

17<sup>th</sup> Jun, 2020

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra [E], Mumbai - 400 051

Dear Sirs,

Stock Code - **KOTARISUG**

**Sub:** Audited Financial Results and Auditors Report for the quarter and year ended March 31, 2020 -  
Outcome of Board Meeting

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, 2015, the Board of Directors of M/s. Kothari Sugars and Chemicals Limited at their meeting held on June 17, 2020 commenced at 11:50 hrs and concluded at 13:05 hrs has inter alia transacted the following businesses:

- (i) Approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2020. Copies of Audited Financial Results, Auditors' Report thereon issued by the Statutory Auditors of the Company for the quarter and year ended March 31, 2020 are enclosed.

Kindly acknowledge and take this in your records.

Thanking You,

Yours faithfully

*for* **Kothari Sugars & Chemicals Limited**

**R. Prakash**  
Company Secretary & Compliance Officer

**Encl.**: as above



**KOTHARI SUGARS AND CHEMICALS LIMITED**  
 Regd. Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034  
 CIN: L15421TN1960PLC004310 Phone 044-30281595/30225507, Fax-044-28334560  
 Email: secdept@hckgroup.com Website: www.hckotharigroup.com/kscl  
**Statement of Audited Financial Results for the Quarter and Year Ended March 31, 2020 (Standalone)**  
 (Prepared in compliance with the Indian Accounting Standards (Ind AS))

Rs.in Lakhs

S No.	PARTICULARS	Quarter Ended			Year ended	
		March 31, 2020 (Ref.Note 4)	December 31, 2019	March 31, 2019 (Ref.Note 4)	March 31, 2020	March 31, 2019
		Audited	Un-audited	Audited	Audited	
I	Revenue from Operations	8,746.01	7,059.02	12,547.98	35,280.57	33,221.78
II	Other Income	137.82	132.95	1,347.55	439.86	1,734.24
III	<b>Total Income (I+II)</b>	<b>8,883.83</b>	<b>7,191.97</b>	<b>13,895.53</b>	<b>35,720.43</b>	<b>34,956.02</b>
IV	<b>Expenses</b>					
	a) Cost of materials consumed	14,823.66	836.86	17,182.55	23,961.80	24,592.34
	b) Changes in inventories of Finished Goods, Work-in progress and Stock-in-trade	(8,913.17)	5,054.15	(8,653.29)	1,333.82	(1,192.55)
	c) Employee benefits Expense	594.90	598.82	627.62	2,223.17	2,045.79
	d) Finance costs	124.66	120.49	176.00	701.87	704.18
	e) Depreciation and Amortization Expense	338.24	320.95	325.11	1,296.93	1,281.38
	f) Other Expenses	1,379.02	1,120.16	1,857.60	4,935.25	4,778.18
	<b>Total Expenses (IV)</b>	<b>8,347.31</b>	<b>8,051.43</b>	<b>11,515.58</b>	<b>34,452.84</b>	<b>32,209.32</b>
V	<b>Profit / (Loss) before Exceptional and Tax (III-IV)</b>	<b>536.52</b>	<b>(859.46)</b>	<b>2,379.94</b>	<b>1,267.59</b>	<b>2,746.70</b>
VI	Exceptional Items (Income) / Expenses	(682.41)	-	465.30	(633.89)	465.30
VII	<b>Profit / (Loss) before Tax (V - VI)</b>	<b>1,218.93</b>	<b>(859.46)</b>	<b>1,914.64</b>	<b>1,901.48</b>	<b>2,281.40</b>
VIII	Tax Expense					
	1) Current Tax	529.63	(148.16)	426.41	679.58	506.88
	2) MAT Credit Utilisation	(322.91)	-	-	(322.91)	-
	3) Deferred Tax	143.57	(9.17)	411.95	(396.78)	503.48
IX	<b>Profit / (Loss) for the period from Continuing Operations (VII-VIII)</b>	<b>868.64</b>	<b>(702.13)</b>	<b>1,076.27</b>	<b>1,941.59</b>	<b>1,271.04</b>
X	Profit / (Loss) from Discontinued Operations	-	-	-	-	-
XI	Tax Expense of Discontinued Operations	-	-	-	-	-
XII	Profit / (Loss) from Discontinued Operations(after tax) (X-XI)	-	-	-	-	-
XIII	<b>Profit / (Loss) for the period (IX + XII)</b>	<b>868.64</b>	<b>(702.13)</b>	<b>1,076.27</b>	<b>1,941.59</b>	<b>1,271.04</b>
XIV	<b>Other Comprehensive Income:</b>					
	(A) (i) Items that will not be reclassified to profit or loss	1.86	(0.51)	0.16	0.34	(2.81)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.54)	0.15	(0.06)	(0.10)	0.98
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV	<b>Total Comprehensive Income for the period (XIII + XIV)</b> <b>[Comprising Profit / (Loss) and Other Comprehensive Income for the Period]</b>	<b>869.96</b>	<b>(702.49)</b>	<b>1,076.37</b>	<b>1,941.83</b>	<b>1,269.21</b>
XVI	<b>Earnings per Equity Share (For Continuing Operations):</b>					
	1) Basic	1.05	(0.85)	1.30	2.34	1.53
	2) Diluted	1.05	(0.85)	1.30	2.34	1.53
XVII	<b>Earnings per Equity Share (For Discontinued Operation):</b>					
	1) Basic	-	-	-	-	-
	2) Diluted	-	-	-	-	-
XVIII	<b>Earnings per Equity Share (For Discontinued and Continuing Operations):</b>					
	1) Basic	1.05	(0.85)	1.30	2.34	1.53
	2) Diluted	1.05	(0.85)	1.30	2.34	1.53



