

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director Dr. P. S. Mani Sundaram P. S. Gopalakrishnan V. R. Deenadayalu
Company Secretary	:	R.Prakash
Statutory Auditors	:	R. Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue Luz, Mylapore Chennai - 600 004.
Internal Auditors	:	(a) K.R.Sarangapani & Co. Chartered Accountants, No. 28/1, Anjuham Nagar, 1 st Street, Jafferkanpet, Chennai - 600 083 (b) V.P.Mukundan & Associates Chartered Accountants, No. 233/1, Kutchery Road, Mylapore, Chennai - 600 004
Cost Auditor	:	K.Suryanarayanan Flat A, Brindhavan Apartments, No.1, Poes Road, 4 th Street, Teynampet, Chennai - 600 018
Legal Advisors	:	S.Ramasubramanian & Associates Advocates, No.6/1, Bishop Wallers Avenue (West) Mylapore, Chennai - 600 004
Registered Office	:	"Kothari Buildings" No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034 Phone No. 044 - 30281595 / 30225507 Fax No. 044 - 28334560
Registrar & Share Transfer Agents	:	M/s. Cameo Corporate Services Limited, Subramanian Buildings, 5th Floor, No.1, Club House Road, Chennai - 600 002 Phone No.044 - 28460390 to 28460394 Fax No. 044 - 28460129 e-mail: investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
Stock Code	:	KOTARISUG
ISIN No.	:	INE419A01022
Manufacturing Units	:	Kattur Kattur Railway Station Road, Lalgudi Taluk, Trichy District, Tamil Nadu - 621 601 Sathamangalam Sathamangalam Village, Vetriyur Post, Keezhapalur, Ariyalur Taluk, Perambalur District, Tamil Nadu - 621 707

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Financial Highlights

(₹. In lakhs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Profitability items					
Gross Income	27,050	27,568	34,859	28,115	32,684
Gross Profit (PBDIT)	2,592	1,959	3,807	3,273	3,662
Depreciation	954	1,298	1,357	1,379	1,315
Profit / (Loss) Before Interest & Tax	1,638	661	2,451	1,894	2,347
Interest	488	546	529	648	467
Profit / (Loss) Before Tax	1,150	115	1,922	1,246	1,880
Income Tax	149	31	316	235	374
Deferred Tax Expenses	-	-	467	253	664
Profit / (Loss) After Tax	1,001	84	1,139	757	841
Balance Sheet Items					
Net Fixed Assets	20,217	20,834	20,763	19,919	20,764
Investments	4,935	1,260	3,823	3,200	656
Net Current Assets	3,450	6,273	4,146	4,984	4,427
Total Capital Employed	28,602	28,367	28,732	26,124	26,098
Shareholders Funds	9,972	9,956	10,995	11,652	12,393
Ratios					
Book Value per share (Rs.)	12	12	13	14	15
EPS (Rs.)	1.05	0.10	1.37	0.91	1.01

NOTICE to the Members

Notice is hereby given that the **51st Annual General Meeting** of Kothari Sugars & Chemicals Limited will be held on Tuesday, 25th September 2012 at 10.30 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss for the financial year ended on that date along with Auditors' and Directors' Report thereon.

2. To appoint a Director in the place of Dr.P.S.Mani Sundaram, who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Auditors

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

"Resolved that 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 a remuneration to be fixed by the Board of Directors".

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

Place: Chennai
Date: August 03, 2012

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. 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. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL.**
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their

representative to attend and vote on their behalf at the meeting.

3. Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.
4. **Share Transfer books and Register of Members will remain closed from Tuesday, 18 September 2012 to Tuesday, 25 September 2012, (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 who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, etc.
7. The Annual report of the Company for the year 2011-12, circulated to the Members of the Company, will be made available on the Company's website viz. www.hckotharigroup.com/kscl
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the abovementioned transactions.
9. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Director seeking re-appointment at the forthcoming Annual General Meeting is appended below.

ANNEXURE TO THE NOTICE

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

Particulars	Item No.2
i) Name of the Director	Dr. P.S.Mani Sundaram
ii) Date of Birth	09.12.1927
iii) Date of Appointment	19.11.1996
iv) Qualification	BA. B.E., M.Eng., Ph.D., D.Eng.
v) Experience in specific functional areas	He was formerly (first) Principal, A.C.College of Engg & Tech, Karaikudi and Regional Engineering College (NIT), Trichy and Former (first) Vice Chancellor, Bharathidasan University. He has extensive Technical experience in the Engineering field including Education.
vi) List of other Companies in which Directorship held	Nil
vii) Chairman/ Member of the Committee of the Board of Directors of the Company	(a) Audit Committee - Member (b) Share Transfer cum Shareholders Grievances Committee - Member (c) Remuneration Committee - Member
viii) Chairman/ Member of the Committee of the other companies in which he is a Director	Nil
ix) Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2012	Nil

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

Place: Chennai
Date: August 03, 2012

R Prakash
Company Secretary

Important Communication to Members

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

DIRECTORS' REPORT

To the Members

The Directors present the 51st Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2012.

