



***K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED***

***Twentieth Annual Report
2014- 2015***

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BOARD OF DIRECTORS

WHOLETIME DIRECTORS:

	DIN	
Shri.Vinod R. Sethi	00106598	Executive Chairman
Smt.Irmgard Velagapudi M. Rao	00091370	Managing Director
Smt.V.Kiran Rao	00091466	Executive Director

NON-WHOLETIME DIRECTORS:

Shri.K.A.Rangaswamy	00020891	Non-Independent Director
Shri.Ranvir R.Shah	00041398	Independent Director
Dr.Vithal Rajan	00021571	Independent Director
Shri.M.S.V.M.Rao	00432640	Independent Director
Shri.Prathap K. Moturi	00020630	Independent Director

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Shri.M.S.V.M.Rao Chairman	Dr. Vithal Rajan Chairman	Shri. K.A. Rangaswamy Chairman	Smt.Irmgard Velagapudi M.Rao Chairperson
Members Shri. Vinod R. Sethi Dr.Vithal Rajan Shri.K.A.Rangaswamy Shri.Prathap K.Moturi	Members Shri. Vinod R. Sethi Shri. Ranvir R.Shah Shri.K.A.Rangaswamy	Members Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao, Member	Members Shri. Vinod R. Sethi, Shri.K.A.Rangaswamy,

Chief Financial Officer

Shri.R. Ganesan

General Manager (Finance) and Company Secretary

Shri.S.Chidambaram, B.Sc.,ACMA, ACS,

Auditors

Messrs. B.Purushottam & Co.
Chartered Accountants,
Flat No.3-D, "Pioneer Homes"
23/A, North Boag Road, T.Nagar
Chennai 600017.

Cost Auditor

Shri.V.Srinivasan, No.28, 'BETA' Block, Jaihind Apts
175-A, Velachery Main Rd, Gowrivakkam, Chennai 600073.

Secretarial Auditors

M/s. V.Mahesh & Associates
Company Secretaries
No.39/19, III floor, Aspen Court , 6th Main Road,
R.A. Puram - Chennai 600028

Legal Advisor

Shri.T.Raghavan

Bankers

State Bank of India
ICICI Bank Ltd
Axis Bank Ltd

Registered & Corporate Office

"Ramakrishna Buildings"
239, Anna Salai, Chennai - 600 006.
Telephone: 044-28555171-76 / E-mail: kcpsugar@vsnl.com
Website: www.kcpsugar.com

Plant Locations:

- 1) Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**
Sugar, Industrial Chemicals, Incidental Co-generation Power, Biotech, CO2, Calcium Lactate Divisions.
- 2) Lakshmipuram, Krishna Dist, Andhra Pradesh 521 131**
Sugar, Incidental Co-generation Power.

Registrars to Deposits

Being handled In-House at the Registered Office of the Company.

Registrars & Share Transfer Agent & Depository Registrars

M/s Integrated Enterprises (India) Limited,
2nd Floor, "Kences Towers", No.1,Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph: 28140801 to 28140803 Fax: 28142479
Email : corperserv@integratedindia.in
Website: www.ieplindia.com

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Share Capital	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85
Reserves and Surplus	20,420.38	22,427.96	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49	14,342.19	14,475.97	12,784.19
Net Worth	21,554.23	23,561.81	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34	15,476.04	15,609.82	13,918.04
Fixed Assets (Net)	10,713.37	11,318.80	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19	14,758.28	15,541.25	13,970.66
Gross Income	41,645.59	35716.56	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65	25,428.43	33,611.64	36,184.68
Gross Profit	(1,301.80)	4,892.66	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26	2,280.74	5,000.54	10,555.24
Depreciation	1,031.07	1,109.40	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35	1,059.37	1,001.49	743.45
Finance Cost	421.38	455.47	567.58	*634.16	*500.57	319.62	360.18	459.93	351.56	420.53
Profit / (Loss) before Tax	(2,754.25)	3,327.79	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73	761.44	3,647.49	9,391.26
Profit / (Loss) after Tax	(1617.00)	2,766.45	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88	710.97	2,355.05	5,711.05
Earnings per Share (Rs.)	(1.43)	2.44	3.42	2.33	**1.04	**2.09	**0.999	**0.63	**2.08	**5.04
Cash Earnings per Share (Rs.)	(0.52)	**3.42	**4.38	**3.29	**2.01	**3.03	**1.96	**1.56	**2.96	**5.69
Book Value per Share (Rs.)	**19.01	**20.78	**19.33	**17.09	**15.57	**15.05	**13.83	**13.65	**13.77	**12.28
Dividends on Equity %	10.00	85.00	100.00	70.00	45.00	75.00	70.00	50.00	50.00	150.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.26	0.21	0.09	0.26	0.26	0.25	0.25	0.22	0.12	0.16

* Finance cost in FY 2012-13, 2011-12 & 2010-11 consists interest and other borrowing costs as per Revised Sch. VI. Rest of the Financial Years, it represents only interest.

**Face value of each equity share of Rs.10/- has been sub-divided into 10 equity shares of Face Value of Re.1/- each w.e.f. 17.03.2006.

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2013-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	8,33,277	8,03,318	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686	8,46,674	12,21,209	10,72,145
Sugar bagged in QTLS	7,90,620	8,21,468	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150	9,19,000	13,19,880	11,97,470
Recovery (%)	9.49	10.24	10.10	9.88	10.25	9.50	10.45	10.85	10.83	11.15
SUGAR UNIT, LAKSHMI-PURAM										
Cane Crushed in MTS	2,70,236	2,85,464	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957	2,74,193	4,53,307	4,35,534
Sugar bagged in QTLS	2,34,100	2,74,470	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686	2,68,948	4,67,905	4,61,679
Recovery (%)	8.67	9.62	9.11	8.87	9.09	8.58	9.05	9.80	10.32	10.63

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

CIN: L15421TN1995PLC033198
"Ramakrishna Buildings"
No.239, Anna Salai
Chennai 600 006.
T: 91 44 28555171 – 176
F: 91 44 28546617

May 29, 2015

Dear Member,

You are cordially invited to attend the 20th Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Thursday, 20th August 2015 at 10.30 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

The Notice of the meeting, containing the business to be transacted, is attached. As per section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in pursuance of clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are attached.

Very truly yours,

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Enclosures:

1. Notice to the 20th Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, August 20, 2015 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. a) To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the report of the Board of Directors and the report of the Independent Auditors thereon.
- b) To consider and adopt the audited Consolidated financial Statements of the Company for the financial year ended March 31, 2015 and the report of the Independent Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri.Vinod R.Sethi (DIN: 00106598), who retires by rotation, and being eligible, offers himself for reappointment.
4. Ratification of Appointment of Statutory Auditors:

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

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of M/s.B.Purushottam & Co., Chartered Accountants (Firm's Regn.No.002808S), as Auditors of the Company approved by the shareholders at the 19th Annual General Meeting, for a term of three years, i.e. till the conclusion of 22nd Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 21st AGM of the Company to be held in the year 2016, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 196, 197 and 198, read with Schedule V of the Companies Act, 2013, and Article 147 and 148 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, Smt. Irmgard Velagapudi M.Rao be and is hereby reappointed as Managing Director of the Company for a period of five years, i.e., from 29th March 2015 to 28th March, 2020 on the terms and conditions as to remuneration, recommended by the Nomination and Remuneration Committee of the Board as hereunder:

- | | |
|----------------------------------|--|
| <i>i. Salary</i> | <i>: Rs.4,00,000/- (Rs.Four Lakhs only) per month.</i> |
| <i>ii. Perquisites</i> | <i>: Provision of car(s) with driver(s) for use on Company's business and telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Managing Director.</i> |
| <i>iii. Commission</i> | <i>: Remuneration by way of commission on net profits in addition to salary and perquisites such that the amount of salary, perquisites and commission in aggregate is subject to an overall ceiling of 3% of the net profits of the Company in a particular financial year as laid down in Section 196, 197 and 198 read with Schedule V of the Companies Act, 2013.</i> |
| <i>iv. Minimum Remuneration:</i> | <i>: Notwithstanding anything to the contrary herein contained, where in any financial year during currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay to her as minimum monthly remuneration salary and perquisites, as stated above, however not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013, and she shall not be entitled to any commission. Further, however, such minimum remuneration may be paid only in any three financial years during the aforesaid term of her appointment, in which there is inadequacy or absence of profits.</i> |

RESOLVED FURTHER THAT during such time that Smt.Irmgard Velagapudi M.Rao holds and continues to hold the Office of the Managing Director, she shall not be liable to retire by rotation as a Director.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary the salary within the prescribed limits.

RESOLVED FURTHER THAT Smt.Irmgard Velagapudi M.Rao be and is hereby authorized to exercise such powers of management, as may be delegated to her by the Board of Directors of the Company, from time to time, subject however to the overall superintendence, control and direction of the Board.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things which may be necessary, usual, expedient or proper including signing and submission of Forms with the Ministry of Corporate Affairs and other statutory authorities, to give effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Sections 196, 197 and 198, read with Schedule V of the Companies Act, 2013, and Article 147 and 148 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, Shri. Vinod R. Sethi, be and is hereby reappointed as Whole-time Director designated as Executive Chairman of the Company, liable to retire by rotation, for a period of five years, i.e., from 8th April 2015 to 7th April, 2020 on the terms and conditions as to remuneration, recommended by the Nomination and Remuneration Committee of the Board as hereunder:

Tenure / Period of Appointment	5 years from 08.04.2015 to 07.04.2020.
Designation	Executive Chairman – Liable to retire by rotation.
Salary per month	Rs.1,00,000/- (Rupees One Lakh only)
Perquisites	<ul style="list-style-type: none"> • Contribution to provident fund; • Gratuity as per Payment of Gratuity Act; • Mediclaim Insurance; • Personal Accident Insurance; • Provision of car with driver for use on Company's business. • Telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Executive Chairman.
Commission	Remuneration by way of commission on net profits in addition to salary and perquisites such that the amount of salary, perquisites and commission in aggregate is subject to an overall ceiling of 3% of the net profits of the Company in a particular financial year as laid down in Section 196, 197 and 198, read with Schedule V of the Companies Act, 2013.
Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during his said tenure, the Company has no profits or its profits are inadequate, the appointee shall be entitled to the salary and the perquisites mentioned above as minimum monthly remuneration, however, not exceeding the limits specified under Section II of Part II of Schedule V of Companies Act, 2013, and he shall not be entitled to any commission. Further, however, such minimum remuneration may be paid only in any three financial years during the aforesaid term of his appointment, in which there is inadequacy or absence of profits.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V of the

Companies Act, 2013, the Board of Directors be and is hereby authorized to vary the salary within the prescribed limits.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps and to do all such acts, deeds, matters and things which may be necessary, usual, expedient or proper including signing and submission of Forms with the Ministry of Corporate Affairs and other statutory authorities, to give effect to this resolution."

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

"RESOLVED THAT pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Smt. Irmgard Velagapudi M. Rao, Managing Director, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of her tenure ending on 28.03.2020."

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

"RESOLVED THAT pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Shri.Vinod R.Sethi, Executive Chairman, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of his tenure ending on 07.04.2020."

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

"RESOLVED THAT pursuant to paragraphs (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, and other applicable provisions, if any, of said Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay minimum remuneration, as detailed in the Explanatory Statement, to Smt.V.Kiran Rao, Executive Director, for the financial year 2014-15 and in any two financial years in which there is inadequacy or absence of profits during the balance period of her tenure ending on 28.07.2017."

10. Remuneration of Cost Auditor:

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

"RESOLVED that in pursuance of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus service tax as applicable and reimbursement of out of pocket expenses to be paid to Mr.V.Srinivasan, Cost Accountant (Membership No.1248) to conduct the audit of cost records of the Company for the financial year ending 31st March 2016, as approved by the Board of Directors on the recommendations of the Audit Committee, be and is hereby ratified and confirmed."

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 29.05.2015

NOTES:

VINOD R. SETHI
EXECUTIVE CHAIRMAN

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per section 105 of the Companies Act, 2013, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company.

- b. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.
- c. Members / Proxies / authorized representatives should bring the duly filled Attendance Slip attached with this notice to attend the meeting.
- d. The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- e. The Register of Contracts or arrangements in which the directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- f. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 13th day of August 2015 to 20th day of August 2015, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2015 and the AGM.
- g. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 20.08.2015 but within the stipulated time of 30 days from the date of declaration:
- to those Members whose names appear on the Register of Members of the Company as on 20th August 2015 or to their Mandates; and
 - in respect of **shares held in electronic form**, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- h. **M/s. Integrated Enterprises (India) Ltd**, Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
- i. Securities and Exchange Board of India has made **trading** in the shares of the company **compulsory in dematerialized form** for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.
- j. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Enterprises (India) Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
- Name of the Sole / First joint holder and the Folio Number.
 - Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, Complete address of the Bank with PIN code, Account type and the Bank Account Number.
- k. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.**
- l. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend

will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.

- m. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio**.
- n. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH-13 pursuant to Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014.
- o. As required under the provisions of Section 124 of the Companies Act, 2013 [section 205-A(5) of the Companies Act, 1956], dividend for the financial year ended 31st March, 2008 and thereafter, which remain unclaimed for a period of seven years will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government.

Information in respect of such unclaimed dividend and the due date for transfer to the said Fund is given below:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2008	11.09.2008	12.09.2015	11.10.2015
31.03.2009	23.09.2009	24.09.2016	23.10.2016
31.03.2010	19.08.2010	22.08.2017	21.09.2017
31.03.2011	29.09.2011	28.09.2018	27.10.2018
31.03.2012	28.09.2012	27.09.2019	26.10.2019
31.03.2013	30.08.2013	29.08.2020	27.09.2020
31.03.2014	11.09.2014	10.09.2021	09.10.2021

- p. Members are informed that the dividend for the financial year 2007-08 shall become due for transfer to IEPF on 11.10.2015. Any member who has not claimed dividend in respect of the said financial year is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 12.09.2015. The Company has already sent reminders to all such members at their registered address in this regard.
- q. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.PV.Churian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.
- r. Members are requested to **bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
- s. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested to **address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.
- t. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.

- u. The Notice of the 20th AGM and instructions for E-voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose e-mail address are registered with the Company / Depository Participant unless a member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by the permitted mode. All the members have the option of getting the hard copy of the Annual Report through their e-mail id is registered with the Company/Depository Participant.
- v. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.
- w. Members may also note that the notice of the 20th AGM and the Annual Report 2015 will be available on the Company's website www.kcpsugar.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days. Members, who require communication in physical form, in addition to electronic communication or have any other queries, may write to us at investorservices@kcpsugar.com.
- x. Details of Director seeking reappointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement) (*Item 3 of this Notice*) :

NAME OF DIRECTOR	SHRI.VINOD R. SETHI
Date of Birth	22.05.1962
Nationality	Indian
Date of appointment on the Board	26.10.2005
Qualifications	B.Tech.(Chem.Engg) MBA (Finance) Beta Gamma Sigma Graduate from New York University,
Expertise in specific functional area	An alumnus of IIT Mumbai, MBA (Finance) and Beta Gamma Sigma Graduate from New York University. Has rich experience in investment banking for more than a decade heading the indian business of Morgan Stanley Investment Management Inc New York.
No. of shares held in the Company	33,010
List of Directorships held in other Companies	<ul style="list-style-type: none"> United Phosphorus Ltd. – Director Advanta India Ltd – Director
Chairman / Member in the Committees of the Boards of Companies in which she / he is a director.	Member, Audit Committee. – Advanta India Ltd.
Directorships relate to Directorship in other Indian public companies and Committee memberships relate to Audit Committee and Stakeholders Relationship Committee of public limited companies (whether listed or not).	

The director has furnished consent / declaration for his appointment / reappointment as required under the Companies Act, 2013 and the Rules made thereunder.

y. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

i. Item No.4 – Ratification of Appointment of Statutory Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. B.Purushottam & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 19th Annual General meeting (AGM) of the Company held on 11 September 2014 till the conclusion of the 22nd AGM to be held in the year 2017, at such remuneration plus service tax, out of pocket expenses, travelling and living expenses, etc, as may be mutually agreed between the Board of Directors of the Company and the Auditors, subject to ratification of their appointment at every AGM, as per the provisions of the said Act. Accordingly, ratification of the appointment of Statutory Auditors

by the members is being sought for the proposal contained in the resolution set out in Item No.4 of the Notice.

The Company has obtained written consent of the Auditors to such appointment and a certificate under section 139 of the Companies Act, 2013, that the appointment, if made, shall be in accordance with the conditions stipulated for such appointment and they satisfy the criteria provided under section 141 of the Companies Act, 2013.

The Board commends the Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors / KMPs is concerned or interested in the resolution.

ii. Item 5 - Reappointment of Smt.Irmgard Velagapudi M.Rao, as Managing Director:

Smt. Irmgard Velagapudi M.Rao was appointed as Managing Director of the Company for a period of three years from 29.03.2002 till 28.03.2005, under Schedule XIII and other applicable provisions of the Companies Act, 1956, and the same was approved by the Shareholders at the Seventh Annual General Meeting held on 11.09.2002. At the expiry of this term, the Board had unanimously reappointed her for the second term for a period of five years (from 29.03.2005 to 28.03.2010) and the same was duly approved by the shareholders at the Tenth Annual General Meeting held on 31.08.2005. Her reappointment for a further period of five years, viz, from 29.03.2010 to 28.03.2015, had been approved by the Board of Directors in its meeting held on 27.01.2010, and the same had been approved by the shareholders at the Fifteenth Annual General Meeting held on 19.08.2010. Her reappointment as Managing Director, not liable to retire by rotation, for the fourth term for a period of five years, viz, from 29.03.2015 to 28.03.2020, had been unanimously approved by the Board of Directors in its meeting held on 05.02.2015, subject to the approval by the shareholders at the ensuing 20th Annual General Meeting scheduled to be held on 20.08.2015. All these reappointments including the remuneration payable to her, were recommended by the Nomination and Remuneration Committee.

The Company with Smt. Irmgard Velagapudi M. Rao at the helm of affairs as Managing Director, had not only witnessed a turnaround within a short span but also went from strength to strength. Under her adept and proficient stewardship the Company had earned a record profit of Rs.94 crores in the financial year 2005-06 and declared an all-time high dividend of 150%. With sustained growth, consistent dividend policy, debt-free stature and prompt payment of cane dues, the Company has carved a niche in the industry. Her leadership was exemplary even during difficult times on account of dwindling cane availability coupled with farm labour problems attributable to the cyclic nature of the industry. Owing to her dynamic and remarkable managerial skills cordial relationship is being maintained with all stakeholders and the farmers repose unflinching confidence in the Company.

The Board of Directors proposes the appointment of Smt. Irmgard Velagapudi M.Rao as Managing Director, not liable to retire by rotation, and recommends the resolution as set out in Item No. 5 of the Notice for the approval of the shareholders at the ensuing Annual General Meeting.

Smt.Irmgard Velagapudi M.Rao, is the Chairperson of The Eimco-K.C.P.Ltd, KCP Sugars and Agricultural Research Farms Ltd, Durgamba Investment Private Limited, Energy Device Technology (India) Private Limited, and V.M.Rao Consultants Private Limited.

Memorandum of Interest:

Smt. Irmgard Velagapudi M.Rao is interested in the resolution as set out at Item No.5 of the Notice which pertains to her reappointment and remuneration payable to her. None of the other Directors of the Company except Smt. V. Kiran Rao, and Shri. Vinod R. Sethi, being relatives, is deemed to be concerned or interested in this Resolution.

iii. Item 6 - Reappointment of Shri Vinod R.Sethi, as Executive Chairman:

Shri. Vinod R. Sethi was co-opted as an additional Director on the Board of the Company on 26.10.2005 and was elected as Chairman of the Board of Directors for a period of five years. He was appointed as Director of the Company liable to retire by rotation at the 11th Annual General Meeting held on 12.10.2006.

Shri. Vinod R. Sethi is a Chemical Engineer from IIT, Mumbai, and an MBA (Finance) and a Beta Gamma Sigma Graduate from New York University, with rich experience in investment banking for more than a decade, heading the Indian business of Morgan Stanley Investment Management, Inc, New York. He is on the Board of several leading Corporates.

The Board of Directors at its meeting held on 08.04.2010 appointed him as a Whole-time Director designated as Executive Chairman, for a period of five years from 08.04.2010 to 07.04.2015, liable to retire by rotation, and the same was approved by the shareholders at the Fifteenth Annual General Meeting held on 19.08.2010. At the expiry of this term, the Board had unanimously reappointed him for the second term for a period of five years (from 10.04.2015 to 07.04.2020), liable to retire by rotation, subject to the approval by the shareholders at the ensuing 20th Annual General Meeting scheduled to be held on 20.08.2015. All these reappointments including the remuneration payable to him were recommended by the Nomination and Remuneration Committee.

The Board of Directors is of the opinion that the appointment of Shri. Vinod R. Sethi as Whole-time Director designated as Executive Chairman is in the best interest of the Company and accordingly recommended the resolution set out in Item No.6 for approval of the shareholders at the ensuing Annual General Meeting.

Memorandum of Interest:

Shri. Vinod R. Sethi is interested in the resolution as set out at Item No.6 of the Notice which pertains to his appointment and remuneration payable to him. None of the other Directors of the Company except Smt. V. Kiran Rao, and Smt. Irmgard Velagapudi M.Rao, being relatives, is deemed to be concerned or interested in this Resolution.

iv. Items 7 - Minimum Remuneration payable to Smt.Irmgard Velagapudi M.Rao, Managing Director, in case of Loss or inadequacy of Profit:

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

In view of the absence of profit in the financial year 2014-15 the Board of Directors has proposed to pay only the minimum remuneration as set out in the resolution approved by the shareholders at the Fifteenth Annual General Meeting held on 09.08.2010 and she is not entitled for any commission for the financial year 2014-15.

Pursuant to Paragraph (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel as per the limit of yearly remuneration (Rs.60.00 lakhs) for a Company having an effective capital of Rs.100.00 crores and above but less than Rs.250 crores, is applicable only if the following conditions are satisfied:

- i) payment of said minimum remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors;
- ii) No default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person;
- iii) A Special Resolution is passed at the General Meeting of the Company for payment remuneration for a period not exceeding three years;
- iv) A statement containing the specified information along with the Notice calling the General Meeting is furnished to the shareholders.

The Company has complied with the stipulated conditions.

The Board recommends the resolution for your approval.

Memorandum of Interest: No Director other than Smt. Irmgard Velagapudi M.Rao is concerned or interested in this Resolution. Smt. V.Kiran Rao and Shri. Vinod R. Sethi, being relatives of Smt. Irmgard Velagapudi M.Rao, may be deemed to be concerned or interested in this Resolution.

A statement containing prescribed information for this purpose is furnished herein below:

1. General Information:

i. Nature of Industry:

Manufacture of sugar and its by-products, Industrial Chemicals, Cogeneration, Biotech, CO2 and Calcium Lactate.

ii. Date of Commence of commercial production:

Not Applicable (The Company is an existing Company.)

- iii. In case of new Companies, expected date of commencement of activities :
Not Applicable.

- iv. Financial performance based on given indicators:

(Rs./Lakhs)

Particulars	2014-15	2013-14	2012-13
Total Income (incl. Other Income)	41640.94	35716.56	43460.93
Profit ((Loss) before Interest, Depreciation & Tax	(1301.80)	4892.66	7215.30
Profit / (Loss) Before Tax	(2754.25)	3327.79	5560.32
Profit / (Loss) After Tax	(1617.30)	2766.45	3876.13
Net worth	21553.94	23561.81	21922.93
*Dividend (%)	10%	85%	100%

* Recommended by the Board of Directors

- v. Export Performance and Net Foreign Exchange Collaborations:

(Rs. In Lakhs)

Particulars	2014-15	2013-14	2012-13
FOB value of Exports	Nil	Nil	Nil
CIF value of Imports	Nil	Nil	Nil
Expenditure in foreign currency	9.05	7.49	2.38
Net foreign exchange earnings	-9.05	-7.49	-2.38

Foreign Investments or Collaborators, if any: NIL

2. (i) Information about the Appointee:

Smt. Irmgard Velagapudi M.Rao, is wife of Shri.V.M.Rao, the late Chairman and Managing Director of your Company. She holds a German Diploma in Commerce. She was appointed as Managing Director in 2002 and her reappointment as Managing Director of the Company for the second and third term was approved by the shareholders at the respective Annual General Meetings. The Board has reappointed her for the fourth term of five from 29.03.2015 to 28.03.2020, subject to the approval by the shareholders at the ensuing 20th Annual General Meeting.

- (ii) Past remuneration:

(Rs. In Lakhs)

Particulars	2013-14	2012-13	2011-12
Salaries	48.00	48.00	48.00
Contribution to Provident Fund	Nil	Nil	Nil
Commission	62.06	135.05	40.81
Other Perquisites	Nil	Nil	Nil
Total	110.06	88.01	88.01

- (iii) Job profile and her suitability:

Smt. Irmgard Velagapudi M.Rao is the Managing Director of the Company. Under her dynamic and focused leadership the performance of the Company is progressing in a phased manner. She has far reaching vision and her steps are measured even in difficult times. Under her illustrious leadership the Company has carved a niche as one of the vibrant players in sugar industry. She had been instrumental in managing the Company through most difficult times for the industry and the Company on account of great volatility in sugar prices and her untiring efforts had resulted in sustained growth.

- (iv) Minimum Remuneration proposed: As set out in the Explanatory Statement above.

- (v) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and the person:

Considering the profile of Smt. Irmgard Velagapudi M.Rao, Managing Director, and the current trend of compensation package in Corporate, the minimum remuneration proposed is moderate. It is broadly in line with comparable remunerative levels in the industry. Hence it is imperative that she draws the minimum remuneration as proposed.

- (vi) Pecuniary relationship directly or indirectly with the Company or the relationship with Managerial personnel, if any:

Smt. Irmgard Velagapudi M.Rao, Managing Director, holds 15,83,280 equity shares in the Company. Other than the remuneration stated above, she has no other pecuniary relationship directly or indirectly with the Company. She is related to Smt. V.Kiran Rao, Executive Director and Shri.Vinod R. Sethi, Chairman of the Company.

3. Other Information:

- a. Reasons for inadequate profits:

Steep fall in the realization of sugar is the major factor for inadequacy of profits during the financial year 2014-15, despite the best efforts taken by the Company to maintain a better bottom-line.

The Directors Report and Management Discussion and Analysis Report incorporated in the Twentieth Annual Report contain a detailed coverage on the contributing factors leading to inadequacy of profits.

Steps taken or proposed to be taken for improvement:

Though the inadequacy of profits during the financial year 2014-15 was entirely due to external factors like decline in sugar prices, the Company is taking adequate steps to augment value addition of the by-products and to improve the overall profitability for the financial year 2015-16 and subsequent financial years.

Expected increase in productivity and profit in measurable terms :

The Company maintains optimal efficiency at all levels and constant efforts are taken to improve productivity of all cost centers. Adequate steps are taken to conserve energy and for optimum capacity utilization. The company leaves no stone unturned in sustaining and improving the overall performance.

- v. **Item 8 - Minimum Remuneration payable to Shri.Vinod R.Sethi, Executive Chairman, in case of Loss or inadequacy of Profit:**

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

In view of the absence of profit in the financial year 2014-15 the Board of Directors has proposed to pay only the minimum remuneration as set out in the resolution approved by the shareholders at the Fifteenth Annual General Meeting held on 09.08.2010 and he is not entitled for any commission for the financial year 2014-15.

Pursuant to Paragraph (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel as per the limit of yearly remuneration (Rs.60.00 lakhs) for a Company having an effective capital of Rs.100.00 crores and above but less than Rs.250 crores, is applicable only if the following conditions are satisfied:

- i) payment of said minimum remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors;
- ii) No default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person;
- iii) A Special Resolution is passed at the General Meeting of the Company for payment remuneration for a period not exceeding three years;
- iv) A statement containing the specified information along with the Notice calling the General Meeting is furnished to the shareholders.

The Company has complied with the stipulated conditions.

The Board recommends the resolution for your approval.

Memorandum of Interest: No Director other than Shri.Vinod R.Sethi is concerned or interested in this Resolution. Smt. V.Kiran Rao and Smt.Irmgard Velagapudi M.Rao, being the relatives of Shri.Vinod R.Sethi, may be deemed to be concerned or interested in this Resolution.

A statement containing prescribed information for this purpose is furnished herein below:

1. General Information:

i. Nature of Industry:

Manufacture of sugar and its by-products, Industrial Chemicals, Cogeneration, Biotech, CO2 and Calcium Lactate.

ii. Date of Commence of commercial production:

Not Applicable (The Company is an existing Company.)

iii. In case of new Companies, expected date of commencement of activities :

Not Applicable.

iv. Financial performance based on given indicators:

(Rs./Lakhs)

Particulars	2014-15	2013-14	2012-13
Total Income (incl. Other Income)	41640.94	35716.56	43460.93
Profit ((Loss) before Interest, Depreciation & Tax	(1301.80)	4892.66	7215.30
Profit / (Loss) Before Tax	(2754.25)	3327.79	5560.32
Profit / (Loss) After Tax	(1617.30)	2766.45	3876.13
Net worth	21553.94	23561.81	21922.93
*Dividend (%)	10%	85%	100%

* Recommended by the Board of Directors

v. Export Performance and Net Foreign Exchange Collaborations:

(Rs. In Lakhs)

Particulars	2014-15	2013-14	2012-13
FOB value of Exports	Nil	Nil	Nil
CIF value of Imports	Nil	Nil	Nil
Expenditure in foreign currency	9.05	7.49	2.38
Net foreign exchange earnings	-9.05	-7.49	-2.38

Foreign Investments or Collaborators, if any: NIL

2. (i) Information about the Appointee:

Shri.Vinod R.Sethi is a Chemical Engineer from IIT, Mumbai, and an MBA (Finance) and a Beta Gamma Sigma Graduate from New York University. He was appointed as Wholetime Director designated as Executive Chairman of the Company for a period of five years from 08.04.2010 to 07.04.2015, which was approved by the shareholders in the 15th Annual General Meeting held on 19.08.2010. The Board in its meeting held on 02.05.2015 has reappointed him for a second term of five years from 08.04.2015 to 07.04.2020, subject to the approval by the shareholders at the ensuing 20th Annual General Meeting.

(ii) Past remuneration:

(Rs. In Lakhs)

Particulars	2013-14	2012-13	2011-12
Salaries	12.00	12.00	12.00
Contribution to Provident Fund	1.44	1.44	1.44
Commission	95.87	167.84	74.79

Other Perquisites	0.75	1.77	0.72
Total	110.06	183.05	88.95

(iii) Job profile and his suitability:

Shri.Vinod R.Sethi is the Executive Chairman of the Company since April 2008. Being an alumnus of Indian Institute of Technology and a technical savvy, he has guided the technical team of the Company to perform at optimum efficiency and to go in for innovations which had helped the Company in cost reduction, technical competency and value addition to the customers. Having headed Indian operations of Morgan & Stanley for more than a decade, he has inculcated financial discipline and his prudent investment decisions has helped the Company in getting good return on investments.

(iv) Minimum Remuneration proposed: As set out in the Explanatory Statement above.

