26.39	-
-	14,10,653	Kotak Flexi Debt Scheme - Instl - G	-	159.78
5,00,000	-	Kotak Fmp 6m Series 10.- G	50.00	-
-	3,71,160	LIC MF Savings Plus Fund - G	-	56.13
-	8,71,063	Principal Cash Management Fund - G	-	131.03
66,942	-	Principal Growth Fund- D	15.60	-
22,391	-	Pramerica Liquid Fund - Instl Plan - G	234.04	-
-	4,98,787	Reliance Medium Term Fund - G	-	95.18
-	72,307	Religare Banking Fund - D	-	9.55
-	1,25,393	Religare Contra Fund-d	-	14.64
2,00,000	-	Reliance Index Fund - Nifty - D	18.94	-
6,56,520	-	Reliance Liquid Fund - Treasury Plan - D	104.32	-
20,00,000	-	Reliance Fixed Horizon Fund-viii-series-11	200.00	-
11,28,029	-	Reliance Monthly Interval Fund-series-ii-inst.-g	149.99	-
52,604	52,604	SBI Magnum Comma Fund - D	10.00	8.61
85,005	85,005	SBI Magnum Balanced Fund - D	25.00	22.10
73,357	73,357	SBI Magnum Equity Fund - D	25.00	22.01
93,528	-	SBI Magnum Sector Funds Umbrella Contra Fund	20.74	-
-	88,794	SBI Magnum Multiplier Plus - D	-	47.42
12,73,488	-	SBI Magnum Insta Cash Fund-cash Option- G	277.24	-
-	11,47,054	SBNPP Ultra Short Term Fund -instl - G	-	141.22
1,16,982	-	Sundaram BNP Paribas Select Midcap Fund-d	19.32	-
-	9,095	Tata Infrastructure Fund - D	-	1.94
-	11,283	Tata Treasury Manager - Ship - G	-	118.12
2,12,413	-	Tata Floater Fund- G	31.14	-
4,253	-	Taurus Liquid Fund - G	54.78	-
-	58,548	Taurus Ethical Fund - D	-	9.29
5,00,000	5,00,000	Taurus FMP Series - G	50.00	50.00
-	3,420	Taurus Liquid Fund - G	-	41.33
-	68,073	Templeton Equity Income Fund-D	-	9.51
1,99,085	7,75,100	Templeton Floating Rate- Long Term G	35.66	130.56

(₹. in Lakhs)

31-Mar-11		31-Mar-10		Investment		31-Mar-11		31-Mar-10	
Units						Cost			
10,00,656	-			Templeton India Low Duration Fund - Quarterly-D	102.71	-			
-	1,50,248			Templeton India Equity Income Fund - D	-	21.86			
-	39,682			Templeton India TMA - G	-	570.66			
-	19,338			UTI Floating Rate Fund-stp - Instl - G	-	200.09			
-	9,57,093			UTI Short Term Income Fund - Instl - G	-	101.15			
-	2,554			UTI Treasury Advantage Fund - Instl - G	-	31.70			
2,62,672				UTI Qtrly Interval Plan - Series VII- Reg-D	26.27				
					2,393.26	2,761.50			
	Shares			Equity Shares - Quoted - Current Investment					
3,700	2,000			3i Infotech Ltd	2.45	1.57			
600	600			Amararaja Batteries	-	0.96			
300	300			Ambuja Cements Ltd (Rs 2 Each)	-	0.29			
100	100			Asian Paints Limited (Rs 10 Each)	-	1.76			
-	4,850			Bharti Airtel Limited (Rs 10 Each)	-	15.12			
-	4,000			Dhanalakshmi Bank Ltd	-	5.32			
-	1,000			Eveready Industries	-	0.60			
-	2,000			GMR Infrastructure (Rs 2 Each)	-	1.26			
-	1,000			Guj. State Petronet Ltd	-	0.87			
5,800	1,400			IVRCL Infra	4.17	0.00			
975	1,575			Jaiprakash Associates Ltd -(Rs 10 Each)	0.90	1.16			
1,825	350			Larsen & Toubro Ltd -(Rs 2 Each)	30.18	4.96			
600	-			Mundra Port (Rs 10 Each)	0.81	-			
5,000	4,000			NHPC Ltd	1.63	1.22			
-	2,300			NTPC Ltd (Rs 10 Each)	-	4.70			
-	250			ONGC	-	2.74			
-	1,000			Praj Industries	-	0.85			
-	1,500			Prakash Industries (Rs 10 Each)	-	2.26			
1,200	1,300			Punj Lloyd Limited (Rs 2 Each)	0.77	2.31			
-	2,073			Reliance Communications Limited (Rs.5 Each)	-	3.54			
-	5,700			Reliance Industries Ltd -(Rs 10 Each)	-	56.96			
450	275			Reliance Infrastructure (Rs 10 Each)	3.15	2.74			
-	900			Reliance Power Ltd (Rs 10 Each)	-	1.32			
-	125			State Bank of India	-	2.60			
-	400			Tata Motors Ltd -(Rs 10 Each)	-	3.02			
1,500	-			Tata Power Limited	19.98	-			
6,600	-			Steel Authority of India Limited	11.20	-			
5,000	-			Neyveli Lignite Corporation Ltd	5.20	-			
1,000	-			Tata Global Beverages Limited	0.97	-			
5,000	-			Lakshmi Vilas Bank Limited	4.88	-			
350	-			BHEL Ltd	7.19	-			
1,500	-			Sintex Industries	2.28	-			
4,600	-			Hindustan Construction Company Limited	1.67	-			
290	-			BGR Energy Systems Limited	1.38	-			
					98.82	118.13			
				Total Current Investments - B	2,492.08	2,879.63			
				Total Investments (A + B)	3,200.31	3,823.03			
				Aggregate of :					
				Quoted Investments (Long Term)	197.99	156.66			
				Market Value of Quoted Investments(long Term)	1,339.84	1,044.86			
				Quoted Investments (Current Investment)	141.56	126.64			
				Market Value of Quoted Investments (Current)	98.82	120.44			
				Unquoted Investments	2,903.50	3,545.93			

(₹. In lakhs)

31-Mar-11	31-Mar-10	Investment	31-Mar-11	31-Mar-10
Units		The Following Units Were Purchased and Sold	Cost	
-	1,797	AIG India Short Term Fund - Retail - Growth	-	20.22
-	86,957	AIG Treasury Fund - Retail - Growth	-	10.15
57,746	-	AXIS Liquid Fund - Instl - Growth	610.68	-
981,70	-	AXIS Short Term Fund - Instl - Growth	100.00	-
67,342	-	AXIS Treasury Advantage Fund - Instl - Growth	713.12	-
20,25,700	3,16,097	Baroda Pioneer Liquid Fund - Growth	329.94	50.22
47,20,082	-	Baroda Pioneer Liquid Fund - Instl - Growth	508.79	-
971,166	2,50,000	Baroda Pioneer Psu Bond Fund - Growth	100.00	25.00
12,14,655	7,31,532	Baroda Pioneer Treasury Advantage Fund - Growth	126.49	75.24
76,66,485	-	Baroda Pioneer Treasury Advantage Fund - Instl - Growth	1,624.40	-
40,546	-	Baroda Pioneer Treasury Advantage Fund -instl - Daily Dividend Reinvt	405.83	-
2,718	-	Bharti Axa Liquid Fund - Regular Plan - Growth	30.58	-
94,801	-	Bharti Axa Short Term Income Fund - Regular - Growth	10.22	-
97,516	1,909	Bharti Axa Treasury Advantage Fund - Growth	40.74	20.00
-	10,84,157	Birla Floating Rate Fund-stp - G	-	160.00
10,00,000	-	Birla Sun Life Short Term Fmp Series 2 - Growth	100.00	-
42,40,514	-	Birla Sunlife Cash Manager - Instl - Growth	670.75	-
20,99,739	-	Birla Sunlife Floating Rate Fund - Retail - Lt - Growth	329.84	-
19,38,469	-	Birla Sunlife Medium Term Fund - Instl - Growth	200.00	-
-	8,31,469	Birla Sunlife Medium Term Plan - Retail Growth	-	86.53
44,73,486	-	Birla Sunlife Savings Fund - Instl - Growth	798.86	-
11,92,330	15,50,053	Birla Sunlife Savings Fund - Retail - Growth	207.22	264.44
22,65,996	-	Birla Sunlife Ultra Short Term Fund - Retail - Growth	379.93	-
-	5,00,000	Canara Robeco Dynamic Bond Fund - Retail - G	-	50.00
33,21,535	18,26,865	Canara Robeco Floating Rate Short Term Growth Fund	482.74	256.41
4,62,903	-	Canara Robeco Interval Series 2 - Qtrly 2 - Instl - G	50.00	-
3,52,978	-	Canara Robeco Liquid Fund - Growth	61.39	-
6,59,216	13,76,201	Canara Robeco Treasury Advantage - Retail - Growth	100.29	205.32
27,23,871	-	Canara Robeco Treasury Advantage Instl Growth Fund	424.45	-
10,00,000	-	DSP Black Rock Fmp 3m - Series 21 - Growth	100.00	-
36,633	-	DSP Blackrock Money Manager Fund - Instl - Growth	501.31	-
-	5,63,249	DSPBR Floating Rate Fund - Growth	-	80.00
-	6,532	DSPBR Money Manager Fund - Reg.growth	-	80.21
-	1,04,31,403	DWS Cash Opportunities Fund -15 Days - G	-	1,218.16
-	33,61,540	DWS Money Plus Fund - Instl - Growth	-	348.42
-	60,98,551	DWS Short Maturity Fund-inst. Growth	-	644.66
13,99,700	-	DWS Treasury Fund Cash - Instl - Daily Dividend	140.67	-
35,86,479	-	DWs Treasury Fund Cash - Instl - Growth	380.74	-
-	9,73,126	DWS Treasury Fund Cash - Regular Plan - Growth	-	98.84
-	82,03,314	DWS Ultra Short Term Instl Plan - Growth	-	956.13
16,56,139	-	Fidelity Ultra Short Term Debt Fund - Instl - Growth	200.90	-
10,07,372	-	Fidelity Ultra Short Term Debt Fund - Instl - Weekly Dividend	100.90	-
-	13,24,300	Fortis Moneyplus Fund - Growth	-	178.64
-	9,43,590	Fortis Overnight Fund-g	-	128.11
-	1,00,000	Franklin Build India Fund	-	10.00
-	56,993	Franklin India Prima Fund - Dividend Plan	-	22.00
-	3,11,746	FT Life Stage Fof 50's Plus Floating Rateplan- G	-	55.00
25,87,547	-	HDFC Cash Management Fund - Savings Plan - Growth	512.39	-
1,30,80,321	83,59,954	HDFC Cash Management Fund - Treasury Advantage Fund - Ws- G	2,253.90	1,651.90
6,11,721	-	HDFC Cash Management Treasury Adv.plan-retail-growth	126.74	-
-	1,47,65,956	HDFC Floating Rate Income Fund Stp - Whole Sale - G	-	2,265.71

(₹. in Lakhs)

