

Kothari

SUGARS AND CHEMICALS LTD

Kothari Sugars and Chemicals Ltd.

55th Annual Report 2015 - 16





Bhadrashyam H Kothari

11.11.1961 - 22.02.2015



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

CORPORATE INFORMATION

Board of Directors	Nina B. Kothari - Chairperson Arjun B. Kothari - Managing Director P.S.Gopalakrishnan V.R.Deenadayalu P.S.Balasubramaniam
Company Secretary	R.Prakash
Chief Financial Officer	R.Krishnan
Statutory Auditors	R.Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue Luz, Mylapore, Chennai - 600 004.
Internal Auditors	(a) K.R.Sarangapani & Co, Chartered Accountants, Chennai - 600 083 (b) V.P.Mukundan & Associates Chartered Accountants, Chennai - 600 004
Cost Auditor	K.Suryanarayanan Chennai - 600 018
Secretarial Auditor	M.Alagar, Company Secretary in Practice Chennai - 600 018
Legal Advisors	S.Ramasubramanian & Associates, Advocates, Chennai - 600 004.
Registered Office	"Kothari Buildings" No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034. Phone No. 044 - 30281595 / 30225507 Fax No. 044-28334560
Registrar & Share Transfer Agents	Cameo Corporate Services Limited, Subramanian Buildings, 5th Floor No.1, Club House Road, Chennai - 600 002. Phone No.044 - 28460390 to 28460394 Fax No. 044 - 28460129 e-mail: investor@cameoindia.com
Listing	The National Stock Exchange of India Limited (NSE)
Stock Code	KOTARISUG
ISIN	INE419A01022
CIN	L15421TN1960PLC004310
Manufacturing Units	Kattur Kattur Railway Station Road, Lalgudi Taluk, Trichy District, Tamil Nadu - 621 706 Sathamangalam Sathamangalam Village, Vetriyur Post, Keezhapalur, Ariyalur Taluk, Perambalur District, Tamil Nadu - 621 707

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Financial Highlights

(₹. In lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
PROFITABILITY ITEMS					
Gross Income	25,325	35,131	33,274	44,091	32,684
Gross Profit (PBDIT)	2,399	2,050	3,011	4,133	3,662
Depreciation	1,464	1,598	1,610	1,689	1,315
Profit/ (Loss) Before Interest & Tax	936	452	1,401	2,444	2,347
Interest	659	486	941	529	467
Profit/ (Loss) Before Tax	277	(35)	460	1,915	1,880
Income Tax	3	425	59	367	374
Deferred Tax	156	(5)	121	687	664
Profit/ (Loss) After Tax	118	(454)	279	861	841
BALANCE SHEET ITEMS					
Net Fixed Assets (incl.CWIP)	19,482	20,903	22,445	22,736	20,764
Investments	1,783	1,836	1,583	838	656
Net Assets (Current / non current)	3,019	3,231	3,757	4,030	4,679
Total Capital Employed	24,284	25,970	27,795	27,604	26,098
Shareholders Funds	11,875	12,107	12,849	13,155	12,393
OTHERS					
Book Value per share (Rs.)	14.33	14.61	15.50	15.87	14.95
EPS (Rs.)	0.14	(0.55)	0.34	1.04	1.01

NOTICE to the Members

Notice is hereby given that the 55th Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Friday, 05th August 2016 at 10.15 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a) the Audited financial statements of the Company for the financial year ended March 31, 2016, 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, 2016.
2. To appoint a Director in the place of Mr.Arjun B Kothari, (DIN 07117816) 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(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. Ratification 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 and other applicable provisions of the Companies Act, 2013 if any and Companies (Audit & Auditors) Rules, 2014, payment of 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 2016 - 2017, be and hereby ratified and confirmed.”

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

Place: Chennai
Date: 27th May, 2016

R. Prakash
Company Secretary

Important Notes:

- a) **The Register of Members and Share Transfer books will remain closed from Saturday, the 30th July, 2016 to Friday, 05th August, 2016 (both days inclusive) on account of the 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 the 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. 10.15 a.m. on Friday, 05th August 2016. A Proxy form is sent herewith.
- 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. The detail of unpaid dividend due for transfer to IEPF is detailed below.

Nature of Dividend	Financial Year	Date of Payment of Dividend	Due Date for transferring to IEPF on
Final Dividend	2013 - 14	01.10.2014	07.10.2021

- i) In terms of the extant provisions of IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividend in respect of the financial year 2013 - 14, as on the date of the 54th Annual General Meeting (AGM) held on 11th August, 2015, on the website of the IEPF viz. www.iepf.gov.in and also in the Company Website www.hckotharigroup.com/kscl under "Investors Section"
- j) 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 / 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.
- k) 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 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, 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 E-mail ID with the Depository / M/s.Cameo, if you have changed the same.

- l) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- m) In terms of circulars issued by the 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.
- n) **The shareholders are expected to send their queries on annual accounts / other reports of Annual Report to the Company in the e-mail id secdept@hckgroup.com, atleast 3 days before the date of meeting, so that the requisite information / explanations can be provided on time.**
- o) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under 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.
- p) Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is appended to this notice.
- q) Electronic copy of the Notice and Annual Report of the 55th 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 e-mail IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice and Annual Report of the 55th 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.
- r) Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.hckotharigroup.com/kscl for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request at the same for free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secdept@hckgroup.com.

Voting Through Electronic Means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Rule 21 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015 the Company shall provide members facility to exercise their right to vote at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited, (CDSL):

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

In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com.
- ii) Click on “Shareholders” tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT”.

iv) **Now Enter your User ID:**

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

Then enter the Captcha Code as displayed and Click on Login

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

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

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

* Members who have not updated their PAN with the Company/RTA/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. 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 field.

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) For Members holding shares in physical form, the details can be used only for e-voting on the results contained in this Notice.

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

xi) 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.

- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii) 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.
- xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xv) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) 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 authorized 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 e-mail id of scrutinizer (**kscl.scrutinizer@gmail.com**) and RTA (murali@cameoindia.com) with a copy marked to helpdesk.evoting@cdslindia.com.
- xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Phone No. 022-22723333.
- xviii) 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.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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 casted 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 Monday, 01st August, 2016 at 9.00 A.M. and ends on Thursday, 04th August, 2016 at 5.00 P.M. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting. The remote e-voting module shall be blocked by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e. Friday, 29th July, 2016 may obtain the login ID and password by sending an email to investor@cameoindia.com or secdept@hckgroup.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No. 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 by mentioning their Folio No./DP ID and Client ID.