(v) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and the person:

Considering the profile of Shri.Vinod R.Sethi, Executive Chairman, and the current trend of compensation package in Corporate, the minimum remuneration proposed is moderate. It is broadly in line with comparable remunerative levels in the industry. Hence it is imperative that he draws the minimum remuneration as proposed.

(vi) Pecuniary relationship directly or indirectly with the Company or the relationship with Managerial personnel, if any:

Shri.Vinod R.Sethi, Managing Director, holds 33,010 equity shares in the Company. Other than the remuneration stated above, he has no other pecuniary relationship directly or indirectly with the Company. He is related to Smt. V.Kiran Rao, Executive Director and Smt.Irmgard Velagapudi M.Rao, Managing Director of the Company.

3. Other Information:

i. Reasons for inadequate profits:

Steep fall in the realization of sugar is the major factor for inadequacy of profits during the financial year 2014-15, despite the best efforts taken by the Company to maintain a better bottom-line.

The Directors Report and Management Discussion and Analysis Report incorporated in the Twentieth Annual Report contain a detailed coverage on the contributing factors leading to inadequacy of profits.

ii. Steps taken or proposed to be taken for improvement:

Though the inadequacy of profits during the financial year 2014-15 was entirely due to external factors like decline in sugar prices, the Company is taking adequate steps to augment value addition of the by-products and to improve the overall profitability for the financial year 2015-16 and subsequent financial years.

iii. Expected increase in productivity and profit in measurable terms :

The Company maintains optimal efficiency at all levels and constant efforts are taken to improve productivity of all cost centers. Adequate steps are taken to conserve energy and for optimum capacity utilization. The company leaves no stone unturned in sustaining and improving the overall performance.

vi. Item 9 - Minimum Remuneration payable to Smt.V.Kiran Rao, Executive Director, in case of Loss or inadequacy of Profit:**Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013**

Smt. V.Kiran Rao was appointed as Executive Director of your Company not liable to retire by rotation, at the Seventh Annual General Meeting held on 11.09.2002 for a period of five years from 29.07.2002 to 28.07.2007, and was reappointed as Executive Director for a second term, not liable to retire by rotation at the Twelfth Annual General Meeting held on 27.09.2007, for a period of five years from 29.07.2007 to 28.07.2012. She was again reappointed for the third term of five years from 29.07.2012 to 28.07.2017, not liable to retire by rotation, at the Seventeenth Annual General Meeting held on 28.09.2012, on the following

terms and conditions as recommended and approved by then Nomination & Remuneration Committee and the Board of Directors:

- i. Salary : Rs.3,00,000/- with an authority to the Remuneration Committee / Board of Directors to grant one or more suitable increments at the appropriate time within the ceiling prescribed under Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.
- ii. Perquisites : Provision of car with driver for use on Company's business and telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Executive Director; Rent free furnished residential accommodation; Personal accident insurance; Contribution to provident fund and gratuity; Electricity to be valued as per Income Tax Rules. These perquisites shall be in accordance with the Company's practice, rules and regulations in force, from time to time as may be applicable to her.
- iii. Commission : Remuneration by way of commission on net profits in addition to salary such that the amount of salary and commission in aggregate is subject to an overall ceiling of 3 % of the net profits of the Company in a particular financial year as laid down in Section 198 and 309 read with Section 349 of the Act.
- iv. Minimum Remuneration : Notwithstanding anything to the contrary herein contained, where in any financial year during her said tenure, the Company has no profits or its profits are inadequate, the Company will pay to her as minimum monthly remuneration the salary mentioned in (i) and the perquisites mentioned in (ii) above, however not exceeding the limits specified under Section II of Part II of Schedule XIII of the Act and she shall not be entitled to any commission.

In view of the absence of profit in the financial year 2014-15 the Board of Directors has proposed to pay only the minimum remuneration as set out in the resolution approved by the shareholders at the Seventeenth Annual General Meeting held on 28.09.2012 and she is not entitled for any commission for the financial year 2014-15.

Pursuant to Paragraph (B) of Section II of Part II of Schedule V read with section 197(3) of the Companies Act, 2013, payment of remuneration to managerial personnel as per the limit of yearly remuneration (Rs.60.00 lakhs) for a Company having an effective capital of Rs.100.00 crores and above but less than Rs.250 crores, is applicable only if the following conditions are satisfied:

- i. payment of said minimum remuneration is approved by the Nomination & Remuneration Committee and the Board of Directors;
- ii. No default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person;
- iii. A Special Resolution is passed at the General Meeting of the Company for payment remuneration for a period not exceeding three years;
- iv. A statement containing the specified information along with the Notice calling the General Meeting is furnished to the shareholders.

The Company has complied with the stipulated conditions.

The Board recommends the resolution for your approval.

Memorandum of Interest: No Director other than Smt.V.Kiran Rao is concerned or interested in this Resolution. Smt.Irmgard Velagapudi M.Rao, and Shri.Vinod R.Sethi being the relatives of Smt.V.Kiran Rao, may be deemed to be concerned or interested in this Resolution.

A statement containing prescribed information for this purpose is furnished herein below:

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

1. General Information:

i. Nature of Industry:

Manufacture of sugar and its by-products, Industrial Chemicals, Cogeneration, Biotech, CO₂ and Calcium Lactate.

ii. Date of Commence of commercial production:

Not Applicable (The Company is an existing Company.)

iii. In case of new Companies, expected date of commencement of activities :

Not Applicable.

iv. Financial performance based on given indicators:

(Rs./Lakhs)

Particulars	2014-15	2013-14	2012-13
Total Income (incl. Other Income)	41640.94	35716.56	43460.93
Profit ((Loss) before Interest, Depreciation & Tax	(1301.80)	4892.66	7215.30
Profit / (Loss) Before Tax	(2754.25)	3327.79	5560.32
Profit / (Loss) After Tax	(1617.30)	2766.45	3876.13
Net worth	21553.94	23561.81	21922.93
*Dividend (%)	10%	85%	100%

* Recommended by the Board of Directors

v. Export Performance and Net Foreign Exchange Collaborations:

(Rs. In Lakhs)

Particulars	2014-15	2013-14	2012-13
FOB value of Exports	Nil	Nil	Nil
CIF value of Imports	Nil	Nil	Nil
Expenditure in foreign currency	9.05	7.49	2.38
Net foreign exchange earnings	-9.05	-7.49	-2.38

Foreign Investments or Collaborators, if any: *NIL*

2. (i) Information about the Appointee:

Smt.V.Kiran Rao, Executive Director, is the wife of Shri.Vinod R.Sethi, Executive Chairman of your Company. She is a graduate from the University of London and Anthropology and History. She was appointed as Executive Director on 29.07.2002 for a period of five years, and the same was approved by the shareholders in the 7th Annual General Meeting held on 11.09.2002. Her reappointments for the second and third terms were approved by the shareholders at the respective Annual General Meetings.

(ii) Past remuneration:

(Rs. In Lakhs)

Particulars	2013-14	2012-13	2011-12
Salaries	36.00	36.00	36.00
Contribution to Provident Fund	4.32	4.32	4.32
Commission	68.84	121.94	18.39
Other Perquisites	0.90	0.90	0.55
Total	110.06	163.16	59.26

(iii) Job profile and her suitability:

Smt.V.Kiran Rao is well experienced in sugar industry. She provides leadership and strategic guidance to the Company. She has proven experience in business planning and decision-making. Her active

participation in Board process has benefited the Company to a great extent. Her guidance has helped the Company to go from strength to strength.

(iv) Minimum Remuneration proposed:

As set out in the Explanatory Statement above.

(v) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and the person:

Considering the profile of Smt.V.Kiran Rao, Executive Director, and the current trend of compensation package in Corporate, the minimum remuneration proposed is moderate. It is broadly in line with comparable remunerative levels in the industry. Hence it is imperative that he draws the minimum remuneration as proposed.

(vi) Pecuniary relationship directly or indirectly with the Company or the relationship with Managerial personnel, if any:

Smt.V.Kiran Rao is well experienced in sugar industry. She provides leadership and strategic guidance to the Company. She has proven experience in business planning and decision-making. Her active participation in Board process has benefited the Company to a great extent. Her guidance has helped the Company to go from strength to strength.

3. Other Information:

i) Reasons for inadequate profits:

Steep fall in the realization of sugar is the major factor for inadequacy of profits during the financial year 2014-15, despite the best efforts taken by the Company to maintain a better bottom-line.

The Directors Report and Management Discussion and Analysis Report incorporated in the Twentieth Annual Report contain a detailed coverage on the contributing factors leading to inadequacy of profits.

ii) Steps taken or proposed to be taken for improvement:

Though the inadequacy of profits during the financial year 2014-15 was entirely due to external factors like decline in sugar prices, the Company is taking adequate steps to augment value addition of the by-products and to improve the overall profitability for the financial year 2015-16 and subsequent financial years.

iii) Expected increase in productivity and profit in measurable terms :

The Company maintains optimal efficiency at all levels and constant efforts are taken to improve productivity of all cost centers. Adequate steps are taken to conserve energy and for optimum capacity utilization. The company leaves no stone unturned in sustaining and improving the overall performance.

vii. Item 10 – Remuneration of Cost Auditor:

The Board of Directors, on the recommendations of Audit Committee, has approved the appointment and remuneration of Mr.V.Srinivasan, Cost Accountant (Membership No.1248) as Cost Auditor to conduct the audit the cost records of the Company for the financial year ending 31.03.2016. The remuneration of Rs.2,25,000/- plus service tax as applicable and reimbursement of out of pocket expenses, as determined by the Board based on the recommendations of the Audit Committee, is now placed for ratification by the shareholders at this AGM in pursuance of section 148(3) of the Companies Act, 2013, read with rule 14 of the Companies (Audit & Auditors) Rules, 2014:

Product	Factory
Sugar	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Electricity	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Industrial Alcohol	Vuyyuru at Krishna Dist., A.P.
Bio-fertilizers	Vuyyuru at Krishna Dist., A.P.

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Calcium Lactate	Vuyyuru at Krishna Dist., A.P.
Carbon Dioxide	Vuyyuru at Krishna Dist., A.P.

Copies of the relevant resolutions of the Audit Committee and the Board are available for inspection by members on any working day between 11.00 AM and 1.00 PM.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 29.05.2015

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Your Directors present their 20th Annual Report and the audited statement of accounts for the year ended 31st March 2015. The financial statements have been presented in the new format in accordance with the changes brought about by the Revised Schedule III to the Companies Act, 2013.

I. FINANCIAL RESULTS:

	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Physical Performance		
Cane crushed – in Tonnes	10,95,339	10,59,851
Sugar bagged – In Quintals	10,16,945	10,55,750
Financial Performance – Rs. Crores		
Turnover	515.52	443.30
Other Income	8.94	6.91
Profit Before Tax	(27.54)	33.28
Profit After Tax	(16.17)	27.66
Surplus from Previous Year	106.27	92.89
Amount available for appropriation	90.10	120.55
Appropriations		
Transfer to General Reserve	--	3.00
Proposed Dividend	1.13	9.64
Tax on proposed Dividend	0.23	1.64
Carried forward	88.74	106.27

2. PERFORMANCE:

During the financial year under review your Company recorded a Turnover of Rs. 515.52 crores (Prev. Year: Rs. 443.30 cr.) including Excise Duty of Rs. 12.96 crores (Prev. Year: Rs. 10.86 cr.) and Inter-divisional transfers of Rs. 108.00 crores (Prev. year: Rs. 93.04 cr.). The loss before finance cost and depreciation is Rs. 13.02 crores. Loss before tax is Rs. 27.54 crores and after adjustments relating to payment of Income Tax pertaining to earlier years and Deferred Tax, the Loss after tax is Rs. 16.17 crores.

The decrease in profit is due to lesser realisation besides increase cost of production.

3. DIVIDEND:

The Board of Directors recommends a dividend of Re.0.10 per equity share of face value of Re.1/- each on the Paid-up Equity Capital for the year ended 31.03.2015 as against Re.0.85 per equity share, approved for the previous year ended 31.03.2014. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

4. SHARE CAPITAL AND RESERVES:

As the Company sustain loss in the financial year under review, no amount was transferred to General Reserve, and the same stood reduced to Rs.112.09 crores on account of transitional effect arising out of re-computation of depreciation on various Assets in terms of Part 'C' of Schedule II of the Companies Act, 2013.

The total Reserves and Surplus was reduced to Rs.204.20 crores as on 31.03.2015 (as against Rs. 224.28 crores as on 31.03.2014) on account of loss (Rs.16.17 cr) and transitional effect of depreciation (Rs.3.91 cr.).

5. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Sugar Industry - Opportunities, Threats and Future Outlook:

Opportunities:

The long term outlook for sugar remains positive and promising on account of:

- Enhancement of Import Duty on raw sugar from 25% to 40%, will help in reduction of import of raw sugar and thereby pave way for reduction in sugar stock.
- Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- Growing energy consumption in India allowing the sugar industry to play a vital role.
- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Growing demand for bio manure, which works as the perfect soil conditioner? Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- Mismatch between supply and demand of sugar. Supply far exceeding the demand on account of glut in sugar production.
- Continuous fall in sugar price as opposed to increased cost of production, resulting in loss..
- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- Sugar weightage in WPI.
- Short crushing season.
- Shrinkage of sugarcane area under cultivation due to growing urbanisation and availability of many alternate cash crops.

Future Outlook:

The future outlook of sugar would depend on the following:

- Development of high breed varieties of sugarcane suitable for Indian climatic conditions and to achieve vertical growth in sugarcane productivity.
- Development of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings.
- Swift adaptation of new cultivation method for mechanised harvesting.
- Agro-climatic conditions in major sugar-producing states.
- Permitting Green Energy producers to market directly to third parties.

b. REVIEW OF OPERATIONS:**i. SUGAR UNITS AT VUYYURU AND LAKSHMIPURAM:**

The summary of cane crushed, sugar bagged, etc. of both the Sugar Units for the last two seasons and financial year wise are presented herein below:

SEASONWISE

UNIT / SEASON PARTICULARS	VUYYURU		LAKSHMIPURAM	
	2014-15	2013-14	2014-15	2013-14
Crushing commenced on	06.12.2014	11.12.2013	16.12.2014	12.12.2013
Crushing completed on	08.04.2015	10.04.2014	16.03.2015	17.03.2014
No. of days	124	121	91	95
Cane crushed (in MT)	8,33,277	8,03,318	2,70,236	2,85,464
Sugar Bagged (in qtls)	7,90,620	8,21,468	2,34,100	2,74,470
Recovery (%)	9.49	10.24	8.67	9.62

FINANCIAL YEARWISE

UNIT/YEAR ENDED DETAILS	VUYYURU		LAKSHMIPURAM	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
2013-14 Season – From - To	01.04.2014 to 10.04.2014	**	**	**
2014-15 Season - From / To	06.12.2014 to 31.03.2015	11.12.2013 to 31.03.2014	16.12.2014 to 16.03.2015	12.12.2013 to 17.03.2014
No. of days	126	111	91	95
Cane crushed (in MT)	8,25,103	7,74,387	2,70,236	2,85,464
Sugar Bagged (in qtls)	7,82,845	7,81,280	2,34,100	2,74,470
Recovery (%)	9.49	10.09	8.67	9.62

ii. INDUSTRIAL CHEMICALS / COGENERATION / OTHER UNITS:

Vuyyuru Distillery Unit produced 106.24 lakh litres during the year ended 31.03.2015 as against 78.08 lakh litres during the previous financial year. As against this, the said Unit sold 108.56 lakh litres valued at Rs. 34.91 crores during the year under review as against 79.96 lakh litres valued at Rs. 25.65 crores during the previous year.

The Bio-fertilizer unit at Vuyyuru sold about 1.33 lakh Qtls valued at Rs. 5.88 crores as against 1.63 lakh qtls valued at Rs. 6.17 crores during the previous year.

Cogeneration Unit at Vuyyuru produced 35,518 MW of power during the financial year under review as against 31,373 MW in the previous year, and the Lakshmipuram Unit produced 7,028 MW of power as against 7,189 MW in the previous year. In all, total export of electrical energy was 14,546 MW resulting in a turnover of Rs. 5.63 crores as against 12,422 MW at a turnover of Rs. 4.48 crores (excluding the differential tariff realised for the earlier years amounting to Rs.2.67 crores) during the previous year. The Calcium Lactate plant contributed Rs. 1.97 crores towards its turnover of the Company as against a turnover of Rs. 2.09 crores during the previous year.

c. INTERNAL CONTROL SYSTEMS:

The Company has a well-established internal control system in place to ensure smooth functioning of operations. The control mechanism involves well-documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures. The Internal Auditor periodically reviews and makes continuous assessments of the adequacy and effectiveness of the internal control and systems. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditor and take corrective action wherever necessary. The Company is committed in its endeavour to ensure an effective internal control environment that provides assurance on the effectiveness of operations, statutory compliance, and reliability of financial reporting and security of assets.

d. HUMAN RESOURCES:

The Company had 886 employees, including non-seasonal employees at the sugar units, as on 31.03.2015. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company believes that people are the key to success and hence the human resources function pro-actively develops innovative and business focussed methods to attract, motivate, develop and retain talented, competitive manpower sources.

e. AWARDS:

During the year under review, your Company had received following Awards in respect of outstanding performance in Industrial Safety and Industrial Relations:

- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme I – Based on Lowest Average frequency Rate in Industry (Sugar Factory) – Vuyyuru Unit
- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme II – Based on accident-free year (Sugar Factory) – Vuyyuru Unit
- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme III – Based on Lowest Average frequency Rate in Industry (Sugar Factory) – Lakshmipuram Unit
- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme IV – Based on accident-free year (Sugar Factory) – Lakshmipuram Unit
- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme VII – Based on Lowest Average frequency Rate in Industry (Distillery) – Vuyyuru Unit
- ❖ WINNER – NATIONAL SAFETY AWARD for Year 2012 by Ministry of Labour, Government of India – Under Scheme VIII – Based on accident-free year (Distillery) – Vuyyuru Unit
- ❖ NATIONAL ENERGY CONSERVATION CERTIFICATE OF MERIT – by Ministry of Power, Government of India.
- ❖ SURAKSHA PURASKAR – NSCI SAFETY AWARD 2013 (Mfg. Sector) Bronze Trophy and Certificate – by National Safety Council of India, Mumbai (in recognition for developing & implementing very effective Management Systems & Procedures and achieving very good performance in OSH for the assessment period of three years 2010 – 2012).

f. OTHERS:

The Company has valid Pollution Control clearances in respect of both Air and Water for sugar units at Vuyyuru and Lakshmipuram and also for Distillery unit at Vuyyuru. The Company has taken necessary steps for renewal orders from APPCB in respect of Calcium Lactate and Bio-fertilizer and Mycorrhiza and Bio-Compost Plants. The Company also takes adequate steps to safeguard the environment.

g. CAUTIONARY NOTE:

It is explicitly stated that some of the statements in this Management Discussion and Analysis report may be “forward looking” within the meaning of applicable laws and regulations. It may so happen that the actual events or results may be different from what the Board of Directors / Management perceives in terms of the future performance and outlook due to factors having a bearing on them and which are unforeseeable.

6. FUTURE PLANS:

- To identify new technologies wherever it is possible and makes use of the same for improved results.
- Complete mechanisation of sugarcane cultivation and harvesting in order to reduce the excessive dependence on manpower and reduce cost.
- In-depth study is in progress in Distillery division to adopt new technologies for improving the yield and reduce the discharge of spent wash.
- Identifying value-added products from the by-products and to promote renewable energy from industrial waste.

7. PERSONNEL AND INDUSTRIAL RELATIONS:

The Employee relations scenario continued to be harmonious and congenial. Acknowledging this, your Company has been awarded for outstanding efforts in maintaining cordial Industrial Relations and Labour Welfare by Government of Andhra Pradesh.

8. DIRECTORS:

Shri. Vinod R. Sethi, Director, retires by rotation at this AGM and is eligible for reappointment. He is proposed to be reappointed as a Director at this AGM. The Board recommends his reappointment and accordingly, resolution seeking approval of members for his reappointment has been included in the Notice for the forthcoming Annual General Meeting along with his brief profile.

9. PARTICULARS OF EMPLOYEES:

Statement required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not attached to this Report as none of the employees was in receipt of remuneration as prescribed under this Section and Rules.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 134 of the Companies Act, 2013, your Directors certify as follows:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments 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 ended 31st March 2014 and of the Profit of the Company for that year;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis.
- v. That the directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. CREDIT RATING:

Credit Analysis & Research Ltd (CARE) has upgraded the Credit Rating on your Company as 'CARE 'A' (Single A) for long term bank facilities and 'CARE A1' (A One) for short term bank facilities assigned to your Company for the current year. Measured through industry yardstick these ratings are considered to be having adequate degree of safety and very strong degree of safety respectively, for a sugar mill.

12. ISO CERTIFICATION:

Your Company has been certified consecutively for the past seven years under BS EN ISO 14001:2004, BS EN ISO 9001:2000, and OHSAS 18001:2007 for Manufacture of sugar, associated products and site activities, and Occupational Health and Safety Management system by Lloyd's Registry Quality Assurance Limited.

13. RISK MANAGEMENT:

The Company has an effective risk management under which all probable risks are periodically identified, assessed and acted upon to minimize and mitigate their impact. These processes are subject to periodical review by the Management. Some of the risks identified are enumerated below:

i. Raw Material Risk:

Sugarcane being the main raw material for sugar, any disturbance in its timely availability will have a substantial impact on the operational cost. This in turn has a significant adverse effect since the market value does not factor the variable cost determined by the climatic conditions and the cane economics.

Mitigation Measure:

The Company always maintains healthy relationship with its farmers. It is one among very few companies in sugar industry paying its farmers within the stipulated time. The risk of raw material short supply is mitigated to a large extent by the goodwill and reputation for ethical dealings earned by the Company since inception. The experiments in farm mechanisation, drip irrigation, improved cane varieties,

carefully monitored scheduling of cane planting and harvesting boost the confidence of the Company in mitigation of the risk.

ii. Policy Risk:

Central and State governments regulate the cane policies and they have a larger control on this industry by determining the raw material price and also influence the sugar selling price. The controls exercised by the Union and State governments over command area demarcation from time to time. Molasses movement control.

Mitigation Measure:

The Company is a member of South Indian Sugar Mills Association (SISMA) and works closely with it towards developing appropriate policy recommendations to represent the industry needs to the government. Formulation of policy on Ethanol doping, review of cogeneration policy, and review of sugar weightage in WPI are some of the issues addressed in close liaison with SISMA.

iii. Cyclicity / Commodity Risk:

The sugar price is determined by the cyclicity of the sugar business and hence it affects the profitability. Sugar being a commodity traded across the world, its price is influenced by the various factors including the normal supply and demand.

Mitigation Measure:

The Company takes the following measures, which enable the Company to insulate itself against price risk.

- More focus on value-added downstream products
- Integration of sugar with cogeneration power and alcohol.

14. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION REQUIRED UNDER COMPANIES ACT, 2013 AND LISTING AGREEMENT:

As per Clause 49 of the Listing Agreement with the Stock Exchanges Corporate Governance Report with Auditor's Certificate thereon and Management Discussion and Analysis Report are attached and form a part of this Report.

Various information to be disclosed under the Companies Act and the Listing Agreement are set out in Annexure I and forms a part of this Report.

15. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in Annexure II of this Report.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR policy of the Company and the details about the measures taken by the Company on CSR activities during the financial year as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, have been disclosed in Annexure III.

17. BOARD EVALUATION:

During the financial year, the Board of Directors adopted a formal mechanism for evaluation of its performance as well as that of its Committees and individual Directors including Chairman of the Board. Through a structured evaluation process covering various aspects of the Board's functioning such as governance issues, performance of specific duties and obligations, experience and competencies. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board based on the parameters such as attendance at Board / Committee Meetings, contribution at Board / Committee Meetings and guidance given to Management and also based on questionnaire and feedback from all the Directors as a whole, Committee and self-evaluation.

A separate meeting of Independent Directors was convened on 13.11.2014 which reviewed the performance of the Board as a whole, the Non-Independent Directors and the Chairman of the Board. After the conclusion of the Independent Directors Meeting, the feedback of Independent Directors were discussed by the Chairman of Nomination and Remuneration Committee with the Chairman of the Board, covering the performance of the Board as a whole, performance of Non-Independent Directors and the performance of

Chairman of the Board.

The performance evaluation of the Board was carried out based on the following:

- Board's structure and composition
- Establishment and Delineation of responsibilities to Committees
- Efficacy of communication with external stakeholders
- Effectiveness of Board process, information and functioning.

18. INDUCTION AND TRAINING OF BOARD MEMBERS:

On induction to the Board, the concerned director is issued a letter of appointment which spells out in detail, the terms of appointment, duties, responsibilities and other commitments. Each newly appointed director is taken through a formal induction programme which includes interactive sessions with Executive Committee members, functional heads and visit to the manufacturing site. The Managing Director and the Chairman of the Board apprise the appointee regarding the subtle aspects of Company's manufacturing, marketing, finance and other activities. The CFO and the Company Secretary brief the appointee regarding financial, legal and compliance related responsibilities.

19. FIXED DEPOSITS:

As on 31.03.2015 your Company had held deposits of Rs. 33.04 crores as against Rs. 35.59 crores as on 31.03.2014. As at 31.03.2015, there were matured and unclaimed deposits amounting to Rs. 0.44 crores in respect of 67 deposits. As on the date of this report, amount of unclaimed deposits is Rs.0.37 crores.

In compliance with the provisions of Investors Education and Protection Fund constituted under Section 124 of the Companies Act, 2013, the Company has transferred two deposits amounting to Rs.55,000/- which remained unclaimed beyond the period of seven years from the date of maturity to the Investor Education and Protection Fund.

20. SUBSIDIARY COMPANIES:

Your Company has two wholly-owned Subsidiaries, viz, The Eimco-K.C.P.Limited and KCP Sugars Agricultural Research Farms Limited. There are no Associated Companies within the meaning of section 2(6) of the Companies Act, 2013 and there has been no material change in the nature of business of the subsidiaries.

The income from the sale of products, services and other income of your wholly owned subsidiary The Eimco-K.C.P.Ltd was at Rs. 35.83 crores (P.Y. Rs. 52.01 crores) with a reduced profit of Rs. 2.06 crores (P.Y. Rs. 5.44 crores) for the year ended 31.03.2015.

The other wholly owned subsidiary, KCP Sugars Agricultural Research Farms Ltd, has reported an Income from the sale of products, services and other income of Rs. 0.28 crores for the financial year ended 31.03.2015 as against Rs. 0.10 crores for the previous year ended 31.03.2014. The Company earned a profit of Rs. 0.18 crores as against the loss of Rs. 0.001 crores in the previous financial year.

In terms of proviso to section 139(3) of the Companies Act, 2013, the salient features of the financial statement of the subsidiaries is set out in the prescribed form (AOC-1) under Rule 5 of the Companies (Accounts) Rules, 2014 (refer Annex. V).

21. AUDITORS:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed under Companies (Audit & Auditors) Rules, 2014, M/s.B.Purushottam & Co., Chartered Accountants, were appointed Statutory Auditors of the Company from the conclusion of 19th Annual General Meeting (AGM) held on 11th September 2014, till the conclusion of the 22nd AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. A written consent for appointment as Auditors and also a Certificate confirming that the appointment, if made, shall in accordance with the conditions as prescribed and in conformity with the criteria prescribed under section 141(3) of the Companies Act, 2013, have been received from them.

The matter relating to the appointment of B. Purushottam & Co. Chartered Accountants as statutory auditors of the Company is placed before the members at this 20th Annual General Meeting for ratification in pursuance of First Proviso to Section 139 (1) of the Companies Act, 2013.

22. COST AUDIT:

Mr. V. Srinivasan had been appointed by the Board of Directors of the Company as Cost Auditor to conduct the Cost Audit in respect of Sugar, Industrial Alcohol, Electricity, Fertilizer and Calcium Lactate for the financial year 2014-15, and his remuneration was ratified by the members at the 19th Annual General Meeting held on 11.09.2014. The Cost Audit Reports for 2014-15 are due for submission on or before 27.09.2015.

The Cost Audit reports for 2013-14 were e-filed with the Ministry of Corporate Affairs, New Delhi, vide, SRN S-31518954 dt. 02.10.2014.

In pursuance of Section 148 of the Companies Act, 2013, your Directors, on the recommendation of the Audit Committee, subject to ratification of his remuneration by the shareholders at this AGM, have appointed Shri. V. Srinivasan, Cost Accountant, Chennai, as the Cost Auditor to conduct the Cost Audit of Sugar, Industrial Alcohol, Electricity, Fertilizer, Calcium Lactate and CO₂, for the financial year ending 31st March 2016. Mr.V.Srinivasan has confirmed that his appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that he is free from any disqualifications specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a certificate from the said Cost Auditor certifying his independence and arms length relationship with the Company.

23. SECRETARIAL AUDIT

In pursuance of Section 204 of the Companies Act, 2013, M/s. V. Mahesh & Associates, Company Secretaries in practice have been appointed as Secretarial Auditors for the financial year 2014-15 and their report is annexed with the Board's Report (Ref. Annexure VI).

24. DOCUMENTS PLACED ON COMPANY'S WEBSITE: www.kcpsugar.com (as per Companies Act, 2013 & Listing Agreement with Stock Exchanges)

- Details of unpaid dividend as per section 124.
- Corporate Social Responsibility Policy as per section 135(4)(a)
- Stand-alone and Consolidated Financial statements of the Company along with relevant documents as per the 3rd proviso to section 136(1).
- Separate audited accounts in respect of subsidiaries as per the 4th proviso to section 136(1).
- Details of Vigil Mechanism for Directors and Employees to report genuine concerns as per section 177(10).
- The Terms and Conditions of appointment of Independent Directors in pursuance of Schedule IV {(IV) (6)} of the Companies Act, 2013.
- Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015, and Code of Fair Disclosure and Conduct.

24. ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Cane growers, the Shareholders, Banks, Institutions, Central and State governments, Depositors, Sugar Dealers, Business Associates, as also other regulatory authorities for their continued support and cooperation.

Your Directors would also to place on record their sincere appreciation for the total commitment, dedication and hard work put in by all the employees, which contributed to the Company's progress during the year under review.

For and on behalf of the Board of Directors

Place : Chennai
Date : 29.05.2015

VINOD R. SETHI
Executive Chairman

ANNEXURE I

(In pursuance of Section 134 of the Companies Act, 2013)

1. Extract of Annual Return

The Extract of Annual Return as provided under Section 92 (3) of the Companies Act, 2013 is attached at Annexure IV in the prescribed Form MGT-9 in pursuance of Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

2. No. of Meetings of the Board

Five meetings of the Board of Directors of the Company were held during the year. The details of meetings are furnished in Corporate Governance Report, which forms the part of this Report.

3. Independent Directors Declaration

Dr. Vithal Rajan, Mr. Ranvir R. Shah, Mr. M.S.V.M. Rao and Mr. Prathap K. Moturi, who have been appointed as Independent Directors at the 19th Annual General Meeting of the Company held on 11.09.2014, have submitted Declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with revised clause 49 of the Listing Agreement. Further, there has been no change in the circumstances which may affect their status as Independent Director during the financial year.

4. Policy of Director's appointment and Remuneration

Nomination and Remuneration Committee constituted under Section 178 of the Companies Act, 2013, has formulated the criteria for determining the qualification, positive attributes and independence of Director, and recommended to the Board a policy relating to remuneration to director, key managerial personnel and other employees. Information about elements of package of individual directors is provided in the Extract of Annual Return in Form MGT-9 attached as Annexure IV.