31-Mar-11	31-Mar-10	Investment	31-Mar-11	31-Mar-10
Units		The Following Units Were Purchased and Sold	Cost	
10,00,000	-	HDFC FMP 100 D August 2010 (I) Dividend	100.00	-
5,03,630	-	HDFC FMP 100 D October 2010 (I) Growth	50.36	-
5,00,000	-	HDFC FMP 35 D August 2010 - Dividend	50.00	-
10,00,000	-	HDFC FMP 35 D November 2010 (I) Growth - Series XVII	100.00	-
5,00,000	-	HDFC Fmp 35 D September 2010 - Growth	50.00	-
-	8,35,175	HDFC High Interest Fund - STP - G	-	145.41
5,02,950	-	HDFC Short Term Opportunities Fund - Dividend	50.30	-
5,00,000	-	HDFC Short Term Opportunities Fund - Growth	50.00	-
-	9,40,081	HDFC Short Term Plan - G	-	160.33
17,93,038	-	HSBC Cash Fund - Growth	277.37	-
33,32,298	77,79,677	HSBC Floating Rate Fund - LTP - Instl - Growth	502.50	1,095.13
-	36,91,468	HSBC Income Fund - STP - Instl - G	-	454.15
-	52,57,506	HSBC Ultra Short Term Bond Fund - Regular - Growth	-	653.41
68,763	-	ICICI PRU Floating Rate Plan - Instl - Growth	103.53	-
43,461	-	ICICI PRU Liquid Instl Plus Plan - Growth	103.89	-
7,17,712	-	ICICI Prudential Blended Plan B - Growth	100.53	-
2,98,825	11,75,938	ICICI Prudential Flexible Income Plan Premium - Growth	518.27	1,295.67
-	7,10,036	ICICI Prudential Floating Rate Plan - G - Option C	-	100.00
-	2,05,761	ICICI Prudential Infrastructure Fund - Dividend	-	25.00
10,29,712	-	ICICI Prudential Interval Fund I Month Plan A - Instl - Div	102.97	-
8,15,775	-	ICICI Prudential Interval Fund I Month Plan A - Retail - G	101.31	-
1,11,738	20,10,895	ICICI Prudential Liquid Instl Plus Plan - Growth	260.17	1,320.19
6,75,338	-	ICICI Prudential Long Term Floating Rate Plan B - Growth	100.00	-
-	4,04,137	ICICI Prudential STP - G	-	75.00
23,02,929	-	ICICI Prudential Ultra Short Term Fund - Instl - G	238.46	-
-	25,97,778	IDFC - SSIF - ST - Plan D - G	-	281.42
11,41,226	-	IDFC Cash Fund - Instl - Growth	190.87	-
25,07,506	20,78,894	IDFC Cash Fund - Instl Plan B- Growth	421.87	340.68
2,50,178	-	IDFC FMP Monthly Series 27 - Growth	25.02	-
10,00,582	-	IDFC FMP QIP Series 59 - Growth	100.06	-
-	8,862	IDFC Liquid Fund Plan A - Growth	-	112.39
8,15,121	-	IDFC Money Manager Fund - Investment Plan - Growth	115.35	-
35,15,938	62,50,641	IDFC Money Manager Fund-Treasury Plan-Instl Plan B-Growth	438.40	905.51
6,06,988	-	IDFC Money Manager Fund - Treasury Plan A - Growth	92.02	-
2,50,000	-	IDFC Nifty Fund - Dividend Payout	25.00	-
28,325	-	IDFC Saving Advantage Fund - Plan A - Growth	384.08	-
5,81,168	-	IDFC Ultra Short Term Fund - Growth	75.19	-
20,02,585	-	JP Morgan India Liquid Fund - Retail - Growth	228.90	-
11,89,937	-	JP Morgan India Short Term Income Fund - Retail - Growth	124.98	-
10,12,213	-	JP Morgan India Treasury Advantage Fund - Instl - Growth	125.41	-
2,06,084	-	JP Morgan India Treasury Advantage Fund - Super Instl - Growth	26.26	-
6,83,163	-	JP Morgan India Treasury Fund - Retail - Growth	77.23	-
-	4,73,044	Kotak Bond Short Term - G	-	80.00
18,48,966	37,87,498	Kotak Flexi Debt Scheme - Instl - Growth	211.25	422.20
28,66,978	33,22,314	Kotak Floater Long Term - Growth	423.58	479.31
22,39,201	1,24,51,395	LIC MF Floating Rate Fund - Stp - Growth	340.86	1,853.11
58,20,175	47,25,653	LIC MF Income Plus Fund - Growth	728.92	574.78
-	34,58,146	LIC MF Liquid Fund - Growth	-	579.40
28,55,639	42,34,809	LIC MF Saving Plus Fund - Growth	424.73	609.12
23,275	-	Premerica Liquid Fund - Daily Dividend Reinv	232.76	-
32,184	-	Premerica Liquid Fund Growth	331.16	-
42,049	-	Premerica Ultra Short Term Bond Fund - Growth	433.00	-
19,57,174	10,30,545	Principal Cash Management Fund - Liquid - Instl - Growth	297.48	152.14
29,16,922	47,73,129	Principal Floating Rate Fund Fmp - Instl - Growth	429.39	687.32
-	9,50,643	Principal Income Fund - Stp - Instl - G	150.00	-
250,000	-	Principal PNB Fixed Maturity Plan 91 Days-Series XXIII-Sep 2010- Reg-Dividend	25.00	-
250,000	-	Principal PNB Fixed Maturity Plan 91 Days-Series XXIV-Oct 2010-Reg-Growth	25.00	-
400,147	-	Principal PNB Fixed Maturity Plan 91 Days - Series XXVI - G	40.01	-

(₹. in Lakhs)

31-Mar-11		Investment		31-Mar-11	
Units		The following Units were purchased and sold		Cost	
31-Mar-11	31-Mar-10			31-Mar-11	31-Mar-10
3,27,067	-	Principal Ultra Short Term Fund - Growth		40.00	-
-	52,33,287	Principal Ultra Short Term Fund - Growth		-	610.15
1,28,504	75,72,742	Reliance Floating Rate Fund-stp-growth		18.84	1,064.50
-	91,794	Reliance Growth Fund - Dividend		-	50.00
17,00,132	-	Reliance M Interval Fund - Series I - Instl - Dividend Payout		170.06	-
14,62,156	-	Reliance M Interval Fund - Series U - Instl - Dividend Payout		146.27	-
11,62,228	-	Reliance M Interval Fund - Series II - Instl - Growth		146.24	-
-	62,22,426	Reliance Medium Term Fund - RP - Growth Plan		-	1,159.64
79,816	1,97,473	Reliance Money Manager Fund - Instl - Growth		1,038.25	2,419.22
49,579	-	Reliance Money Manager Fund - Reg - Daily Dividend		496.43	-
17,08,848	-	Reliance Monthly Interval Fund - Series 1 - Instl - Dividend		170.94	-
17,19,009	-	Reliance Monthly Interval Fund - Series I - Instl - Dividend		171.96	-
40,02,513	-	Reliance Monthly Interval Fund - Series I - Instl - Growth		513.87	-
59,34,464	-	Reliance Monthly Interval Fund - Series II - Instl - Dividend		593.55	-
34,49,284	-	Reliance Monthly Interval Fund - Series II - Instl - Growth		443.61	-
18,37,205	-	Reliance Quarterly Interval Fund - Series III - Retail - Dividend Payout		183.82	-
7,18,412	-	Reliance Quarterly Interval Fund - Series Iii - Retail - Growth		91.13	-
-	15,09,595	Reliance Short Term Fund - Retail Plan - G		-	250.00
92,011	-	Religare Active Income Fund Regular - Growth		10.19	-
-	4,90,572	Religare Credit Opportunities Fund - Growth		-	50.00
80,493	-	Religare Liquid Fund - Growth		10.17	-
-	6,18,175	Religare Ultra Short Term Fund - Regular - Growth		-	75.34
-	3,10,875	SBI - SHF - Ultra Short Term Fund - Retail Plan - Dd		-	31.11
56,88,583	-	SBI - SHF Ultra Short Term Fund - Instl - Growth		673.54	-
5,00,000	-	SBI Debt Fund Series - 90 Days - 35 - Growth		50.00	-
10,00,000	-	SBI Debt Fund Series - 90 Days - 36 - Growth		100.00	-
12,75,003	-	SBI Magnum Ensta Cash Fund - Cash Option		271.40	-
11,59,805	-	SBI Magnum Insta Cash Fund Liquid Floater Plan - Growth		192.81	-
2,16,449	-	SBI SHF Ultra Short Term Fund - Instl - Growth		26.54	-
13,07,166	36,35,969	SBNPP Flexible Fund St Instl - Growth		191.90	523.07
8,31,932	-	SBNPP Interval Fund - Qtrly - Plan D - Instl - Growth		100.07	-
20,73,471	-	SBNPP Interval Fund Qly Plan A - Instl - Dividend		207.35	-
8,51,717	-	SBNPP Interval Fund Qly Plan A - Instl - Growth		102.76	-
19,57,756	-	SBNPP Ultra St Fund Instl - Growth		242.64	-
9,02,463	-	SUNBNP Interval Fund - Plan E - Growth		100.06	-
1,035,996	-	SUNBNP Interval Fund - Plan E - Instl - Dividend		103.60	-
791,596	-	Sundaram BNP Paribas Flexible Fund St - Instl - Growth		100.00	-
513,060	-	Sundaram BNP Paribas Money Fund - Apprcn		100.00	-
1,601,628	46,16,035	Sundaram Ultra ST Fund Instl - Growth		208.19	559.88
1,49,534	-	Tata Ftxed Income Portfolio Fund Scheme A3 Reg Monthly-dividend Rein		152.46	-
8,98,766	-	Tata Ftxed Income Portfolio Fund Scheme A3 Reg Monthly-growth		101.45	-
5,38,036	-	Tata Ftxed Income Portfolio Fund Scheme B3 - Reg -qtrly- Dividend		60.47	-
2,35,162	-	Tata Fixed Income Portfolio Fund Scheme B3 - Reg -qtrly- Growth		30.47	-
23,65,504	59,79,557	Tata Floater Fund - Growth		329.89	806.16
1,391	-	Tata Liquid High Investment Fund -growth		21.77	-
3,99,745	6,02,065	Tata Short Term Bond Fund - G		69.77	100.00
988	-	Tata Treasury Manager High Investment Plan - Growth		12.17	-
10,129	72,230	Tata Treasury Manager Super High Investment Plan - Growth		106.93	751.21
23,837	12,76,595	Taurus Liquid Fund - Growth		295.78	193.47
30,690	9,58,613	Taurus Short Term Bond Fund - Retail Growth Plan		338.51	100.64
-	10,49,251	Taurus Ultra Short Term Bond Fund - Retail Growth		-	193.04
48,39,764	-	Templeton Floating Rate Income Fund-retail-growth		707.42	-
6,98,697	-	Templeton Floating Rate- Long Term-retail-dividend Reinvestment		75.68	-
1,04,33,124	4,78,71,869	Templeton India Floating Rate Income Fund LTP - Instl - Growth		1,409.30	6,847.35
79,376	1,67,060	Templeton India Treasury Management Account Reg.growth		1,145.20	2,819.98
-	26,07,237	Templeton India Ultra Short Term Bond Fund - Growth		-	300.00
30,17,039	-	Templeton Low Duration Fund- Growth		309.08	-
24,58,127	-	Templeton Low Duration Fund- Monthly Dividend Reinvestment		251.60	-
-	57,852	Templeton Short Term Income Plan - Instl - G		-	879.88