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

Financial Highlights

(₹. In lakhs)

Description	2011 - 2012	2010 - 2011
Profit before Interest and Depreciation	3,661.63	3,272.53
Interest	467.03	648.39
Depreciation	1,315.07	1,379.27
Profit Before Tax	1,879.53	1,244.87
Tax Adjustments including Deferred Tax	1,038.22	487.80
Profit after Tax	841.31	757.07
Transfer to Debenture Redemption Reserve	75.00	75.00
Transfer to Capital Redemption Reserve	100.00	100.00
Profit after Appropriation	666.31	582.07

Your Directors are pleased to report that the company has made a profit after tax of Rs.841.31 Lakhs.

Operations and Performance

Performance

The Gross total income for the financial year ended 2011-12 was Rs.32,684.11 lacs higher than Rs.28,115.12 lacs, for the financial year 2010-11. There was overall increase in sale of sugar which includes export sales as well as local sales due to spurt in domestic demand. Similarly, there was increase in sale of alcohol. However there was decrease in power generation owing to higher cost of coal and consequently less sale of power. The profit after tax was Rs.841.31 lacs for the financial year ended 2011-12 compared to Rs.757.07 lacs for the financial year 2010-11. The Profit before Tax was higher mainly due to increased sales volume and realisation.

Segment-wise performance of the company is given below:

a. Sugar

During the financial year 2011-12 the sugar prices remained relatively stable which resulted in higher profits compared to financial year 2010-11. Performances of our two sugar units were as under.

Kattur Unit: The plant at Kattur had crushed 578025 Metric Ton (MTs) of sugarcane with an average recovery of 9.35% during 2011-12 as against 501809 MTs during 2010-11 with an average recovery rate of 9.03%.

Sathamangaiam Unit: The Plant at Sathamangalam unit had crushed 504729 MTs of sugarcane with a average recovery of 9.25% in 2011-12 as against 176846 MTs in 2010-11 with a average recovery rate of 8.86%.

The increase in the cane crushing is mainly due to availability of sugar cane leading to higher production of Sugar, Bagasse & Molasses which impacted the value chain positively.

Your company had taken various measures to improve the quality of sugar cane and sugar yield levels which included chip bud plantation techniques, drip irrigation and mechanisation of cane harvesting through cane harvester so that the stakeholders in the business i.e. the farmers and the company would benefit.

b. Co-generation

Power exported during the financial year 2011-12 at Kattur unit was 11369 Mwh (Mega Watt Hour) as against 11752 Mwh of power during 2010-11. At Sathamangalam unit power exported was 56720 Mwh during 2011-12 as against 120980 Mwh during 2010-11. Due to steep increase in cost of imported coal and lower rate per unit offered by Govt. of Tamilnadu and Power trading corporation, the coal based power generation was dis-continued. This resulted in lower power generation as compared to the previous year.

c. Distillery

Alcohol production during the financial year 2011-12 was 18347 Kilo Litres (KL's) as against 16135 KLs in 2010-11. The demand for alcohol by the IMFL (Indian Made Foreign Liquor) 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 perceived a shortfall of Alcohol to the potable sector. Despite high fluctuation in molasses prices, systematic planning helped us to procure a good quantity of molasses at very competitive prices. Similarly, on the marketing strategy, the sale of ENA has helped in getting a better average realisation.

Dividend

The Directors do not recommend dividend for this year.

Directors

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

Directors' Responsibility Statement

The Directors confirm:

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

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

Corporate Governance

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

Public Deposits

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

Re-appointment of Auditors

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

Cost 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 2012 - 2013.

Filing of Cost Audit Report	2011 - 2012	2010 - 2011
Due Date	31.12.2012	27.09.2011
Actual Date	(Target) 30.11.2012	13.09.2011
Cost Auditor Details	Mr.K.Suryanarayanan, M.No.24946, Chennai	Mr.K.Suryanarayanan, M.No.24946, Chennai
Audit Qualification in Report	-	Nil

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

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

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

Subsidiary Companies

Pursuant to Ministry of Corporate Affairs (MCA) General Circular No.2/2011 dated 8th February, 2011 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, The Annual Accounts of the Subsidiary Company M/s.Kothari International Trading Limited for the year ended 31st Mar 2012 is not attached herewith.