5. Statutory and Secretarial Auditors Reports

- There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditor's Report.
- The Company, since inception, remains in the regime of unqualified financial statements. The Company will comply with SEBI circular dt. 13.08.2012 and clause 31(a) of the Listing Agreement and submit Form A along with Annual Report.

6. Particulars of Loans, Guarantees or Investments under Section 186:

There is no loan / guarantee or investment covered under Section 186 of the Companies Act, 2013 during the financial year 2014-15.

7. Particulars of Contracts / Arrangements with Related Parties

The Company has entered contract / arrangement with Related Parties in the ordinary course of business and arm's length basis and the value of such transaction is well within the threshold limited prescribed under Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014.

8. Vigil Mechanism

The Company has established a Vigil Mechanism for Directors and Employees to report their genuine concern. The details of Vigil Mechanism are furnished in the Corporate Governance Report attached to this Report.

9. DISCLOSURE UNDER SECTION 197 (12) OF COMPANIES ACT, 2013, READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- a. The ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2014-15.

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b.

S.No.	Particulars	Ratio
1	Managing Director	9:1
2.	Executive Director	7:1
3.	Executive Chairman	2:1

c. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year.2014-15.

(Rs.in Lakhs)

S.No.	DIRECTORS / CFO / CS	REMUNERATION PAID FOR		VARIATION
		2014-15	2013-14	
	DIRECTORS			
1.	Smt.Irmgard Velagapudi M.Rao	48.00	110.06	-56.39%
2.	Shri.Vinod R.Sethi	16.28	110.06	-85.21%
3.	Smt.V.Kiran Rao	46.92	110.06	-57.37%
4.	Shri.K.A.Rangaswamy	5.10	6.35	-19.68%
5.	Dr.Vithal Rajan	2.50	3.75	-33.33%
6.	Shri. Ranvir R.Shah	0.20	2.95	-93.22%
7.	Shri. M.S.V.M. Rao	2.30	3.75	-38.67%
8.	Shri.Prathap K. Moturi	2.30	2.96	-22.30%
	C F O / C S			
1.	Shri.R.Ganesan, C F O	18.00	17.25	4.35%
2.	Shri.S.Chidambaram, C.S.	13.80	13.25	4.15%

Note: In view of absence of profit during the financial year 2014-15, Commission on profits is not payable to Directors.

d. The percentage increase in the median remuneration of employees in the financial year 2014-15.

Eight (8) per cent

e. No.of permanent employees on the Rolls of the Company:

886

f. Explanation on the relationship between the average increase in remuneration and company performance.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

g. Comparison of the remuneration of key managerial personnel against the performance of the Company
Cannot be compared in view of absence of profit during the financial year 2014-15.

h. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase / decrease in the market quotations of the shares of the Company in comparison with the rate at which the company has come out with the last public offer:

PARTICULARS	UNIT	AS ON 31.03.2015	AS ON 31.03.2014	VARIATION
Closing rate of Share at NSE	Rs..	18.40	18.95	2.90%
EPS Consolidated	Rs.	-1.23	2.92	-142.12%
Market Capitalisation	Rs./ Lakhs	20862.85	21486.47	2.90%
Price Earnings Ratio	Ratio	N.A.	6.50	N.A.

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Salary escalation for employees other than the managerial personnel in the last financial year: Eight (8) per cent. – same as Managerial personnel. This is determined in line with the industry norms.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company.

Cannot be compared in view of absence of profit during the financial year 2014-15.

- k. Key parameters for any variable component of remuneration availed by the directors.

The Whole-time Directors are eligible for Commission on profits at 3% each only when the Company earns profit. In the absence of profit or inadequacy of profits in any financial year, Commission on profits is not payable to the Whole-time Directors. In the absence of profit in the financial year 2014-15, the Whole-time Directors are not entitled to any Commission.

In respect of Non-Wholetime Directors, Members at the 16th Annual General Meeting held on 29.09.2011 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956 subject to a limit of Rs.1,75,000/- per director for each of the five financial years ending with 31st March 2016. However, in the absence of profit for the financial year 2014-15, the Non-Wholetime Directors are not entitled to any Commission.

- l. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

NOT APPLICABLE

- m. Affirmation that the remuneration is as per the remuneration policy of the Company.

Yes.

Remuneration is as per the remuneration policy of the Company.

10. Pecuniary Relationship or Transactions of Non-Executive Directors

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

ANNEXURE II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

Measures taken, additional proposals and impact on reduction of energy consumption:

Measures taken for reduction of Energy consumption:

1. VFD was installed to clear juice pump and 18% power saving was observed.
2. Energy Management System was installed at power house for monitoring various parameters like PF, Losses and etc to reduce power system losses and improve equipment efficiency and durability.
3. Installation of lighting energy saver for reducing power consumption and to improve durability of luminaries.
4. Installation of VFD's (7 Nos) to Distillery feed water pump, Fermented wash pump, Fermenter pump-1 and Pump-2, Molasses Pump, Spent Wash and raw Spent Wash.
5. VFD was installed to feed pump of SSP evaporator body's for power saving and smooth operation of process.
6. Installed high pressure imbibitions water pump which allowed maintaining temp. above >55 deg resulted reduction in Bagasse pol % from 1.51 % to 1.38 %.
7. Replaced oil lubrication with Bio-degradable, non-Toxic grease lubrication at Mills to have eco-friendly Zero effluent discharge as part of ISO-22000-2005 Food Safety Certification.
8. Replaced old Centrifugal Machines 3 Nos. with higher capacity, high efficiency continuous Centrifugal Machine which reduced R&M cost and power saved around 20Kwh/hr.
9. Installed high efficient, high capacity injection water pump which saved power consumption by 60 Kwh/hr.
10. Up-gradation of technology from outdated PLC to DCS for Boiler station improved Boiler efficiency and safety inter locks.
11. Installed 200 Nos. LED lamps and saved Rs.8.68 lakhs.
12. Installed Direct Contact heater for the heating of FBD's sweet water with the waste heat from shredder Turbine's drains, Vents and exhaust lines condensate flash.

Additional proposals for redeuction of Energy consumption:

- ❖ Installation of LED lights in place of MV and SV mapsto reduce Power consumption.
- ❖ Replacement of low efficienct rewinding Motors with IE3 efficiency Motors in phased manner.
- ❖ Installation of Solar inverters at AGT Farm for reducing Power generation from DG sets.
- ❖ To replace steam Turbine at Shredders of Both Tandems with Electrically Driven to achieve Power saving of 500 Kwh/hr.
- ❖ To replace steam Ejector with Vacuum Pump in Co-Gen Unit to achieve a Power saving of 25 Kwh/hr.
- ❖ Utilization of Steam through 0.8 MW TG set to Distillery Unit @ 45 TPH which avoids live steam bleeding to Distillery by doing this we can export additional Power of 300 Kwh.
- ❖ Installation of Mechanical circulators for Batch Pan to utilize low pressure Vacpour.
- ❖ Installation of Cooling Tower and storage Pond for excess Hot condensate collection, storage and its reuse.

ANNEXURE – FORM A

(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	SUGAR UNITS AT			
	VUYYURU		LAKSHMIPURAM	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
A) Power and Fuel Consumption				
Electricity				
a. Purchased				
Units KWH	10,20,040	11,59,721	5,80,000	4,98,147
Total Amount Rs.	74,11,665	82,94,784	41,61,800	35,55,542
Rate / Unit Rs.	7.27	7.15	7.18	7.14
b. Own Generation				
i. Through Diesel Generator :				
Units KWH	6,484	14,922	12,998	12,776
Unit per ltr. Of Diesel Oil	2.14	3.21	2.71	2.66
Cost / Unit Rs.	22.41	14.95	21.87	19.44
ii. Through SteamTurbine/ Generator:				
Unit KWH	3,57,88,600	3,13,72,700	70,55,918	71,88,260
KWH per tonne of bagasse	266.00	262.19	198.23	186.82
Cost / Unit	2.65	2.78	2.61	2.20
B. Consumption per unit of production Electricity KWH (per Tonne)	221.06	208.29	247.49	218.21

B. TECHNOLOGY ABSORPTION:

FORM 'B' – FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH AND DEVELOPMENT (R & D)

1 & 2 SPECIFIC AREA IN WHICH RESEARCH AND DEVELOPMENT IS CARRIED OUT BY THE COMPANY AND BENEFITS DERIVED THEREFROM:

- ❖ 78 Nos. of sugar cane varieties are collected from different part of the country tested in the company farm. Out of these varieties 8 varieties are found superior and further testing is continuing to conform red-rot disease resistance.
- ❖ Humic acid spraying trials are conducted to know the crop growth improvement results are not promising in our area.
- ❖ Micro nutrients Sulphur, Boron and manganese are applied along with major nutrients are found for yield improvement.
- ❖ Development sprouted sugar cane seedlings and planting, for reduction of crop duration by one month and productivity improvement.
- ❖ Commercialization of mechanical cane harvesting and implementation of wider row planning system, in the cane grower's fields for stabilization of sugar cane area.
- ❖ Reclamation of saline soils and brings back those problematic soils into cane cultivations.

Benefits derived:

- ❖ Two sugar cane varieties are released for commercial cane cultivation in 2015-16 planting season.

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- ❖ Eight sugar cane varieties are selected for further study.
- ❖ Dependency on manual labour for sugarcane harvesting was minimized.
- ❖ Reduction in usage of Inorganic fertilizer by substituting the usage of the organic manures and thereby enriching the soil fertility, productivity improvement and reducing the fertilizer cost.

3. EXPENDITURE ON R & D:				Amt. in Rs.
a. Capital	..	..	..	---
b. Recurring	..	..	..	5,22,007
c. Staff Cost	..	..	..	<u>60,23,730</u>
d. Total	..	..	..	65,45,737

Total R & D expenditure as a % age of total turnover: 0.13 %

4. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings	..	..	Rs. NIL
Foreign Exchange outgo	..	..	Rs. 9,05,345/-

For and on behalf of the Board of Directors

Place : Chennai

Date : 29.05.2015

VINOD R. SETHI
EXECUTIVE CHAIRMAN

ANNEXURE III**REPORT ON CSR ACTIVITIES***[pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]*

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects.	<p>The Company's CSR policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development. The Company's CSR activities broadly relate to:</p> <p>Promoting health care including preventive health care and sanitation and making available safe drinking water;</p> <p>Promoting education and employment enhancing vocational skills;</p> <p>Eradication of poverty and ensuring better living conditions;</p> <p>Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;</p> <p>Conducting relief operations in natural disaster hit areas and contrition to Government Disaster Relief Fund.</p> <p>Joining hands with NGSs and Registered Trusts to achieve a balance of economic, environment and social imperatives.</p>
2.	The Composition of the CSR Committee	<p>Smt.Irmgard Velagapudi M.Rao – Chairperson</p> <p>Sri.Vinod R.Sethi – Member</p> <p>Sri.K.A.Rangaswamy – Member</p> <p>Sri.M.S.V.M.Rao – Member.</p>
3.	Average net profit of the Company for last three financial years (Amount in Lakhs)	Rs.4243.54 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) (Amt in Lakhs)	Rs.84.87 Lakhs
5.	Details of CSR spent during the financial year.	
	Total amount to be spent for the F.Y.	Rs.15.00 Lakhs
	Amount unspent, if any;	Rs.69.87 Lakhs
	Manner in which the amount spent during the financial year.	

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S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amt. Outlay (budget) project or program-wise (Rs./ Lakhs)	Amt spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency.
1	2	3	4	5	6	7	8
1.	Promotion of Health care / sanitation	Health and Sanitation	Vuyyuru, Krishna Dist., Andhra Pradesh	20.00	NIL	NIL	--
2.	Environmental sustainability	Ensuring pollution-free environment	Vuyyuru, Krishna Dist., Andhra Pradesh	25.00	15.00	15.00	Through Rotary Community Service Trust
3.	Promotion of Education and enhancement of vocational skills.	Education.	Vuyyuru, Krishna Dist., Andhra Pradesh	25.00	NIL	NIL	--
4.	Eradication of poverty and ensuring better living conditions.	Economic and social equality.	Vuyyuru, Krishna Dist., Andhra Pradesh	15.00	NIL	NIL	--

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

A major hindrance in developing long-term projects under CSR is the uncertainty in the CSR budget which purely depends on the financial performance of the Company. The continuous downward trend in sugar price since the second quarter of the financial year coupled with high cost of production witnessed by the sugar industry throughout India, has jeopardised the proposed programs under CSR. In view of the financial constraints the Company was restrained from spending on various CSR activities though the Company's intentions were to implement the CSR programs and lending a helping hand to Government.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

**MANAGING DIRECTOR &
CHAIRPERSON OF CSR COMMITTEE**

ANNEXURE IV**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March 2015.**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS:

CIN	L15421TN1995PLC033198
Registration Date	11 th October 1995.
Name of the Company	K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED
Category / Sub-Category of the Company	Public Company limited by Shares.
Address of the Registered Office and contact details	<p>"Ramakrishna Buildings", No.239 (Old No.183), Anna Salai, Chennai 600006. Telephone: 044-28555171 – 176 Fax: 044-28546617 E-mail: Kcpsugar@vsnl.com Website: www.kcpsugar.com</p>
Whether Listed Company [Yes / No]	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any.	<p>M/s. Integrated Enterprises (India) Limited 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street – off North Usman Road T.Nagar – Chennai 600017. Telephone: 044-28140801 – 803 Fax: 044-28142479 E-mail: corpserv@integratedindia.in Website: www.iepindia.com</p>

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY:

S.No.	Name and Description of main products / services	NIC Code of the Products / Service	% to total turnover of the Company
1	Sugar	10721	81%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	The Eimco-K.C.P.Ltd.	U27209TN1967PLC005550	Subsidiary	100	2(87)

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2.	KCP Sugars Agricultural Research Farms Ltd.	U73100TN1998PLC041501	Subsidiary	100	2(87)
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SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of shareholders		No.of shares held at the beginning of the year				No.of shares held at the end of the year				% change during the year
		Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
Demat										
Category-wise Shareholding										
A.	PROMOTERS									
1	INDIAN									
a.	Individual / Hindu Undivided Family	1871310	**	1871310	1.65	1881310	**	1881310	1.66	+0.01
b.	Central Government / State Govt.	**	**	**	**	**	**	**	**	**
c.	Bodies Corporate	43585656	**	43585656	38.44	43696656	**	43696656	38.54	+0.10
d.	Financial Institutions / Banks	**	**	**	**	**	**	**	**	**
e.	Any other (specify)	**	**	**	**	**	**	**	**	**
	SUB TOTAL A (1)	45456966	**	45456966	40.09	45577966		45577966	40.20	+0.11
2	FOREIGN									
a.	Individual (Non-Resident / Foreign)	**	**	**	**	**	**	**	**	**
b.	Bodies Corporate	**	**	**	**	**	**	**	**	**
c.	Institutions	**	**	**	**	**	**	**	**	**
d.	Qualified Foreign Investor	**	**	**	**	**	**	**	**	**
e.	Any other (Specify)	**	**	**	**	**	**	**	**	**
	SUB-TOTAL A (2)	**	**	**	**	**	**	**	**	**
	Total shareholding of Promoter and Promoter Group (A) = A(1)+A(2)	45456966	**	45456966	40.09	45577966		45577966	40.20	+0.11

B	PUBLIC SHARE HOLDING									
1	Institutions									
a.	Mutual Funds / UTI	4750	6470	11220	0.01	4750	6470	11220	0.01	0.00
b.	Financial Institutions / Banks	1250	21340	22590	0.02	22312	21340	43652	0.04	+0.02
c.	Central Government / State Govt.	**	**	**	**	**	**	**	**	**
d.	Venture Capital Funds	**	**	**	**	**	**	**	**	**
e.	Insurance Companies	30000	**	30000	0.03	0	0	0	0	-0.03
f.	Foreign Institutional Investors	0	500	500	0.00	0	500	500	0.00	0.00
g.	Foreign Venture Capital Investors	**	**	**	**	**	**	**	**	**
h.	Qualified Foreign Investor	**	**	**	**	**	**	**	**	**
i.	Any Other (specify)	**	**	**	**	**	**	**	**	**
	SUB TOTAL B (1)	36000	28310	64310	0.06	27062	28310	55372	0.05	-0.01
2	Non-Institutions									
a.	Bodies Corporate (Indian / Foreign / Overseas)	6634894	9965400	16600294	14.64	6249141	9965400	16214541	14.30	-0.34
b.	Individuals (Resident / NRI / Foreign National)									
(i).	Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	28055492	6729178	34784670	30.68	27218458	6402679	33621137	29.65	-1.03
(ii).	Individual shareholders holding Nominal Share Capital above Rs.1 lakh.	14303163	2044840	16348003	14.42	16130805	1668330	17799135	15.70	+1.28

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ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

c.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d.	Any other									
(i).	Clearing Member	134972	0	134972	0.12	85129	0	85129	0.08	-0.04
(iii).	Limited Liability Partnership	75	0	75	0.00	3000	0	3000	0.00	0.00
(iv).	Trust	28770	0	28770	0.02	28770	0	28770	0.02	0.00
	SUB TOTAL B (2)	49157366	18739418	67896784	59.88	49715303	18036409	67751712	59.75	-0.13
	Total Public share holding (B) = B(1) + B(2)	49193366	18767728	67961094	59.94	49742365	18064719	67807084	59.80	-0.14
	TOTAL (A) + (B)	94617322	18767728	113385050	100.00	95320331	18064719	113385050	100.00	0.00
C.	Shares held by Custodians and against which Depository Receipts have been issued:	NOT APPLICABLE								
	GRAND TOTAL (A) + (B) + (C)	94617322	18767728	113385050	100.00	95320331	18064719	113385050	100.00	0.00
Shareholding of Promoters										
1	Smt Irmgard Velagapudi		0	1435780	1.27	1435780	0	1435780	1.27	0.00
2	Durgamba Investment Private Limited		0	43585656	38.44	43696656	0	43696656	38.54	+0.10
3	Smt Kiran Velagapudi		0	255020	0.22	265020	0	265020	0.23	+0.01
4	Smt Irmgard Velagapudi		0	147500	0.13	147500	0	147500	0.13	0.00
5	Sri Vinid R Sethi		0	33010	0.03	33010	0	33010	0.03	0.00
	TOTAL		0	45456966	40.09	45567966	0	45577966	40.20	+0.11

iii.Change in Promoters' shareholding

S.No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
	<i>Date-wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc):</i>				
	DURGAMBA INVESTMENTS PVT. LTD. (Promoter Body Corporate)	By market purchase			
	<i>At the beginning of the Year</i>	43585656	38.44	43585656	38.44
	06.05.2014	5000	111000 SHARES = 0.10% INCREASE	43590656	38.44
	23.09.2014	10000		43600656	38.45
	24.09.2014	15000		43615656	38.47
	25.09.2014	10000		43625656	38.47
	26.09.2014	7500		43633156	38.48
	17.10.2014	11000		43644156	38.49
	10.02.2015	7500		43651656	38.50
	11.02.2015	5000		43656656	38.50
	16.02.2015	2500		43659156	38.50
	10.03.2015	5000		43664156	38.51
	12.03.2015	5000		43669156	38.51
	13.03.2015	5000		43674156	38.52
	16.03.2015	2500		43676656	38.52
	17.03.2015	2500		43679156	38.52
	18.03.2015	2500		43681656	38.53
	20.03.2015	2500		43684156	38.53
	23.03.2015	2500		43686656	38.53
	24.03.2015	2500		43689156	38.53
	25.03.2015	2500		43691656	38.53
	26.03.2015	5000		43696656	38.54
	At the end of the year	43696656	38.54		
	Ms.Kiran Velagapudi) Promoter – Individual)				
	<i>At the beginning of the year</i>	255020	0.22	255020	0.22
	04.09.2014	10000	0.01	265020	0.23

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	At the end of the year	265020	0.23	265020	0.23
	Smt.Irmgard Velagapudi	1435780	1.27	No change in No. of shares	No change in % of shareholding
	Smt.Irmgard Velagapudi	147500	0.13		
	Shri.Vinod R.Sethi	33010	0.03		

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
	At the beginning of the year	5965924	5.26		
1.	Chinmay G Parikh	**	**	1313529	1.16
2.	Padmini Rajan	888000	0.78	888000	0.78
3.	Haroon Mahmud Adam	885000	0.78	885000	0.78
4.	Sakunthala Devi Boppana	870100	0.77	870100	0.77
5.	Boppana Vinay Kumar	855250	0.75	855250	0.75
6.	Koganty Srihari Rao	541113	0.48	541113	0.48
7.	Rani S.B.	509060	0.45	509060	0.45
8.	Diwan Bahadur PSG Rangaswamy Naidu	468270	0.41	468270	0.41
9.	Bharadhwajan V.J.			493088	0.43
10.	Vivek Kumar			330000	0.29
11.	V.L.Indira Dutt	325000	0.29	**	**
12.	Kakarla Satyanarayana	314011	0.28	**	**
13.	Malini L. Narasimhan	310120	0.27	**	**
	At the end of the year			7153410	6.30

Shareholding of Directors and Key Managerial Personnel:

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
	At the beginning of the year				
	i. Directors:				
1.	Sri.K.A.Rangaswamy	2260	0.00	2260	0.00
2.	Sri. Ranvir R.Shah	125010	0.11	125010	0.11
3.	Dr.Vithal Rajan				
4.	Sri.Prathap K. Moturi				
5.	Sri.M.S.V.M.Rao	10	0.00	10	0.00
		127280	0.11	127280	0.11

	ii. Key Managerial Personnel				
1.	Sri.R.Ganesan	1500	0.00	1500	0.00
2.	Sri.S.Chidambaram	0	0.00	0	0.00

V. Indebtedness:**Rs.in Crores**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i. Principal Amount	51.62	0.00	35.59	87.21
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	2.57	0.00	4.69	7.26
TOTAL (i + ii + iii)	54.19	0.0	40.28	94.47
Change in Indebtedness during the financial year				
• Addition →	13.79	0.00	0.00	13.79
• Reduction →	0.00	0.00	5.80	-5.80
Net Change	13.79	0.00	- 5.80	7.99
Indebtedness at the end of the financial year:				
i. Principal Amount	65.96	0.00	33.04	99.00
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	2.02	0.00	1.44	3.46
TOTAL (i + ii + iii)	67.98	0.00	34.48	102.46

Remuneration of Directors and Key Managerial Personnel:*Remuneration to Managing Director, Whole-time Directors and/or Manager:*

S.No.	Particulars of Remuneration	Name of MD / WTD			Total Amt.(Rs. In Lakhs)
		Irmgard Velagapudi – Managing Dir.	Vinod R.Sethi – Wholetime Dir.	V. Kiran Rao – Wholetime Dir.	
1.	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	48.00	12.00	36.00	96.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.22	0.75	0.97
	c. Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00

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3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission – as percentage of profit	0.00	0.00	0.00	0.00
5.	Others – PF & Gratuity	0.00	4.06	10.17	14.23
	TOTAL (A)	48.00	16.28	46.92	111.20
	<i>Ceiling as per the Act</i>	<i>5% of Nett Profit</i>	<i>5% of Nett Profit</i>	<i>5% of Nett Profit</i>	

Remuneration to Other Directors:

S.No.	Particulars of Remuneration	Name of Directors					Total Amt – Rs./Lakhs
		Sri. K.A. Rangaswamy	Dr.Vithal Rajan	Sri.Ranvir R.Shah	Sri.M.S.V.M. Rao	Sri.Prathap K.Moturi	
	1. Independent Directors						
	• Fee for attending Board /Committee Meetings		2.50	0.20	2.30	2.30	7.30
	• Commission		0.00	0.00	0.00	0.00	0.00
	• Others		0.09	0.02	0.09	0.09	0.29
	Total (1)		2.59	0.22	2.39	2.39	7.59
	2. Other Non-Executive Director						
	• Fee for attending Board /Committee Meetings	5.10					
	• Commission	0.00					
	• Others	0.09					
	Total (2)	5.19					
	Total B=(1) + (2)	5.19	2.59	0.22	2.39	2.39	12.78
	Total Managerial Remuneration	5.19	2.59	0.22	2.39	2.39	12.78
	Overall Ceiling as per the Act	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	

Remuneration to Key Managerial Personnel other than MD/WTD/Manager:

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total – Rs./Lakhs
		C F O	Company Secretary	
1.	Gross salary	18.00	13.80	31.80
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary u/s 1&(3) of Income-tax Act, 1961.	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
5.	Others	0.00	0.00	0.00
	TOTAL	18.00	13.80	31.80

Penalties / Punishments / Compounding of offences (Under the Companies Act):

-NONE -

ANNEXURE - V

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part 'A': Subsidiaries

S.No.	PARTICULARS	THE EIMCO-K.C.P.LTD	KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.
1.	Sl. No.	1	2
2.	Reporting period for the subsidiary concerned	01.04.2014 to 31.03.2015	01.04.2014 to 31.03.2015
3.	Reporting Currency	Indian Rupees in Lakhs	Indian Rupees in Lakhs
4.	Share Capital	60.00	225.00
5.	Reserves & Surplus	1713.66	24.86
6.	Total Assets	4027.55	250.17
7.	Total Liabilities	4027.55	250.17
8.	Investments	671.34	187.24
9.	Turnover	3191.26	4.23
10.	Profit before taxation	273.95	15.68
11.	Provision for taxation	67.83	-2.00
12.	Profit after taxation	206.12	17.68
13.	Proposed Dividend	0.00	0.00
14.	% of shareholding	100.00	100.00

ANNEXURE-VI**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

*The Members,***M/s. K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED,**

Ramakrishna Building, New No.239 (Old No.183),

Anna Salai, Chennai – 600006.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. K.C.P.Sugar And Industries Corporation Limited(hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure – A for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Other Laws which are specifically applicable to the Company (apart from the general acts such as Factories Act, 1948, Minimum Wages Act, 1948 etc.,) are as follows:

- (v) Boilers Act, 1923.
- (vi) Essential Commodities Act, 1955.
- (vii) Sugar (Control Order), 1966.
- (viii) Sugarcane (Control Order), 1966.
- (ix) Levy Sugar Supply (Control Order), 1979.

(x) Sugar (Packing & Marking) Order, 1970.

(xi) Sugar Cess Act, 1982 and

(xii) Insecticides Act, 1968.

However during the year under purview there were no instance attracting the following laws/regulations:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

"During the period under review and based on the documents provided and declarations given by the Company, we are of the opinion that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above.

We also note from the declaration on compliance given by the Company that the temporary licence for manufacture of Trichoderma viride obtained under the Insecticides Act has expired in 2012, consequent to which the Company has stopped the production of said product. The Company has applied to Andhra Pradesh Pollution Control Board, for a Common Consent Order, vide its letters dt. 25.03.2015, 31.03.2015 and 06.04.2015 for the six units - (1) Sugar & Cogen (2) Distillery (3) Bio-fertilizer, Mycorrhiza, Bio-compost (4) Bio-fungicides (5) Calcium Lactate and (6) Carbon Dioxide - with a view to have uniform duration and validity period and for operational convenience. We also note that the Company has made necessary payment of renewal fees in this regard. The Management is confident of obtaining the said common consent order in due course of time as it is only a procedural formality. It is further noted and confirmed by the Company that there is no violation / lapse in connection with the above mentioned licences, registrations and common consent order.

- a. The Company's License obtained under the Bio Fungicides – Insecticides Act had expired in 2012, consequent to which the Company has stopped the production of related products. The Company has applied for a common consent order vide its letter dated: 06.04.2015 before the appropriate authorities and the same is under process. The management is confident of obtaining the said consent order in due course of time as it is only a procedural formality. It is further noted and confirmed by the Company that there is no violation/lapse in connection with the above mentioned Licenses, Registrations & Consents.

We further report that

There is no change in the composition of Board of Directors during the financial year under review. The constitution of the Board as well as the Committees of the Board is in compliance with the Companies Act, 2013 read with revised clause 49 of the Listing Agreement.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are being sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that *there are adequate systems and processes in the Company commensurate with the size*

and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary

M. No. A 2727

C.P No. : 8355

Place: Chennai

Date: 29/05/2015

Note: *This report is to be read with our letter of even date which is annexed as 'ANNEXURE A & B' and forms an integral part of this report.*

ANNEXURE - A

List of documents verified during the process of Audit:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2012, 2013 & 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee, Executive Business Committee Meeting and Share Transfer Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Notices calling for Board and Committee Meetings.
6. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
7. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
8. Report in connection compliance of various Acts and regulations applicable to various factories by the respective managers in charge for compliances.
9. News Paper Advertisement made by the Company as required under the listing agreement.
10. Various Intimations made to the Stock Exchange pursuant to the listing agreement entered into by the Company with National Stock Exchange & Bombay Stock Exchange.

For V. Mahesh & Associates

V. Parthasarathy
Practicing Company Secretary
 M. No. A 2727
C.P No. : 8355

Place: Chennai

Date: 29/05/2015

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

ANNEXURE – B

To,

The Members,

M/s. K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED,

Ramakrishna Building, New No.239 (Old No.183),

Anna Salai, Chennai – 600006.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We were not required to verify the correctness and appropriateness of financial records and Books of Accounts of the Company and we have relied on the Audited Accounts certified by the Statutory Auditors.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V. Mahesh & Associates

V. Parthasarathy

Practicing Company Secretary

M. No. A 2727

C.P No. : 8355

Place: Chennai

Date:29/05/2015

1. Company's philosophy on Code of Governance

The Company firmly believes in high standards of corporate governance and adheres to sound corporate practices, constantly striving to improve them and adopt the best practices. The Company's objective is to go an extra mile beyond mere compliance of the statutory requirement. The Company is deeply committed to upholding the core values of integrity, transparency, responsibility, effective internal control and quality in all its activities and processes.

2. Board of Directors**2.1 Composition:**

- ❖ The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. At present, the Board consists of eight members, with three promoter Directors (Executive) and four Independent Directors and one Non-Executive Director. Two of the wholetime Directors are Women.
- ❖ The day-to-day management of the Company rests with the Managing Director.
- ❖ The Independent Directors on the Board are experienced and competent persons from their respective fields. They take active part at the Board and Committee Meetings which add value in the decision making process of the Board of Directors.
- ❖ The composition of the Board of Directors is in compliance with the amended clause 49 of the Listing Agreement.
- ❖ None of the Director on the Board is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he/she is a Director as required under clause 49.
- ❖ The Independent Directors have confirmed that they satisfy the criteria of independence as required under section 149(7) of the Companies Act, 2013 and as stipulated under clause 49 of the Listing Agreement.
- ❖ No Independent Director is a relative of any other Director.
- ❖ None of the Directors serves as an independent Director in more than 7 listed companies.
- ❖ None of the wholetime Directors serves as an independent Director in more than 3 listed companies.