31-Mar-11 Units		31-Mar-10		Investment The following Units were purchased and sold		31-Mar-11 Cost		31-Mar-10	
21,983		29,203		Templeton Treasury Management Instl. Growth		510.39		534.67	
9,96,721		-		UTI Dynamic Bond Fund - Growth		100.00		-	
33,40,249		-		UTI Fixed Income Interval Fund - Series Iiqip -IV-instl - G		334.02		-	
20,33,520		-		UTI Fixed Income Interval Fund - Series II Qip -IV -instl -div Reinv		203.35		-	
2,17,456		-		UTI Fixed Income Interval Fund - Series II Qip -VII - Reg - G		25.00		-	
54,17,345		-		UTI Fixed Income Interval Fund -monthly Interval Plan - II - Instl - Growth		545.25		-	
94,499		1,03,763		UTI Floating Rate Fund-stp - Instl - Growth Option		986.35		1359.54	
30,66,427		-		UTI Monthly Interval Plan - Series 1 - Instl - Dividend Reinv		306.65		-	
24,56,340		-		UTI Monthly Interval Plan - Series 1 - Instl - Growth		303.94		-	
10,18,042		-		UTI Monthly Interval Plan - Series II - Instl - Div Reinv		101.80		-	
9,67,539		-		UTI Monthly Interval Plan - Series II - Instl - Growth		100.00		-	
-		9,57,093		UTI Short Term Income Fund - Instl - Growth		-		100.00	
-		3,88,933		UTI Spread Fund-g		-		50.00	
29,651		16,579		UTI Treasury Advantage Fund - Instl - Growth		368.58		200.02	
						38,296.75		43,541.84	
Shares				The following Equity shares were purchased and sold					
-		4,500		3iInfotech Ltd		-		3.85	
650		-		ACC Ltd		5.63		-	
-		3,000		Adani Power Ltd		-		2.92	
-		300		Alstom Projects Ltd		-		1.50	
-		1,500		Amara Raja Batteries		-		2.37	
520		-		Amararaja Batteries		1.03		-	
1,200		-		Andhra Bank		1.64		-	
-		2,000		Andhra Sugars Ltd		-		1.77	
550		250		Asian Paints Ltd		11.38		4.62	
400		5,775		Axis Bank Ltd		5.19		49.00	
150		-		Bajaj Auto Ltd		2.67		-	
-		900		Balrampur Chini Mills Ltd		-		1.04	
1,200		300		Bank Of Baroda		8.63		1.53	
310		-		BGR Energy Systems Ltd		2.03		-	
550		425		Bharat Heavy Electricals Limited		13.23		9.14	
1,050		4,100		Bharti Airtel Ltd		3.03		18.32	
400		-		Britannia Industries Ltd		6.58		-	
-		550		Cadila Healthcare Ltd		-		2.42	
3,700		-		Cairn India Ltd		11.08		-	
2,325		-		Canara Bank		11.27		-	
2,000		5,000		City Union Bank Limited		0.93		1.24	
-		1,100		Coromandal Fertilisers Ltd		-		1.63	
957		-		Corporation Bank		5.30		-	
1,000		-		Country Club		0.19		-	
-		200		Cummins India		-		0.71	
8,350		-		Dabur India Ltd		8.55		-	
1,500		-		Deepak Fertilisers Ltd		2.23		-	
-		200		DLF		-		0.79	
-		350		Educomp Solutions Ltd		-		2.41	
-		1,176		Emami ltd		-		6.62	
-		500		Essar Oil		-		0.71	
200		-		Federal Bank		0.63		-	
3,000		-		Gateway Distriparks Ltd		3.16		-	
-		1,600		Genus Power Infrastructure Ltd		-		3.39	
2,000		-		Godrej Consumer Products Ltd		6.97		-	
-		25		Grasim Industries Ltd		-		0.65	
-		500		Guj. State Petronet Ltd		-		0.45	
125		2,800		HDFC Bank Ltd		2.78		39.81	
600		1,000		HDFC Limited		8.13		24.31	
300		-		HDIL		0.80		-	
375		75		Hero Honda		6.88		1.22	
1,700		-		Hindalco Industries Ltd		2.70		-	
2,400		250		Hindustan Uniliver Ltd		6.06		0.57	
475		2,700		ICICI Bank		5.13		19.29	
1,300		-		IFCI		0.70		-	

(₹. in Lakhs)

31-Mar-11		31-Mar-10		Investment		31-Mar-11		31-Mar-10	
Shares				The following Equity Shares were purchased and sold		Cost			
-	1,250	Indian Bank	-	1.96	-	-	-	-	-
-	1,000	Indraprastha Gas Ltd	-	1.19	-	-	-	-	-
75	575	Infosys Tech	2.04	12.61	2.04	2.04	12.61	12.61	12.61
4,700	2,649	ITC Limited	8.60	5.05	8.60	8.60	5.05	5.05	5.05
-	3,500	IVRCL Infra	-	11.47	-	-	11.47	11.47	11.47
2,300	-	Jindal Saw Limited	4.68	-	4.68	4.68	-	-	-
500	-	JP Associates	0.55	-	0.55	0.55	-	-	-
3,300	700	JSW Steel Ltd	36.75	6.84	36.75	36.75	6.84	6.84	6.84
1,600	-	Karur Vysya Bank Ltd	9.56	-	9.56	9.56	-	-	-
150	-	KEC International	0.71	-	0.71	0.71	-	-	-
4,000	-	KSB Pumps Ltd	21.70	-	21.70	21.70	-	-	-
4,960	7,450	Larsen & Tourbo Ltd	83.98	109.32	83.98	83.98	109.32	109.32	109.32
-	350	LIC Housing Finance Ltd	-	2.13	-	-	2.13	2.13	2.13
1,050	-	Lupin Ltd	18.76	-	18.76	18.76	-	-	-
2,610	-	Mahindra & Mahindra Ltd	13.77	-	13.77	13.77	-	-	-
875	1,100	Maruti Suzuki Ltd	10.68	14.01	10.68	10.68	14.01	14.01	14.01
1,700	-	Neyveli Lignite Corp Ltd	2.68	-	2.68	2.68	-	-	-
-	2,200	NTPC Limited	-	4.66	-	-	4.66	4.66	4.66
-	400	Oil and Natural Gas Corporation Limited	-	3.94	-	-	3.94	3.94	3.94
-	200	OPTO Circuit	-	0.41	-	-	0.41	0.41	0.41
-	1,000	Petronet LNG	-	0.71	-	-	0.71	0.71	0.71
1,000	-	Pidilite Industries Ltd	1.28	-	1.28	1.28	-	-	-
193	-	Power Grid Corporation Limited	0.17	-	0.17	0.17	-	-	-
300	3,500	Praj Industries	0.23	3.17	0.23	0.23	3.17	3.17	3.17
2,054	100	Punjab National Bank	22.03	0.74	22.03	22.03	0.74	0.74	0.74
-	100	Reliance Communicatios Ltd	-	0.23	-	-	0.23	0.23	0.23
200	1,510	Reliance Capital Limited	1.58	12.98	1.58	1.58	12.98	12.98	12.98
4,100	9,936	Reliance Industries Ltd	40.79	191.25	40.79	40.79	191.25	191.25	191.25
-	1,575	Reliance Infrastructure	-	18.49	-	-	18.49	18.49	18.49
-	1,000	Reliance Natural Resources Ltd	-	0.62	-	-	0.62	0.62	0.62
-	100	Reliance Power Ltd	-	0.17	-	-	0.17	0.17	0.17
-	2,000	Satyam Computer Services Ltd	-	0.87	-	-	0.87	0.87	0.87
2,566	2,850	Sesa Goa Ltd	8.59	5.37	8.59	8.59	5.37	5.37	5.37
-	100	Siemens Ltd	-	0.49	-	-	0.49	0.49	0.49
897	1,450	Sintex Industries	3.16	2.09	3.16	3.16	2.09	2.09	2.09
1,950	4,325	State Bank of India	53.77	71.15	53.77	53.77	71.15	71.15	71.15
4,600	-	Steel Authority of India Ltd	8.87	-	8.87	8.87	-	-	-
2,000	900	Sterlite Industries (India) Ltd	3.56	6.28	3.56	3.56	6.28	6.28	6.28
-	1,000	Syndicate Bank	-	0.72	-	-	0.72	0.72	0.72
475	3,600	Tata Consultancy Services Limited	3.87	15.32	3.87	3.87	15.32	15.32	15.32
2,000	-	Tata Global Beverages Ltd	2.34	-	2.34	2.34	-	-	-
2,200	100	Tata Motors Ltd	17.52	0.40	17.52	17.52	0.40	0.40	0.40
2,250	-	Tata Power Co Ltd	29.49	-	29.49	29.49	-	-	-
2,450	1,700	Tata Steel Ltd	11.73	7.78	11.73	11.73	7.78	7.78	7.78
650	-	Union Bank of India	2.11	-	2.11	2.11	-	-	-
-	1,500	Unitech Ltd	-	1.12	-	-	1.12	1.12	1.12
100	-	United Spirits Ltd	1.24	-	1.24	1.24	-	-	-
1,500	-	Vijaya Bank	0.94	-	0.94	0.94	-	-	-
350	-	Voltamp Transformers Ltd	3.42	-	3.42	3.42	-	-	-
6,950	900	Wipro	29.97	5.32	29.97	29.97	5.32	5.32	5.32
						605.64	721.13		

₹ in lakhs

Schedule 7	31-Mar-11	31-Mar-10
CURRENT ASSETS, LOANS AND ADVANCES		
A Current Assets		
a. Inventories		
Raw Materials	86.54	247.75
Stores and Spare Parts	525.30	455.09
Stock-in-trade :		-
Sugar	3,897.13	2,774.36
Molasses	393.24	1,307.22
Industrial Alcohol	305.62	186.03
Work in process	262.57	160.86
Stock in transit	-	0.25
Total	5,470.40	5,131.56
b. Sundry Debtors		
(Unsecured and considered good)		
Outstanding for a period of more than six months	327.10	37.60
Other Debts	1,166.30	1,950.14
Total	1,493.40	1,987.74
c. Cash and Bank Balances		
Cash on Hand	1.72	1.46
Balances with Scheduled Banks :		
On Current Accounts	362.09	290.06
Unclaimed Dividends / Debenture Redemption and fractional warrant accounts	4.11	4.11
On Deposit Accounts	3,516.36	2,069.40
[includes security pledged to Banks for margin Rs.283.93 Lacs]		
Balances with Non-Scheduled Bank on Current Account (Thiruchirapalli District Central Co-operative Bank Ltd. maximum amount outstanding at any time during the year Rs.291.93 lacs)	15.25	3.77
Total	3,899.53	2,368.81
B. LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	576.26	425.08
Considered doubtful	55.20	55.20
Advances to Subsidiaries		
Considered doubtful	55.51	55.51
	686.97	535.79
Less: Provision for doubtful advances	110.71	110.71
	576.26	425.08
Advance payment of Income Tax	1,122.60	956.12
Balance with Central Excise Authorities	75.74	54.80
Deposits	61.06	74.90
Total	1,835.64	1,510.90