**Audited Segment reporting under regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulation 2015 for the Quarter and Year Ended March 31, 2020**

Rs.In lakhs

S no.	PARTICULARS	Quarter Ended			Stand Alone Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Un-audited	Audited	Audited	
<b>1</b>	<b>Segment Revenue</b> (Sales and other operating Income)					
	(a) Sugar	5,439.86	5,975.04	7,331.78	24,468.97	21,193.21
	(b) Distillery	2,114.99	1,092.20	2,450.06	9,089.35	8,947.46
	(c) Power	3,338.11	216.88	5,105.65	5,817.32	6,896.48
	<b>Total</b>	<b>10,892.96</b>	<b>7,284.12</b>	<b>14,887.49</b>	<b>39,375.64</b>	<b>37,037.15</b>
	Less: Inter Segment Revenue	2,146.95	225.10	2,339.50	4,095.07	3,815.37
	<b>Revenue from Operations</b>	<b>8,746.01</b>	<b>7,059.02</b>	<b>12,547.99</b>	<b>35,280.57</b>	<b>33,221.78</b>
<b>2</b>	<b>Segment Results</b> (Profit / (Loss) before tax and interest from each segment)					
	(a) Sugar	(645.72)	(585.37)	(543.57)	(2,115.07)	(1,786.46)
	(b) Distillery	966.67	452.52	825.41	4,623.05	3,557.38
	(c) Power	535.23	(324.73)	844.22	229.82	514.46
	<b>Total</b>	<b>856.17</b>	<b>(457.58)</b>	<b>1,126.06</b>	<b>2,737.80</b>	<b>2,285.38</b>
	Less:					
	(i) Finance cost	124.66	120.49	176.00	701.87	704.18
	(ii) Unallocable Expenses (Net of unallocable income)	(487.42)	281.39	(964.57)	134.45	(700.20)
	<b>Total profit /(Loss) before tax</b>	<b>1,218.93</b>	<b>(859.46)</b>	<b>1,914.63</b>	<b>1,901.48</b>	<b>2,281.40</b>
<b>3</b>	<b>Segment Assets</b>					
	(a) Sugar	19,517.11	11,742.50	21,748.92	19,517.11	21,748.92
	(b) Distillery	6,921.33	5,168.39	5,165.60	6,921.33	5,165.60
	(c) Power	6,956.73	6,191.40	5,985.21	6,956.73	5,985.21
	(d) Unallocable	3,932.09	9,140.12	6,519.04	3,932.09	6,519.04
	<b>Total Assets</b>	<b>37,327.26</b>	<b>32,242.41</b>	<b>39,418.78</b>	<b>37,327.26</b>	<b>39,418.78</b>
<b>4</b>	<b>Segment Liabilities</b>					
	(a) Sugar	7,584.59	4,077.69	7,697.29	7,584.59	7,697.29
	(b) Distillery	988.59	183.78	225.99	988.59	225.99
	(c) Power	1,765.10	1,565.29	1,817.01	1,765.10	1,817.01
	(d) Unallocable	10,340.57	10,637.22	14,472.28	10,340.57	14,472.28
	<b>Total Liabilities</b>	<b>20,678.85</b>	<b>16,463.98</b>	<b>24,212.57</b>	<b>20,678.85</b>	<b>24,212.57</b>