2.2 Board Meetings / AGM - Attendance and Directorships / Committee Memberships:

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at the last AGM On 11.09.14	**No. of Directorships, Committee Membership / Chairmanship in other public companies		
				Directorship	Committee Membership	Committee Chairmanship
Shri.Vinod R.Sethi DIN 00106598	Whole-time Director / Executive Chairman / Promoter Group	5	Yes	2	1	--
Smt.Irmgard Velagapudi M.Rao DIN 00091370	Promoter and Managing Director	5	Yes	--	--	--
Smt.V.Kiran Rao DIN 00091466	Promoter and Executive Director	5	Yes	--	--	--
Shri. K.A.Rangaswamy DIN 00020891	Non-Wholetime Director	5	Yes	--	--	--

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Shri. Ranvir R. Shah DIN 00041398	Non-Wholetime Independent Director	1	No	--	--	--
Dr.Vithal Rajan DIN 00021571	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri. M.S.V.M.Rao DIN 00432640	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri. Prathap K.Moturi DIN 0020630	Non-Wholetime Independent Director	5	Yes	--	--	--

** In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees & Shareholders / Investors Grievance Committees of all Public Limited Companies governed by Companies Act, 1956, have been considered.

- ❖ Shri. Vinod R.Sethi, Smt. Irmgard Velagapudi M.Rao and Smt. V.Kiran Rao are relatives.
- ❖ Independent Directors do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in section 149(6) of the Companies Act, 2013, read with rules made thereunder and comply with the code for independent directors as per schedule VI of the Companies Act, 2013.
- ❖ None of the Directors received any loans / advances from the Company during the year under review, as per section 185 of the Companies Act, 2013.

Board Meetings held during the year :

There were six Board Meetings held during the financial year 2014 - 15 on the following dates:

1.	26.05.2014	4.	13.11.2014
2.	14.08.2014	5	05.02.2015
3.	11.09.2014	6.	

3. Audit Committee

Composition and Terms of Reference :

The Audit Committee presently comprises of five members, viz, three Non-Wholetime Independent Directors, one Non-wholetime Director, and one Whole-time Director. The Chairman of the Audit Committee is Shri. M.S.V.M.Rao, an Independent Director, nominated by the Board at its meeting held on 26.05.2014. Shri. Vinod R. Sethi, Executive Chairman, Dr.Vithal Rajan, Shri.Prathap K.Moturi (Independent Directors), and Shri.K.A.Rangaswamy, Non-wholetime Director, are presently its other members. The composition of Audit Committee is in compliance with section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Terms of Reference of the Audit Committee:

- a. The Committee has oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommends for appointment, remuneration and terms of appointment of auditors of the company.
- c. Approves payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviews with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- ii. Changes, if any, in accounting policies and practices and reasons for the same.
- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
- iv. Significant adjustments made in the financial statement arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions
- vii. Qualifications in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the company with related parties.
- i. Scrutiny of inter-corporate loans and investments.
- j. Valuation of undertakings or assets of the company, wherever it is necessary.
- k. Evaluation of internal financial controls and risk management systems.
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n. Discussion with internal auditors of any significant findings and follow up thereon.
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r. To review the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc, of the candidate.
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings and attendance during the year:

There were four meetings of the Audit Committee during the year, viz., on 26.05.2014, 14.08.2014, 13.11.2014, and 05.02.2015. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.A.Rangaswamy	4
Shri. Vinod R.Sethi	4
Dr Vithal Rajan	4
Shri.M.S.V.M.Rao	4
Shri. Prathap K. Moturi	4

4. Nomination & Remuneration COMMITTEE :

The Nomination and Remuneration Committee presently consists four Members, of which three are Non Whole-time Directors, viz., Shri.K.A.Rangaswamy, Dr.Vithal Rajan, Shri. Ranvir R.Shah and one Whole-time Director, viz, Shri.Vinod R.Sethi. The composition of Audit Committee is in compliance with section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms of reference in pursuance of section 178 of the Companies Act, 2013, includes the following:

Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment / removal, and shall carry out evaluation of every director's performance.

Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

Committee while formulating the policy, shall ensure:

- the level and composition of remuneration is reasonable and sufficient to attract retain and motivate the directors of the quality required to run the company successfully.
- Relationship of remuneration to performance is clear and needs appropriate performance benchmarks and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Whole-time Directors are paid salaries, allowances/perquisites, and in addition, commission if it arises, within the limits under the Companies Act, 2013 and subject to the further limits, if any as approved by the Shareholders. The remuneration paid to the Whole-time Directors during 2014-15 is as below:

(Rs. in Lakhs)

Directors	Salary & Allowance	Contribution to PF	Contribution to Gratuity	Perquisites	Commission	Total
Shri.Vinod R.Sethi	12.00	1.44	2.62	0.22	--	16.28
Smt.Irmgard Velagapudi M.Rao	48.00	--	--	0.00	--	48.00
Smt.V.Kiran Rao	36.00	4.32	5.85	0.75	--	46.92

The Committee met once on 05.02.2015 during the financial year 2014 – 15.

The Non Executive Directors are paid a sitting fees of Rs.20,000/- per Meeting of the Board / Committee attended by them apart from daily allowance and out of pocket expenses. In addition, pursuant to Section 309 of the Companies Act, 1956, they are entitled to a remuneration by way of Commission not exceeding in aggregate, 1% of the net profits of the Company, subject to a maximum limit of Rs.1,75,000/- (Rupees One lakh and seventy five thousand only) per Director, for each of the financial years from 2011-12 to 2015-16, in terms of the approval granted by the Shareholders at the Sixteenth Annual General Meeting held on 29.09.2011. The details of the remuneration paid to the Non- Executive Directors during the year 2014 - 15 are given below:

(Rs. in Lakhs)

Directors	Commission	Sitting Fees	Total
Shri.K.A.Rangaswamy	0.00	5.10	5.10
Shri. Ranvir R.Shah	0.00	0.20	0.20
Dr.Vithal Rajan	0.00	2.50	2.50
Shri.M.S.V.M.Rao	0.00	2.30	2.30
Shri.Prathap K. Moturi	0.00	2.30	2.30
Total	0.00	12.40	12.40

5. SHAREHOLDINGS OF NON EXECUTIVE DIRECTORS:

The Shareholdings of the Non-Executive Directors are as below:

Directors	No. of shares held (F.V.of Re.1/-each)
Shri.K.A.Rangaswamy	2,260
Shri. Ranvir R. Shah	1,25,010
Dr.Vithal Rajan	Nil
Shri.M.S.V.M.Rao	10
Shri.Prathap K. Moturi	Nil

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is vested with the powers to look into the problems / grievances of Shareholders/Investors as per SEBI norms. The Chairman of the Committee is Shri.K.A.Rangaswamy, a Non-Wholtime Director with Smt.Irmgard Velagapudi M.Rao, Managing Director, and Smt.V.Kiran Rao, Executive Director, as its other Members. The composition of Stakeholders Relationship Committee is in compliance with section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Committee normally meets once / twice in a month based on the volume of transfers. The terms of reference encompasses:

- To approve requests for share transfers, transmissions, transpositions, dematerialization, split and duplicate shares.
- To review and take all necessary steps for redressal of investor's grievances and complaints as may be required in the interests of the investors.

There were 13 meetings of the Share Transfer Committee held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.A.Rangaswamy	13
Smt.Irmgard Velagapudi M.Rao	8
Smt.V.Kiran Rao	13

Shri.S.Chidambaram, General Manager (Finance) & Company Secretary, is the Compliance Officer of the Company. M/s. Integrated Enterprises (India) Ltd are the Registrars, Transfer Agents and Depository Registrars of the Company for physical / electronic shares. All transfer of shares received by the Company/Registrars during the year has been processed. During the year, 324 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Queries / Complaint	During the year ended 31.03.2015	
	Received	Attended to
Non-receipt of Certificates	0	0
Non-receipt of Interest / Dividend Warrants/ Cheques / Drafts	79	79
Issue of Duplicate Share Certificates	5	5
Issuance of Duplicate Dividend Warrant / Cheque / Drafts / Revalidation	159	159
Correction in Share Cert./Dividend Warrant / Cheque / Drafts	33	33
Non-Receipt of Annual Report	0	0
General queries-request for change of address, procedure for transmission of shares/procedure for loss of share certificates/ Nomination	48	48
TOTAL	324	324

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has been voluntarily doing lot of social welfare activities in and around the places of Company's operations even before the Corporate Social Responsibility activities were made mandatory as per section 135 of the Companies Act, 2013. However, in compliance with the statutory provisions as per section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee has been constituted by the Board of Directors at its meeting held on 30.10.2013 with Smt. Irmgard Velagapudi, Managing Director, as the Committee's Chairperson, and Shri. Vinod R. Sethi, Executive Chairman, Shri. M.S.V.M. Rao, Director, as members.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

As part of corporate social responsibility, the Company has been involving and participating in various events by organizing rallies, processions, campaigns to propagate and sensitize employees, colony residents and public of vicinity on the eve of:

- World Environment Day
- National Safety Day
- Celebration of Fire Service Week
- Celebration of World Health Day
- World Earth Hour.

The Company has been organizing Mega Health Checkup camps every year in coordination with Rotary Club, NGOs, to identify types of diseases by proper diagnosis and distribute medicines by involving doctors of corporate hospitals in various disciplines. Saplings plantation programme was organized by undertaking plantation in and around Vuyyuru, surrounding villages and our manufacturing facilities for the development of green cover. Further, the Company had developed avenue plantation on both sides of the highways and along the interior roads in Krishna District and this is an ongoing process every year.

The Company has been digging re-charge wells to conserve the water and also widely encouraging drip irrigation as part of best water management practices by enlightening the farmers. The Company has subsidized to the farmers to an extent of 25% of the cost of the re-charge bore wells.

As part of development of organic farming, the company has been propagating the use of Bio-fertilizers manufactured in the Company's Biotech facilities for application to the crops for better output and yield which enriches the land health and fertility. Bio insecticides are being used widely to discourage chemical insecticides.

The Company has also been putting its efforts to supply clean potable drinking water in participation with Naandi Foundation and other NGO's to nearby villages and educational institutions.

The Company has also been organizing every year Veterinary Camps, Eye Camps in massive scale in entire

Krishna District. Further, blood donation camps were organized and also were arranging blood donors to the needy patients among the Company's employees.

The Company has been donating for the construction of panchayat buildings, police stations, fire stations, veterinary hospitals, cyclone shelters, school buildings. The Company is also conducting periodically Immunization camps, family welfare camps and AIDS and polio awareness camps, etc.

The Company has been conducting awareness programmes on pulse polio programme, AIDS, Population Day, World Olympic Day, etc, through involvement of voluntary organizations like Rotary Club, Lions Club, and Inner Wheel Club of Vuyyuru.

The Company has been organizing camps / rehabilitation centres for fire and flood victims by providing food / utensils / cloths / medicines in times of natural calamities and fire accidents.

The Company is donating liberally directly and through Rotary Club, NGOs and other Government agencies, for promotion of the following community development activities:

- Building houses for poor.
- Building Bus shelters and low cost individual toilets
- Building roads, bridges and culverts for better connectivity.
- Helping Educational Institutions and children of rural areas to promote literacy
- Liberally donating relief fund in times of natural disasters
- Environment and safety awareness sessions conducted in nearby schools and villages.
- Financial assistance to poor patients for surgery, treatment, etc.

Report on CSR activities in pursuance of Companies (Corporate Social Responsibility) Rules, 2014, is furnished in Annexure III to this Report.

8. Venue and Time OF LAST three Annual General MEETINGS:

AGM for the financial year ended	Date / Time	No of Special resolutions	Members Present	
			in Person	By Proxy
31.03.2012	28.09.2012 at 10.00 a.m.	--	471	13
31.03.2013	30.08.2013 at 10.00 a.m.	--	767	19
31.03.2014	11.09.2014 at 11.00 a.m.	--	730	6

- All the three AGMs were held at "Sathguru Gnanananda Hall", Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai 600018.
- No postal ballots were required to be used for voting on any of the items of business at the above meetings. At the ensuing AGM, there is no item on the agenda that needs approval by postal ballot.

8. Disclosures:

CEO and CFO Certification -

The Managing Director and the Chief Financial Officer have certified the Board / Audit Committee in accordance with Clause 49(V) of the Listing Agreement were placed before the Board at its Meeting on 29.05.2015.

- ❖ The Financial Statements for the year 2014-15 have been prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and there are no deviations.
- ❖ During the year under review, the Company has not raised any funds from public issue / rights issue / preferential issue.
- ❖ The Company has a whistle blower policy and affirms that no personnel have been denied access to the Audit Committee.

- ❖ The Board is of the bona fide belief that there are no materially significant Related Party Transactions made by the Company with its Promoters, Directors or the Management, their Subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

Transactions with the Related Parties are disclosed in Note No. 40 of Notes to the Accounts in the Annual Report.

During the last three years, there were no strictures for penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the Capital Markets.

COMPLIANCE:

The Board considers materially important, show-cause /demand notices received from the statutory authorities and the steps / action taken by the Company in this regard. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

Compliance with Corporate Governance Norms:

The Company has complied with mandatory requirements of the Code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchanges for the quarters ended 30.06.2014, 30.09.2014, 31.12.2014 and 31.03.2015. The statutory auditors have certified that the Company has complied with the Corporate Governance norms as stipulated by the Stock Exchanges under clause 49 of the Listing Agreement. The said certificate is annexed to the Directors Report and will be forwarded to the Stock Exchanges and the Registrar of Companies - Tamil Nadu, Chennai, along with the Annual Report.

Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Chartered Accountant carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

Electronic Filing

NEAPS:

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through NSE Electronic Application Processing System (NEAPS) effective from quarter ended 31.12.2011.

SCORES:

As advised by SEBI, vide its circular dated 03.06.2011, the investor complaints, if any, are viewed and Action Taken Report (ATR) with supporting documents is submitted in SEBI Complaints Redress System (SCORES), a centralized web based complaint system.

Quarterly Compliance Report:

The Company has submitted for each of the four quarters during 2014-15, the Compliance Report to the Stock Exchanges in the prescribed format within the stipulated time.

Code of Conduct:

The Board of Directors has laid down a Code of Conduct for the Members of the Board as well as to all connected persons in pursuance of Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Managing Director has confirmed and declared that all the Members of the Board as well as all connected persons have affirmed compliance with the Code of Conduct. The Codes have been posted on the Company's website www.kcpsugar.com.

Prevention of Insider Trading:

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all the Directors / Officers and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished information.

Subsidiary Companies:

The Company does not have any material non-listed Indian Subsidiary Company and hence is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. The Audit Committee periodically reviews the financial statements and the minutes of both the Subsidiaries are placed before the Board of Directors of the Company.

Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the Management and mitigation measures to address such risks.

9. Means of Communication :

The quarterly, half yearly and annual results are generally published in widely circulating national & local dailies such as The Financial Express (in English) and Malai Sudar (in Tamil).

The Company has a website, www.kcpsugar.com. There were no presentations made to the institutional investors or analysts.

As required under clause 47(f) of the listing agreement the Company has created a dedicated email ID investorservices@kcpsugar.com for registration and redressal of investor's grievances.

The Management Discussion and Analysis Report forms part of the Annual Report.

10. GREEN INITIATIVES IN CORPORATE GOVERNANCE:

Ministry of Corporate Affairs have taken a Green Initiative in Corporate Governance by allowing paperless compliance by the Companies after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under Companies Act, through electronic mode.

The MCA Circular No.17/2011 dt. 21.04.2011 clarified that a Company would have complied with Section 53 of the Companies Act, if the service of document has been made through electronic mode, provided the Company has obtained the e-mail of Members for sending the Notice and documents through e-mail by giving advance opportunity to every shareholder to register his/her e-mail address and changes therein from time to time with the Company.

In pursuance of the said circular, the Company had sent letters to all shareholders requesting them to inform the Company their registered e-mail ID and the Annual Report is sent through e-mail for those who opt for the same.

General Shareholder Information :

AGM: Date, Time and Venue: 20th Annual General Meeting – on 20th day of August 2015 at 10.30 a.m. at "Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T.T.K.Road, Chennai 600018.

Date of Book Closure

For the year ended 31.03.2015	Book Closure Date (s)	Dividend paid / payable
Dividend Payment date	13.08.2015 to 20.08.2015 (both dates inclusive)	The Board of Directors at their Meeting held on 29.05.2015 has recommended a dividend of Re.0.10 per equity share of face value Re.1/-, subject to the approval of Shareholders at the ensuing Annual General Meeting. On approval thereof, this dividend will be paid to the Shareholders on or after 20 th August 2015 but within the statutory time limit.

Tentative Financial calendar :

- Financial Year – 1st April to 31st March.
- First Quarter Results on or before 14.08.2015.
- Half-yearly Results on or before 14.11.2015.
- Third Quarter Results before 14.02.2016.
- Results for the year ending 31.03.2016 on or before 30.05.2016.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Listing on Stock Exchanges : National Stock Exchange of India Ltd and The Bombay Stock Exchange Ltd.

Annual listing fees have been paid to the National Stock Exchange and there is no amount outstanding as on date.

Shareholders who hold shares in physical mode are requested to convert their holding to demat mode considering the merits of depository system.

PAN requirement : SEBI vide its circular dt. 27.04.2007 made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the transaction amount. Further, SEBI vide its circular dt. 20.05.2009 made it mandatory to furnish a copy of the PAN card of the Transferee to the Company / RTA for registration of transfer of shares of the Listed Companies in physical form and off market / private transactions. Furnishing a copy of PAN card for transmission / transposition of shares has been made mandatory by SEBI vide its circular dt. 27.01.2010.

Investors are requested to take note of the aforesaid circulars.

Stock Code - Physical : "KCPSUGIND" on both the National Stock Exchange and Bombay Stock Exchange (Scrip No. 533192)

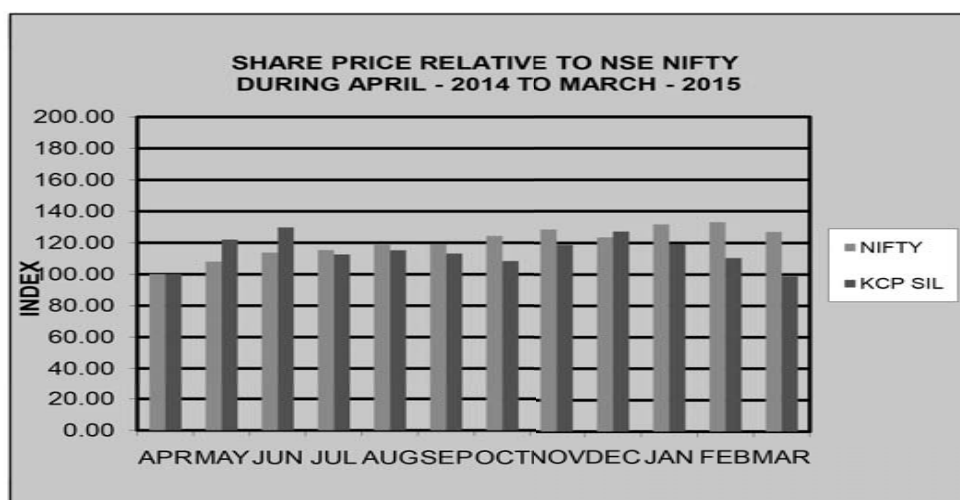
De-mat ISIN Number : INE790B01024.

CIN : L15421TN1995PLC033198

High / Low of market price of the Company's shares (Face Value Re.1/-) traded on the National Stock Exchange and Bombay Stock Exchange, during the financial year 2014 – 15 is furnished below:

(Rs. per share)

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
April '14	20.30	20.20	18.10	17.65	October ' 14	22.40	22.70	19.50	18.20
May '14	24.50	24.50	17.20	17.15	November '14	23.10	23.20	19.80	19.55
June '14	28.30	28.25	22.55	22.20	December '14	23.95	24.15	20.20	20.50
July '14	25.15	25.15	20.25	20.25	January '15	24.95	25.40	22.10	22.25
August '14	23.05	23.00	16.70	18.50	February'15	23.50	23.10	19.50	19.15
Sept '14	23.20	24.00	19.75	19.70	March' 15	20.50	21.50	17.45	17.35



Registrar /Transfer Agents/ : Integrated Enterprises (India) Ltd

Depository Registrars Kences Towers, 2nd Floor, 1,Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017. Tel : 28140801 to 03 : Fax : 28142479

Share Transfer System: The shares of the Company are included in the list of shares under the compulsory dematerialization and are transferable through the depository system. All documents received for physical transfer of shares are processed by the Registrar and Transfer Agents and are approved by the Stakeholders' Relationship Committee which normally meets twice / once in a month depending on the volume of transfers. Share transfers are registered and returned within a maximum of 30 days from the date of lodgment, if documents are complete in all respects.

Distribution of Shareholding and shareholding pattern as on 31.03.2015:

a. By number of Shares held:

No of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
Upto 5000	22,233	94.24	1,34,21,998	11.84
5001 – 10000	629	2.66	45,48,341	4.01
10001 – 20000	311	1.32	44,57,561	3.93
20001 – 30000	136	0.58	33,51,869	2.95
30001 – 40000	77	0.33	27,41,060	2.42
40001 – 50000	49	0.21	22,67,402	2.00
50001 – 100000	71	0.30	48,51,402	4.28
100001 and above.	86	0.36	7,77,45,417	68.57
TOTAL	23,592	100.00	11,33,85,050	100.00

b. By ownership:

Name of the Company: K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED.							Shares pledged or otherwise encumbered		
Scrip Code: KCPSUGIND			Quarter ended: 31.03.2014						
(I) Cate gory Code	(II) Category of Share holder	(III) No. of Share holders	(IV) Total No. of Shares [Face Value: Re.1/- per Share]	(V) No. of Shares held in Dematerialised Form	Total No. of shareholding as a percentage of Total No. of Shares				
					(VI) As a % of (A+B)	(VII) As a % of (A+B+C)			
A	Shareholding of Promoter and Promoter Group:								
1	INDIAN								
a.	Individual / Hindu Undivided Family	4	1871310	1871310	1.650	1.650	Nil	Nil	Nil
b.	Central Government / State Govt.	0	0	0	0	0	Nil	Nil	Nil
c.	Bodies Corporate	1	43696656	43696656	38.538	38.538	Nil	Nil	Nil
d.	Financial Institutions / Banks	0	0	0	0	0	Nil	Nil	Nil
e.	Any other (specify)	0	0	0	0	0	Nil	Nil	Nil
	SUB TOTAL A (1)	5	45567966	45567966	40.189	40.189	Nil	Nil	Nil
2	FOREIGN								

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

REPORT ON CORPORATE GOVERNANCE (CONTD.)

a.	Individual (Non-Resident / Foreign)	0	0	0	0	0			
b.	Bodies Corporate	0	0	0	0	0			
c.	Institutions	0	0	0	0	0			
d.	Qualified Foreign Investor	0	0	0	0	0			
e.	Any other (Specify)	0	0	0	0	0			
	SUB-TOTAL A (2)	0	0	0	0	0			
	Total shareholding of Promoter and Promoter Group (A) = A(1)+A(2)	5	45567966	45567966	40.189	40.189			

(I) Category Code	(II) Category of Share holder	(III) No. of Share holders	(IV) Total No. of Shares [Face Value: Re.1/- per Share]	(V) No. of Shares held in Dematerialised Form	Total No. of shareholding as a percentage of Total No. of Shares	
					(VI) As a % of (A+B)	(VII) As a % of (A+B+C)
B	PUBLIC SHAREHOLDING					
1	Institutions					
a.	Mutual Funds / UTI	6	11220	4750	0.010	0.010
b.	Financial Institutions / Banks	12	43652	22312	0.038	0.038
c.	Central Government / State Govt.	0	0	0	0.000	0.000
d.	Venture Capital Funds	0	0	0	0.000	0.000
e.	Insurance Companies	0	0	0	0.000	0.000
f.	Foreign Institutional Investors	1	500	0	0.000	0.000
g.	Foreign Venture Capital Investors	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0
i.	Any Other (specify)	0	0	0	0	0
	SUB TOTAL B (1)	19	55372	27062	0.049	0.049
2	Non-Institutions					
a.	Bodies Corporate (Indian / Foreign / Overseas)	338	16214541	6249141	14.300	14.300
b.	Individuals (Resident / NRI / Foreign National)					
(i).	Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	23089	33631137	27228458	29.661	29.661
(ii).	Individual shareholders holding Nominal Share Capital above Rs.1 lakh.	69	17799135	16130805	15.698	15.698
c.	Qualified Foreign Investor	0	0	0	0.000	0.000
d.	Any other					
(i).	Clearing Member	69	85129	85129	0.075	0.075
(ii).	Limited Liability Partnership	1	3000	3000	0.003	0.003
(iii).	Trust	2	28770	28770	0.025	0.025
	SUB TOTAL B (2)	23568	67761712	49725303	59.762	59.762
	Total Public shareholding (B) = B(1)+B(2)	23587	67817084	49752365	59.811	59.811
	TOTAL (A) + (B)	23592	113385050	95320331	100.000	100.000

C.	Shares held by Custodians and against which Depository Receipts have been issued:	NOT APPLICABLE				
	GRAND TOTAL (A) + (B) + (C)	23592	113385050	95320331	100.000	100.000

I (b) Statement Showing Shareholding of Persons belonging to the Category PROMOTER AND PROMOTER GROUP Quarter ended 31.03.2014

No. (I)	Name of the Shareholder (II)	No. of Shares (III)	Shares as percentage of Total No. of Shares (i.e. Grand Total (A) + (B) + (C) indicated in statement at para I(a) above) (IV)	Shares pledged or otherwise encumbered		
				Number (V)	As a % (VI) = (V) / (III) * 100	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)(VII)
1	Smt Irmgard Velagapudi	1435780	1.266	Nil	Nil	Nil
2	Durgamba Investment Private limited	43585656	38.440	Nil	Nil	Nil
3	Smt Kiran Velagapudi	255020	0.225	Nil	Nil	Nil
4	Smt Irmgard Velagapudi	147500	0.130	Nil	Nil	Nil
5	Sri Vinid R Sethi	33010	0.029	Nil	Nil	Nil
	TOTAL	45567966	40.189	Nil	Nil	Nil

I (c) Statement showing Shareholding of Persons belonging to the Category PUBLIC HOLDING MORE THAN 1% of the Total Number of Shares

No.	Name of the Shareholder	No. of Shares	Shares as percentage of Total No. of Shares (i.e. Grand Total (A) + (B) + (C) indicated in statement at para I(a) above)			
1	Chinmay G Parikh	1313520	1.158			
2	V.R.K. Grandsons Investment Pvt. Ltd.	9578330	8.448			
	Total	10891850	9.606			

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

1	V.R.K. Grandsons Investment Pvt. Ltd.	9578330	8.448			
	Total	9578330	8.448			

I (d) Statement showing details of locked-in shares Quarter Ended 31.03.2014

Sl. No.	Name of the Shareholder	No. of locked-in shares	Shares as percentage of Total No. of Shares (i.e. Grand Total (A) + (B) + (C) indicated in statement at para I(a) above)			
	NOT APPLICABLE					

(II) (a) Statement showing details of Depository Receipts (DRs)

Sl No	Type of outstanding DR (ADRs, GDRs) AND SDRs etc)	No of outstanding DRs	No. of shares underlying outstanding DRs	Shares underlying outstanding DRs as percentage of total No. of shares (ie. Grand Total (A+B+C) indicated in statement at para 1 (a) above)
	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil
	Held by Promoter / Promoter group	N.A	N.A	N.A
	Held by Public	N.A	N.A	N.A
	Total	N.A	N.A	N.A

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Outstanding Convertible Securities	No of outstanding convertible securities	As a % of total No. of outstanding convertible securities	As a % of total No. of shares of the Company, assuming full conversion of the convertible securities
Held by Promoter / Promoter group	N.A	N.A	N.A
Held by Public	N.A	N.A	N.A
Total	N.A	N.A	N.A
Warrants	No of warrants	As a % total No. of warrants	As a % of total No. of shares of the Company, assuming full conversion of warrants
Held by Promoter / Promoter group	N.A	N.A	N.A
Held by Public	N.A	N.A	N.A
Total	N.A	N.A	N.A
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities	N.A	N.A	N.A

• Shares in Physical and Electronic form:

Shareholders in	No. of Shareholders	(%)	No. of Shares	%
Physical Mode	4,004	16.97	1,80,64,719	15.93
- Sub-Total	4,004	16.97	1,80,64,719	15.93
Electronic Mode:				
- NSDL	14,030	59.47	8,43,47,689	74.39
- CDSL	5,558	23.56	1,09,72,642	9.68
- Sub-Total	19,588	83.03	9,53,20,331	84.07
GRAND TOTAL	23,592	100.00	11,33,85,050	100.00

The Company has not so far issued any GDRs/ADRs/Warrants or any other convertible instruments.

Top ten individual shareholders of the Company other than Promoter category as on 31.03.2015:

Sl. No	Name of the Shareholder	Shares	% to Capital
1	Chinmay G Parikh	1313529	1.16
2	Padmini Rajan	888000	0.78
3	Haroon Mahmud Adam	885000	0.78
4	Sakunthala Devi Boppana	870100	0.77
5	Boppana Vinay Kumar	855250	0.75
6	Koganty Srihari Rao	541113	0.48
7	Rani S.B.	509060	0.45
8	Diwan Bahadur PSG Rangaswamy Naidu	468270	0.41
9	Bharadhwajan V.J.	493088	0.44
10	Vivek Kumar	330000	0.29
	Total	7153410	6.30

• Unclaimed Shares

In accordance with clause 5A(II) of the Listing Agreement and SEBI Circular No. CIR/CFD/10.2010 dt. 16.12.2010, the Company has identified 205 folios comprising of 2,35,960 equity shares of face value of Re.1/- each, which were unclaimed as on 31.03.2014. The Company had sent reminders in accordance with the said clause in the financial year in the financial year 2011-12, 2012-13 and 2013-14. One Claims for remat for 230 shares was received during the financial year 2014-15 and remat requests was processed and the aggregate unclaimed No. of folios were 204 and unclaimed No. of shares as on 31.03.2015 were 2,35,730. The voting rights in respect of these unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

The status as on 31.03.2015 is as under:

Particulars of Unclaimed shares	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01-04-2014 shares in the suspense account lying as on 01-04-2014	205	2,35,960
Number of shareholders who approached the company for transfer of shares from suspense account during the period	1	230
Number of shareholders to whom the shares were transferred from the suspense account during the period	1	230
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31-03-2015	204	2,35,730

- Plant Locations**

The Company has got Sugar, Distillery, Ethanol, Biotech, Incidental Cogeneration, CO₂, Calcium Lactate units at Vuyyuru; Sugar and Incidental Cogeneration units at Lakshmipuram, both in Krishna District and all of them in Andhra Pradesh.
- Address for Correspondence**

Shareholders correspondence should be addressed to Registrar and Share Transfer Agents at the address mentioned above. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Shri.S.Chidambaram, General Manager (Finance) & Company Secretary at the Registered Office of the Company for any assistance.

Tel.Nos. 28555171 – 76 Extn: 117

E-mail id: kcpsugar@vsnl.com. An exclusive e-mail ID investorservices@kcpsugar.com has been created for registering investors complaints.

For and on behalf of the Board of Directors

Place : Chennai
Date : 29.05.2015

VINOD R. SETHI
EXECUTIVE CHAIRMAN

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, this is to confirm that the Members of the Directors as well as the Employees in the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31.03.2015.

For K.C.P.Sugar and Industries Corporation Limited

Place : Chennai
Date : 29.05.2015

IRMGARD VELAGAPUDI M. RAO
MANAGING DIRECTOR

COMPLIANCE CERTIFICATE

To

THE MEMBERS OF

K.C.P.SUGAR AND INSUTRIES CORPORATION LTD,
CHENNAI.