₹ in lakhs

Schedule 8	31-Mar-11	31-Mar-10
CURRENT LIABILITES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	3,617.16	3,511.55
Investor Education and Protection Fund (not due)	4.12	4.12
"Unclaimed Dividends / Debenture redemption and fractional warrants"		
Other Liabilities	1,729.24	2,434.08
Interest accrued but not due on loans	431.67	352.65
Total	5,782.19	6,302.40
PROVISIONS		
Wealth Tax	-	0.35
Income Tax	721.98	486.87
Gratuity	40.56	38.86
Other Staff Benefits (i.e. EL & Superannuation)	25.32	23.77
Total	787.86	549.85
Schedule 9		
SALES		
Sugar	15,976.62	25,144.57
Bagasse	10.74	-
Industrial Alcohol	5,121.20	3,674.96
Electric Power	6,352.78	6,141.19
Others	169.87	94.03
Total	27,631.21	35,054.75
Schedule 10		
OTHER INCOME		
Rent received	23.27	9.52
Interest income (Gross) including TDS Rs.23.96 (Prev.Yr.Rs.21.07)	204.07	205.61
Dividend	70.22	78.63
Profit on Sale of Investments	208.17	223.51
Provision Written Back	356.20	-
Diminution in Value of Short term Investments written back	-	40.04
Other Miscellaneous Income	143.93	162.77
Total	1,005.86	720.08
Schedule 11		
MATERIAL CONSUMED		
Raw Material	19,645.49	23,209.58
Chemicals and Others	546.70	482.40
Others	420.94	425.07
Total	20,613.13	24,117.05
Schedule 12		
MANUFACTURING AND OTHER EXPENSES		
Salaries, Wages & Bonus	1,045.28	1,217.93
Managing Director Remuneration	53.76	53.76
Managing Director Commission	12.21	47.64
Employees' Welfare expenses	65.08	80.76
Contribution to Provident and other funds	117.82	169.64
Power & Fuel	307.03	188.86
Freight and Transport	209.48	166.36
Lease Rent	-	155.05
Rent	47.22	36.43
Rates & Taxes	50.60	86.22
Excise Duty-Expunged	532.70	455.56
DRAT settlement	556.88	-

₹ in lakhs

	31-Mar-11	31-Mar-10
Repairs & Maintenance - Buildings	60.95	447.86
Repairs & Maintenance - Machinery	764.30	1,476.19
Repairs & Maintenance - Others	78.91	78.30
Insurance	71.63	72.22
Directors' Sitting Fees	1.60	1.50
Directors' Travelling Expenses	28.41	43.01
Auditors' Remuneration	3.94	3.84
Research and development	1.51	4.56
Bank Charges	22.72	44.96
Conveyance -Local	11.84	15.73
Travelling other than directors	58.98	66.49
Professional Fees	60.81	62.53
Commission,Selling & Distribution	81.51	80.47
Loss on Sale of Assets	7.11	3.67
Miscellaneous	14.28	28.56
Rebates & Discounts	128.73	101.01
Diminution in Value of Short term Investments	4.94	-
Administration Expenses - Others	301.25	246.04
Total	4,701.49	5,435.17
Schedule 13		
(INCREASE) / DECREASE IN STOCK		
Opening stock		
Work in process	160.87	216.33
Finished Stock :		
Sugar	2,774.36	3,867.65
Molasses	1,307.22	1,411.94
Industrial Alcohol	186.03	494.69
Total	4,428.48	5,990.61
Closing stock		
Work in process	262.57	160.87
Finished stock :		
Sugar	3,897.14	2,774.36
Molasses	393.24	1,307.22
Industrial Alcohol	305.62	186.03
Total	4,858.57	4,428.48
Excise duty adjustment for movement in Finished Goods Inventory	(86.58)	62.60
Net (Increase) / Decrease	(516.67)	1,499.53
Schedule 14		
INTEREST		
Term Loans	623.42	520.18
Other Loans	24.97	8.52
Total	648.39	528.70

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

(2) FIXED ASSETS & DEPRECIATION

- (a) Fixed assets are recorded at cost and cost includes appropriate direct and allocated expenses including interest on specified borrowings for acquisition of assets up to the date of commencement of commercial production. Technical know-how fees in respect of specific turnkey projects are capitalised.
- (b) Depreciation on fixed assets is provided at Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956. Based on technical opinion, plant and machinery have been classified as continuous process plant and depreciation has been provided at 5.28% on the original cost. Assets costing less than Rs.5000/- are fully depreciated.

(3) FOREIGN CURRENCY TRANSACTION

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

(4) INVESTMENTS

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

(5) INVENTORIES

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

(6) REVENUE RECOGNITION

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

(7) RETIREMENT BENEFITS

Defined Contribution Plans

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

Defined benefit plans

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

Short Term Compensated absence

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

(8) RESEARCH AND DEVELOPMENT

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

(9) SEGMENT REPORTING

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

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

(10) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An

impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.

(11) PROVISION OF CONTINGENT LIABILITIES

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

(12) EARNINGS PER SHARE

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

(13) TAXES ON INCOME

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

SCHEDULE 16

NOTE ON ACCOUNTS

1. Debentures / Zero Coupon Bonds

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

2. Term Loans

- (a) Loan from Sugar Development Fund (Government of India) for modernization / expansion / Cogeneration amounting to Rs.7,377.98 lacs (Previous year Rs. 6,512.02 lacs) of which Rs.6,806.44 is secured by an exclusive second charge on all movable and immovable properties except book debts of the Company situated at Kattur, Tamilnadu and Rs.571.54 Lacs is secured by guarantee from Indian Bank.
- (b) Loan from Indian Bank of Rs.4,341.51 lacs (previous Rs. 4,970.50 lacs) consists of the following:.

- i. Loan for modernisation / expansion / Cogeneration amounting to Rs. 1,333.62 Lacs (Previous year Rs. 2,035.66 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- ii. Medium Term Loan (Central Excise) of Rs. 984.52 lacs (Previous year Rs. 2,384.08 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- iii. Open Cash Credit of Rs.2023.37 lacs (Previous year Rs. 550.76) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- (c) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit.
- (d) Unsecured Loans except Irrigation loan are Interest free.

3. Capital Redemption Reserve:

A Sum of Rs.100 lacs (Previous Year Rs.207.71 lacs) has been appropriated towards the above reserve on redemption of Preference Shares as per AAIFR order dated 17-06-2004.

4. Employee Benefits:

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

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

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

(a) Earned Leave

(₹. in Lakhs)

Net Liability Recognised	2010-11	2009-10
Present Value of Obligation	6.25	6.62
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized	(6.25)	(6.62)
Principal Actuarial Assumptions		
Interest rate (Liabilities)	8.00%	8.00%
Return on assets	Does not arise	Does Not arise
Mortality table	LIC(94-96)	LIC(94-96)
Resignation rate per annum	1%	5%
Salary escalation rate	6%	10%

(b) Gratuity

Particulars	Gratuity Plan	
	2010-11	2009-10
Projected benefit obligation at the beginning of the period	211.05	142.33
Current service cost	14.54	10.68
Interest cost	17.43	8.25
Actuarial loss / (gain)	(0.95)	68.53
Benefits paid	(2.33)	18.74
Projected benefit obligation at the end of the period	239.74	211.05
Amounts recognised in the balance sheet		
Projected benefit obligation at the end of the period	239.74	211.05
Fair value of plan assets at end of the period	192.52	172.19
Funded status of the plans-(asset)/liability	47.22	38.86
Less: Share of contribution from Associate Company	6.66	-
Liability recognized in the balance sheet	40.56	38.86
Cost for the period		
Current service cost	14.28	8.25
Interest cost	17.43	10.68
Expected return on plan assets	(14.21)	(12.17)
Net actuarial (gain)/loss recognized in the period	(9.41)	52.06
Past service cost	-	(19.95)
Net Cost recognized in Profit & Loss account.	8.09	38.86

5. Contingent Liabilities: -

- The hike in the basic minimum price of sugarcane for the sugar year 2002-03 after fixation of statutory minimum price notified by the Central Government on 9th January 2003 has been legally challenged by the South Indian Sugar Mills Association (of which the company is a member), and the matter is subjudice. Based on legal advice, pending disposal of the case no provision has been considered for the same in the books. The amount is not quantifiable at this stage.
- Excise duty demands under appeal Rs 613.59 Lacs (Rs.193.99 Lacs).
- Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs.2.02 Lacs (Rs.24.79 Lacs).
- Urban Land Tax under appeal Rs. 36.18 Lacs.(previous year Rs.34.13 Lacs).
- Customs Duty under appeal Rs.73.39 Lacs. (Rs.73.39 Lacs).
- Other Contingent Liabilities:

(₹. in Lakhs)

Contingent Liability	31-03-2011	31-3-2010
Guarantees to banks on behalf of Subsidiary	Nil	600.00
Bank Guarantees/ Letter of credit	2437.24	1055.55

6. Segment Information in respect of goods manufactured

(a) Installed Capacity as certified by the Management

Items	Unit	2010-11	2009-10
Sugar	TCD	6,400	6,400
Industrial Alcohol	KLPA	18,000	18,000

(b) Materials Consumed :

(₹. in Lakhs)

Item	31-03-2011		31-03-2010	
	Quantity (MT)	Value	Quantity (MT)	Value
Sugarcane	6,78,655	14,653.86	10,06,980	20,255.04
Coal	92,969	3,675.95	72,501	2,672.47
Others		2,283.32		1,189.54
Total		20,613.13		24,117.05
Of the above				
- Imported	0 %	Nil	0 %	Nil
- Indigenous	100 %	20,613.13	100 %	24,117.05
Total		20,613.13		24,117.05

(c) Finished Goods :

(₹. in Lakhs)

Unit		31-03-2011		31-03-2010	
		Quantity	Value	Quantity	Value
Sugar					
Opening Stock	Quintals	1,31,188	-	2,05,212	-
Production		6,27,000	-	8,88,020	-
Obsolete stock w. off		802			
Sales		5,88,075	15,976.02	9,62,044	25,144.57
Closing Stock		1,69,311	-	1,31,188	-
Molasses :					
Opening Stock	M.T.	30,360	-	13,476	-
Production		27,536	-	43,072	-
Purchase		30,016	-	13,500	-
Captive Use		73,768	-	39,688	-
Closing Stock		14,144	-	30,360	-
Power					
Opening Stock	Kwh	-	-	-	-
Production		17,60,09,600	-	17,44,35,747	-
Purchase		35,95,472	-	13,00,300	-
Sales		13,48,58,671	6,352.78	12,44,52,187	6,141.19
Captive use		4,47,46,401	-	5,12,83,860	-
Closing Stock		-	-	-	-
Industrial Alcohol					
Opening Stock	KLs	625	-	2,051	-
Production		16,135	-	10,618	-
Sales		15,405	5,121.20	12,044	3,674.96
Internal Consumption		-	-	-	-
Closing Stock		1,355	-	625	-