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

Acknowledgement

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

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

Place : Chennai
Date: August 03, 2012

B.H.Kothari
Chairman and Managing Director

FORM A

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

A. POWER AND FUEL CONSUMPTION

Annexure I

Sl. No.	Particulars	Kattur				Sathamangalam	
		Sugar & Co-gen		Distillery		Sugar & Co-gen	
1	Electricity	2011-12	2010-11	2011- 12	2010-11	2011-12	2010-11
	a. Purchased Unit	32,26,373	32,03,300	47,01,227	49,37,994	8,82,900	3,92,172
	Total Amount Paid (Rs.)	2,12,02,738	2,11,44,780	1,99,82,975	2,10,14,420	59,51,526	26,03,486
	Rate per unit (Rs.)	Rs.4.00 per unit + MD charges Rs.300 per KVA	Rs.4.00 per unit + MD charges Rs.300 per KVA	4.00 per unit + MD charges @ Rs.300 per KVA	4.00 per unit + MD charges @ Rs.300 per KVA	6.74	6.64
	b. Own Generation through Diesel						
	Generator Unit in KWH	36,464	30,821	NIL	NIL	3580	3701
	Unit per Litre of Diesel	2.40	2.40	NIL	NIL	3.05	2.04
	Cost per Unit (Rs.)	18.75	16.67	NIL	NIL	14.62	19.22
	c. Power generated through Steam turbine Unit in KWH	3,65,23,300	3,31,63,600	NIL	NIL	7,92,73,000	14,28,46,000
	Unit per ton of fuel	239	244	NA	NA	427.52	487.05
	Cost per unit (Rs.)	4.57	4.04	NA	NA	3.61	3.49
2.	Coal (specify quantity and where used)						
	Quantity (tonnes)	NA	NA	NA	NA	14042.11	92968.55
	Total cost (Rs.)	NA	NA	NA	NA	7,15,51,384	36,75,94,812
	Average Rate (Rs.)	NA	NA	NA	NA	5095	3954
3.	Fuel Oil						
	Quantity (tonnes/kilo liters)	NA	NA	125.18	174.45	NA	NA
	Total Cost (Rs.)	NA	NA	55,00,189	53,65,739	NA	NA
	Average Rate/ litre (Rs.)	NA	NA	43.94	30.80	NA	NA
4.	Natural Gas						
	Quantity M ³	NA	NA	NA	NA	NA	NA
	Total Cost (in Rs.)	NA	NA	NA	NA	NA	NA
	Average Rate per M ³ (Rs.)	NA	NA	NA	NA	NA	NA
5.	CONSUMPTION PER UNIT OF PRODUCTION						
	Total in-house consumption (unit)	2,00,13,546	1,96,73,836	47,01,227	49,37,994	1,35,15,243	54,22,850
	Products (Sugars & Alcohol)	5,37,970 Qtl.	4,53,000 Qtl.	1,83,47,455 Litres	1,61,34,792 Litres	4,64,230 Qtl.	1,74,000 Qtl.
	Electricity (Unit per quintal)	37.20	43.43	0.2562 Units/ Litres	0.3060 Units/ Litres	29.11	31.17

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.

Cane Highlights

In order to overcome the agricultural labour shortage and reduce the cane harvesting charges, mechanical harvesting is introduced by importing combined harvester. New technologies like subsurface drip irrigation, wider row planting in 6 ft. spacing and transplanting of chip bud seedlings under sustainable sugarcane initiative have been implemented to improve the average cane yield per unit area. Satellite mapping of entire command area is taken up to have scientific assessment of land type, soil type, spatial distribution crops and underground water potential. Entrepreneur farmers were provided with technical and financial assistance to start chip bud seedlings in shade net houses, Trichogramma parasite production and extend mechanical services in cane cultivation.

Project Highlights

Your company has taken up modernization projects in both the sugar units for improving the efficiency in thermal and electrical energy consumption.