We have examined the compliance of the conditions of Corporate Governance by K.C.P. Sugar and Industries Corporation Ltd, for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing agreement of the company entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, during the aforesaid year, complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that, as at 31st March, 2015, no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company and produced for our verification.

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

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

K.V.N.S Kishore
Partner
(M. No. 206734)

Place : Chennai.
Date : 29-05-2015

INDEPENDENT AUDITOR'S REPORT

To the members of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in Para 3 and 4 of the said Order.

- 2) As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the afore said standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED on the standalone financial statements for the year ended 31st March 2015, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Material discrepancy noticed between book balance and physical assets of fixed assets have been properly dealt with in the books of accounts.
- (ii) (a) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii) (a) and (b) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with respect to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, in respect of undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities except Purchase tax - refer Note 43 to the financial statements. As explained to us, the Company didn't have any dues on account of Employee's State Insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company doesn't have any accumulated losses at the end of the financial year and has incurred cash losses in the current financial year and no such cash losses in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on the Company or any instances of fraud by the Company noticed or reported during the year, nor have we been informed of such cases by the management.

Place : Chennai.
Date : 29-05-2015

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

K.V.N.S Kishore
Partner
(M. No. 206734)

BALANCE SHEET AS AT 31ST MARCH, 2015

AMT IN RS.					
Particulars	Note No.	As at end of current reporting period 31.03.2015		As at end of previous reporting period 31.03.2014	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2	113385050		113385050	
(b) Reserves & Surplus	3	2028362038		2242796416	
			2141747088		2356181466
2. Non - current liabilities					
(a) Long term borrowings	4	537504000		479876000	
(b) Deferred tax liabilities (Net)	5	55896443		169676439	
(c) Other long term liabilities	6	6236098		6562944	
(d) Long term provisions	7	39434932		40273832	
			639071474		696389215
3. Current Liabilities					
(a) Short term borrowings	8	452488218		392278404	
(b) Trade payables	9	970545504		980590394	
(c) Other current liabilities	10	233552112		238988341	
(d) Short term provisions	11	23264321		147789325	
			1679850154		1759646464
TOTAL			4460668716		4812217145
II ASSETS					
1. Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	12	1047749162		1051439552	
(ii) Capital work in progress	13	6647738		67394155	
(iii) Intangible assets under development		16939853		13045962	
		1071336753		1131879669	
(b) Non - current investments	14	397917269		343583442	
(c) Long term loans and advances	15	5762543		5794453	
			1475016565		1481257564
2. Current Assets					
(a) Inventories	16	2402880965		2807429705	
(b) Trade receivables	17	228206536		206712499	
(c) Cash and Bank balances	18	109399818		108702451	
(d) Short term loans and advances	19	245164832		208114926	
			2985652151		3330959581
TOTAL			4460668716		4812217145

The note nos. 1 to 48 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.

Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.V.N.S. KISHORE

Partner
M.No. 206734

Chennai
29.05.2015

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

V. KIRAN RAO
Executive Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

AMT IN RS.					
	Particulars	Note No.	For the current reporting period 2014-15		For the previous reporting period 2013-14
I	Revenue from Operations	20	5155216114		4432956894
	Less: Inter Divisional Transfers		1080491404		930390358
			4074724710		3502566536
	Less: Excise duty		129575234		108636497
				3945149476	3393930039
II	Other Income	21	89369164		69089398
III	Total revenue (I + II)		4034518640		3463019437
IV	Expenses				
	Cost of materials consumed	22	3395240682		3099734901
	Less: Inter Divisional Transfers		226054106		163232023
				3169186576	2936502878
	Changes in inventories of work in progress and stock in trade	23	(12924841)		(27026990)
	Changes in inventories of finished goods		413860834	400935993	(616954751)
	Employee benefits expense	24		319750161	(643981741)
	Finance costs	25		42137582	400386354
	Depreciation	12		103106548	45547308
	Other expenses	26		274826788	110940205
	Total Expenses			4309943648	280845881
V	Profit before tax (III-IV)			-275425008	3130240885
VI	Tax expense:				332778552
	(1) Current tax		-		87500000
	(2) Deferred tax		(113779995)		(31516122)
	(3) Tax relating to earlier years		84502		150183
				-113695493	56134061
VII	Profit for the year			-161729515	276644491
VIII	Earning per equity share:				
	Basic & Diluted			-1.43	2.44

The note nos. 1 to 48 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board of Directors

For **B.PURUSHOTTAM & CO.**

Chartered Accountants

FRN 002808S

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.V.N.S. KISHORE

Partner

M.No. 206734

Chennai

29.05.2015

R.GANESAN

Chief Financial Officer

S.CHIDAMBARAM

General Manager (Finance) &
Company Secretary

V. KIRAN RAO

Executive Director

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**a. GENERAL**

The Financial statements have been prepared in accordance with the Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

b. FIXED ASSETS

- i. Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses upto the date of putting them to use.
- ii. Intangibles will be amortized over a period of five years.
- iii. Cenvat Credit availed on acquisition of Fixed Assets is reduced from the cost of the concerned assets.

c. DEPRECIATION

Depreciation is provided under straight line method except in respect of assets appearing in the books of the Registered Office of the Company, which are depreciated under written down value method, in accordance with the rules prescribed under part "C" of Schedule II to the Companies Act, 2013. Assets costing less than Rs.5000/- are depreciated within the year of acquisition.

d. INVESTMENTS

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments are stated at the lower of cost or market value.

e. INVENTORIES

- i) Finished goods are valued as follows and increased by Excise Duty thereon as applicable.
 - All finished goods are valued at lower of weighted average cost or net realisable value.
 - Molasses, a by product is valued at estimated net realisable value.
- ii) Stock of Scrap is not valued and therefore not recognised in the accounts. Sale of Scrap, as and when made, is accounted for.
- iii) Crops under cultivation are valued at cost.
- iv) Work in progress is valued at lower of weighted average cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.
- v) Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realisable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

f. SALES AND OTHER EARNINGS

- i) Sales are inclusive of excise duty, freight, insurance etc. recovered thereon.
- ii) Power generated in Power Plant Units and supplied to the other units of the Company is accounted for at the rate at which the Company purchases power from APSEB.

g. FOREIGN EXCHANGE TRANSACTIONS

- i) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.
- ii) At each Balance Sheet date
 - foreign currency monetary items are reported using the rate of exchange on that date
 - foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

iii) In respect of forward exchange contracts in the nature of hedges

- Premium or discount on the contract is amortised over the term of the contract,
- Exchange differences on the contract are recognized as profit or loss in the period in which they arise

h. RESEARCH AND DEVELOPMENT EXPENDITURE

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charged off to revenue, in the year in which such expenditure is incurred.

i. EMPLOYEE BENEFITS

(i) Long-term Employee Benefits

(a) Defined Contributions Plans

The Company has Defined Contribution Plans for post employment benefits for employees in the form of Superannuation Fund which is recognised by the Income Tax authorities and administered through Trustees and Life Insurance Corporation of India (LIC) and Provident Fund for all employees. These plans constitute insured benefits, as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as incurred

(b) Defined Benefit Plans

(i) **Gratuity** - The Company has Defined Benefit Plan for post employment benefit for all employees in the form of Gratuity. For certain employees the post employment benefits in the form of Gratuity is funded with Life Insurance Corporation of India, which is recognised by the Income Tax authorities and administered through Trustees. Liability for Defined Benefit Plan is provided on the basis of valuation carried out by LIC of India with regard to the employees for whom the same is funded with LIC. In the case of other employees, the same is provided on the basis of the valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method.

(ii) **Leave Encashment** – Entitlement to annual leave and sick leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves at each Balance Sheet date and the same is charged to revenue accordingly.

j. TAXATION

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

k. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

l. IMPAIRMENT OF ASSETS

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in

carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

m. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Amt. in Rs.

Particulars	Number	As at end of current reporting period 31-03-2015	Number	As at end of previous reporting period 31-03-2014
2. SHARE CAPITAL				
Authorised :	25,00,00,000	250000000	25,00,00,000	250000000
Equity shares of Re.1 /- each		250000000		250000000
Issued, Subscribed and Paid-up:				
Equity shares of Re.1 /- each	113385050	113385050	113385050	113385050
		113385050		113385050
Reconciliation of No. of. Shares				
At the beginning of the reporting period	113385050	113385050	113385050	113385050
Changes during the year	-	-	-	-
At the closing of the reporting period	113385050	113385050	113385050	113385050
Rights, Preferences and restrictions attached to shares				
The company has one class of equity shares having a par value of Re.1/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding, however no such preferential amounts exist currently.				
Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
a. Durgamba Investments Private Limited	43696656			43585656
	38.54%			38.44%
b. V.R.K. Grandsons Investments Pvt Ltd.	9578330			9578330
	8.45 %			8.45 %

3. RESERVES & SURPLUS

Particulars	Capital redemption reserve	Investment allowance reserve utilised	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period 01-04-2014	15545110	4505000	1160000000	1062746306	2242796416
Transferred from/to Profit & Loss Account				161729515	161729515
Depreciation on assets *			39058105		39058105
Proposed Dividends				11338505	11338505
Provision towards dividend distribution tax				2308253	2308253
At the close of the reporting period 31-03-2015	15545110	4505000	1120941895	887370033	2028362038
At the close of the previous reporting period	15545110	4505000	1160000000	1062746306	2242796416

* Note: Transitional effect on account of recomputation of depreciation on various assets in terms of Part " C " of schedule II of The Companies Act, 2013

Amt in Rs.		
Particulars	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
4. Long term Borrowings		
Secured Loans:		
Term Loan from Bank (Refer Note No.42) (Secured by exclusive first charge on the entire movable fixed assets of the company, present and future and further by a second charge on the entire current assets of the company present and future. The loan was availed in March & April 2014 and the loan duration is five years including two years moratorium.)	286800000	215100000
Unsecured		
Fixed Deposits	250704000	264776000
	537504000	479876000
5. Deferred tax liabilities (Net)		
(a) Deferred tax liability: On account of depreciation on fixed assets	171400484	200294868
(b) Deferred tax asset: On account of timing differences in recognition of expenditure	115504041	30618429
Net Deferred tax liability	55896443	169676439
6. Other Long term liabilities		
Interest accrued but not due on fixed deposits	6236098	6562944
7. Long term Provisions		
Provision for employee benefit	39434932	40273832
8. Short term Borrowings		
Secured Loans:		
a) Loans repayable on demand - from banks Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a third charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmiapuram.	372760218	301146404
Unsecured Loans:		
b) Fixed Deposits maturing within one year.	79728000	91132000
	452488218	392278404
9. Trade Payables		
a) To Micro, Small and Medium Enterprises	-	-
b) Trade payables to Suppliers and service providers	970545504	980590394
	970545504	980590394
Note: The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given.		

Amt in Rs.

Particulars	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
10. Other current liabilities:		
a) Interest accrued but not due on borrowings	28378946	25659417
b) Advances received from customers	1524883	5290152
c) Unpaid dividends	14007355	12295554
d) Unpaid matured deposits and interest accrued thereon	5721792	7696340
e) Statutory Liabilities (Refer Note no. 43)	158377245	103603284
f) Outstanding Liabilities for Expenses	19032324	79269337
g) Earnest Money and Other Deposits	6509567	5174257
	233552112	238988341
11. Short term provisions:		
a) Provision for employee benefits	9617563	11986960
b) Provision for Dividend	11338505	96377293
c) Provision for tax on distributed profits	2308253	16379321
d) Provision for Income Tax (Net of Advance Tax)	-	23045751
	23264321	147789325
13. Capital work in progress:		
a) Plant and Machinery	82281	48201395
b) Building under Construction	6565457	19192760
	6647738	67394155

NOTES TO FINANCIAL STATEMENTS (CONTD.)



12. FIXED ASSETS

Description	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		Amt in Rs.
	Cost upto 31.03.2014	Additions during the Year	Deductions during the Year	Cost upto 31.03.2015	Upto 31.03.2014	For the Year	Adjusted against General Reserve *	On Deductions	upto 31.03.2015	As at 31.03.2015		As at 31.03.2014
Lands	85229260	-	-	85229260	-	-	-	-	-	85229260	85229260
Buildings											
Own Buildings	304271903	27309180	-	331581083	73590815	12351217	7082538	-	93024570	238556513	230681090
Leasehold Buildings	112189	-	-	112189	112189	-	-	-	112189	-	-
Plant & Machinery	1775959485	102722878	28354580	1850327783	1096023443	76025215	26336239	24287092	1174097805	676229978	679936042
Tramways & Railways Sidings	23097214	-	-	23097214	13653050	859752	7187	-	14519989	8577225	9444164
Furniture and Fixtures	8635442	1159776	59349	9735869	5340749	768401	1184935	56382	7237703	2498166	3297594
Vehicles	74639220	5277234	3896322	76020132	46506460	6973534	496680	3782749	50193925	25826207	28132760
Computers, Office Equipments	69692546	6190224	70200	75812570	54971002	6128429	3950526	69200	64980757	10831813	14718642
TOTAL	2341637259	142659292	32380451	2451916100	1290197708	103106548	39058105	28195423	1404166938	1047749162	1051439552
PREVIOUS YEAR	2339754551	10721111	8838402	2341637260	1187673799	110940205	-	8416296	1290197708	1051439552	1152080752

Note 1) Titles in Land and other Immovable Properties acquired from The K.C.P. Limited pursuant to the Scheme of Arrangement, are in the process of endorsement in the name of the Company.

2) Land measuring 6.55 acres acquired at a cost of Rs. 12,95,880/- is pending formal transfer of title in the name of the Company.

* Note : Transitional effect on account of recomputation of depreciation on various assets in terms of Part "C " of schedule II of The Companies Act, 2013

14. Non Current Investments		Amt in Rs.							
Sl. No.	Name of the Company	Opening Balance as on 01.04.2014		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2015	
		No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value
	Long Term Investments - at cost								
i)	Trade (unquoted)								
	Equity Shares in Subsidiaries								
	The Eimco - K.C.P. Ltd.	600000	6000000					600000	6000000
	(Including 10 shares held by the nominees of the company)								
	KCP Sugars Agricultural Research Farms Limited	2250000	22500000					2250000	22500000
	(Including 6 shares held by the nominees of the company)								
ii)	Others (Quoted)								
	Investments in Equity Shares								
1	Krishna Industrial Corporation Ltd.	52501	500010					52501	500010
2	Jeypore Sugar Company Ltd.	16580	821936					16580	821936
3	Nava Bharat Ventures Ltd.	40	205					40	205
	(Face value of Rs.2/- each)								
4	Bajaj Hindustan Ltd.	1000	5601					1000	5601
	(Face value of Re.1/- each)								
5	Balrampur Chini Mills Ltd.	1000	9146					1000	9146
	(Face value of Re.1/- each)								
6	Bannari Amman Sugars Ltd.	50	2547					50	2547
7	The Dhampur Sugar Mills Ltd.	100	6013					100	6013
8	Kothari Sugars And Chemicals Ltd.	5	50					5	50
9	Oswal Sugars Ltd.	100	404					100	404
10	Sakthi Sugars Ltd.	50	815					50	815
11	Thiru Arooran Sugars Ltd.	100	7326					100	7326
12	Simbhaoli Sugars Ltd.	100	1026					100	1026
13	Eid Parry (I) Ltd.	1000	7486					1000	7486
	(Face value of Re.1/- each)								

14. Non Current Investments (Continued)

Sl. No.	Name of the Company	Amt in Rs.					
		Opening Balance as on 01.04.2014		Purchased during the year		Sold during the year	
		No of Shares	Value	No of Shares	Value	No of Shares	Value
14	Jubilant Life Science Ltd. (Face value of Re.1/- each)	1600	11268	-	-	-	11268
15	Jubilant Industries Ltd (Face value of Re.1/- each)	80	-	-	-	-	-
16	The Andhra Sugars Ltd	100	2348	-	-	-	2348
17	Avon Organics Ltd	100	5580	-	-	-	5580
18	Citric India Ltd (Pending registration of transfer)	100	790	-	-	-	790
19	Indian Sucrose Ltd. (formerly Lactose (I) Ltd.)	100	680	-	-	-	680
20	Coromandel International Ltd. (Face value of Re.1/- each)	330	-	-	-	-	-
21	Automotive Stampings and Assemblies Ltd.	2000	208814	-	-	2000	208814
22	Blue Star Ltd. (Face value of Rs.2/- each)	95268	33797537	-	-	-	33797537
23	Gujarat Gas Company Ltd. (Face value of Rs.2/- each)	35897	12228450	36397	23802233	35897	12228450
24	Indraprastha Gas Ltd.	184035	75150828	17950	7009363	-	82160191
25	ISMT Ltd.	131500	5543806	-	-	131500	5543806
26	Yuken India Ltd.	60033	10117862	54252	14135907	33981	5727101
27	Container Corporation of India Ltd.	14217	11706404	14217	19248334	14217	11706404
28	Precision Wires India Ltd.	140374	16652453	12500	1448127	-	18100580
29	Savita Oil Technologies Ltd.	79762	41153657	91762	64340734	79762	41153657
30	Axys Health	50000	3250000	-	-	-	3250000
31	Vikas Wsp Ltd. (Face value of Re.1/- each)	1588721	101690400	-	-	-	101690400
32	Engineers India Ltd	-	-	4000	917361	-	917361

NOTES TO FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

14. Non Current Investments (Continued)

Sl. No.	Name of the Company	Amt in Rs.					
		Opening Balance as on 01.04.2014		Purchased during the year		Sold during the year	
		No of Shares	Value	No of Shares	Value	No of Shares	Value
iii)	Other non current investments						
33	Agri Business Finance (AP) Ltd.	50000	500000			50000	500000
34	Sri Sarvaraya Sugars Ltd.	150000	1700000			150000	1700000
	TOTAL		343583442		130902059		397917269
NOTE:							
1	The Face value of the above Equity Shares is Rs.10/- each unless otherwise mentioned.						
2	Aggregate of Quoted Investments - At cost - At market value		312883442				367217269
3	Aggregate of Unquoted Investments at Cost		197888619				276593771
4	Figures in brackets denotes sale value of shares sold		30700000				30700000
5	All investments are long term in nature and therefore diminution in market value is considered as temporary and hence no provision is made.						

Particulars	Amt. in Rs.	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
15. Long term loans and advances:		
Unsecured considered good		
Security Deposits	5762543	5794453
16. Inventories:		
a) Raw materials	433519	475011
b) Work in progress	53699724	41982812
c) Finished goods	2288736527	2702597361
d) Stores and spares	55273634	58844889
e) Crops under cultivation	4737561	3529632
	2402880965	2807429705
Note : i) For mode of valuation refer Note No.1, para "e".		
17. Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	10030632	6029101
b) Doubtful	3590987	3590987
ii) Others - Unsecured considered good	218175904	200683398
	231797523	210303486
Less: Provision for doubtful debts	3590987	3590987
	228206536	206712499
18. Cash and Bank balances :		
i) Cash and cash equivalents:		
a) Balances with Banks		
- in Current accounts	52365099	57807593
b) cash on hand	1832418	1534070
ii) Other balances with Bank		
a) - in unpaid dividend accounts and unclaimed interest warrants	19729146	17829893
b) - in margin money security for borrowings guarantees and other commitments	35473155	31530895
	109399818	108702451
19. Short term loans and advances:		
Unsecured considered good		
a) Advances to suppliers and service providers (Refer Note no. 42)	221760864	194382702
b) Advances to employees	1011904	1688721
c) Advance taxes duties etc (Net)	22392064	12043503
	245164832	208114926

Particulars	For the current reporting period 2014 - 15	For the previous reporting period 2013 - 14
20. Revenue from operations:		
i) Sale of products		
Sugar	3306890127	2851366866
Molasses	349245716	229600203
Bagasse	523797767	491372219
Industrial Alcohol	349055111	256518379
Bio Fertilizer	58819598	61729076
Electrical Energy	182717172	188050404
Steam	339570648	310674428
Others	45119975	43645319
Total	5155216114	4432956894
Less: Inter Divisional Transfers	1080491404	930390358
	4074724710	3502566536
Less: Excise duty	129575234	108636497
	3945149476	3393930039
21. Other Income:		
a) Interest income	3280361	4608188
b) Dividend Income		
- from long term investments	4097150	6078901
- from current investments	21799698	30745283
c) Rent Received	6233414	5938976
d) Miscellaneous Receipts	13929923	14530415
e) Profit on sale of fixed assets (Net)	860217	1238277
f) Net gain/(loss) on sale of long term investments	33989934	-
g) Unclaimed Balance credited back	582531	-
h) Claims Received	1026844	2369161
i) Provision no longer required withdrawn	3569092	3580197
	89369164	69089398
22. Cost of materials consumed:		
a) i) Consumption of raw materials	3285902327	2987459846
Less: Inter Divisional Transfers	226054106	163232023
	3059848221	2824227823
ii) Consumption of stores and spare parts	109338355	112275055
	3169186576	2936502878
b) Consumption of major raw materials		
Sugarcane	3032892660	2804308068

Particulars	For the current reporting period 2014 - 15	For the previous reporting period 2013 - 14
23. Changes in inventories of finished goods work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress		
a) Sugar	44947181	39819116
b) Molasses	5321935	-
c) Industrial Alcohol / Anhydrous Alcohol	1957357	-
d) Bio Fertilizer	1059858	937140
e) Calcium Lactate	413393	497901
f) Crops under cultivation	4737561	4258287
Total	58437285	45512444
ii) Finished goods		
a) Sugar	2028368022	2465036264
b) Molasses	208470180	178992539
c) Industrial Alcohol / Anhydrous Alcohol	47198962	53692668
d) Bio Fertilizer	4204292	1682001
e) Calcium Lactate	495071	3193889
Total	2288736527	2702597361
Grand Total	2347173812	2748109805
Less:		
Stocks at the beginning of the year		
i) Work in progress		
a) Sugar	39819116	9794775
b) Bio Fertilizer	937140	1106755
c) Calcium Lactate	497901	585000
d) Crops under cultivation	4258287	6998924
Total	45512444	18485454
ii) Finished goods		
a) Sugar	2465036264	1950711916
b) Molasses	178992539	99333676
c) Industrial Alcohol / Anhydrous Alcohol	53692668	28590269
d) Bio Fertilizer	1682001	1980650
e) Calcium Lactate	3193889	5026099
Total	2702597361	2085642610
Grand Total	2748109805	2104128064
Changes in work in progress (a)	(12924841)	(27026990)
Changes in Finished Goods (b)	413860834	(616954751)
Changes in inventories (a) + (b)	400935993	(643981741)
24. Employee Benefit Expenses:		
a) Salaries and wages	254178247	291272838
b) Contribution to provident and other funds	28437472	50333425
c) Remuneration to whole time directors	11120445	33018829
d) Staff welfare expenses	26013997	25761262
	319750161	400386354

Particulars	For the current reporting period 2014 - 15	For the previous reporting period 2013 - 14
25. Finance Costs:		
a) Interest expense	39868556	38752720
b) Other borrowing costs	2269026	6794588
	42137582	45547308
26. Other Expenses:		
a) Power and fuel	874225690	786305800
Less: Inter Divisional Transfers	854437298	767158335
	19788392	19147465
b) Rent	205631	146847
c) Repairs to buildings	18496092	15884785
d) Repairs to machinery	113853782	118797398
e) Repairs others	8639751	8861267
f) Insurance	3178187	3382058
g) Payment to the auditors		
- as auditor	365170	365170
- for other services	213484	213484
- for reimbursement of expenses	44944	71236
h) Selling expenses	28993260	23273004
i) Donations	6901450	200000
j) Corporate Social Responsibility Expenditure (CSR) (Refer Note No.45)	1500000	-
k) Legal and professional charges	5058358	5487561
l) Directors sitting fees	1220000	1140000
m) Remuneration to non whole time directors - Commission	-	836164
n) Miscellaneous expenses	66368287	83039442
	274826788	280845881

27. Contingent liabilities:**Contingent Liabilities:**

Claims against the company not acknowledged as debts:

PARTICULARS	31.03.2015	31.03.2014
	Amount – Rs.	
Share transmission	11,05,851	11,05,851
Labour cases	30,26,987	29,50,596
Case on Duty relating to Captive Power Generation	2,61,69,375	2,61,69,375
TOTAL	3,03,02,213	3,02,25,822

Outstanding Guarantees furnished by banks on behalf of the company is Rs.3,13,30,438/-

(Rs. 1,38,99,438/-)

28. Outstanding dues to Micro, Small and Medium Enterprises

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the Act have not been given.

29. Disclosure under Accounting standard 15 (AS 15):

Employee Benefits:

Defined benefit plans		Amt in Rs				
	Gratuity	2014-15	2013-14	2012-13	2011-12	2010-11
(I) Change in Benefit Obligation						
Liability at the beginning of the year		128549667	108992000	100909306	91135575	81597380
Interest Cost		10392138	8698550	8030395	7249640	6479760
Current Service Cost		6163882	5293887	4718940	4026285	4014320
Benefits Paid		-11789273	6844128	6626500	4833824	3569470
Actuarial (gain)/loss on obligations		-1137315	12409358	1959860	3331629	2613585
Liability at the end of the year		132179099	128549667	108992001	100909305	91135575
(II) Fair value of Plan Assets						
Fair value of plan assets at the beginning of the year		104372978	96844207	87867452	78505406	58319551
Expected Return on Plan Assets		9272113	8370698	8008411	7109714	6123308
Contributions		11578850	6002199	6515340	5852945	17516632
Benefit Paid		-11789273	6844128	6626500	3783479	3454085
Fair Value of plan assets at the end of the year		113434668	104372976	95764703	87684586	78505406
(III) Actual Return on Plan Assets						
Expected Return on Plan Assets		9272113	8370698	8008411	7109714	6123308
Actual Return on Plan Assets		9272113	8370698	8008411	7109714	6123308
(IV) Amount Recognised in the Balance Sheet						
Liability at the end of the year		132179099	128549667	108992001	100909305	91135575
Fair value of Plan Assets at the end of the year		113434668	104372978	96844207	87684586	78505406
Difference (Funded Status)		18744431	24176689	12147794	13224719	12630169
Amount Recognised in the Balance Sheet		18744431	24176689	12147794	13224719	12630169
(V) Expenses Recognised in the Income Statement						
Current Service Cost		6163882	5293887	4718940	4026285	4014320
Interest Cost		10392138	8698550	8030395	7249640	6479760
Expected Return on Plan Assets		-9272113	-8370698	8008411	7109714	6123308
Net Actuarial (Gain)/ loss to be recognised		-1137315	12409358	1959860	3331629	2613585
Expenses Recognised in P & L		6146592	18031097	6700784	7497840	6984357
(VI) Actuarial Assumptions : For the Year						
Discount Rate Current		8.00%	8.00%	8.00%	8.00%	8.00%
Salary Escalation Current		6.00%	6.00%	7.00%	7.00%	7.00%
Expected rate of return on plan assets		9.30%	9.30%	9.30%	9.30%	9.30%

Provident fund:

The Company manages Provident fund plan through a Provident Fund Trust for its employees, which is permitted under The Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer & employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The Guidance Note on implementing AS-15, Employee Benefits(revised 2005) issued by the Accounting Standard Board (ASB) states that provident fund set up by employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed inability to reliably measure the Provident fund liability. However, there is no deficit in the fund in this regard.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

30. Details of provisions made in the accounts are:

Description	At the beginning of the year	Addition.	Used	At the end of the year
	Rs.	Rs.	Rs.	Rs.
Provision for leave encashment	28084103	9486564	7262603	30308064
Provision for gratuity	24176689	5985330	11417589	18744430
Proposed Dividend	96377293	11338505	96377293	11338505
Tax on Proposed Dividend	16379321	2308253	16379321	2308253
Total	165017406	29118652	131436806	62699252

31. Disclosure required by Clause 32 of the Listing Agreement:

Loans and Advances to Subsidiary Companies	Outstanding as at Rs.		Maximum amount outstanding during the year ended - Rs.	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
The Eimco-K.C.P.Ltd.	NIL	NIL	NIL	NIL
KCP Sugars Agricultural Research Farms Ltd.	NIL	NIL	85748	782375

32. Sale of Products and Services (including Excise Duty)

PRODUCTS / SERVICES	Units	2014-2015		2013-2014	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1076723	3303701077	916521	2846488616
Molasses	MTs	20557	135312949	15270	81219217
Bagasse	MTs	77589	136167991	90522	151763632
Industrial / Anhydrous Alcohol	BLs	10855781	349055111	7996275	256518379
Bio Fertiliser	Qtls	133185	58819598	162765	61698121
Electrical Energy	Kwh	14546123	56268517	12422300	71506260
Others	-		35399467		33372311
TOTAL			4074724710		3502566536

Note: Sale of Products does not include the following inter unit transfers:

PRODUCTS / SERVICES	Units	2014-2015		2013-2014	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1415	3189050	1740	4878250
Molasses	MTs.	39563	213932767	29682	148380986
Bagasse	MTs.	232325	387629776	214011	339608587
Electrical energy	KWH	23591167	126448655	22021267	116544144
Steam	MTs.	407303	339570648	380278	310674428
Filter Cake	MTs.	38106	381060	46500	465001
Sugarcane - Agricultural Produce	MTs.	3263	8551229	3362	9507786
Bio Gas	M3	1970547	788219	827941	331176
TOTAL			1080491404		930390358

33. Raw Materials Consumed

PARTICULARS	Units	2014-2015		2013-2014	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar - Sugarcane	MTs	1095339	3032892660	1059851	2804308068
Distillery - Molasses	MTs	39563	241162066	29682	169511900
Others			11847601		13639878
TOTAL			3285902327		2987459846
Less: Inter Divisional Transfers			226054106		163232023
Net Consumption			3059848221		2824227823

34. Opening Stock of Finished Goods

PARTICULARS	Units	As at 01.04.2014		As at 01.04.2013	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	827771	2465036264	690282	1950711916
Molasses	MTs	47908	178992539	43027	99333676
Industrial / Anhydrous Alcohol	BLs	1869516	49510654	2057868	28552515
Bio Fertiliser	Qtls	1448	1682001	2250	1980650
Others			7375903		5063853
Total			2702597361		2085642610

35. Closing Stock of Finished Goods

PARTICULARS	Units	As at 31.03.2015		As at 31.03.2014	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	766578	2028368022	827771	2465036264
Molasses	MTs	39676	208470180	47908	178992539
Industrial / Anhydrous Alcohol	BLs	1640271	47114362	1869516	49510654
Bio Fertiliser	Qtls	3148	4204292	1448	1682001
Others			579671		7375903
Total			2288736527		2702597361

36. Particulars regarding Capacity and Production

PARTICULARS	Capacity			Actual Production	
	Licenced	Installed		2014-2015	2013-2014
	(as certified by the management)				
			Units		
a. Sugar					
(i) Vuyyuru Unit	7500	7500	Qtls	782845	781280
(ii) Lakshmipuram	(Tonnes of Cane crushed per day)		Qtls	234100	274470
	4000	4000			
	(Tonnes of Cane crushed per day)				
b. Molasses (By-Product)			MT's	51888	49833
c. Industrial / Anhydrous Alcohol	50000	50000	BL per day	10623718	7807923
d. Bio Fertiliser			Qtls	134884	161963
e. Electrical Power					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	35518368	31372700
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	5 MW	5 MW	Kwh	7027556	7188760

37. Value of Imports made by the Company during the financial year calculated on C.I.F. basis:

	Particulars	2014 - 2015 Rs.	2013 - 2014 Rs.
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare parts	677981	282928
(iii)	Capital Goods	Nil	Nil

38. Expenditure in Foreign Currency during the financial year on account of:

	Particulars	2014 - 2015 Rs.	2013 - 2014 Rs.
(i)	Foreign Travel	227364	465750
(ii)	Others (Spareparts)	677981	282928

39. Comparison between consumption of Imported and Indigenous raw materials, spare parts and components during the financial year:

	Particulars	2014 - 2015 Rs.	%	2013 - 2014 Rs.	%
a)	Raw Materials:				
i)	Imported	NIL		NIL	
ii)	Indigenous	3059848221	100	2824227823	100
	Total	3059848221		2824227823	

b)	Spare parts and Components: (debited to respective heads)				
i)	Imported	677981	100	282928	100
ii)	Indigenous	199525334	100	209977267	100

40. Related Party Disclosures:

Amt. In Rs.				
(AS REQUIRED UNDER PARAGRAPHS 23 AND 26 OF ACCOUNTING STANDARD 18)				
(A). Names of related parties and description of relationship:				
1.Subsidiaries	a) The Eimco-K.C.PLtd., Chennai, India.			
	b) KCP Sugars Agricultural Research Farms Ltd. Chennai, India.			
2.Key Management Personnel	a) Shri. Vinod R. Sethi, Executive Chairman			
	b) Smt. Irmgard Velagapudi M Rao, Managing Director.			
	c) Smt. V. Kiran Rao, Executive Director.			
	d) Shri. R. Ganesan, Chief Financial Officer			
	e) Shri. S. Chidambaram, GM (Fin.) & Company Secretary			
(B). Transactions During the year				
Particulars	Subsidiaries		Key Management Personnel	
	2014 - 15	2013 - 14	2014 - 15	2013 - 14
Rent Received	270000	270000	1350000	1200000
Remuneration paid to Key Management Personnel			14300445	36068829
Advances given	85748	782375	-	-
Advances received back	85748	782375	-	-
Purchase of Spares	139058	-		
Interest on fixed deposit paid to Key Management Personnel			2811247	3000000
(C). Closing balances as on 31/03/2015				
Party				
(a) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(b) Share Capital held by key Management Personnel.	-	-	1882810	1871310
(c) Fixed deposit held by key Management Personnel.	-	-	30960000	31160000

41. Earnings in Foreign Currency during the financial year on account of:

Particulars	2014 - 2015 Rs.	2013 - 2014 Rs.
NIL	NIL	NIL

42. The Govt. of India, with a view to improve the liquidity position of sugar factories for enabling them to clear cane price arrears of previous sugar seasons if any, and timely settlement of cane price of 2013-14 sugar season relating to the Fair and Remunerative Price (FRP) fixed by the Govt. of India to the sugarcane farmers, notified a scheme namely 'Scheme for Extending Financial Assistance to Sugar Undertaking , 2014 ' vide notification No. 20-90/2013-SP- II dt. 03-01-2014.