₹ in lakhs

7. Expenditure incurred in foreign currency on account of :-

2010-11

2009-10

Travelling	50.30	32.83
Subscription to Journal	-	0.28
Total	50.30	33.11

8. (a) Auditor's Remuneration :

Audit Fees	2.75	2.25
Certification Work	1.19	1.59
Total	3.94	3.84

(b) Cost Auditor's Remuneration

Cost Audit Fees	0.25	0.25
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9. CIF Value of Imports

Raw Materials	NIL	NIL
Capital goods	NIL	NIL

10. Earnings in Foreign Currency

Sales on FOB basis	-	-
Others	44.93	60.05
Total	44.93	60.05

11. (a) Remuneration to Managing Director

Salaries	48.00	48.00
Contribution to Provident Fund	5.76	5.76
Commission	12.21	47.64
Total	65.97	101.40

(b) Computation of Managerial Remuneration under section 349 of the Companies Act 1956

(₹. in Lakhs)

Particulars	2010-11		2009-10	
Net Profit Before Tax		1,244.87		1,921.60
Add :				
1. Depreciation Provided in Accounts	1,379.27		1,356.76	
2. Director's remuneration (including PF)	53.76		53.76	
3. Director's Commission	12.21		47.64	
4. Directors Sitting Fees	1.60		1.50	
5. Loss of capital nature including loss on Sale of the undertakings of a company	7.11		3.67	
Total		1,453.95		1,463.33
		2,698.82		3,384.93
Less :				
1. Profits from the sale of the immovable Property or fixed assets of a capital nature	-		-	
2. Depreciation under Sec. 350 of the Act	1,379.27		1,356.76	
Net Profit for Sec. 198 of the Act		1,319.55		1,356.76
				2,028.17

12. Segment Disclosure

(a) Primary Segment Information

Particulars	Sugar		Power		Distillery		Others		Eliminations		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	₹ in lakhs											
1.REVENUE												
External sales	15,554.78	24,313.42	6,352.87	6,143.55	5,156.97	3,681.76	-	-	-	-	27,064.62	34,138.73
Inter segmental revenue	2,637.54	4,164.05	1,358.70	4,023.92	78.27	0.07	-	-	(4,074.51)	(8,188.03)	-	-
Total revenue	18,192.31	28,477.47	7,711.57	10,167.46	5,235.24	3,681.83	-	-	(4,074.51)	(8,188.03)	27,064.62	34,138.73
2.RESULTS												
Segment results	910.63	959.88	532.69	3,076.60	1,203.46	(395.26)	-	-	-	-	2,646.76	3,641.22
Unallocated (Exp./)Income	-	-	-	-	-	-	(1,229.63)	(1,742.67)	-	-	(1,229.63)	(1,742.67)
Interest expenses	(504.01)	(323.02)	(119.62)	(133.96)	(15.38)	(71.73)	(9.39)	-	-	-	(648.39)	(528.70)
Interest and dividend Income	-	-	-	-	-	-	476.13	551.76	-	-	476.13	551.76
Profit/(loss)	406.62	636.86	413.07	2,942.65	1,188.08	(466.99)	(762.89)	(1,190.91)	-	-	1,244.87	1,921.60
3.OTHER INFORMATION												
Segment Assets	12,392.21	15,438.46	7,690.53	9,298.77	5,783.53	6,966.85	-	-	-	-	25,866.28	31,704.08
Unallocated assets	-	-	-	-	-	-	9,951.76	3,880.84	-	-	9,951.76	3,880.84
Total Assets	12,392.21	15,438.46	7,690.53	9,298.77	5,783.53	6,966.85	9,951.76	3,880.84	-	-	35,818.04	35,584.92
Segment Liabilities	12,154.14	12,917.19	3,176.75	6,072.83	3,703.16	5,599.96	-	-	-	-	19,034.05	24,589.98
Unallocated Liabilities	-	-	-	-	-	-	5,131.98	-	-	-	5,131.98	-
Total Liabilities	12,154.14	12,917.19	3,176.75	6,072.83	3,703.16	5,599.96	5,131.98	-	-	-	24,166.03	24,589.98
Capital Expenditure	32.30	220.69	1.24	450.79	168.91	-	87.94	21.27	-	-	290.39	692.75
Depreciation	447.25	443.32	675.10	664.43	226.98	218.89	29.94	30.12	-	-	1,379.27	1,356.76
Noncash expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-

(b) Secondary Segment Information

(₹. in Lakhs)

Particulars	2010-11		2009-10	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	27,064.62	-	34,138.73	-
2. Carrying amount of Segment Assets	25,866.28	-	31,704.08	-
3. Additionals to Fixed / Intangible Assets	290.39	-	692.75	-

(a) Notes Relating to Segment
(i) Business Segments

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

Sugar, Power generation and Distillery.

Sugar segment comprises of sugar and molasses, Power segment comprise generation of power from bagasse and coal and Distillery segment comprises of rectified spirit and denatured spirit.

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

(ii) Geographical Segments

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

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

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

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

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

(b) Transactions with Related Parties

(₹. in Lacs)

Companies	Holding		Subsidiary		Associates		Key personnel	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
Rent Paid	-	-	-	-	46.59	31.85	-	-
Interest	-	-	-	-	-	-	-	-
Expenses reimbursed	-	-	-	-	60.98	64.05	-	-
Purchase of Scrap/Water	-	-	-	-	5.44	1.48	-	-
Remuneration to CMD	-	-	-	-	-	-	53.76	53.76
Commission to CMD	-	-	-	-	-	-	12.21	47.64
Loan repayment	284.44	284.44	-	-	-	-	-	-
Advances given	-	-	-	-	-	38.94	-	-
Advances returned	-	-	-	-	-	109.68	-	-
Outstanding balances as at 31.03.2011								
Loans and Advances	-	-	55.51	55.51	21.15	22.58	-	-
Secured Loans	1,202.46	1,319.78	-	-	-	-	-	-
Loans	2,076.62	2,243.75	-	-	-	-	-	-
Investment	-	-	99.99	99.99	1,201.90	1,201.90	-	-
Share Capital	4,789.75	4,815.98	-	-	-	-	-	-

14. Earnings per Share:

Particulars	2010-11	2009-10
Net Profit after Tax excluding Exceptional Item (Rs.in lacs)	757.07	1138.79
No.of Equity Shares of Rs. 10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	0.91	1.37

15. Provision for Taxation:

Deferred Tax:

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

Deferred Tax Liability / (Asset)	Balances as at 1st April 2010	Charge / (Credit) Year ended March 31, 2011	Balances as at Year ended March 31, 2011
Depreciation	2,916.19	(98.50)	2,817.69
Sec.43B Disallowances under IT Act,1961	(387.23)	29.31	(357.92)
Business Loss	(2,061.78)	321.89	(1,739.89)
Deferred Tax Liability (Net)	467.18	252.70	719.88

16. Finance Lease:

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

(₹ in lakhs)

Particulars	Minimum EMI Payments	Present Value EMI Payments
Not Later Than One Year	Nil (P.Y. 6.91)	Nil (P.Y. 6.59)
Later Than One Year but not later than Five years	Nil (P.Y. Nil)	Nil (P.Y.Nil)
Later Than Five years	--	--

17. A sum of Rs.556.88 Lacs was paid to DRAT, Mumbai for discharging its liability towards the Corporate Guarantee given to the Oman International Bank in respect of advances given to the its wholly owned Subsidiary (Kothari International Trading Limited) by the bank. This sum has been debited to the profit and loss account.

18. Disclosure (pursuant to clause 32 of the Listing Agreement with Stock Exchanges)

(₹ in lakhs)

Loans / Advances to subsidiary company:	31.03.2011	31.03.2010
Kothari International Trading Limited	55.51	55.51
Maximum amount due at any time during the year	55.51	55.51

19. 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.

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

HOLDING COMPANY	: KOTHARI SUGARS AND CHEMICALS LIMITED (KSCL)
SUBSIDIARY COMPANY	: KOTHARI INTERNATIONAL TRADING LIMITED (KITL)
Name of the Subsidiary Company	KITL
1. Financial Year of the subsidiary ended on	31-03-2011
2. Year from which they become Subsidiary Companies	1996
3. Share of the Subsidiary (KITL) held by the holding company KSCL at the end of the Financial Year of Subsidiary Companies:	
(i) No.of Shares	999,950
(ii) Face Value of shares	Rs.10/-
(iii) Extent of Interest of holding company	99.99%
(iv) Quoted	Unquoted
4. The net aggregate amount of profit and loss for the subsidiary so far as its concerns members of the holding company.	
a. Not dealt with holding Company's accounts	
(i) For the financial year ended 31.03.2011 (Rs.in lacs)	(204.17)
(ii) For the previous financial year of the Subsidiary Company since they became the holding Company's subsidiary. (Rs.in lacs)	(0.48)
b. Dealt within the holding Company's accounts	
(i) For the financial year ended 31.03.2011	Nil
(ii) For the previous financial year of the Subsidiary Company since they became the holding Company's subsidiary.	Nil
5.a. Holding Company's interest in Subsidiary as at end of the Financial year of Holding Company.	Not Applicable
b. Material change in respect of Subsidiaries	
(i) Fixed Assets	No Change
(ii) Investments	No Change
(iii) Moneys lent	No Change
(iv) Moneys Borrowed	No Change

20. Previous year figures have been regrouped and rearranged wherever necessary to Confirm to the classification for the year

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Balance Sheet Abstract and Company's General Business Profile Information Pursuant To Part IV Of Schedule VI Of the Companies Act 1956

Registration Details

1 Registration No.	<input type="text"/> <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> - <input type="text"/> 4 <input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0	State Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 8
Balance Sheet Date	<input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 1		

2 Capital Raised During the year (Amount in Rs. thousands)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L	Right Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	<input type="text"/> <input type="text"/> 2 <input type="text"/> 9 <input type="text"/> 2 <input type="text"/> 4 <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 8	Total Assets	<input type="text"/> <input type="text"/> 2 <input type="text"/> 9 <input type="text"/> 2 <input type="text"/> 4 <input type="text"/> 7 <input type="text"/> 9 <input type="text"/> 8
Source of Funds		Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> 2 <input type="text"/> 3 <input type="text"/> 3 <input type="text"/> 8 <input type="text"/> 1 <input type="text"/> 5
Paid up Capital	<input type="text"/> <input type="text"/> <input type="text"/> 9 <input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 3 <input type="text"/> 8 <input type="text"/> 6	Unsecured Loan	<input type="text"/> <input type="text"/> <input type="text"/> 9 <input type="text"/> 8 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 6
Secured Loan	<input type="text"/> <input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 5 <input type="text"/> 9 <input type="text"/> 3	Investments	<input type="text"/> <input type="text"/> <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 1
Application of Funds Net Fixed Assets	<input type="text"/> <input type="text"/> 1 <input type="text"/> 9 <input type="text"/> 9 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 7 <input type="text"/> 3	Misc.Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L
Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> 6 <input type="text"/> 1 <input type="text"/> 2 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 4		
Accumulated Losses	<input type="text"/> <input type="text"/> -		