Expenditure on R & D: Nil

Technology absorption, adoption and innovation: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Lakhs

S.No.	Particulars	2011 - 12	2010 - 11
(i)	Total Foreign Exchange earned	2561.79	44.93
(ii)	Total Foreign Exchange outflow	25.36	50.30

Management Discussion and Analysis
Indian Industry Performance

The domestic sugar industry is likely to remain in surplus with the sugar output likely to outstrip domestic consumption for the second consecutive year. During S.Y. 2011-12 sugar output is likely to be around 26 Million MT (6-7% growth over previous year) and is expected to outstrip domestic consumption (Around 23 Million Tons) by around 3 Million Tons. However the impact of this surplus is likely to be offset by exports. The GOI has already permitted exports of 3. Million MT. Thus sugar stocks may remain stable at about 6 million MT or about 3 month's of domestic consumption.

The domestic sugar prices have remained subdued at around Rs. 27000-30000 Per Mt for the last 18 months mainly because of the domestic surplus.

Indian Industry Out look 2012-13

Given the domestic surplus and falling international price trends which are likely to restrict export volumes, there may not be significant change in the price trends that the sugar industry has seen in the last 18 months, at least for next couple of quarters. In the medium term, the sugar prices trends will continue to be determined by the following factors.

Firstly, expectations on domestic sugar production for the coming season(SY 2012-13) will be clear by end of April 2013 by which time the cane acreage for the coming season will also be known. Secondly, the international crude oil prices which will determine the sugar, ethanol mix in Brazil, (The world's largest producer) and finally the Govt. of India policies regarding exports of sugar and import duties.

Decontrol of the Sugar industry, including abolition of the levy sugar will be critical for supporting the sugar industry.

World Sugar Industry scenario

World Sugar market situation has experienced and will continue to experience considerable price volatility. The reason for the volatility is sugar deficit in previous 2 seasons, due to failure in crops, and also due to adverse seasonal conditions that resulted in low production of sugar and resultant high demand and prices. World sugar production is expected to increase by a reasonable quantity to reach 200 million MT. The bulk of the additional sugar production will come from the developing countries and the main burden of growth will continue to fall on Brazil.

World sugar prices are expected to follow a wave pattern as a result of a continuation of Govt. policies that intervene in sugar markets in many countries. As a consequence world prices are projected to fall in 2012-13 as production will be at peak. The size of the crop in Brazil together its allocation between ethanol and sugar production are the key factors that will determine international sugar prices.

Opportunities

- High production domestically and globally.
- Domestic sugar consumption is expected to be high.
- Continuation of OGL exports and
- Anticipated reduction in levy quota.

Threats

- International crude oil prices which is critical for the ethanol mix and availability of Raw Sugar in international markets.
- Sugar price uncertainty due to volatile domestic and international supply-demand prospects and
- Agro-climatic conditions which is key for Agro based industry.

Out look

While Cane price is expected to be maintained at the same level of the previous year, the sugar price will be the key factor for the profitability of financial year 2012-13. Agro-climatic conditions will still play a key role which is totally unpredictable. As on date, the Government of India's policies regarding exports and import duties is helping to some extent but there is a long way to go. As in the past, Distillery and cogeneration division will play a vital supportive role for improving the profitability of the coming years too. With all the pros and cons, we are expecting the financial year 2012-13 to be comparable to the financial Year 2011-12.

Risks and concerns

Raw Material Risk

Lack of fertilizers, high input cost and inadequate rainfall in the critical cane growing period and low recovery.

Risk Mitigation

To improve the yield, we are recommending the right variety crops and encouraging drip irrigation by arranging "monetary and technological" support.

Product price risk

Sugar being essential commodity prices are controlled by the Government.

Risk Mitigation

Govt. of India Policies regarding exports and imports will help to stabilize the price of sugar. More over building a rational linkage between cane prices and sugar prices will also reduce the volatility in sugar prices.

Competitive risk

New units being set up and expansion of capacities in Tamil Nadu which may put indirect pressure on the other companies.

Risk Mitigation

Our company maintains very good relationship and is also in constant touch with the farmers.

Legal and 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 complete legal and regulatory compliance. We take guidance from consultants, auditors, lawyers, specialists and experts wherever necessary.

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.

During the year employees attended series of training – Technical and Soft skills as part of Employee Development Program. Special Onsite Program and Inhouse Training programme were conducted on safety.

The company was focused on Career development of employees and Manpower requirement was filled by giving priority to internal sources – through promotions / horizontal transfers. Key Performance Indicators introduced last year designed on planning employees career growth was successfully implemented.

During the year, the industrial relations have been cordial, conducive and mutually productive. Total number of employees as on 31st March 2012 was 453 in respect of sugar and allied operations.

On Behalf of the Board
for Kothari Sugars & Chemicals Limited

Place: Chennai
Date: August 03, 2012

B.H.Kothari
Chairman and Managing Director