**Notes on Segment information:**

a) The Company is focussed on the following business segments: Sugar, Co-generation and Distillery based on the management approach as defined in IND AS 108 - Operating Segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in the individual segments.

b) Segment result represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income.



## STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020

Rs.in Lakhs

S.No	Particulars	As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	17,074.85	16,536.06
	(b) Capital Work in Progress	-	110.27
	(c) Investment Property	113.68	116.05
	(d) Other Intangible Assets	20.10	25.03
	(e) Financial Assets		
	(i) Other financial assets	104.69	92.06
	(f) Deferred Tax Assets	-	358.91
	(g) Other Non-Current Assets	1.44	1.44
	<b>Total non-Current Assets</b>	<b>17,314.76</b>	<b>17,239.82</b>
	<b>Current Assets</b>		
	(a) Inventories	12,416.60	13,848.22
	(b) Financial Assets		
	(i) Other Investments	3,014.00	4,824.34
	(ii) Trade Receivables	2,733.27	1,731.21
	(iii) Cash and Cash Equivalents	42.82	695.98
	(iv) Bank balances other than (iii) above	18.73	57.04
	(v) Other Financial assets	333.34	196.11
	(c) Current tax assets (Net)	214.10	147.78
	(d) Other current Assets	1,239.64	678.29
	<b>Total Current Assets</b>	<b>20,012.50</b>	<b>22,178.96</b>
	<b>TOTAL ASSETS</b>	<b>37,327.26</b>	<b>39,418.78</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share Capital	8,288.86	8,288.86
	(b) Other Equity	8,359.55	6,917.35
	<b>Total Equity</b>	<b>16,648.41</b>	<b>15,206.21</b>
	<b>Liabilities</b>		
	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	536.60	2,951.73
	(b) Deferred Tax Liabilities	2,940.01	3,695.61
	(c) Other Non-Current liabilities	14.59	10.80
	<b>Total Non-Current Liabilities</b>	<b>3,491.20</b>	<b>6,658.14</b>
	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	7,278.85	7,971.66
	(ii) Trade Payables		
	(a) Total Outstanding dues to Micro and Small enterprises	10.80	2.72
	(b) Total Outstanding dues of creditors other than Micro and Small enterprises	7,804.23	8,119.47
	(iii) Other Financial Liabilities	613.90	847.42
	(b) Short term Provisions	269.82	225.35
	(c) Other Current Liabilities	1,210.05	387.81
	<b>Total Current Liabilities</b>	<b>17,187.65</b>	<b>17,554.43</b>
	<b>Total Liabilities</b>	<b>20,678.85</b>	<b>24,212.57</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,327.26</b>	<b>39,418.78</b>



**Notes:**

- 1) The above financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 17, 2020.
- 2) Exceptional item of credit of Rs 633.89 lakhs for the year ended March 31, 2020 is on account of settlement of longterm borrowings at a discounted value and Excise Duty refund pertaining to yearier years and expenses relating to electricity matters pertaining to previous periods.
- 3) The Company has adopted Ind AS 116 "Leases" which is mandatory with effect from 1st April 2019. However, the adoption of this standard has no impact on the recognition and measurement of revenue / expenditure.
- 4) The figures for the current quarter ended March 31, 2020 and the quarter ended March 31, 2019 are the balancing figures between audited figures for the full financial year ended March 31, 2020 and March 31, 2019 respectively and published year to date figures upto third quarter ended December 31, 2019 and December 31, 2018 respectively.
- 5) On account of Covid-19, the Company had shut down the operations of the Kattur Plant from 26th March 2020 and resumed its operations from 08th April 2020 and Sathamangalam Plant from 27th March 2020 and resumed its operations from 01st April, 2020. Due to the brief stoppage of operations there is no significant financial impact.
- 6) Sugar being a seasonal Industry, the performance of any quarter may not be representative of the annual performance of the Company.
- 7) The figures pertaining to previous periods have been regrouped, reclassified and restated, wherever considered necessary in conformity with the present classification.