4 Performance of Company (Amount in Rs.thousands)

Turnover & Other Income	<input type="text"/> 2 <input type="text"/> 8 <input type="text"/> 0 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 4 <input type="text"/> 8	Total Expenditure	<input type="text"/> <input type="text"/> 2 <input type="text"/> 6 <input type="text"/> 8 <input type="text"/> 2 <input type="text"/> 5 <input type="text"/> 6 <input type="text"/> 1
Profit(Loss) Before Tax	<input type="text"/> 1 <input type="text"/> 2 <input type="text"/> 4 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 7	Profit (loss) After Tax	<input type="text"/> <input type="text"/> <input type="text"/> 7 <input type="text"/> 5 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 7
Earning per share in (Rs)	<input type="text"/> <input type="text"/> 0 <input type="text"/> . <input type="text"/> 9 <input type="text"/> 1	Dividend Rate %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> I <input type="text"/> L

5 Generic Names Of Three Principal Products/ Service of Company .

Product description	ITC Code
Sugar	<input type="text"/> 1 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 9 <input type="text"/> 9 <input type="text"/> 0 <input type="text"/> 2

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

R Prakash
Company Secretary

Place : Chennai
Date : July 29, 2011

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have examined the attached Consolidated Balance Sheet of Kothari Sugars and Chemicals Limited and its subsidiary Kothari International Trading Limited and the Balance Sheet of its associate Kothari Petrochemicals Limited as at March 31, 2011 and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

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

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs.130.95 Lakhs as at March 31, 2011 and total revenues of Rs.84.10 Lakhs for the year then ended. The consolidated financial statements have been prepared based on the audited financial statements of the subsidiary, Kothari International Trading Limited as on 31.03.2011 and the audited financial statements of the associate Kothari Petrochemicals Limited as on 31.03.2011. The financial statements of the subsidiary has been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the

separate audited financial statements of KOTHARI SUGARS AND CHEMICALS LIMITED and its subsidiary and its associate included in the consolidated financial statements.

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

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

- a. The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of KOTHARI SUGARS AND CHEMICALS LIMITED AND ITS SUBSIDIARY AS AT March 31, 2011.
- b. The consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of KOTHARI SUGARS AND CHEMICALS LIMITED, its subsidiary and its associate for the year then ended and
- c. The consolidated Cash Flow Statement gives the Cash Flows for the year ended on that date.

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

Place: Chennai
Date : July 29, 2011

R Rajaram
Partner
M.No.25210

Consolidated Balance Sheet

₹. in Lacs

Particulars	Schedule	As at	
		31-Mar-11	31-Mar-10
SOURCES OF FUNDS			
Shareholders' Funds			
a. Capital	1	9,313.86	9,413.86
b. Reserves & Surplus	2	3,702.89	2,593.15
		13,016.75	12,007.01
Minority Interest		-	-
Loan Funds			
a. Secured Loans	3	15,895.93	16,073.11
b. Unsecured Loans	4	980.16	1,380.08
		16,876.09	17,453.19
Deferred Tax Liability		719.88	467.18
Total		30,612.72	29,927.38
APPLICATION OF FUNDS			
Fixed Assets	5		
a. Gross Block		31,420.17	31,166.92
b. Less : Depreciation		13,016.01	11,650.18
Net Block		18,404.16	19,516.74
Capital Work in Progress including advances		1,514.58	1,246.13
		19,918.74	20,762.87
Investments	6	4,380.48	5,003.20
Current Assets, Loans & Advances	7		
a. Inventories		5,470.40	5,131.56
b. Sundry Debtors		1,493.40	1,987.74
c. Cash and Bank Balances		3,901.67	2,370.04
d. Loans & Advances		2,054.96	1,735.77
		12,920.43	11,225.11
Less : Current Liabilities & Provisions	8		
a. Current Liabilities		5,819.07	6,513.95
b. Provisions		787.86	549.85
		6,606.93	7,063.80
Net Current Assets		6,313.50	4,161.31
Total		30,612.72	29,927.38
Significant Accounting Policies	15		
Notes on Accounts	16		
Schedules 1 to 8, 15 & 16 form part of this Balance Sheet			

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

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Consolidated Profit And Loss Account

(₹. in Lakhs)

Particulars	Schedule	31-Mar-11	31-Mar-10
INCOME			
Sales (Gross)	9	27,631.21	35,054.75
Less: Excise Duty		566.59	916.02
Sales (Net)		27,064.62	34,138.73
Other Income	10	1,089.97	720.08
Total		28,154.59	34,858.81
EXPENDITURE			
Raw Materials Consumed	11	20,613.13	24,117.05
Manufacturing and Other Expenses	12	4,155.27	5,435.65
(Increase)/Decrease in Stock of Finished Goods and Work-in-Progress	13	(516.67)	1,499.53
Total		24,251.73	31,052.23
Profit before Interest and Depreciation		3,902.86	3,806.58
Interest	14	925.98	528.70
Depreciation		1,379.28	1,356.77
Profit/(Loss) for the year before exceptional item		1,597.60	1,921.11
Exceptional item		-	-
Profit/Loss for the year before minority interest and share in associate		1,597.60	1,921.11
Less: Minority interest		-	-
Add: Share of Profit before exceptional income in associate		10.76	76.58
Profit/(Loss) for the year		1,608.36	1,997.69
Less: Tax Current year		235.10	327.00
Less: Deferred Tax expense		252.70	467.18
Add : Write back		-	11.37
Profit/(Loss) for the year after Tax		1,120.56	1,214.88
Less: Transfer to Debenture Redemption Reserve		75.00	75.00
Less: Transferred to Capital Redemption Reserve		100.00	207.71
		945.56	932.17
Add: Balance brought forward		1,339.72	407.53
Balance carried to the Balance Sheet		2,285.28	1,339.70
Earnings per share-Basic and Diluted (Rs)-Face value of Rs.10			
- After Exceptional item		1.35	1.47
- Before Exceptional item		1.35	1.47
Schedules 9 to 14 and 15 & 16 form part of this Profit & Loss Account			

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

For and on behalf of the Board

B H Kothari
 Chairman and Managing Director

P S Gopalakrishnan
 Director

for R.Subramanian and Company
 Chartered Accountants

Firm No. 004137S

 Place : Chennai
 Date : July 29, 2011

R Prakash
 Company Secretary

R Rajaram
 Partner
 M.No. 25210



CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

₹ in lakhs

Particulars	31-Mar-11	31-Mar-10
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Ater Extra-Ordinary Items	1,608.36	1,997.69
Adjustments for :		
Depreciation	1,379.28	1,356.77
Interest Received	(204.07)	(205.61)
Adjustments for Reserves	(10.76)	(118.14)
Dividend Income	(70.22)	(78.63)
Interest paid	925.98	528.70
Loss on Sale of assets (Vehicles)	7.11	3.67
Income from Mutual Fund	(208.17)	(223.51)
	1,819.16	1,263.26
Operating Profit before Working Capital changes	3,427.50	3,260.95
Trade Debtors and Other Receivables	494.33	(1,443.56)
Loans and Advances	(176.66)	1,705.21
Inventories	(338.83)	1,493.69
Trade Payables	(692.03)	(1,841.05)
	(713.18)	(85.73)
Cash Generation from Operations	2,714.32	3,175.22
Less: Direct Taxes paid	142.54	285.27
Net Cash Generation from Operating Activities - (A)	2,571.78	2,889.95
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(290.39)	(692.76)
Capital Work in Progress	(268.44)	(606.58)
Redemption of Investments	622.72	(2,521.16)
Interest Received	204.07	205.61
Dividend Income	70.22	78.63
Consideration for Sale of Fixed assets (Vehicles)	16.59	9.65
Purchase / Sale of Investments (Net)	208.17	223.51
Net Cash from investing activities - (B)	562.93	(3,303.09)
C CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Share Capital	(100.00)	(100.00)
Secured Loans	(177.17)	(313.18)
Unsecured Loans	(399.92)	(827.03)
Interest	(925.98)	(528.70)
Net Cash used in Financing activities - C	(1,603.09)	(1,768.91)
Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C	1,531.63	(2,182.05)
Cash and Cash equivalents at the beginning of the year	2,370.04	4,552.09
Cash and Cash equivalents at the close of the year	3,901.67	2,370.04
	(1,531.63)	2,182.05

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

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

Consolidated Schedules forming part of Accounts

₹ in lakhs

Schedule 1	31-Mar-11	31-Mar-10
SHARE CAPITAL		
AUTHORISED :		
13,00,00,000 Equity shares of Rs.10 each	13,000.00	13,000.00
12,00,000 Redeemable Preference shares of Rs.100 each	1,200.00	1,200.00
20,00,000 Redeemable Preference shares of Rs.10 each	200.00	200.00
Total	14,400.00	14,400.00
ISSUED, SUBSCRIBED & PAID-UP :		
REDEEMABLE PREFERENCE SHARE CAPITAL		
12,00,000 Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	300.00	225.00
Balance (a)	900.00	975.00
20,00,000 Zero Percent Redeemable Preference shares of Rs.10 each fully paid	200.00	200.00
Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	75.00	50.00
Balance (b)	125.00	150.00
Total (a+b)	1,025.00	1,125.00
EQUITY SHARE CAPITAL		
8,28,88,580 Equity shares of Rs.10 each fully paid	8,288.86	8,288.86
{Of the above holding company holds 4,60,66,885 shares (previous year 4,58,90,000)}	8,288.86	8,288.86
Total	9,313.86	9,413.86
Schedule 2		
RESERVES & SURPLUS		
Capital redemption reserve	275.00	67.29
Add : Additions during the year	100.00	207.71
	375.00	275.00
Debenture Redemption Reserve		
As per last Balance Sheet	450.00	375.00
Add: Additions during the year	75.00	75.00
	525.00	450.00
Brought forward from Profit & Loss A/c	2,285.28	1,339.71
Provision on Investment in Associate	517.61	528.44
	3,702.89	2,593.15
Schedule 3		
SECURED LOANS		
Debentures		
20,31,018 "Zero Coupon Bonds of Rs 100/- each redeemable" at par from 4th (2007-2008) to 10th year (2013-2014)"	2,031.02	2,031.02
Less : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004	1,088.05	797.90
Total	942.97	1,233.12