In this respect, The Govt. of India has directed the lending commercial banks, to consider providing financial assistance to their sugar mills based on the eligibility criteria with a loan duration of 5 years including 2 years of moratorium. The interest on the said loan will be reimbursed by the Govt. of India up to 12% per annum according to the scheme.

The company has availed the said loan to the tune of Rs.28,68,00,000/- (Refer Note No.4, Long term Borrowings- Secured Loan) based on the eligibility criteria from bank in the month of March & April 2014 for clearing the cane price (FRP) of sugar season 2013-14. The interest paid on this loan to the tune of Rs.3,49,86,498/- has been classified under Note No.19.(a) 'Short term loans and advances – Advances to Suppliers and Service providers as the same is due for reimbursement from Govt. of India.

43. Purchase tax is payable at Rs.60/- per MT. on the sugarcane purchased. In this respect, the Govt. of Andhra Pradesh is used to notify the said levy for every sugar season separately. Considering the financial hardships faced by the sugarcane farmers, the Govt. of Andhra Pradesh has been directing the sugar mills to pay the said tax to the sugarcane suppliers as an 'incentive' instead of paying the same to the Govt. of Andhra Pradesh in the recent years. Contrary to this practice, the notification No.GO RT No.68 dt.07-03-2015 Issued for sugar season 2014-2015 directed the sugar mills to remit such tax to the Government except in the case of Cooperative sugar mills. Aggrieved by the said notification, the private sugar mills represented to the Govt. of Andhra Pradesh through South Indian Sugar Mills Association (SISMA) for reconsideration and extending the facility of paying such tax as 'incentive' to their sugar cane suppliers. The Company is of the firm belief that this representation will be considered favorably and hence, the purchase tax payable on the sugar cane purchased for 2014-15 sugar season up to 31st March 2015 to the tune of Rs.6,39,91,451/- has been classified under Note No.10(e) " Other Current Liabilities :- Statutory Liabilities".
44. The depreciation on various assets, recomputed in accordance with Part 'C' of Schedule II of The Companies Act 2013. Hence, the transitional effect on account of such re-computation, to the extent of Rs.3,90,58,105/- has been adjusted against the opening General Reserve as on 1st April, 2014. (Refer Note No.12)
45. Under Section 135 of The Companies Act, 2013 the company is required to spend Rs.84,87,070/- during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company could spend only Rs.15,00,000/- under the head 'Environmental sustainability', due to the financial downtrend faced by the sugar industries on account of supply far exceeding the demand and consequential fall in sugar prices to un-remunerative levels.

46. **Earnings per share (EPS)** – The numerators and denominators used to calculate Basic and

Diluted Earnings per share

Particulars		2014– 2015 Rs.	2013 – 2014 Rs.
Profit attributable to the Shareholders	A	-161729515	276644491
Basic / Weighted average number of Equity Shares outstanding during the year	B	113385050	113385050
Nominal value of Equity Shares		1.00	1.00
Basic / Diluted Earnings per share	A/B	-1.43	2.44

47. **General :**

Sundry debtors, creditors and loans and advances are subject to confirmation.

Paise have been rounded off.

Figures in brackets indicate those for the previous year.

Figures for the previous year have been regrouped, wherever necessary..

NOTES TO FINANCIAL STATEMENTS (CONTD.)



48. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2015 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

AMT. IN RS.

PARTICULARS	PRIMARY SEGMENT									
	SUGAR		CHEMICALS		POWER & FUEL		OTHERS		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Segment Revenue										
External Revenue	3578271211	3083097714	381365384	286264441	56268517	71506260	58819598	61698121	4074724710	3502566536
Inter Segment Revenue	613683882	502840610	3086151	2748427	463721371	424801321	-	-	1080491404	930390358
Total Revenues	4191955093	3585938324	384451535	289012868	519989888	496307581	58819598	61698121	5155216114	4432956894
2 Segment Results										
Profit before depreciation, finance cost and taxation	(304700984)	326334572	37381321	62727964	108287592	128944854	28851192	26175194	-130180878	544182584
Less : Finance Cost	38074500	41316110	3111132	3074936	466506	479672	485444	676590	42137582	45547308
Less: Depreciation and Amortizations	49605573	59516382	21479936	13622216	27594286	34327447	4426753	3474160	103106548	110940205
Unallocable Expenditure									-	(54916519)
Less : Tax									-113695493	56134061
Total Profit									(161729515)	276644491
Capital Employed										
Segment Assets	3262181513	3682241271	269600495	268968741	269407192	277164409	40166008	44352056	3841355208	4272728477
Unallocable Assets									619313506	539490667
Segment Liabilities	1857936497	1678305370	6875945	7707510	2431591	2792577	3328436	2361733	1870572469	1691167190
Unallocable Liabilities									448349157	764868488
Capital Employed	59815680	20137621	10198336	47997507	4545402	3025074	11247347	687467	2141747088	2356181466
9 Capital Expenditure									85806765	71847668

Note:

- The operations of the Company predominantly relate to manufacture of Sugar,Electrical Energy,Bio Fertilizers and Chemicals comprising mainly Industrial / Anhydrous Alcohol, CO2 and Calcium Lactate
- The Business segments that are disclosed under "Others" comprise Bio Fertilizers and Agricultural Produce.
- Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

ii) Geographical Segment:

Particulars	Current Reporting Period	Previous Reporting Period
Sales within India	4074724710	3502566536
Sales outside India	-	-
Total	4074724710	3502566536

Note: Company does not own or operate any Business outside India.

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

Particulars	Carrying amounts of segment assets		Additions to fixed assets & Intangible assets	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Located in India	4460668716	4812217145	85806765	71847668
Located outside India				
Total	4460668716	4812217145	85806765	71847668

In accordance with our report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.

Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.V.N.S. KISHORE

Partner
(Membership No.206734)

Chennai
29.05.2015

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

V. KIRAN RAO
Executive Director

CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

		Amt. in Rs.	
		2014-2015	2013-2014
A. Cash Flow from Operating Activities:			
Net Profit before tax and Extraordinary Items	(275425008)		332778552
Adjustments for:			
Depreciation	103106548		110940205
Loss/(Profit) on Sale of Assets	(860217)		(1238277)
Provision no longer required withdrawn	(3,569,092)		(3580197)
Dividend Income	(25896848)		(36824184)
Finance Cost	42137582		45547308
Profit on Sale of Investments	(33989934)		-
Interest received	(3280361)	77647678	(4608188)
Operating Profit before Working Capital Changes	(197777330)		443015219
Adjustments for :			
Trade and other Receivables	(46688978)		(5494836)
Inventories	404548740		636909126
Trade Payables	(15447171)		(152778854)
		342412591	478635436
Cash Generated from Operation	144635262		(35620216)
Direct Taxes Paid	34953307		107809932
Cash Flow Before Extraordinary Items	109681955		(143430148)
Extraordinary items	-		-
Net Cash from Operating Activities	109681954		(143430148)
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	142659292		10721111
Investments purchased	130902059		5396971
Increase in Capital Work in Progress	(56852526)		61126558
Sale of Investments	(110558166)		-
Sale of Fixed Assets	(5045245)		(1660383)
Interest Received	(3280361)		(4608188)
Dividend Received	(25896848)		(36824184)
Net Cash Used in Investing Activities	71928205		34151885

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

		Amt. in Rs.
	2014-2015	2013-2014
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(117837814)	(388479940)
Finance cost	42137582	45547308
Dividends and Tax on dividend Paid (Including Interim)	112756614	132654839
Net Cash Used in Financing Activities	37056381	(210277793)
Net Increase in Cash and Cash Equivalents (A-B-C)	697368	32695760
Cash and Cash Equivalents at the beginning of the reporting period	108702451	76006691
Cash and Cash Equivalents at the end of the reporting period*.	109399818	108702451
* Cash and Cash Equivalents include Rs. 1,97,29,146 on account of unpaid dividend and interest warrant lying in various bank accounts.		
In Accordance with our Report attached		For and behalf of the Board of Directors
For B.PURUSHOTTAM & CO. Chartered Accountants FRN 002808S K.V.N.S. KISHORE Partner M.No. 206734 Chennai 29.05.2015		IRMGARD VELAGAPUDI M. RAO Managing Director
R.GANESAN Chief Financial Officer	S.CHIDAMBARAM General Manager (Finance) & Company Secretary	V. KIRAN RAO Executive Director

CERTIFICATE

To

The Members of

K.C.P. Sugar and Industries Corporation Limited

Chennai.

We have examined the attached Cash Flow Statement of K.C.P. Sugar and Industries Corporation Limited, for the year ended 31st March, 2015. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the National Stock Exchange and is based on and in agreement with the corresponding Statement of Profit and Loss Account and Balance Sheet of the Company covered by our Report of 29-05-2015 to the Members of the Company

Place : Chennai

Date : 29th May, 2015.

For B Purushottam & Co.

Chartered Accountants,
FRN 002808S

K.V.N.S. KISHORE

(M.No. 206734)
Partner

Notes :

[illegible]

Notes :

[illegible]



THE EIMCO-K.C.P. LTD

Forty Seventh Annual Report *2014 – 2015*

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M.Rao
Vice Chairperson	Smt. V. Kiran Rao
Directors	Shri. J. Satyanarayana Shri. K.Kalyanaraman
Auditors	B. Purushottam & Co., Chartered Accountants, Flat No.3-D, "Pioneer Homes" 23/A, North Boag Road, T.Nagar, Chennai 600017.
Bankers	Axis Bank Limited Canara Bank Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings", 239, Anna Salai, Chennai 600 006.
Works	11-A, 3 rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Wednesday, 19th day of August 2015 at 09.30 a.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and the Profit and Loss Account for the period ended on that date and consider the Reports of the Directors and Auditors.
- 2 To appoint a Director in place of Smt.V.Kiran Rao, who retires by rotation and is eligible for reappointment.
- 3 To appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 29.05.2015

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 29.05.2015

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their Report for the year ended 31st March 2015 together with the Balance Sheet and the Profit and Loss Account for the year ended on that date.

REVIEW OF OPERATIONS

During the period under review the Company has received Orders totaling to Rs.3,060.13 lakhs as compared to Rs. 3,715.12 lakhs during the previous year. From the enclosed Annual Accounts it may be noted that the income earned from the sale of product and services by the Company for the year ended 31st March 2015 was Rs.3,396.83 lakhs as against Rs. 5,089.44 lakhs in the previous year. The Profit was at Rs.273.95 lakhs for the year under review as against profit of Rs. 815.68 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs.206.55 lakhs to which after adding the brought forward surplus of Rs.1,394.52 lakhs, the carry forward surplus to the next year amounted to Rs.1,601.07 lakhs.

DIVIDEND

Your Directors have not recommended any dividend for the Financial Year under review with a view to conserve profits.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

This Industry is not energy intensive with maximum demand being much below 250 KVA. Consequently there is very little Scope of conservation of energy.

PARTICULARS OF EMPLOYEES

Information as per Section 134 of the Companies Act 2013 read with Companies (Particulars of employees) Rule 1975 and forming a part of Director's Report for the year ended 31st March 2015 is not applicable as there was no employee covered by the same.

EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO

Our Exports earnings during 2014-15 was Rs.563.42 lakhs EXCHANGE EARNINGS & (P.Y.- Rs. 144.86 lakhs). During the period under review the Company has incurred expenditure in foreign currency amounting to Rs.134.51 lakhs towards foreign travel and import of components There are no specific areas in which Research and Development has been carried out by the Company.

DIRECTORS

At the forthcoming Annual General Meeting Smt.V.Kiran Rao retires by rotation and is eligible for re-appointment.

STAFF RELATIONS

Industrial Relations with Staff and Workers continue to be Cordial.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 of the Companies Act 2013, your Directors certify as follows:

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there from;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 ended 31st March 2015 and of the profit of the Company for that year.
- iii) that the Directors had taken proper and sufficient care for the Maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. B.Purushottam & Co., Chartered Accountants, Chennai, retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members approval is being sought to the reappointment of M/s.B. Purushottam & Co., as the Statutory Auditors and to authorize the Board of Directors, to determine the remuneration payable to the Auditors.

As required under the provisions of section 141(3) of the Companies Act, 2013, the Company has obtained a written certificate from them to the effect that their appointment, if made, would in conformity with the limits specified under the said section.

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
CHAIRPERSON

Place : Chennai
Date : 29.05.2015



INDEPENDENT AUDITOR'S REPORT

To the members of THE EIMCO-K.C.P. LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **THE EIMCO-K.C.P. LTD** ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in Para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of THE EIMCO-K.C.P. LTD on the financial statements for the year ended 31st March 2015, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.
 - (b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Material discrepancy noticed between book balance and physical assets of fixed assets have been properly dealt with in the books of accounts.
- (ii) (a) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses 3 (iii) (a) and (b) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with respect to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the



Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vi) We have broadly reviewed the books of account and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, in respect of undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of statutory payments in respect of sales tax, wealth tax, service tax, duty of customs, duty of excise, and cess except which are given below:

Sl.No.	Nature of the Dues	Name of the Statute	Amount Rs.	Pending before
1	Income Tax and Related demands (F.Y 2007-08)	Income Tax	19,28,609	Commissioner of Income Tax Appeals
2	Income Tax and Related demands (F.Y 2008-09)	Income Tax	6,64,880	Commissioner of Income Tax Appeals
3	TN VAT and Related demands (F.Y 2013-14)	Commercial Tax	3,00,948	Joint Commissioner of Commercial Tax

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(viii) The Company doesn't have any accumulated losses at the end of the financial year and has incurred cash losses in the current financial year and no such cash losses in the immediately preceding financial year.

(ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which loans were obtained.

(xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on the Company or any instances of fraud by the Company noticed or reported during the year, nor have we been informed of such cases by the management.

for B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai
Date : 29-05-2015

K.V.N.S Kishore
Partner
(M. No. 206734)

Amt in Rs.			
Particulars	Note No.	As at end of Current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	6000000	6000000
(b) Reserves & Surplus	3	171408237	151456293
		177408237	157456293
2. Non - current liabilities			
(a) Long term provisions	5	56168859	38813289
3. Current Liabilities			
(a) Trade payables	6	93382577	46330295
(b) Other current liabilities	7	69216425	46608670
(c) Short term provisions	8	6621280	18045325
		169220282	110984290
TOTAL		402797378	307253672
II ASSETS			
1. Non - current assets			
(a) Fixed Assets			
(i) Tangible assets	9	23168594	22371283
(ii) Intangible assets		272875	—
(iii) Intangible assets under development		—	50751
(b) Deferred tax assets (Net)	4	2282102	22264
(c) Long term loans and advance	10	2998959	2989788
(d) Other non current assets	11	21495451	38936871
		50217981	64370957
2. Current Assets			
(a) Current Investments	12	67134161	63141498
(b) Inventories	13	72979430	59398666
(c) Trade receivables	14	155096957	98677373
(d) Cash and cash equivalents	15	46636451	9873262
(e) Short term loans and advances	16	10732398	11792116
TOTAL		402797378	307253872

The notes attached form an integral part of the Financial Statement- 1-46

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Chairperson

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Vice-Chairperson

Chennai
29.05.2015



STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2015

Amt in Rs..			
Particulars	Note No.	For the Current reporting period 31-03-2015	For the Previous reporting period 31-03-2014
I Revenue from Operations	17	339682605	508943511
Less: Excise duty		20556780	48512126
		319125825	460431385
Other Income	18	18572591	11179484
II Total revenue		337698416	471610869
III Expenses			
Cost of materials consumed	19	156132403	179649137
Changes in inventories of work in progress	20	(2027460)	37728203
Changes in inventories of finished goods		1886977	(748572)
Employee benefits expense	21	50580286	58341476
Finance costs	22	2905823	6668132
Depreciation and amortization expense	23	6109483	4509561
Other expenses	24	94715992	103894804
Total Expenses		310303504	390042561
IV Profit/(Loss) before tax ((I+II)-III)		27394912	81568308
V Tax expense:			
(1) Current tax		9000000	27000000
(2) Deferred tax Assets/(Liability)		(2259838)	148592
		6740162	27148592
VI Profit for the year		20654750	54419716
VII Earning per equity share:			
Basic & Diluted		34.42	90.70

The note numbers 1 - 46 attached form an integral part of the Financial Statements

In accordance with our Report attached

For and behalf of the Board of Directors

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO
Chairperson

K.V.N.S. KISHORE
Partner
M.No. 206734

V. KIRAN RAO
Vice-Chairperson

Chennai
29.05.2015

ACCOUNTING POLICIES**i. General**

The Financial statements have been prepared in accordance with the Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

ii. Fixed Assets :

- (a) Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all freight, duties, taxes, incidental expenses relating to the cost of acquisition and the cost of installation/erection as applicable.
- (b) Modvat availed, if any, during the year on Fixed Assets, is not included in the cost of such Fixed Assets capitalized during the year.

iii. Depreciation :

Depreciation on all assets is provided on written down value method in accordance with the rules prescribed under part "C" schedule II to the Companies Act, 2013.

iv. Investments:

Long-term investments are carried at cost and provision for diminution in the value there of other than temporary in nature is accounted for.

Current Investments are stated at the lower of cost and fair value.

v. Inventories:

- a. Finished Goods are valued at lower of cost and net realizable value, as increased by excise duty thereon as applicable.
- b. Scrap is valued at net realizable value.
- c. Work in progress is valued at lower of cost or net realizable value of the finished goods duly adjusted according to the percentage of progress.
- d. Raw materials, Stores, Spare parts, Material in Transit, etc., are valued at cost, except when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if in such an event the replacement cost of such materials etc., is less than their holding cost, in which case they are valued at replacement cost. Cost is determined on the basis of weighted average method.

vi Revenue Recognition:

Revenue from the sale of goods is recognized as and when dispatches were made, as per the terms of the contract.

Sales are inclusive of excise duty recovered and net of discount and rebates.

Revenue from service related activities is recognized as and when the activity is completed under the terms of the contract.

vii Foreign Currency Transactions :

- a. Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt /payment during the year.
- b. At each Balance Sheet Date
 - i. Foreign currency monetary items are reported using the rate of exchange on that date
 - ii. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- c. In respect of forward exchange contracts in the natures of hedges
 - i. Premium or discount on the contract is amortized over the term of contract
 - ii. Exchange differences on the contract are recognized as profit or loss in the period in which they arise.



viii Research and Development Expenditure

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charge off to revenue, in the year in which such expenditure is incurred.

ix Employee Benefits:

- a. Defined Contribution Plans: Fixed contribution to provident fund and employees state insurance made on monthly basis with relevant authorities are absorbed in Profit and Loss Account.
- b. Defined Benefit Plans (Long term employee benefits)

Gratuity: Contributions to Gratuity Fund are made on the basis of Actuarial Valuation made by LIC using Projected Unit Credit Method. Gratuity Benefits is funded with LIC.

Leave Encashment: Provision is made in the accounts for the estimated liability towards leave encashment on retirement / cessation of the services of the staff, as per the rules of the company. In respect of workmen, unavailed leave wages is paid during the end of the calendar year and accounted on accrual basis.

Short Term employee benefits: Short-term employee benefits are absorbed as an expense as per the company's scheme based on expected obligation on undiscounted basis.

x Taxation:

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income tax Act – 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

xi Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

xii Impairment of Assets

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

xiii Provisions, Contingent Liabilities, Contingent Assets, Warranty and Guarantee Claims.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

Company's liability for performance warranties is recognized in the accounts in the year of claim by the customers. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Amt in Rs.

Particulars	Number	As at end of current reporting period 31-03-2015	Number	As at end of previous reporting period 31-03-2014
2 . SHARE CAPITAL				
Authorised :				
Equity shares of Rs.10 /- each	1000000	10000000	1000000	10000000
		10000000		10000000
Issued, subscribed and fully paid up:				
600000 Equity shares of Rs.10 /- each	600000	6000000	600000	6000000
		6000000		6000000
Reconciliation of number of shares				
At the beginning of the reporting period	600000	6000000	600000	6000000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	600000	6000000	600000	6000000

Rights, Preferences and Restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding however no such preferential amounts exist currently.

Details of shares held by the holding company	No of Shares	Amount	No of Shares	Amount
K C P SUGARS & INDUSTRIES CORPORATION LTD	600000	6000000	600000	6000000
% of holding		100		100

3. Reserves and Surplus:

Particulars	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	12004188	139452105	151456293
Transferred from/to Profit & Loss Account		20654750	20654750
Depreciation on Assets*	702806		702806
At the close of the reporting period	11301382	160106855	171408237
At the close of the previous reporting period	12004188	139452105	151456293

*Note: Transitional effect on account of recomputation of depreciation on various assets in terms of Part "C" schedule II of the Companies Act, 2013



4. Deferred tax liability:

Amt. In Rs.

Particulars	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
Deferred tax liability:		
a) On account of depreciation on fixed assets	-	47911
b) On account of timing differences in recognition of expenditure	255910	545282
Total	255910	593193
Deferred tax asset:		
a) On account of depreciation on fixed assets	682871	-
b) On account of timing differences in recognition of expenditure	1855141	615457
	2538012	615457
Net Deferred tax liability/(asset)	(2282102)	(22264)
5. Long term Provisions:		
Deferred tax liability:		
a) Provisions for employee benefits	3959483	3655466
b) Others - Provisions for Liquidated Damages	52209376	35157823
	56168859	38813289
6. Trade Payables:		
i) To Micro, Small and Medium Enterprises	-	-
ii) Trade payable for Goods and Services	93382577	46330295
	93382577	46330295
7. Other current liabilities:		
i) Statutory Liabilities	1881881	2182463
ii) Accrued Salaries, Wages & Benefits payable	834726	716917
iii) Advance received from customers	66499818	43709290
	69216425	46608670
8. Short term provisions:		
a) Provision for employee benefits	1651445	14082571
b) Provision for Income Tax (Net)	4969835	3962754
	6621280	18045325

NOTES TO FINANCIAL STATEMENTS (CONTD.)

THE EIMCO-K.C.P. LTD

9. Fixed Assets

Particulars	GROSS BLOCK (AT COST)						DEPRECIATION				NET BLOCK	
	As at beginning of current reporting period	Additions for the year	Deductions during the year	As at end of current reporting period	As at beginning of current reporting period	For the year	Transfer to General Reserves*	Deductions	As at end of current reporting period	As at end of previous reporting period 31-03-2014		
Tangible Assets												
Own assets												
Land	632110	-	-	632110	-	-	-	-	632110	632110		
Buildings	17096779	36090	-	17132869	7185516	978143	48824	-	8212483	8920386		9911263
Plant & Machinery	28851195	6808955	-	35660150	22592547	2262682	56411	-	24911640	10748510		6258648
Furniture & Fixtures	3601529	-	-	3601529	2912648	140557	278579	-	3331784	269745		688881
Vehicles	2579698	-	-	2579698	968832	518095	-	-	1486927	1092771		1610866
Office equipment	2334438	480379	-	2814817	1344648	533542	150518	-	2028708	786109		989790
Computers	13726754	11300	-	13738054	11447029	1403588	168474	-	13019091	718963		2279725
	68822503	7336724	-	76159227	46451220	5836607	702806	-	52990633	23168594		22371283
Intangible assets												
Others (Specify nature) Knowhow	235000	-	-	235000	235000	-	-	-	235000	-		-
Softwares	1755855	545751	-	2301606	1755855	272876	-	-	2028731	272875		-
Intangible assets under development	50751		50751	-		-	-	-	-	-		50751
	2041606	545751	50751	2536606	1990855	272876	-	-	2263731	272875		50751
Total	70864109	7882475	50751	78695833	48442075	6109483	702806	-	55254364	23441469		22422034

Note: Transitional effect on account of recomputation of depreciation on various assets in terms of Part "C" schedule II of the Companies Act, 2013



		Amt. In Rs.	
Particulars	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014	
10. Long term loans and advances:			
Unsecured considered good			
i) Security Deposits	612872	603701	
ii) IT Refund Receivable	2386087	2386087	
	2998959	2989788	
11. Other non current assets:			
Unsecured considered good			
i) Interest Receivable	-	2025269	
ii) Margin Money fixed deposits with Bank	21495451	36911602	
	21495451	38936871	
12. Current Investments:			
Investment in Mutual Funds (NAV as on 31.03.2015 Rs.67134161/-), PY 63141498	67134161	63141498	
	67134161	63141498	
13. Inventories:			
i) Raw materials	36524506	23059962	
ii) Work in progress	31823685	29796225	
iii) Finished goods	4096772	5983749	
iv) Loose tools	534467	558730	
	72979430	59398666	
14. Trade receivables:			
Unsecured, considered good			
i) Trade receivables exceeding six months	11123253	8681927	
ii) others	143973704	89995446	
	155096957	98677373	
15. Cash and cash equivalents:			
i) Balances with banks			
- in Current accounts	2949251	9762544	
- in Fixed Deposits	43515291		
ii) Cash on hand	171909	110718	
	46636451	9873262	
16. Short term loans and advances:			
Unsecured, considered good			
i) Advances for Supply of goods and rendering of services	2954680	4599494	
ii) Loans and advances to Employees	47335	47397	
iii) Prepaid Taxes and Expenses	7730383	7145225	
	10732398	11792116	

Amt. In Rs.		
Particulars	For the current reporting period 2014-15	For the previous reporting period 2013-14
17. Revenue from operations:		
i) Sale of products		
Filters	34674530	237843648
Thickeners, Components, Spares, Bar Screens, etc.,	299692762	267250544
ii) Sale of services	3641405	2132673
iii) Other operating revenue	1673908	1716646
	339682605	508943511
Less: Excise Duty	20556780	48512126
	319125825	460431385
18. Other Income:		
i) Interest income	5492675	2143955
ii) Miscellaneous Receipts	4064759	1733522
iii) Packing & Forwarding Charges	2969896	950614
iv) Difference in Foreign Exchange	993928	1576522
v) Provision no longer required withdrawn	1026424	622080
vi) Credit Balance Written Back	32246	1661521
vii) Dividend Income from Mutual Funds	3992663	2491270
	18572591	11179484
19. Cost of materials consumed:		
i) Consumption of raw materials		
Stainless Steel	10466862	13585893
Iron and Steel	34297795	15395380
ii) Consumption of stores and spare parts	111367746	150667864
	156132403	179649137
20. Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress	31823685	29796225
ii) Finished goods	4096772	5983749
Total	35920457	35779974
Stocks at the beginning of the year		
i) Work in progress	29796225	67524428
ii) Finished goods	5983749	5234997
Total	35779974	72759425
Change in stock of Work in Progress (a)	(2027460)	37728203
Change in stock of Finished Goods (b)	1886977	(748752)
Net (a + b)	(140483)	36979451



		Amt. In Rs.	
Particulars	For the current reporting period 2014-15	For the previous reporting period 2013-14	
21. Employee Benefit Expenses:			
i) Salaries and wages	44901857	53122794	
ii) Contribution to provident and other funds	3291314	2752600	
iii) Staff welfare expenses	2387115	2466082	
	50580286	58341476	
22. Finance Costs:			
i) Interest expense	588935	1345803	
ii) Bank Guarantee Commission and other charges	2316888	5322329	
	2905823	6668132	
23. Depreciation and amortization:			
Depreciation	5836607	3631634	
Amortization of Intangible Assets	272876	877927	
	6109483	4509561	
24. Other expenses:			
i) Machining and fabrication charges	40228199	36815742	
ii) Work Shop Maintenance	1918748	1687307	
iii) Power and fuel	2688451	3196808	
iv) Rent	303372	303372	
v) Research , inspection and testing charges	205393	221148	
vi) Repairs to machinery	238462	245835	
vii) Repairs others	261740	445318	
viii) Insurance	255962	228685	
ix) Rates and taxes	932353	996572	
x) Payment to the auditors			
- as auditor - Audit Fees	50000	56180	
- for other services - Certification Fees	5000	5618	
- Out of Pocket Expenses	5492	1589	
xi) Selling expenses	19977658	17983805	
xii) Performance and delivery guarantee claims	17109367	28568759	
xiii) irrecoverable loans and advances written off	604211	364324	
xiv) Legal and professional charges	1498638	2667357	
xv) Miscellaneous expenses	8432946	10106385	
	94715992	103894804	

25. CONTINGENT LIABILITIES:

a). The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.11,92,48,416/- (P.Y.Rs..12,66,09,428/-) are secured by stores and spares (including those lying with subcontractors), Work in progress and Finished goods.

b) No provision has been made towards:-

i) Disputed ESI demand raised by ESI authorities under ESI Act for the years 1990-91 to 1993-94 amounting to Rs.68233/-. Pending disposal of its appeal against the said demands the company paid Rs.15,000/- under protest, and the same is grouped under Loans and Advances.