On behalf of the Board of Directors  
for Kothari Sugars and Chemicals Limited

Place : Chennai  
Date : 17 June 2020

Arjun B Kothari  
Managing Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	1,901.48	2,281.40
<b>Adjustments for:</b>		
Depreciation and Amortisation	1,296.93	1,281.38
Finance Costs (net)	699.91	696.46
Effect of interest free loans	(116.67)	(128.62)
Net (Gain) / loss arising on FVTPL transactions	-	7.72
Re-measurement of employee benefit plan	0.34	(2.81)
Dividend Income	(30.30)	(93.98)
Profit on sale of Fixed Assets (net)	(6.00)	(3.57)
Interest Income	(43.87)	(73.89)
Bad Debts	-	152.00
Inventory writedown	125.19	-
Liability no longer required written back	(15.53)	(12.45)
Accretion in value of investments	(109.01)	(632.59)
Provision for employee benefits	79.91	51.68
Loss / (gain) on sale of investments	(5.71)	(27.72)
<b>Operating profit before working capital changes</b>	<b>3,776.68</b>	<b>3,494.99</b>
<b>Changes in working capital</b>		
Adjustments for (increase) / decrease in:		
Trade and other receivables	(1,002.06)	(99.85)
Inventories	1,306.42	(1,093.08)
Bank balances other than cash and cash equivalents	38.31	(2.76)
Other Assets	(238.18)	440.09
Other Financial Assets	(149.86)	145.04
Trade Payable	(307.16)	572.52
Other Liabilities	449.44	(264.44)
Other Financial Liabilities	(771.88)	(122.72)
<b>Cash generated from operations</b>	<b>3,101.71</b>	<b>3,069.80</b>
Less :Direct taxes paid net of refund	389.49	477.56
<b>Net cash generated from operating activities</b>	<b>2,712.22</b>	<b>2,592.24</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets including capital advances	(1,728.01)	(480.83)
Proceeds from sale of fixed assets	15.86	55.73
(Purchase) / Sale of investments	1,919.35	(893.47)
Investment income	5.71	27.72
Interest received	43.87	73.89
Dividend received	30.30	93.98
<b>Net cash used in investing activities</b>	<b>287.08</b>	<b>(1,122.97)</b>
<b>C. Cash flow from Financing activities</b>		
Net increase / (Decrease) in working capital borrowings	(692.81)	1,297.88
Term loan Borrowings	730.39	-
Repayment Term loan Borrowings	(2,607.16)	(1,738.58)
Finance Cost	(583.24)	(575.56)
Dividend paid	(414.44)	-
Dividend Distribution tax paid	(85.19)	-
<b>Net cash used in financing activities</b>	<b>(3,652.46)</b>	<b>(1,016.27)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(653.16)</b>	<b>453.00</b>
<b>Reconciliation</b>		
Cash and cash equivalents as at beginning of the year	695.98	242.97
Cash and cash equivalents as at end of the year	42.82	695.98
<b>Net (increase) / decrease in cash and cash equivalents</b>	<b>653.16</b>	<b>(453.00)</b>



**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF KOTHARI SUGARS AND CHEMICALS LIMITED**

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying statement of financial results of **Kothari Sugars and Chemicals Limited** ("the Company") for the quarter ended and the year ended 31<sup>st</sup> March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and the year ended 31<sup>st</sup> March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the Financial Results**

These financial results have been prepared on the basis of the annual financial statements of the Company. The Company's Board of Directors is responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down under applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

1. On account of COVID-19 related lockdown restrictions, we were not able to physically observe the verification of inventory that was carried out by the Management at the year-end. Consequently, we have performed alternative procedures to audit the existence and condition of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific consideration for stipulated items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the financial statements.
2. The Statement includes the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year-to-date figures up to the 31<sup>st</sup> December 2019 which were subject to limited review by us.

Our opinion is not modified in respect of the above matters.

For P.Chandrasekar LLP  
Chartered Accountants  
FRN: 000580S/S200066

S.Sriram  
Partner  
Membership No.: 205496

Place: Chennai

Date: 17<sup>th</sup> June 2020

UDIN: 20205496AAAABY4919