₹ in lakhs

20,31,017 Zero Coupon Bonds of Rs 100/- each redeemable at par at the end of 25th year (2029 -2030) {Refer Schedule 16(2) }	31-Mar-11	31-Mar-10
	2,031.02	2031.02
	2,973.99	3,264.14
Loans and Advances from Bank Banks {Refer schedule 16 (3) (b)}	4,341.51	4,970.50
	4,341.51	4,970.50
Other Loans		
Sugar Development Fund - Govt. of India { Refer Schedule 16 (3) (a)}	7,377.98	6,512.02
Holding Company { Refer Schedule 16 (3) (c)}	1,202.45	1,319.77
Hire Purchase Loans (Secured against Vehicles)	-	6.68
	8,580.43	7,838.47
Total	15,895.93	16,073.11
Schedule 4 UNSECURED LOANS		
Other Loans & Advances		
Inter Corporate Loan {Refer Schedule 16 (3) (d)}	912.47	1,184.14
Irrigation Loan from Bank {Refer Schedule 16 (3) (d)}	67.69	195.94
Holding Company	-	-
Total	980.16	1,380.08

Schedule 5

FIXED ASSETS - CONSOLIDATED

₹ in lakhs

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions / Adjustment	Deductions	As at 31.03.2011	As at 01.04.2010	For the year	Deductions	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	362.34	-	-	362.34	-	-	-	-	362.34	362.34
Buildings	3,426.20	70.05	-	3,496.25	671.13	101.01	-	772.14	2,724.11	2,755.08
Plant & Machinery	27,007.66	191.11	-	27,198.77	10,811.23	1,255.78	-	12,067.01	15,131.74	16,196.44
Vehicles	103.10	-	37.14	65.96	63.30	12.76	13.45	62.61	3.35	39.80
Furniture & Fittings	193.92	29.23	-	223.15	91.08	9.73	-	100.81	122.34	102.82
Leased Vehicles	73.70	-	-	73.70	13.44	-	-	13.44	60.26	60.26
Sub Total	31,166.92	290.39	37.14	31,420.17	11,650.18	1,379.28	13.45	13,016.01	18,404.16	19,516.74
Capital WIP including advances	1,246.13	458.75	190.30	1,514.58					1,514.58	1,246.13
Total	32,413.05	749.14	227.44	32,934.75	11,650.19	1,379.28	13.45	13,016.01	19,918.74	20,762.87
Previous Year	31,136.34	1,814.70	537.98	32,413.05	10,302.69	1,356.77	9.28	11,650.18	20,762.87	20,833.65

₹ in lakhs

	31-Mar-11	31-Mar-10
Schedule 6		
INVESTMENTS		
A LONG TERM INVESTMENTS		
Government Securities	0.06	0.06
Trade Investments		
Equity Shares, Quoted		
Associate	1,203.45	1,203.45
Others	176.69	219.21
Equity Shares / Mutual Fund, Unquoted	510.20	3,202.53
B CURRENT INVESTMENTS	2,492.08	379.95
Less : Provision for Diminuation in Value of Investments	(2.00)	(2.00)
Total	4,380.48	5,003.20
Schedule 7		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
a. Inventories		
Raw Material stock	86.54	247.75
Stores and Spare Parts stock	525.30	455.09
Stock-in-trade :		
Stock in transit	-	0.25
Sugar	3,897.13	2,774.36
Molasses	393.24	1,307.22
Industrial Alcohol	305.62	186.03
Work in process	262.57	160.87
Total	5,470.40	5,131.56
b. Sundry Debtors		
(Unsecured and considered good)		
Outstanding for a period of more than six months	327.10	37.60
Other Debts	1,166.30	1,950.14
Total	1,493.40	1,987.74
c. Cash and Bank Balances		
Cash on Hand	1.71	1.46
Cash in Transit		
Balances with Scheduled Banks :		
On Current Accounts	364.24	291.30
Unclaimed Dividends / Debenture Redemption and fractional warrant accounts	4.11	4.11
On Deposit Accounts	3,516.36	2,069.40
[includes security pledged to Banks for margin (Rs.283.93 Lacs)]		
Balances with Non-Scheduled Bank on Current Account (Thiruchirapalli District Central Co-operative Bank Ltd. maximum amount outstanding at any time during the year Rs.291.93 lacs)	15.25	3.77
Total	3,901.67	2,370.04
B. LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	790.34	639.17
Considered Doubtful	55.20	55.20
	845.54	694.37
Less : Provision for doubtful advances	55.20	55.20
	790.34	639.17
Advance payment of Income-tax & Tax deducted at Source	1,127.80	961.34

	31-Mar-11	31-Mar-10
Balance with Central Excise Authorities	75.74	54.81
Deposits	61.08	80.44
Total	2,054.96	1,735.77
Schedule 8		
CURRENT LIABILITES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	3,631.76	3,525.43
Bank Over Draft	-	175.74
Interest accrued but not due on loans	431.67	374.60
Investor Education and Protection Fund (not due)	4.12	4.12
"Unclaimed Dividends / Debenture redemption and fractional warrants"	-	-
Other Liabilities	1,751.52	2,434.06
Total	5,819.07	6,513.95
PROVISIONS		
Wealth Tax	-	0.35
Income Tax	721.98	486.87
Gratuity	40.56	38.86
Other Staff Benefits (i.e.EL & Superannuation)	25.32	23.77
Total	787.86	549.85
Schedule 9		
SALES		
Sugar	15,976.62	25,144.57
Molasses	-	-
Bagasse	10.74	-
Industrial Alcohol	5,121.20	3,674.96
Electric Power	6,352.78	6,141.19
Others	169.86	94.03
Total	27,631.21	35,054.75
Schedule 10		
OTHER INCOME		
Rent received	23.27	9.52
Interest income	204.07	205.61
Dividend	70.22	78.63
Profit on Sale of Investments	208.17	223.51
Provision Written Back	429.89	-
Provision for Diminution in Value of Short term Investments written back	-	40.04
Other Miscellaneous Income	154.45	162.77
Total	1,089.97	720.08
Schedule 11		
MATERIAL CONSUMED		
Raw Material	19,645.49	23,209.58
Chemicals and Others	546.70	482.40
Others	420.94	425.07
Total	20,613.13	24,117.05
Schedule 12		
MANUFACTURING AND OTHER EXPENSES		
Salaries, Wages & Bonus	1,045.28	1,217.93
Managing Director Remuneration	53.76	53.76
Managing Director Commission	12.21	47.64
Employees' Welfare expenses	65.08	80.76
Contribution to Provident and other funds	117.82	169.64

₹ in lakhs

	31-Mar-11	31-Mar-10
Power & Fuel	307.03	188.86
Freight and Transport	209.48	166.36
Lease Rent	-	155.05
Rent	47.22	36.43
Rates & Taxes	50.60	86.24
Excise Duty-Expunged	532.70	455.56
Repairs & Maintenance - Buildings	60.95	447.86
Repairs & Maintenance - Machinery	764.30	1,476.19
Repairs & Maintenance - Others	78.91	78.30
Insurance	71.63	72.22
Directors' Sitting Fees	1.60	1.50
Directors' Travelling Expenses	28.41	43.01
Auditors' Remuneration	3.94	3.90
Research and development exps	1.51	4.56
Bank Charges	22.73	44.97
Conveyance - Local	11.84	15.73
Travelling other than directors	58.98	66.49
Professional Fees	60.81	62.91
Commission	81.51	80.47
Loss on Sale of Assets	7.11	3.67
Miscellaneous	14.28	28.58
Rebates & Discounts	128.73	101.01
Diminution in Value of Short term Investments	4.94	-
Administration Expenses - Other	311.92	246.04
Total	4,155.27	5,435.65
Schedule 13		
(INCREASE) / DECREASE IN STOCK		
Opening stock:		
Work in process	160.87	216.33
Finished Stock:	-	-
Sugar	2,774.36	3,867.65
Molasses	1,307.22	1,411.94
Industrial Alcohol	186.03	494.69
Total	4,428.48	5,990.61
Closing stock:		
Work in process	262.57	160.87
Finished stock:	-	-
Sugar	3,897.13	2,774.36
Molasses	393.24	1,307.22
Industrial Alcohol	305.62	186.03
Total	4,858.57	4,428.48
Excise duty adjustment for movement in Finished Goods Inventory	(86.58)	62.60
Net (Increase) / Decrease	(516.67)	1,499.53
Schedule 14		
INTEREST		
Term Loans	901.01	520.18
Other Loans	24.97	8.52
Total	925.98	528.70

SCHEDULE 15

SIGNIFICANT ACCOUNTING POLICIES

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

(2) BASIS OF CONSOLIDATION

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

(3) FIXED ASSETS & DEPRECIATION

- (a) Fixed assets are recorded at cost and cost includes appropriate direct and allocated expenses including interest on specified borrowings for acquisition of assets up to the date of commencement of commercial production. Technical know-how fees in respect of specific turnkey projects are capitalised.
- (b) Depreciation on fixed assets is provided at Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956. Based on technical opinion, plant and machinery have been classified as continuous process plant and depreciation has been provided at 5.28% on the original cost. Assets costing less than Rs.5000/- are fully depreciated.

(4) FOREIGN CURRENCY TRANSACTION

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

(5) INVESTMENTS

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

(6) INVENTORIES

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

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

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

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

(7) REVENUE RECOGNITION

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

(8) RETIREMENT BENEFITS

Defined Contribution Plans

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

Defined benefit plans

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

(9) RESEARCH AND DEVELOPMENT

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

(10) SEGMENT REPORTING

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

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

(11) IMPAIRMENT OF ASSETS

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

(12) PROVISION OF CONTINGENT LIABILITIES

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

(13) EARNINGS PER SHARE

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

(14) TAXES ON INCOME

Tax expense comprises of current tax and deferred tax. Current income tax is provided

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

SCHEDULE 16

NOTES ON ACCOUNTS

1. Information on Consolidated Financial Statements of Kothari Sugars & Chemicals Limited (KSCL) and its subsidiaries and associate as per AS 21 and AS23
List of subsidiaries and associate included in the consolidated financial statements.

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

Consolidation is done based on the audited financials of the subsidiary, KITL as on 31-03-2011 & KPL(Associate) as on 31-03-2011.

2. Debentures / Zero Coupon Bonds

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

3. Loans & Advances from Bank and Others

- (a) Loan from Sugar Development Fund Government of India) for modernization / expansion / Cogeneration amounting to Rs.7,377.98 lacs (Previous year Rs. 6,512.02 lacs) of which Rs.6,806.44 lacs is secured by an exclusive second charge on all movable and immovable properties except book debts of the Company situated at Kattur, Tamilnadu and Rs.571.54 Lacs is secured by guarantee from Indian Bank.
- (b) Loan from Indian Bank of Rs.4,341.51 lacs (previous Rs. 4,970.50 lacs) consists of the following:
 - (i) Loan for modernisation/expansion/ ogeneration amounting to Rs. 1,333.62 Lacs (Previous year Rs. 2,035.66 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.

- ii. Medium Term Loan (Central Excise - Interest Subvention) of Rs.984.52 lacs (Previous year Rs. 2,384.08 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- iii. Open Cash Credit of Rs.2,023.37 lacs (Previous year Rs. 550.76) are secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- (c) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit.
- (d) Unsecured Loans except Irrigation loan are Interest free.

