



*Kothari Sugars And  
Chemicals Ltd.*

54th Annual Report  
2014 - 15



**Bhadrashyam H Kothari**

11.11.1961 - 22.02.2015



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

## CORPORATE INFORMATION

<b>Board of Directors</b>	Nina B. Kothari - Chairperson (w.e.f. 08.04.2015) Arjun B. Kothari - Managing Director (w.e.f. 08.04.2015) P.S.Gopalakrishnan V.R.Deenadayalu P.S.Balasubramaniam
<b>Company Secretary</b>	R.Prakash
<b>Chief Financial Officer</b>	R. Krishnan
<b>Statutory Auditors</b>	R.Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue Luz, Mylapore, Chennai - 600 004.
<b>Internal Auditors</b>	(a) K.R.Sarangapani & Co, Chartered Accountants, Chennai - 600 083  (b) V.P.Mukundan & Associates Chartered Accountants, Chennai - 600 004
<b>Cost Auditor</b>	K.Suryanarayanan Chennai - 600 018
<b>Secretarial Auditor</b>	M. Alagar, Company Secretary in Practice Chennai - 600 018.
<b>Legal Advisors</b>	S.Ramasubramanian & Associates, Advocates, Chennai - 600 004.
<b>Registered Office</b>	"Kothari Buildings" No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034. Phone No. 044- 30281595 / 30225507 Fax No. 044-28334560 e-mail: secdept@hckgroup.com website: www.hckotharigroup.com/kscl
<b>Registrar &amp; Share Transfer Agents</b>	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
<b>Listing</b>	The National Stock Exchange of India Limited (NSE)
<b>Stock Code</b>	<b>KOTARISUG</b>
<b>ISIN</b>	<b>INE419A01022</b>
<b>CIN</b>	<b>L15421TN1960PLC004310</b>
<b>Manufacturing Units</b>	<b>Kattur</b> Kattur Railway Station Road, Lalgudi Taluk, Trichy District, Tamil Nadu - 621 706  <b>Sathamangalam</b> Sathamangalam Village, Vetriyur Post, Keezhapalur, Ariyalur Taluk, Perambalur District, Tamil Nadu - 621 707

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## Financial Highlights

(₹. In lakhs)

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

**NOTICE to the Members**

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

**Ordinary Business:**

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

**3. Appointment of Auditors**

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

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

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

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

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

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

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

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

**6. Approval of Remuneration to Cost Auditor**

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

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

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

Place: Chennai  
Date: 29th May, 2015

**R. Prakash**  
Company Secretary

### Important Notes

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

**Important Note:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies towards service of notice / documents including Annual Report can be sent through email to its members. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited, whose address is given elsewhere in this Annual Report. Kindly ensure to update your fresh Email ID with the Depository / M/s.Cameo, if you have changed the same.

- k) The Company has designated an exclusive e-mail id viz. [secdept@hckgroup.com](mailto:secdept@hckgroup.com) to enable investors to register their complaints / queries, if any.
- l) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the abovementioned transactions.

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

#### **Voting through Electronic means:**

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

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

In case of members receiving e-mail:

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

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

Then enter the Captcha Code as displayed and Click and Login



v) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below:

vi) Now, fill up the following details in the appropriate boxes:

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

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

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

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

vii) After entering these details appropriately, click on “SUBMIT” tab.

viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) Click on the relevant EVSN on which you choose to vote.

x) On the voting page, you will see Resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

xii) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.

xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xv) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorize to vote on their behalf in PDF format in the system for the scrutinizer to verify the vote. Further, they are requested to send the scanned copy of the Board Resolution/Authorization to the email id of scrutinizer ([kscl.scrutinizer@gmail.com](mailto:kscl.scrutinizer@gmail.com)) and RTA ([murali@cameoindia.com](mailto:murali@cameoindia.com)) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

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

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

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

**Voting at AGM:**

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

**General**

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