Disputed ESI demand raised by ESI authorities under ESI Act for the years 2000-01 to 2003-04 amounting to Rs.106256/-. Pending disposal of its appeal against the said demands the company paid Rs.26, 564 /- under protest, and the same is grouped under Loans and Advances.

ii) Disputed Income Tax demand raised by Income Tax authorities under Income Tax Act for the years 2007-08(A.Y-2008-2009) amounting to Rs.19,28,609/- including interest. Pending disposal of its appeal against the said demands with Commissioner of Income Tax Appeals (III).

Disputed Income Tax demand raised by Income Tax authorities under Income Tax Act for the years 2008-09(A.Y-2009-2010) amounting to Rs.6,64,880/- including interest. Pending disposal of its appeal against the said demands with Commissioner of Income Tax Appeals (III)

iii) Disputed VAT demand raised by Tamil Nadu Commercial Tax authorities for the years 2013-2014 amounting to Rs.3,00,948/-. Pending disposal of its appeal against the said demands with Joint Commissioner of Commercial Tax (CT) Chennai Central Division.An amount of Rs.1,18,393/- has been paid under protest.

26. Sale of Products and services (including Excise Duty recovered).

		Current Reporting Period 2014-15		Previous Reporting Period 2013-14	
		Qty.	Value	Qty.	Value
			Rs.		Rs.
(I)	SALES:				
	Filters (in Nos)	7 Nos	34674530	8 Nos	237843648
	Thickeners, Components, Spares, Bar screens, etc. (Unit quantification not possible)		299692762		267250544
	Scrap		1673908		1716646
	TOTAL		336041200		506810838
(II)	SERVICES:				
	Service Charges		3041405		1356855
	Design, Erection & Fabrication		600000		775818
	TOTAL		339682605		508943511

27. Raw Materials Consumed (in MT)

	Current Reporting Period 2014-15		Previous Reporting Period 2013-14	
	MT	Rs.	MT	Rs.
Stainless Steel	49.55	10466862	58.89	13585893
Iron and Steel	790.36	34297795	366.05	15395380
TOTAL	839.91	44764657	424.94	28981273

Note : The above does not include of Rs 11,13,67,746/- (P.Y.Rs. 15,06,67,864/-) being the cost of Motors, Components, Pipes, Spares etc., consumed.



28. Opening and Closing Stock of Finished Goods.

	OPENING STOCK				CLOSING STOCK			
	Current reporting period 2014-2015		Previous reporting period 2013-2014		Current reporting period 2014-2015		Previous reporting period 2013-2014	
	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Filters	-	-	-	-	-	-	-	-
Washers, Classifiers, Clarifiers, Components Spares etc (Unit Quantification not Possible)	-	5983749	-	5234997	-	4096772	-	5983749
Chemicals	-	-	-	-	-	-	-	-
Total		5983749		5234997		4096772		5983749

29. Purchase of Finished Goods - Qty Value(Rs.) Qty Value(Rs.)

Particulars	Current reporting period 2014-2015		Previous reporting period 2013-2014	
	Qty.	Value Rs.	Qty.	Value Rs.
Chemicals	NIL	NIL	NIL	NIL

30 Particulars regarding Capacity and Production : The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified.

Actual Production : 7Nos.(P Y.8Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

31. Comparison between consumption of imported and indigenous raw materials, spares and Components during the financial year (debited to various accounts)

	Current reporting period 2014-2015		Previous reporting period 2013-2014	
	VALUE	%	VALUE	%
	Rs		Rs	
A)Raw materials:				
Imported	NIL	NIL	NIL	NIL
Indigenous	44764657	100.00	28981273	100.00
TOTAL	44764657	100.00	28981273	100.00
B)Spares and Components:				
Imported	7465232	10.99	15384940	10.21
Indigenous	103902514	89.01	135282924	89.79
TOTAL	111367746	100.00	150667864	100.00

32. Value of imports made by the company during the year calculated on CIF Basis.

	Current reporting period 2014-2015	Previous reporting period 2013-2014
	Rs.	Rs.
Components	7465232	15384940
Finished Goods- Chemicals	-	-
TOTAL	7465232	15384940

33. Expenditure incurred in Foreign Currency during the year.

	Current reporting period 2014-2015	Previous reporting period 2013-2014
	Rs.	Rs.
Foreign Travel Expenses	806055	1193101
Commission paid on Export Sales	3003764	-
Reimbursement of Expenses on Product Representation in abroad	2176405	-
TOTAL	5986224	1193101

34. Earnings in Foreign Exchange from Export of Goods & Services, on FOB basis

	Current reporting period 2014-2015	Previous reporting period 2013-2014
	Rs.	Rs.
Export of Goods- FOB Value*	56342264	14486042
Total	56342264	14486042

35. The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

36. Disclosure under Accounting Standard 15-Employee Benefits:**GRATUITY :**

	31/03/2015	31/03/2014
1. Assumptions		
Discount Rate	8.0%	8.0%
Salary Escalation	5%	5%

2. Table showing changes in present value of obligations	Rs.	Rs.
Present value of obligations as at beginning of year	5870115	5537143
Interest cost	469609	442971
Current Service Cost	545585	524534
Benefits Paid	(184134)	(640285)
Actuarial loss on obligation	567761	5752
Present value of obligations as at end of year	7268936	5870115

3. Table showing changes in the fair value of Plan assets LIC FUND

	Rs.	Rs.
Fair value of plan assets at beginning of year	7194654.31	6212595
Expected return on plan assets	670059.20	547037
Contributions	362362.57	1075307
Benefits paid	(184134)	(640285)
Actuarial gain on plan assets	-	-
Fair value of plan assets at the end of year	8042942.79	7194654

4. Table showing fair value of plan assets

Fair value of plan assets at beginning of year	7194654.31	6212595
Actual return of plan assets	670059.91	547037



Contributions	362362.57	1075307
Benefits Paid	(184134)	(640285)
Fair value of plan assets at the end of year	8042942.79	7194654
Funded status (Asset)	774006.79	1324539
Excess of Actual over estimated return on plan assets	-	-
5. Actuarial Gain/Loss recognised		
Actuarial Gain on obligation	(567761)	(5752)
Actuarial loss on plan assets	-	-
Total Gain for the year	567761	5752
Actuarial Gain recognized in the year	567761	5752
6. The amounts to be recognized in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	7268936	5870115
Fair value of plan assets as at the end of the year	8042942.79	7194654
Funded status (Asset)	774006.79	1324539
NET ASSET RECOGNIZED IN THE BALANCESHEET	774006.79	1324539
7. Expenses Recognized in statement of Profit & Loss		
	Rs.	Rs.
Current Service Cost	545585	524534
Interest Cost	469609	442971
Expected return on plan assets	(670059.9148)	(547037)
Net Actuarial loss recognized in the year	567761	5752
Expenses recognized in the profit & loss	912895	426220

37. The depreciation on various assets, in accordance with Part "C" to Schedule II of Companies Act 2013. Hence the transitional effect on account of such re-computation, to the extent of Rs.702806/- has been adjusted against the opening General Reserve as on 1st April 2014. Refer Note No. 9.

38. Borrowing Cost as Per AS-16:

Company has capitalized an amount of Rs.Nil (Rs.Nil/-) as borrowing cost on qualifying asset.

39. The Company operates in a single segment hence there are no reportable segments as per the requirements of Accounting Standard 17 "Segment Reporting".

40. Related Party Disclosures – As per AS-18:

i) Name of related parties and description of relationship:

1. Holding Company: KCP Sugar and Industries Corporation Ltd.,
2. Key Management Personnel: Smt.Irmgard Velagapudi M.Rao
Smt.Kiran.V.Rao

ii) Transactions with related parties:

Particulars	Holding Company	Key Management Personnel
	Rs.	Rs
Rent Paid	303372(PY303372)	NIL
Sale of Spares for Cane Mud Filter	139058(P.Y. Nil)	NIL

iii Closing Balances with related parties:

Particulars	As on 31.03.2015 Rs.	As on 31.03.2014 Rs.
Outstanding Balance Payable to Holding Company	NIL	NIL

41. Operating Lease Disclosures – As per AS-19:

Rent expenses of Rs.303372/- (Previous year Rs.303372 /-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account.

There are no future obligations in respect of the operating leases

42. Earning per Share (EPS)- As per AS-20:

Particulars	2014-2015 Rs.	2013-2014 Rs.
Profit attributable to the Shareholders (A)	20654750	54419716
Basic / Weighted average number of Equity shares outstanding during the year (B)	600000	600000
Nominal Value of Equity Shares	10	10
Basic/ Diluted Earnings per Share (A / B)	34.42	90.70

43. Balances due to or from various parties are subject to confirmation by and reconciliation with such parties.

44. All figures in brackets indicate those of previous year.

45. Previous year figures have been regrouped wherever necessary.

46. Paise have been rounded off.

Signature to Schedules 2 to 46, Accounting Policies and Notes on Accounts.

For B.PURUSHOTTAM & CO.

Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE

Partner
M.No. 206734

Chennai
29.05.2015

IRMGARD VELAGAPUDI M. RAO

Chairperson

V. KIRAN RAO

Vice-Chairperson



PARTICULARS	Amount in Rs.			
	2014-2015		2013-2014	
A. Cash flows from operating activities				
Net Profit before tax and Extraordinary items:		27394912		81568308
Adjustments for:				
Depreciation and amortization expense	6109483		4509561	
Debit Balances Written off	604211		364324	
Excess Provision credited back	(1026424)		(622080)	
Credit Balances written back	(32246)		(1661521)	
Interest Paid	2905823		6668132	
Interest received	(5492675)		(2143955)	
Dividends received	(3992663)	(924491)	(2491270)	4623191
Operating Profit Before Working Capital Changes		26470421		86191499
Adjustments for:				
Trade and other Receivables	(38531828)		13894365	
Inventories	(13580764)		42946180	
Trade Payables and others	75643151		(20972840)	
		23530559		35867705
Cash Generated from Operations		50000980		122059204
Direct taxes paid		(7992919)		(26111204)
Cash Flow before Extraordinary items		42008061		95948000
Extraordinary items		-		-
Net Cash from Operating Activities		42008061		95948000
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(7831724)		(6100948)	
Purchase of investments	(3992663)		(62491270)	
Interest received	5492675		2143955	
Dividend received	3992663		2491270	
Net cash used in investing activities		(2339049)		(63956993)
C. Cash flows from financing activities				
Repayment of short term borrowings	-		(16835833)	
Interest paid	(2905823)		(6668132)	
Net cash from financing activities		(2905823)		(23503965)
Net increase/(decrease) in cash and cash equivalents		36763189		8487042
Cash and cash equivalents at beginning of reporting period		9873262		1386220
Cash and cash equivalents at end of reporting period		46636451		9873262

In Accordance with our Report attached

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE
Partner
M.No. 206734

Chennai
29.05.2015

IRMGARD VELAGAPUDI M. RAO
Chairperson

V. KIRAN RAO
Vice-Chairperson

[illegible]

Notes :

[illegible]

KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Sixteenth Annual Report 2014-2015

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M. Rao
Directors	Shri. Vinod R. Sethi Shri. R. Ganesan
Auditors	Messrs. B.Purushottam & Co. Chartered Accountants, Flat No.3-D, "Pioneer Homes" 23/A, North Boag Road, T.Nagar Chennai 600017.
Bankers	Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings" 239, Anna Salai, Chennai 600 006.
Farm	Thirupukuzhi and Melambi Villages Kanchipuram Dist, Tamil Nadu

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Wednesday, 19th day of August 2015 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and the Profit and Loss Account for the period ended on that date and consider the Reports of the Directors and Auditors.
- 2 To appoint a Director in place of Shri. Vinod R.Sethi, who retires by rotation and is eligible for reappointment.
- 3 To appoint Auditors and to authorise the Board of Directors and to authorize the Board to fix their remuneration.

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

// By Order of the Board //

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

Date : 29.05.2015

IRMGARD VELAGAPUDI M. RAO

CHAIRPERSON

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2015.

REVIEW OF OPERATIONS:

During the year ended 31.03.2015, the turnover and other income increased to Rs. 27.50 lakhs from Rs.10.41 lakhs. This has resulted in profit of Rs.15.68 lakhs as against profit of Rs. 0.05 lakhs in the previous year. After reversal of deferred taxation of Rs.0.02 lakhs, the profit was Rs.17.68 lakhs. After adjusting carried forward loss of Rs.0.13 lakhs the profit carried forward to next year is Rs.17.55 lakhs.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits during the period under review.

DIRECTORS:

In accordance with the Companies Act 1956 and the Articles of the Association of the Company, Shri. Vinod R. Sethi, Director, retires by rotation and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

Your Directors confirm:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments 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 period ended 31st March 2015 and of the profit of the Company for that period ;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

STATUTORY STATEMENTS:

The Statement containing Particulars of Employees required in terms of Section 134 of the Companies Act, 2013 and the rules framed thereunder have not been appended herewith as there is no employee covered by the same.

The statement pursuant to section 134(3)(m) of Companies Act, 2013, read with Companies (Disclosures of particulars in the Report of Directors) Rules, 1988, is not enclosed as the same does not apply to the Company.

AUDITORS:

M/s.B.Purushottam & Co., Chartered Accountants, Chennai 600017, who were appointed as the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and to authorize the Board to fix their remuneration.

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

IRMGARD VELAGAPUDI M. RAO

Date : 29.05.2015

CHAIRPERSON

To the members of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD**Report on the Financial Statements**

We have audited the accompanying financial statements of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD ("the Company"), which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in Para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE

Place : Chennai

Date : 29.05.2015

Partner

M.No. 206734

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD on the financial statements for the year ended 31st March 2015, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of all fixed assets.

(b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Material discrepancy noticed between book balance and physical assets of fixed assets have been properly dealt with in the books of accounts.

(ii) (a) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses (iii) (a) and (b) of the Order is not applicable.

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the

nature of its business with respect to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

During the year the company has not accepted any deposits from the public and hence Section 73 to Section 76 of the Companies Act, 2013 are not applicable.

As per the information & explanations given to us by the management, maintenance of cost records are not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, in respect of undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of statutory payments in respect of Income tax, sales tax, wealth tax, service tax, ESI, Value added tax, duty of customs, duty of excise, and cess

According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

The company did not have any term loans outstanding during the year.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on the Company or any instances of fraud by the Company noticed or reported during the year, nor have we been informed of such cases by the management.

For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

K.V.N.S. KISHORE

Place : Chennai

Date : 29.05.2015

Partner

M.No. 206734

BALANCE SHEET

AS AT MARCH 31, 2015

AMT IN RS.					
Particulars	Note No.	As at end of current reporting period 31-03-2015		As at end of previous reporting period 31-03-2014	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2	22500000		22500000	
(b) Reserves & Surplus	3	2485717		1137814	
			24985717		23637814
2. Non - current liabilities					
Deferred Tax Liability	4	-			200377
3. Current Liabilities					
Other current liabilities	5	31017			30455
TOTAL			25016734		23868646
II ASSETS					
1. Non - current assets					
(a) Fixed Assets - Tangible assets	6	5769796		6630362	
(b) Non - current investments	7	14449288		13144830	
			20219084		19775192
2. Current Assets					
(a) Current Investments	8	4275163		3627159	
(b) Inventories	9	58372		14920	
(c) Trade receivables	10	-		-	
(d) Cash and Cash equivalents	11	76669		63929	
(e) Short term loans and advances	12	387446		387446	
			4797650		4093454
TOTAL			25016734		23868646

The notes numbers 1 to 19 attached form an integral part of Financial Statements

As per our report of even date
for **B.PURUSHOTTAM & CO.**
Chartered Accountants
FRN 002808S

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M.RAO
Chairperson

Chennai
29.05.2015

K.V.N.S. KISHORE
Partner
M.No. 206734

R.GANESAN
Director

AMT IN RS.					
	Note No.	Current reporting period 2014-15		Previous reporting period 2013-14	
I Revenue from Operations	13		422712		470104
II Other Income	14		2327454		570733
III Total revenue (I + II)			2750166		1040837
IV Expenses					
Changes in inventories	15		(43452)		(14920)
Employee benefits expense	16		220629		375212
Finance costs	17		962		1752
Depreciation	6		440227		62186
Other expenses	18		563935		611475
Total Expenses			1182301		1035705
V Profit before tax (III-IV)			1567865		5132
VI Tax expense:					
(1) Current tax			-		-
(2) Deferred tax		200377	200377	18156	18156
VII Profit for the year			1768242		(13024)
VIII Earning per equity share:					
Basic & Diluted	19		0.79		(0.01)

The notes numbers 1 to 19 attached form an integral part of Financial Statements

As per our report of even date
for **B.PURUSHOTTAM & CO.**
Chartered Accountants
FRN 002808S

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M.RAO
Chairperson

Chennai
29.05.2015

K.V.N.S. KISHORE
Partner
M.No. 206734

R.GANESAN
Director

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2015

1. MAJOR ACCOUNTING POLICIES:**i. General:**

The Financial statements have been prepared in accordance with the Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

ii. Fixed Assets:

Fixed Assets are stated at cost less depreciation. Cost of acquisition of fixed assets is inclusive of all freight, duties, taxes, incidental expenses relating to the cost of acquisition and the cost of installation/erection as applicable.

iii. Depreciation:

Depreciation is provided under straight line method except in respect of assets appearing in the books of the Registered Office of the Company, which are depreciated under written down value method, in accordance with the rules prescribed under part "C" of Schedule II to the Companies Act, 2013. Assets costing less than Rs.5000/- are depreciated within the year of acquisition

iv. Investments :

Long term Investments are stated at cost, less provision for other than temporary diminution in value current investment are stated at the lower of cost or market value

v. Inventories:

Standing crops at the year end is valued at cost.

Finished goods at the year end is valued at cost or market value whichever is lower.

As the company is engaged in agricultural and research activities quantitative particulars are not furnished.

2. Payment of gratuity Act, Provident Fund & ESI Acts are not applicable to the Company.
3. Previous years figures have be regrouped whenever necessary.
4. Contingent Liabilities not provided for : NIL
5. Foreign exchange Income & Outgo : NIL
6. The depreciation on various assets, recomputed in accordance with Part 'C' of Schedule II of The Companies Act 2013.

2 . SHARE CAPITAL

Amt. In Rs.

Particulars	Number	As at end of current reporting period 31-03-2015	Number	As at end of previous reporting period 31-03-2014
Authorised :				
Equity shares of Rs.10 /- each	5000000	50000000	5000000	50000000
		50000000		50000000
Issued, subscribed and fully paid up:				
Equity shares of Rs.10 /- each				
At the beginning of the reporting period	2250000	22500000	2250000	22500000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	2250000	22500000	2250000	22500000
Particulars of Equity share holders holding more than 5% of the total number of equity share capital				
K.C.P Sugar and Industries Corporation Ltd	2250000	22500000	2250000	22500000

The company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding, however no such preferential amounts exist currently.

3. Reserves and Surplus:

Particulars	Amt. In Rupees		
	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period		1137814	1137814
Transferred from/to Profit & Loss Account		1768242	1768242
Less : Depreciation on Assets *	-	(420339)	(420339)
At the close of the reporting period		2485717	2485717
At the close of the previous reporting period		1137814	1137814

* Note : Transitional effect on account of recomputation of depreciation on various assets in terms of Part " C " schedule II of The Companies Act, 2013

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
4. Deferred tax liability:		
On account of depreciation on fixed assets	-	200,377
5. Other Current liabilities:		
Outstanding liabilities for expenses	31,017	30,455

6. Fixed Assets**Amt. In Rs.**

Description	Gross Block (At Cost)			Depreciation						Net Block	
	Cost upto 31.03.2014	Additions during the year	Deletions during the year	Cost upto 31.03.2015	upto 31.03.2014	For the year	Adjusted against General Reserve *	On Deletions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land (Incl Devt)	3686503			3686503	0			0	0	3686503	3686503
Fencing	306424			306424	145135		145968	0	291103	15321	161289
Building	925160			925160	56811	16585		0	73396	851764	868349
Plant & Machinery	2232214			2232214	332911	421075	274371	0	1028357	1203857	1899303
Vehicles	29510			29510	14592	2567	0	0	17159	12351	14918
Total	7179811	0	0	7179811	549449	440227	420339	0	1410015	5769796	6630362

* The depreciation on various assets, recomputed in accordance with Part 'C' of Schedule II of The Companies Act 2013. Hence, the transitional effect on account of such re-computation, to the extent of Rs.4,20,339/- has been adjusted against the opening General Reserve as on 1st April, 2014. Refer Note No.6

7. Non Current Investments

Company	Opening Balance as on 01-04-2014		Purchased during the year		Sold during the year		Closing Balance as on 31-03-2015	
	No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.	No of Shares	Book Value in Rs.
Long Term Investments - at cost Others (Quoted) Investment in Equity Shares								
1 Asian Paints Ltd (Face value of Re.1/- each)	2000	232837					2000	232837
2 Blue Star Ltd. (Face value of Rs.2/- each)	5800	2364753					5800	2364753
3 Container Corporation of India Ltd.	1050	822051	1050	1421590	1050	822051	1050	1421590
4 Geodesic Information Systems Ltd (Face value of Rs.2/- each)	400	80458					400	80458
5 Gujarat Gas (Face value of Rs.2/- each)	3100	838740	3100	2038180	3100	838740	3100	2038180
6 Indraprastha Gas Ltd.	8000	3471281					8000	3471281
7 ISMT Ltd.	3800	300380			3800	300380	-	-
8 Marico Limited (Face value of Re.1/- each)	3500	222814					3500	222814
9 Marico Kaya Enterprises Ltd (2 fully paid up shares for every 100 shares in Marico Ltd by demerger)	70	-					70	-
10 Nucleus Soft	200	38058					200	38058
11 Subex Azure Ltd.	50	26322			50	26322	-	-
12 Yuken India Ltd.	100	20137					100	20137
13 Monsanto India Ltd	200	167819			200	167819	-	-
14 Savita Oil Technologies Ltd	8165	4489223					8165	4489223
15 Precision Wire India Ltd	500	69957					500	69957
TOTAL		13144830		3459770		2155312		14449288

NOTE:

1. The Face Value of the above shares is Rs. 10/- each, unless otherwise mentioned.

2. Aggregate Quoted Investments:

At Cost	13144830	14449288
At Market Value	10607481	16346582

Amt. In Rs.

Particulars	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
8. Current Investments: Investments in Mutual Funds : Valued at Cost or NAV whichever is lower SBI Magnum Insta Cash Fund - Daily Dividend option. (No of units :298.663) Unquoted (PY: 2165.429) and SBI Magnum Insta Cash fund Regular Plan (No of Units 2253.627 units) Unquoted (PY: Nil)	4275163	3627159
9. Inventories: Standing crops	58372	14920
10 Trade Receivables : Trade receivables	-	-
11. Cash and cash equivalents: i) Balances with banks - in Current accounts ii) Cash on hand iii) Fixed deposit	25396 48774 2499 76669	41580 19850 2499 63929
12. Short term loans and advances: Income tax paid in advance	387446	387446
Particulars	For the current reporting period 2014-2015	For the previous reporting period 2013-2014
13. Revenue from operations: Sale of agricultural products	422712	470104
14. Other Income: i) Interest income - long term investments ii) Dividend Income - from long term investments - from current investments iii) Miscellaneous Receipts iv) Net gain/loss on sale of long term investments	236 264378 223004 - 1839836 2327454	236 283863 279252 7382 - 570733
15. Changes in inventories of finished goods, work in progress and stock in trade: Stocks at the end of the year Standing Crops Less: Stocks at the beginning of the year Standing Crops NETT	58372 14920 (43452)	14920 - (14920)

Amt. In Rs.

	For the current reporting period 2014-2015	For the previous reporting period 2013-2014
16. Employee Benefit Expenses:		
i) Salaries and wages	213000	365650
ii) Staff welfare expenses	7629	9562
	220629	375212
17. Finance Costs:		
Other borrowing costs	962	1,752
18. Other expenses:		
i) Repairs others	28,933	47,045
ii) Rates and taxes	9,050	1,072
iii) Payment to the auditors	14,045	13,483
iv) Legal and professional charges	47,022	36,938
v) Cultivation expenses	76,167	182,920
vi) Labour charges	236,345	100,825
vii) Pesticides / Fertilizers	80,444	65,988
viii) Tractor Maintenance	59,701	143,184
ix) Miscellaneous expenses	12,228	20,020
	563,935	611,475
19. Profit attributeable to the Shareholders	1,768,242	(13,024)
Basic /Weighted average number of Equity Shares outstanding during the year	2,250,000	2,250,000
Nominal value of Equity Shares	10.00	10.00
Basic / Diluted Earnings per share	0.79	(0.01)

Particulars	Amt. in Rs.			
	Current reporting period 2014-2015		Previous reporting period 2013-2014	
Cash flows from operating activities				
Profit before taxation		1567865		5132
Adjustments for:				
Depreciation and amortization expense	440227		62186	
Loss/ Profit on Sale of Assets	(236)		(236)	
Interest received	(1839836)		-	
Dividends received	(487381)		(563115)	
		(1887226)		(501165)
		(319361)		(496033)
Increase / decrease in trade and other receivables	-		31125	
Increase / decrease in inventories	(43452)		(14920)	
Increase/ decrease in trade payables & others	562		-	
		(42890)		16205
		(362251)		(479828)
Income taxes paid		-		(23426)
Net cash from operating activities		(362251)		(456402)
Cash flows from investing activities				
Purchase of fixed assets	-		(470835)	-
Purchase of investments	4107774			
Sale of investments	(3995148)		370747	
Interest received	(236)	-	236	-
Dividend received	(487381)	-	563115	-
Net cash from investing activities		(374991)		463263
Net increase/(decrease) in cash and cash equivalents		12740		6861
Cash and cash equivalents at beginning of reporting period		63929		57068
Cash and cash equivalents at end of reporting period		76669		63929

for **B.PURUSHOTTAM & CO.**
Chartered Accountants
FRN 002808S
K.V.N.S. KISHORE
Partner
M.No. 206734

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
Chairperson

Place : Chennai
Date : 29.05.2015

R.GANESAN
Director

Notes :

[illegible]

Consolidated Financial Statements

of

K.C.P. Sugar and Industries Corporation Limited

and

its Subsidiaries

2014 - 2015

CONSOLIDATED FINANCIAL STATEMENTS

CIN: L15421TN1995PLC033198

				Amt. in Rs.	
Particulars	Note No.	As at end of current reporting period 31-03-2015		As at end of previous reporting period 31-03-2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	113385050		113385050	
(b) Reserves and Surplus	3	2202255993		2395390522	
			2315641043		2508775572
(2) Non - current liabilities					
(a) Long term borrowings	4	537504000		479876000	
(b) Deferred tax liabilities (Net)	5	53614343		169854552	
(c) Other long term liabilities	6	6236098		6562944	
(d) Long term provisions	7	95603791		79087121	
			692958232		735380617
(3) Current Liabilities					
(a) Short term borrowings	8	452488218		392278404	
(b) Trade payables	9	1063928081		1026920689	
(c) Other current liabilities	10	302799551		285627467	
(d) Short term provisions	11	29885601		165834650	
			1849101451		1870661210
TOTAL			4857700726		5114817399
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible Assets	12	1076960427		1080441197	
(ii) Capital work in progress	13	6647738		67394155	
(iii) Intangible under development		16939853		13096713	
		1100548018		1160932065	
(b) Non - current investments	14	383866558		328228272	
(c) Long term loans and advances	15	8761502		8784241	
(d) Other non current assets	16	21495451		38936871	
			1514671529		1536881449
(2) Current Assets					
(a) Current Investments	17	71409323		66768657	
(b) Inventories	18	2475918767		2866843291	
(c) Trade receivables	19	383303493		305389872	
(d) Cash and Cash equivalents	20	156112938		118639642	
(e) Short term loans and advances	21	256284676		220294488	
			3343029197		3577935950
TOTAL			4857700726		5114817399

The note numbers 1 to 33 attached form an integral part of Financial Statements

As per our report of even date
For B.PURUSHOTTAM & CO.
 Chartered Accountants
 FRN 002808S

K.V.N.S. KISHORE

Partner
 M.No. 206734
 Chennai
 29.05.2015

R.GANESAN
 Chief Financial Officer

S.CHIDAMBARAM
 General Manager (Finance) &
 Company Secretary

V. KIRAN RAO
 Executive Director

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
 Managing Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

				Amt. in Rs.	
Particulars	Note No.	Current reporting period 31-03-2015		Previous reporting period 31-03-2014	
I. Revenue from Operations		5495321431		4942370509	
Less: Inter Divisional Transfers		1080491404		930390358	
		4414830027		4011980151	
Less: Excise duty		150132014		157148623	
			4264698013		3854831528
II Other Income	22		109999209		80569615
III Total revenue (I + II)			4374697222		3935401143
IV Expenses					
Cost of materials consumed	23	3551373085		3279384038	
Less: Inter Divisional Transfers		226054106		163232023	
			3325318979		3116152015
Changes in inventories of work in progress	24	-14995753		10686293	
Changes in inventories of finished goods		415747811		(617703503)	
			400752058		-607017210
Employee benefits expense	25	370551076		459103042	
Finance costs	26	45044367		52217192	
Depreciation and Amortisation	12	109656258		115511952	
Other expenses	27	369836713	895088414	385082160	1011914346
Total Expenses			4621159451		3521049151
V Profit before tax (III-IV)			-246462229		414351992
VI Tax expense:					
(1) Current tax		9000000		114500000	
(2) Deferred tax		(116240210)		(31349374)	
(3) Provision for taxation relating to earlier years		84502		150183	
			-107155708		83300809
VII Profit for the year			-139306521		331051183
VIII Earning per equity share:					
Basic & Diluted			(1.23)		2.92

The note numbers 1 to 33 attached form an integral part of Financial Statements

As per our report of even date
For B.PURUSHOTTAM & CO.
Chartered Accountants
FRN 002808S

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Managing Director

K.V.N.S. KISHORE
Partner
M.No. 206734

Chennai
29.05.2015

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

V. KIRAN RAO
Executive Director

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**a. SYSTEM OF ACCOUNTING:**

Financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

BASIS OF CONSOLIDATION:

- The consolidated financial statements relate to K.C.P. Sugar and Industries Corporation Ltd., hereinafter referred to as 'the company', and its wholly-owned subsidiary companies, viz., The Eimco-K.C.P.Ltd., and KCP Sugars Agricultural Research Farms Ltd. The consolidated financial statements have been prepared on the following basis, in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India:
- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the Book Values of like items of Assets, Liabilities, Income and Expenses.
- The intra group balances and intra group transactions resulting in unrealized profits or losses have been fully eliminated from the related Assets, Liabilities, Income and Expenses.
- The investments in the Equity Shares of the Subsidiary Companies have been fully eliminated from the Share Capital of Subsidiary Companies and investments in parent Company.

b. FIXED ASSETS

- i. Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses upto the date of putting them to use.
- ii. Intangibles will be amortised over a period of five years.
- iii. Cenvat Credit availed on acquisition of Fixed Assets is reduced from the cost of the concerned assets.