4.Capital Redemption Reserve:

A Sum of Rs.100 lacs (Previous Year Rs.207.71 lacs) has been appropriated towards the above reserve on redemption of Preference Shares as per AAIFR order dated 17-06-2004.

5.Employee Benefits:

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

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

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

(a)Earned Leave

₹ in lakhs

Net Liability Recognized	2010-11	2009-10
Present Value of Obligation	6.25	6.62
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized	(6.25)	(6.62)

Principal Actuarial Assumptions		
Interest rate (Liabilities)	8.00%	8.00%
Return on assets	Does not arise	Does not arise
Mortality table	LIC(94-96)	LIC(94-96)
Resignation rate per annum	1%	5%
Salary escalation rate	6%	10%

(b) Gratuity

₹.in Lacs

Particulars	Gratuity Plan	
	2010-11	2009-10
Projected benefit obligation at the beginning of the period	211.05	142.33
Current service cost	14.54	10.68
Interest cost	17.43	8.25
Actuarial loss / (gain)	(0.95)	68.53
Benefits paid	(2.33)	(18.74)
Projected benefit obligation at the end of the period	239.74	211.05
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	239.74	211.05
Fair value of plan assets at end of the period	192.52	172.19
Funded status of the plans-(asset)/liability	47.22	38.86
Less: Share of contribution from Associate Company	6.66	-
Liability recognized in the balance sheet	40.56	38.86
Cost for the period		
Current service cost	14.28	8.25
Interest cost	17.43	10.68
Expected return on plan assets	(14.21)	(12.17)
Net actuarial (gain)/loss recognized in the period	(9.41)	52.06
Past service cost	-	(19.95)
Net Cost recognized in Profit & Loss account.	8.09	38.86

6. Contingent Liabilities: -

₹ in lakhs

6.1 Parent Company

- (a) The hike in the basic minimum price of sugarcane for the sugar year 2002-03 after fixation of statutory minimum price notified by the Central Government on 9th January 2003 has been legally challenged by the South Indian Sugar Mills Association (of which the company is a member), and the matter is subjudice. Based on legal advice, pending disposal of the case no provision has been considered for the same in the books. The amount is not quantifiable at this stage.
- (b) Excise duty demands under appeal Rs 613.59 Lacs (Rs.193.99 Lacs).
- (c) Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs.2.02 Lacs (Rs.24.79 Lacs).
- (d) Urban Land Tax under appeal Rs. 36.18 Lacs. (Previous year Rs.34.13 Lacs).
- (e) Customs Duty under appeal Rs.73.39 Lacs. (Rs.73.39 Lacs).
- (f) Other Contingent Liabilities:

Contingent Liabilities	31.03.2011	31.03.2010
Guarantees to banks on behalf of Subsidiary	Nil	600.00
Bank Guarantees/ Letter of credit	2437.24	1055.55

6.2 Subsidiary Company

A sum of Rs.556.88 lacs was paid to DRAT, Mumbai 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 has been charged to the Profit and Loss account of the Parent Company (i.e. Kothari Sugars and Chemicals Limited).

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.

₹ in lakhs

Particulars	Sugar		Power		Distillery		Others		Eliminations		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1.REVENUE												
External sales	15,554.78	24,313.42	6,352.87	6,143.55	5,156.97	3,681.76	-	-	-	-	27,064.62	34,138.73
Inter segmental revenue	2,637.54	4,164.05	1,358.70	4,023.92	78.27	0.07	-	-	(4,074.51)	(8,188.03)	-	-
Total revenue	18,192.31	28,477.47	7,711.57	10,167.46	5,235.24	3,681.83	-	-	(4,074.51)	(8,188.03)	27,064.62	34,138.73
2.RESULTS												
Segment results	910.63	959.88	532.69	3,076.60	1,203.46	(895.26)	-	-	-	-	2,646.76	3,641.22
Unallocated (Exp.)/Income	-	-	-	-	-	-	(588.57)	(1,666.58)	-	-	(588.57)	(1,666.58)
Interest expenses	(504.01)	(323.02)	(119.62)	(133.96)	(15.38)	(71.73)	(286.98)	-	-	-	(925.98)	(528.70)
Interest and dividend Income	-	-	-	-	-	-	-	551.76	-	-	476.13	551.76
Profit/(loss)	406.62	636.86	413.07	2,942.65	1,186.08	(466.99)	(875.55)	(1,114.82)	-	-	1,608.35	1,997.89
3.OTHER INFORMATION												
Segment Assets	12,392.21	15,665.91	7,690.53	9,298.77	5,783.53	6,966.85	-	-	-	-	25,866.28	31,931.53
Unallocated assets	-	-	-	-	-	-	11,353.37	5,059.66	-	-	11,353.37	5,059.66
Total Assets	12,392.21	15,665.91	7,690.53	9,298.77	5,783.53	6,966.85	11,353.37	5,059.66	-	-	37,219.65	36,991.19
Segment Liabilities	12,154.14	12,917.19	3,176.75	6,072.83	3,703.16	5,599.96	-	-	-	-	19,034.05	24,589.98
Unallocated Liabilities	-	-	-	-	-	-	5,168.84	394.19	-	-	5,168.84	394.19
Total Liabilities	12,154.14	12,917.19	3,176.75	6,072.83	3,703.16	5,599.96	5,168.84	394.19	-	-	24,202.89	24,984.17
Capital/Expenditure	32.30	220.69	1.24	450.79	168.91	-	87.94	21.27	-	-	290.39	692.75
Depreciation	447.25	443.32	675.10	664.43	226.98	218.89	29.94	30.12	-	-	1,379.28	1,356.76
Noncash expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-

(₹ in lakhs)

(b) Secondary Segment Information
2010-11
2009-10

Particulars	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	27,064.62	-	34,138.73	-
2. Carrying amount of Segment Assets	25,866.28	-	31,931.53	-
3. Additions to Fixed / Intangible Assets	290.39	-	692.75	-

(c) Notes Relating to Segment
(i) Business Segments

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

Sugar, Power generation and Distillery.

Sugar segment comprises of sugar and molasses, Power segment comprise generation of power from bagasse and coal and Distillery segment comprises of rectified spirit and denatured spirit.

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

(ii) Geographical Segments

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

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

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

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

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

(b) Transactions with Related Parties

(₹. in Lacs)

Companies Particulars	Holding		Subsidiary		Associates		Key Personnel	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
Rent Paid	-	-	-	-	46.59	31.85	-	-
Interest	-	-	-	-	-	-	-	-
Expenses reimbursed	-	-	-	-	60.98	64.05	-	-
Purchase of Scrap/Water	-	-	-	-	5.44	1.48	-	-
Remuneration to CMD	-	-	-	-	-	-	53.76	53.76
Commission to CMD	-	-	-	-	-	-	12.21	47.64
Loan repayment	284.44	284.44	-	-	-	-	-	-
Advances given	-	-	-	-	-	38.94	-	-
Advances returned	-	-	-	-	-	109.68	-	-
Outstanding balances as at 31.3.2011								
Loans and Advances	-	-	55.51	55.51	21.15	22.58	-	-
Secured Loans	1,202.46	1,319.78	-	-	-	-	-	-
Loans	2,076.62	2,243.75	-	-	-	-	-	-
Investment	-	-	99.99	99.99	1,201.90	1,201.90	-	-
Share Capital	4,789.75	4,815.98	-	-	-	-	-	-

9. Earnings per Share:

(₹ in lakhs)

Particulars	2010-11	2009-10
Net Profit after Tax excluding Exceptional Item (Rs.in lacs)	1,120.56	1,214.88
No. of Equity Shares of Rs. 10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	1.35	1.47

10. Provision for Taxation:

Deferred Tax:

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

(₹ in lakhs)

Deferred Tax Liability / (Asset)	Balances as at 1st April 2010	Charge / (Credit) Year ended March 31, 2011	Balances as at Year ended March 31, 2011
Depreciation	2,916.19	(98.50)	2,817.69
Sec. 43B Disallowances under IT Act,1961	(387.23)	29.31	(357.92)
Business Loss	(2,061.78)	321.89	(1,739.89)
Deferred Tax Liability (Net)	467.18	252.70	719.88

11. Finance Lease:

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

(₹. In Lacs)

Particulars	Minimum EMI Payments	Present Value EMI Payments
Not Later Than One Year	Nil (PY 6.91)	Nil (P.Y. 6.59)
Later Than One Year but not later than Five years	Nil (PY Nil)	Nil (P.Y.Nil)
Later Than Five years	-	-

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

(₹. In Lacs)

Details of Subsidiary Company	Kothari International Trading Ltd	
	2010-11	2009-10
Share Capital	100.00	100.00
Reserves & Surplus	(525.93)	(321.76)
Total Liabilities	648.94	449.38
Total Assets	748.94	549.38
Total Income (Including Other Income)	84.10	-
Profit Before Tax	(204.17)	(0.48)
Provision for Tax	-	-
Profit After Tax	(204.17)	(0.48)
Proposed Dividend (Including Dividend Tax)	-	-
Details of Investment (Other Than Subsidiaries)	-	-
Long Term - At Cost	-	-
Trade:		
Quoted Equity Shares	-	-
Unquoted Equity Shares	-	-
Non-Trade	-	-
Kothari Petrochemicals Ltd	1.55	1.55
Rs.10/- each fully paid (Nos.)	15,500	15,500
Total Liabilities=Loan Funds + Current Liabilities	-	-

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

For and on behalf of the Board

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

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

Place : Chennai
Date : July 29, 2011

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

KOTHARI SUGARS AND CHEMICALS LIMITED

Regd. Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034

PROXY FORM

Folio No.:

* Client ID No.:

(* in case of dematerialized shares)

I / We of in the district of being a member(s) of the above named company, hereby appoint Mr./ Ms. of in the district of or failing in / him / her Mr. / Ms. of in the district of as my / our proxy to attend and vote for me / us on my / our behalf at the 50th Annual General Meeting of the Company to be held on Thursday, the 8th September 2011, at 10.30 A.M. at Rani Seethai Hall" No. 603, Anna Salai, Chennai - 600 006 to transact the following business.

Signed this day of 2011

No. of Shares held

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

Affix
Re. 1
Revenue
Stamp

KOTHARI SUGARS AND CHEMICALS LIMITED

Regd. Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034

ATTENDANCE SLIP

Folio / Client ID No. :

Name of the
Attending Member

Name of the Proxy*

* (If Proxy attends instead of member)

I here by record my presence at the 50th Annual General MeetingVenue : Rani Seethai Hall
Anna Salai,
Chennai - 600 006Date : Thursday, 8th September, 2011

Time : 10.30 A.M.

Signature of Shareholder/Proxy

REQUEST TO MEMBERS

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

Note : Please ensure that your Folio / Client ID Number is duly mentioned in this form.



Book - Post

If undelivered, please return to :

KOTHARI SUGARS AND CHEMICALS LIMITED

Regd. Office. "Kothari Buildings",
No. 115, Mahatma Gandhi Salai,
Nungambakkam, Chennai - 600 034