c. DEPRECIATION

Depreciation is provided under straight line method except in respect of assets appearing in the books of the Registered Office of the Company, and The Eimco-K.C.P. Ltd., which are depreciated under written down value method in accordance with the rules prescribed under part "C" Schedule II to the Companies Act, 2013. Assets costing less than Rs.5000/- are depreciated within the year of acquisition.

d. INVESTMENTS

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments are stated at the lower of cost or market value.

e. INVENTORIES

- i) Finished goods are valued as follows and increased by Excise Duty thereon as applicable.
 - All finished goods are valued at lower of cost or market value.
 - Molasses, a byproduct is valued at estimated net realisable value.
- ii) Stock of Scrap is not valued and therefore not recognised in the accounts. Sale of Scrap, as and when made, is accounted for. In the case of The Eimco-K.C.P.Ltd., the same is valued at net realizable value and recognized in the accounts.
- iii) Crops under cultivation are valued at cost.
- iv) Work in progress is valued at lower of cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.
- v) Raw materials, stores, spares, materials in transit are valued at cost, except when the net realisable value of the finished goods they are used in, is less than the cost of the finished goods and if in such an event the replacement cost of such materials etc. is less than their holding cost, they are valued at replacement cost.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

f. SALES AND OTHER EARNINGS

- i) Sales are inclusive of excise duty, freight, insurance etc. recovered thereon and net of sales tax.
- ii) Power generated in Power Plant Units and supplied to the other units of the Company is accounted for at which the Company purchases power from APSEB.

g. WARRANTY AND GUARANTEE CLAIMS

Company's liability for performance warranties is recognized in the accounts in the year of claim by the customers. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the Contract.

h. FOREIGN EXCHANGE TRANSACTIONS

- i. Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.
- ii) At each Balance Sheet date
 - foreign currency monetary items are reported using the rate of exchange on that date
 - foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- iii. In respect of forward exchange contracts in the nature of hedges

Premium or discount on the contract is amortised over the term of the contract,

 - Exchange differences on the contract are recognized as profit or loss in the period in which they arise

i. EXPENDITURE ON RESEARCH AND DEVELOPMENT

In respect of approved Research and Development programmes, expenditure of capital nature is included in the Fixed Assets and the other expenditure is charged off to revenue, in the year in which such expenditure is incurred.

j. EMPLOYEE BENEFITS

- (i) Long-term Employee Benefits
- (a) Defined Contributions Plans

The Company has Defined Contribution Plans for post employment benefits for employees in the form of Superannuation Fund which is recognised by the Income Tax authorities and administered through Trustees and Life Insurance Corporation of India (LIC) and Provident Fund for all employees. These plans constitute insured benefits, as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as incurred

- (b) Defined Benefit Plans

- (i) Gratuity - The Company has Defined Benefit Plan for post employment benefit for all employees in the form of Gratuity. For certain employees the post employment benefits in the form of Gratuity is funded with Life Insurance Corporation of India, which is recognised by the Income Tax authorities and administered through Trustees. Liability for Defined Benefit Plan is provided on the basis of valuation carried out by LIC of India with regard to the employees for whom the same is funded with LIC. In the case of other employees, the same is provided on the basis of the valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method
- (ii) Leave Encashment – Entitlement to annual leave and sick leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves at each Balance Sheet date and the same is charged to revenue accordingly.

k. TAXATION:

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

l. IMPAIRMENT OF ASSETS

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

m. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

2. SHARE CAPITAL

Particulars	Number	As at end of current reporting period 31-03-2015	Number	As at end of previous reporting period 31-03-2014
Authorised :				
Equity shares of Re.1 /- each	250000000	250000000	250000000	250000000
		250000000		250000000
Issued, subscribed and fully paid up:				
Equity shares of Re.1 /- each	113385050	113385050	113385050	113385050
	-	113385050	-	113385050
Reconciliation of No. of. Shares				
At the beginning of the reporting period	113385050	113385050	113385050	113385050
Changes during the year	-	-	-	-
At the closing of the reporting period	113385050	113385050	113385050	113385050

3. Reserves and Surplus:

Particulars	Amt. In Rupees				
	Capital redemption reserve	Investment allowance reserve utilised	General reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	15545110	4505000	1172004188	1203336224	2395390522
Transferred from/to Profit & Loss Account				-139306521	-139306521
Depreciation of Assets *			40181250		40181250
Proposed Dividends				11338505	11338505
Provision towards dividend distribution tax				2308253	2308253
At the close of the reporting period	15545110	4505000	1131822938	1050382945	2202255993
At the close of the previous reporting period	15545110	4505000	1172004188	1203336224	2395390522

Note: Transitional effect on account of recomputation of depreciation on various assets in terms of Part "C" of schedule II of The Companies Act, 2013

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
4. Long term Borrowings:		
Secured Loans:		
Term Loan from Bank	286800000	215,100,000
Unsecured Loans:		
Fixed Deposits	250704000	264776000
	537504000	479876000
5. Deferred tax liabilities (Net):		
i) Deferred tax liability		
On account of depreciation on fixed assets	171656395	201088438
ii) Deferred tax asset		
On account of timing differences in recognition of expenditure	118042052	31233886
Net Deferred tax liability	53614343	169854552
6. Other Long term liabilities:		
Interest accrued but not due on fixed deposits	6236098	6562944
7. Long term Provisions:		
Provision for employee benefits	43394415	43929298
Provision for liquidated damages	52209376	35157823
	95603791	79087121
8. Short term Borrowings:		
Secured Loans		
Loans repayable on demand		
From banks	372760218	301146404
Unsecured Loans:		
Fixed Deposits maturing within one year.	79728000	91132000
	452488218	392278404
9. Trade Payables:		
i) To Micro, Small and Medium Enterprises	-	-
ii) Trade payables to Suppliers and service providers	1063928081	1026920689
	1063928081	1026920689

Note:

The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

10. Other current liabilities:

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
a) Interest accrued but not due on borrowings	28378945	25659417
b) Advances received from customers	68024700	48999443
c) Unpaid dividends	14007355	12295554
d) Unclaimed matured deposits and interest accrued thereon	5721791	7696340
e) Statutory Liabilities	160259126	105785747
f) Outstanding Liabilities for Expenses	19898067	80016709
g) Earnest Money and Other Deposits	6509567	5174257
	302799551	285627467
11. Short term provisions:		
a) Provision for employee benefits	11269008	26069531
b) Provision for Dividend	11338505	96377293
c) Provision for tax on distributed profits	2308253	16379321
d) Provision for Income Tax (Net)	4969835	27008505
	29885601	165834650

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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CONSOLIDATED FINANCIAL STATEMENTS

12. FIXED ASSETS

Description		GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		Amt in Rs.
		Cost upto 31.03.2014	Additions during the Year	Deductions during the Year	Cost upto 31.03.2015	Upto 31.03.2014	For the Year	Adjusted against General Reserve *	On Deductions	upto 31.03.2015	As at 31.03.2015		As at 31.03.2014
Lands	89547873				89547873	-				-	89547873	89547873
Buildings												
Own Buildings	322600268	27345270		349945538	80978277	13345945	7277330	24287092		77314460	272631078	241621991
Leasehold Buildings	112189			112189	112189					112189		
Plant & Machinery	1807042894	109531833	28354580	1888220147	1118948901	78708972	26667021			1224324894	663895253	688093993
Tramways & Railways Sidings	23097214			23097214	13653050	859752	7187		-	14519989	8577225	9444164
Furniture and Fixtures	12236971	1159776	59349	13337398	8253397	908958	1463514	56382		10569487	2767911	3986475
Computers, Office Equipments	87509593	7227654	70200	94667047	69518534	8338435	4269518	69200		82057287	12609760	17988157
Knowhow and Designs	235000			235000	235000					235000		
Vehicles	77248428	5277234	3896322	78629340	47489887	7494196	496680	3782749		51698014	26931326	29758544
TOTAL	2419630430	150541767	32380451	2537791746	1339189235	109656258	40181250	28195423	1460831320	1076960426	1080441197	
Previous Year	2411226688	17242143	8838402	2419630429	1232093576	115511952	0	8416296	1339189232	1080441197	1179133110	
K.C.P. Sugar and Industries Corporation Ltd												
The EIMCO-K.C.P. Ltd.	2341637260	142659292	32380451	2451916101	1290197708	103106548	39058105	28195423		1404166938	1047749163	1051439552
KCP Sugars	70813358	7882475		78695833	48442075	6109483	702806			55254364	23441469	22371282
Agricultural Research Farms Ltd.	7179811			7179811	549448	440227	420339			1410014	5769797	6630363
TOTAL	2419630429	150541767	32380451	2537791745	1339189231	109656258	40181250	28195423	1460831316	1076960429	1080441197	

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
13. Capital work in progress:		
a) Plant and Machinery	82281	48201395
b) Building under Construction	6565457	19192760
	6647738	67394155
14. Non Current Investments:		
Investments in Equity Instruments		
Quoted - Fully paid up	381666558	326028272
Unquoted - Fully paid up	2200000	2200000
	383866558	328228272
Note : Aggregate value of quoted investments at cost	381666558	326028272
Aggregate of quoted investments at Market Value	292940353	208496100
15. Long term loans and advances:		
Unsecured, considered good		
Security Deposits	8761502	8784241
16. Other Non current assets:		
Interest receivable	-	1380155
Margin money fixed deposits with bank	21495451	37556716
	21495451	38936871
17. Current investments:		
Investments in mutual funds (Cost or NAV whichever is lower)	71409323	66768657
18. Inventories:		
i) Raw materials	36958025	23534973
ii) Work in progress	90319342	75323589
iii) Finished goods	2292833299	2708581110
iv) Stores and spares	55273634	58844889
vi) Loose tools	534467	558730
	2475918767	2866843291

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2015	As at end of previous reporting period 31-03-2014
19. Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	21153885	16184346
b) Doubtful	3590987	3590987
ii) Others - Unsecured considered good	362149608	289205526
	386894480	308980859
Less: Provision for doubtful debts	3590987	3590987
	383303493	305389872
20. Cash and Bank balances:		
Cash and cash equivalents:		
i) Balances with Banks		
- in Current accounts	55339746	67611717
- in Fixed Deposits	43515291	
ii) cash on hand	2053101	1664638
Other balances with Bank		
i) - in unpaid dividend accounts	19729146	17829893
ii) - in margin money, security for borrowings, guarantees and other commitments	35475654	31533394
	156112938	118639642
21. Short term loans and advances:		
Unsecured considered good		
i) Advances to suppliers and service providers	224715544	206127421
ii) Advances to employees	1059239	1736118
iii) Advance taxes, duties etc (Net)	30509893	12430949
	256284676	220294488

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Amt. In Rupees	
	For the current reporting period 2014-2015	For the previous reporting period 2013-2014
22. Other Income:		
i) Interest income	8773272	6752379
ii) Dividend Income		
- from long term investments	4361528	6362764
- from current investments	26015365	33515805
iii) Rent Received	5963414	5668976
iv) Miscellaneous Receipts	17994682	16271319
v) Profit on sale of fixed assets (Net)	860217	1238277
vi) Profit on sale of Investments (Net)	35829770	-
vii) Unclaimed Balance credited back	614777	1661521
viii) Claims Received	1026844	2369161
ix) Provision no longer required withdrawn	4595516	4202277
x) Packing and forwarding charges	2969896	950614
xi) Foreign exchange variation	993928	1576522
	109999209	80569615
23. Cost of materials consumed:		
i) Consumption of raw materials	3330666984	3016441119
Less: Inter Divisional Transfers	226054106	163232023
	3104612878	2853209096
ii) Consumption of stores and spare parts	220706101	262942919
	3325318979	3116152015
24. Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress	90319342	75323589
ii) Finished goods	2292833299	2708581110
	2383152641	2783904699
Less:		
Stocks at the beginning of the year		
i) Work in progress	75323589	86009882
ii) Finished goods	2708581110	2090877607
	2783904699	2176887489
Changes in work in progress (a)	-14995753	10686293
Changes in Finished Goods (b)	415747811	-617703503
Changes in inventories (a) + (b)	400752058	-607017210

Particulars	Amt. In Rupees	
	As at end of current reporting period 2014 - 2015	As at end of previous reporting period 2013 - 2014
25. Employee Benefit Expenses:		
i) Salaries and wages	299293104	344761282
ii) Contribution to provident and other funds	31728786	53086025
iii) Remuneration to whole time directors	11120445	33018829
iv) Staff welfare expenses	28408741	28236906
	370551076	459103042
26. Finance Costs:		
i) Interest expense	40457491	40098523
ii) Other borrowing costs	4586876	12118669
	45044367	52217192
27. Other expenses:		
i) Power and fuel	876914140	789502608
Less: Inter Divisional Transfers	854437298	767158335
	22476842	22344273
ii) Rent	239003	180219
iii) Repairs to buildings	18496092	17572092
iv) Repairs to machinery	114092244	119043233
v) Repairs others	8930424	9353630
vi) Insurance	3434149	3610743
vii) Payment to the auditors	698135	726760
viii) Selling expenses	48970917	41256809
ix) Irrecoverable loans and advances written off	623082	364324
x) Donations	6901450	200000
xi) Corporate Social Responsibility (CSR)	1500000	-
xii) Legal and professional charges	6604018	8191856
xiii) Directors sitting fees	1220000	1140000
xiv) Remuneration to non whole time directors - Commission	-	836164
xv) Testing Charges	205393	221148
xvi) Machine Fabrication charge	40228199	36815742
xvii) Performance and delivery guarantee claim	17109367	28568759
xviii) Workshop Maintenance	1918748	-
xix) Miscellaneous expenses	76188650	94656408
	369836713	385082160

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

28. Contingent liabilities:

Contingent Liabilities:

Amt. in Rs.

Particulars	31.03.2015	31.03.2014
Share Transmission	11,05,851	11,05,851
ESI Cases (Net of amount paid under protest)	1,32,925	1,32,925
Case on Captive Power Generation	2,61,69,375	2,61,69,375
Bank Guarantees	15,05,78,854	14,05,08,866
Disputed Income Tax	25,93,489	25,93,489
Labour Cases	30,26,987	29,50,596
TOTAL	18,36,07,481	17,34,61,102

29. Purchase tax is payable at Rs.60/- per MT. on the sugarcane purchased. In this respect, the Govt. of Andhra Pradesh is used to notify the said levy for every sugar season separately. Considering the financial hardships faced by the sugarcane farmers, the Govt. of Andhra Pradesh has been directing the sugar mills to pay the said tax to the sugarcane suppliers as an 'incentive' instead of paying the same to the Govt. of Andhra Pradesh in the recent years. Contrary to this practice, the notification No.GO RT No.68 dt.07-03-2015 Issued for sugar season 2014-2015 directed the sugar mills to remit such tax to the Government except in the case of Cooperative sugar mills. Aggrieved by the said notification, the private sugar mills represented to the Govt. of Andhra Pradesh through South Indian Sugar Mills Association (SISMA) for reconsideration and extending the facility of paying such tax as 'incentive' to their sugar cane suppliers. The Company is of the firm belief that this representation will be considered favorably and hence, the purchase tax payable on the sugar cane purchased for 2014-15 sugar season up to 31st March 2015 to the tune of Rs.6,39,91,451/-has been classified under Note No.10(e) " Other Current Liabilities :- Statutory Liabilities".

30. Employee Benefits

Disclosure under Accounting standard 15 (AS 15): Defined benefit plans

	Gratuity	2014-15	2013-14
(I)	Change in Benefit Obligation		
	Liability at the beginning of the year	134419782	114529143
	Interest Cost	10861747	9141521
	Current Service Cost	6709467	5818421
	Benefit Paid	-11973407	6203841
	Actuarial (gain)/loss on obligations	-569554	12415110
	Liability at the end of the year	139448035	135700354
(II)	Fair value of Plan Assets		
	Fair value of plan assets at the beginning of the year	111567632	103056802
	Expected Return on Plan Assets	9942172	8917735
	Contributions	11941213	7077506
	Benefit Paid	-11973407	6203841
	Fair Value of plan assets at the end of the year	121477610	112848202
III)	Actual Return on Plan Assets		
	Expected Return on Plan Assets	9942172	8917735
	Actuarial gain/(loss) on plan Assets	-	-
	Actual Return on Plan Assets	9942172	8917735
(IV)	Amount Recognised in the Balance Sheet		
	Liability at the end of the year	139448035	134419784
	Fair value of Plan Assets at the end of the year	121477610	111567632
	Difference (Unfunded)	17970425	22852152
	Amount Recognised in the Balance Sheet	17970425	22852152
(V)	Expenses Recognised in the Income Statement		
	Current Service Cost	6709467	5818421
	Interest Cost	10861747	9141521
	Expected Return on Plan Assets	-9942172	8917735
	Net Actuarial (Gain)/ loss to be recognised	-569554	12415110
	Expenses Recognised in P & L	7059488	18457317
(VI)	Actuarial Assumptions : For the Year		
	Discount Rate Current (in %)	8.00%	8.00%
	Salary Escalation Current (in %)	6% & 5%	5% & 6%
	Expected rate of return on plan assets	9.30%	9.30%
	L I C Mortality rate 1994- 1996 ultimate		

Provident fund:

"Provident fund: The Company manages Provident fund plan through a Provident Fund Trust for certain employees, which is permitted under The Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer & employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier. The benefit under this plan vests immediately on rendering of service.

The Guidance Note on implementing AS-15, Employee Benefits(revised 2005) issued by the Accounting Standard Board (ASB) states that provident fund set up by employers, which require interest shortfall to be met by the employer, need to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed inability to reliably measure the Provident fund liability. However, there is no deficit in the fund in this regard."

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31. RELATED PARTY DISCLOSURES:

(As Required under paragraphs 23 and 26 of Accounting Standard 18)

(A). Names of related parties and description of relationship:

- | | |
|-----------------------------|--|
| 1. Key Management Personnel | a) Shri. Vinod R. Sethi, Executive Chairman
b) Smt. Irmgard Velagapudi M Rao, Managing Director
c) Smt.V. Kiran Rao, Executive Director
d) Shri. R. Ganesan, Chief Financial Officer
e) Shri S. Chidambaram, GM (Fin.) & Company Secretary |
|-----------------------------|--|

(B). Transactions During the year

Particulars	Subsidiaries	
	2014-15	2013-14
Rent received	1350000	1200000
Remuneration paid	11120445	33018829
Interest on fixed deposits	2811247	3000000
Share capital held	1872810	1872810
Fixed deposits held	30960000	331160000

32. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earnings per share

		2014-2015	2013-2014
		Rs.	Rs.
Profit attributable to the Shareholders	A	(139306521)	331051183
Basic / Weighted average number of Equity Shares outstanding during the year	B	113385050	113385050
Nominal value of Equity Shares		1.00	1.00
Basic / Diluted Earnings per share	A/B	(1.23)	2.92

33. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2015 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

Particulars	Primary Segment					Amt. in Rs.
	Sugar	Chemicals	Power & Fuel	Engineering	Others	Total
Segment Revenue						
External Revenue	3578271211	381365384	56268517	339682605	59242310	4414830027
Inter Segment Revenue	613683882	3086151	463721371	-	-	1080491404
Total Revenues	4191955093	384451535	519989888	339682605	59242310	5495321431
Segment Results						
Profit before depreciation, finance cost and taxation	(304938187)	37356182	108283823	36680220	30856358	-91761604
Add : Finance Cost	38074499	3111133	466507	2905823	486406	45044367
Add: Depreciation and Amortizations	49605573	21479936	27594286	6109483	4866979	109656258
Add: Impairment on Capital Assets						
Unallocable Expenditure						
Add : Tax						-107155708
Total Profit						(139306521)
Capital Employed						
Segment Assets	3262181513	269600494	269407192	400515276	65182745	4266887220
Unallocable Assets						590813506
Segment Liabilities	1857936498	6875944	2431591	223107039	3359453	2093710525
Unallocable Liabilities						448349158
Capital Employed						2315641043
Capital Expenditure	59815680	10198336	4545402	7832475	11247347	93639240

Note:

1. The operations of the company and its subsidiaries predominantly relate to manufacture of Sugar, Electrical Energy, Engineering Equipments, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO₂ and Calcium Lactate
2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers and Agricultural Produce.
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

ii. GEOGRAPHICAL SEGMENT :

Particulars	
Sales within India	4358487763
Sales outside India	56342264
Total	4414830027

Note: Company does not own or operate any business outside India.

CARRYING AMOUNTS OF GEOGRAPHICAL ASSETS & ADDITIONS TO TANGIBLE & INTANGIBLE FIXED ASSETS :

Particulars	Carrying amounts of segment assets	Additions to fixed assets & Intangible assets
Located in India	4857700726	93639240
Located outside India	-	-
	4857700726	93639240

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Cash Flow Statement Annexed to Financial Statements

	2014-15	AMT IN RS. 2013-14
A. Cash Flow from Operating Activities:		
Net Profit before tax and Extraordinary Items	(24646229)	414351992
Adjustments for:		
Depreciation	109656259	115511952
Loss/(Profit) on Sale of Assets	(860217)	(1238277)
Provision no longer required withdrawn	(4595516)	(5863798)
Bad debts and Debit balances written off	604211	364324
Dividend Income	(30376892)	(39878569)
Loss/(Profit) on Sale of Investments	(35829770)	0
Interest and Finance cost	45043405	52217192
Interest received	(8773272)	(6752379)
Credit balances written back	(32246)	0
	74835962	114360445
Operating Profit before Working Capital Changes	(171626267)	528712437
Adjustments for :		
Trade and other Receivables	(85220807)	(19420327)
Inventories	390924524	593977866
Trade Payables	60196540	(131806014)
	365900258	442751525
Cash Generated from Operation	194273990	85960912
Direct Taxes Paid	(42946226)	133897710
Cash Flow Before Extraordinary Items	151327764	(47936798)
Extra ordinary items		0
Net Cash from Operating Activities	151327764	(47936798)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(150491016)	17292894
Investments purchased	(139002496)	67888241
Increase/(Decrease) in Capital Work in Progress	56852526	61126558
Sale of Investments	114553314	(370747)
Sale of Fixed Assets	5045245	(1660383)
Interest Received	8773272	(6752379)
Dividend Received	30376892	(39878569)
Net Cash Used in Investing Activities	73892263	97645615
C. Cash Flow from Financing Activities		
Repayment of Borrowings	(117837814)	(371644107)
Finance Cost	45043405	52217192
Dividends and Tax on dividend Paid	112756614	132654839
Net Cash Used in Financing Activities	39962205	(186772076)
Net Increase in Cash and Cash Equivalents (A-B-C)	37473296	41189663
Cash and Cash Equivalents beginning of the year	118639642	77449979
Cash and Cash Equivalents at the end of the year*	156112938	118639642

* Cash and Cash Equivalents include Rs. 1,97,29,146 on account of unpaid dividend and interest warrant lying in various bank accounts.

As per our report of even date

For B.PURUSHOTTAM & CO.

Chartered Accountants

FRN 002808S

K.V.N.S. KISHORE

Partner

M.No. 206734

Chennai

29.05.2015

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

V. KIRAN RAO
Executive Director

For and behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO

Managing Director

To
The Board of Directors of
K.C.P. Sugar and Industries Corporation Ltd

We have audited the accompanying consolidated financial statements of K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the consolidated statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 238.69 Lakhs as at March 31, 2014, total revenues of Rs 10.41 Lakhs, and net cash inflows amounting to Rs 0.07 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

K.V.N.S Kishore
Partner
(M. No. 206734)

Place : Chennai.
Date : 29-05-2015

ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

From (Please fill name and address of first holder) Date :

FOLIO NO :

.....
.....
.....
.....
.....

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Dear Sir,

Sub: Payment of Dividend thro' Electronic Clearing Service (ECS)

I hereby give my mandate to credit my dividend on the Shares held by me directly to my Bank account through the Electronic Clearing Service (ECS). As desired, I give below the particulars of my Bank account :

1.	NAME OF BANK									
2.	BRANCH NAME AND ADDRESS									
3.	ACCOUNT NO (as appearing on cheque book)									
4.	ACCOUNT TYPE (please tick)	<input type="checkbox"/> 10 - Savings <input type="checkbox"/> 11 - Current Account <input type="checkbox"/> 13 - Cash credit								
5.	LEDGER FOLIO NO OF THE BANK A/C (if appearing on cheque book)									
6.	9-DIGIT CODE NUMBER OF THE BANK & BRANCH APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK (please attach a xerox copy of the cheque or bank cheque of your bank duly cancelled for ensuring the accuracy of the bank's name branch name and code number)	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>								

I hereby declare that the particulars given above are correct and complete. If any transactions are delayed or not effected at all for reasons of incompleteness or correctness of information supplied as above, the Company will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by the Company, for payment of dividend to me.

I further undertake to inform the Company about any change in my Bank/Branch and account number.

DATE :

.....
(Signature of First holder)

* * * * FOR OFFICE USE ONLY * * * *	
ECS REF NO.	

**K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED**
No.239, Anna Salai,
Chennai -600 006.

(Detail's overleaf)

PAYMENT OF DIVIDEND THRO' ELECTRONIC CLEARING SERVICE (ECS)

The Securities and Exchange Board of India (SEBI) has made it mandatory for all listed company to offer ECS facilities. This facility has **several benefits including :**

1. **Instant credit** of the dividend amount directly to your designated bank account electronically.
2. **Prevents** in-transit interception of the warrant or its fraudulent encashment.
3. **Eliminates** the scop for loss/delay in receipt of the warrant.
4. **No extra** cost to the payee.

Instead of the earlier practice of issue of printed warrants being sent to the Shareholders, this mode of payment provides for direct credit dividend to the existing Bank account of the Shareholder(s) by electronic mode. The concerned Bank branch will credit your account and indicate the entry as "ECS" in your pass book/statement.

This mode of payment is optional and you have a right to withdraw the instructions or change them by giving us an advance notice of atleast eight weeks before the data of payment. The information furnished by you will be kept confidential and utilised only for the purpose of effecting the payment of dividend as may be applicable. The Company will not be liable for any credit/s made to any other account other than the Sharholders account because of the incorrect information given.

The facility of ECS is (RBI Centres) available in 15 cities as follows :

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram,

Though the facility is available only to a limited number of cities, we request all the Shareholders to provide us the details in the enclosed form, which would enable us to serve you better once the facility is extended to your city.

Wo would **request you to avail this facility by completing the relevant details in the ECS Mandate form printed on the reverse and return to us at the earliest alongwith a cancelled or photocopy or your cheque** pertaining to your account to which the dividend amount is to be credited.

In case you are holding shares in demat form, kindly advise your Depository participant directly to take note of your Bank account particulars/ECS mandate.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN:L15421TN1995PLC033198

“Ramakrishna Buildings”, No.239, Anna Salai, Chennai 600006 – Tel: 91 44 28555171-176 / Fax: 914428546617

Investorservices@kcpsugar.com / www.kcpsugar.com

20th Annual General Meeting – August 20, 2015

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Name of the Member(s)

Registered address

--

Email

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Folio No. / Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID

I / We, being the member(s) of shares of the above named company, hereby appoint

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General meeting of the Company, to be held on Thursday, 20th August 2015 at 10.30 AM at “Sadguru Gnanananda Hall”, Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 3) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March 2015.			
2.	Approval of dividend for the financial year ended 31st March 2015.			
3.	To appoint a Director in place of Shri.Vinod R. Sethi (DIN: 00106598) who retires by rotation, and being eligible, offers herself for reappointment.			
4.	Ratification of Appointment of M/s. B.Purushottam & Co, Chartered Accountants, Chennai as the Auditors of the Company.			
SPECIAL BUSINESS				
5.	Reappointment of Smt.Irmgard Velagapudi M.Rao as Managing Director for a period of five years from upto 29.03.2015 to 28.03.2020. (Special Resolution)			
6.	Reappointment of Shri.Vinod R.Sethi as a Whole-time Director designated as Executive Chairman, for a period of five years from 08.04.2015 to 07.04.2020. (Ordinary Resolution)			
7.	Minimum Remuneration payable to Smt.Irmgard Velagapudi M.Rao Managing Director, for the financial year 2014-15 in the absence of profits. (Special Resolution)			
8.	Minimum Remuneration payable to Shri.Vinod R.Sethi, Executive Chairman, for the financial year 2014-15 in the absence of profits. (Special Resolution)			
9.	Minimum Remuneration payable to Smt.V.Kiran Rao, Executive Director, for the financial year 2014-15 in the absence of profits. (Special Resolution)			
10.	Ratification of Remuneration of Cost Auditor for the financial year 2015-16.			

Signed this..... day of2015.

..... /

Signature of member / Signature of the proxy holder

Affix
Revenue
Stamp of
Re. 1/-

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.
2. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
4. As per section 105 of the Companies Act, 2013, a person appointed as proxy shall act on behalf of such member or no. of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
5. In case of joint holders the signature of any holder will be sufficient, but names of all the joint holders should be stated.

INSTRUCTIONS FOR E-VOTING

Registered folio No. / DP ID No. / Client ID No.	Number of shares held:
---	-------------------------------

Dear Member,

Sub: Instructions for e-voting

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility for the members to cast their votes electronically on all resolutions set forth in the Notice convening the 20th Annual General Meeting to be held on Thursday, 20th August 2015 at 10.30 a.m. IST. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (e-voting event number)	User ID	Password

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
August 17, 2015 at 9.00 a.m. IST	August 19, 2015 at 5.00 p.m. IST

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 20th August 2015.

Steps for e-voting

1. Open the internet browser and type the following URL: **<https://www.evoting.nsdl.com>**
2. Click on Shareholder-Login
3. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password provided in this document.
5. The **Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
6. Once the e-voting home page opens, click on **e-voting>Active Voting Cycles**
7. Select the **EVEN (E-Voting Event Number)** of K.C.P.Sugar and Industries Corporation Limited (the number is provided in this document). Once you enter the number, the **Cast Vote** page will open. Now you are ready for e-voting.
8. Cast your vote by selecting your favoured option and click **Submit**. Also **click** Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
9. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer via email at: maheshvenky@vmacs.co.in with a copy marked to evoting@nsdl.co.in.
10. In case of any queries, please refer to the **Frequently Asked Questions (FAQs)** for members and the **e-voting user manual** for members available in the 'Downloads' section of **<https://www.evoting.nsdl.com>**. You can also contact NSDL via email at **evoting@nsdl.co.in**.

General Instructions

- a. The e-voting period commences on 17th August 2015 (9.00 a.m. IST) and ends on 19th August 2015 (5.00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 13th August 2015, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 13th August 2015 and not casting their votes electronically, may only cast their votes at the Annual General Meeting.

- c. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
- d. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders, who have not cast their vote electronically by remote e-voting, may only cast their vote at the AGM through ballot paper.
- e. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on August 13, 2015.
- f. M/s.V.Mahesh & Associates, Practicing Company Secretaries (Membership No.F-4162 / CP No.2473), have been appointed as the Scrutinizer to scrutinize the e-voting process and the physical ballot at the venue of the AGM, in a fair and transparent manner.
- g. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- h. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered office of the Company during business hours on all working days upto the date of declaration of the result of the 20th Annual General meeting of the Company.

Registered Office
'Ramakrishna Buildings'
No.239, Anna Salai,
Chennai 600006.

by order of the Board of Directors
for K.C.P.SUGAR AND INDUSTRIES
CORPORATION LIMITED

Chennai
May 29, 2015

Vinod R. Sethi
Executive Chairman

Notes :

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