

Form DPT – 1

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

[Pursuant to rule 73 (2) (a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

CIN: L15421TN1995PLC033198

1. GENERAL INFORMATION

	Name of Company	K.C.P Sugar and Industries Corporation Limited		
a.	Address, website and other contact details of the Company	Registered office: "Ramakrishna Buildings" 239 Anna Salai, Chennai 600006. Ph:044-28555171-176 Fax: 044-28546617, email:kcpsugar@vsnl.com Website:www.kcpsugar.com		
b.	Date of incorporation of the Company	11.10.1995		
c.	Business carried on by the Company and its subsidiaries with the details of branches or units, if any:	Manufacturers of Sugar, Industrial Alcohol, Anhydrous alcohol, Extra neutral alcohol, Carbon-di-oxide, Calcium Lactate, Bio-fertilizers, Bio-Compost & Mycorriza inoculum. Units at: Vuyyuru 521 165 & Lakshmipuram 521 131 Krishna Dist AP Wholly owned subsidiaries: The Eimco-kcp Ltd, manufactures of solid liquid separation equipments. Works at 11A 3 rd Main Road, Industrial Estate Ambattur, Chennai 600 058. KCP Sugars Agriculture Research Farms Ltd. Engaged in research and development activities on sugar cane and other agricultural products. Farm at Tirupukuzhi & Melambi Village, Kancheepuram Dist, Tamil Nadu		
d.	Brief particulars of Management of the Company:	The company is managed by Managing Director, Executive Chairman and Executive Director under the supervision, control and direction of the Board of Directors.		
e.	Names, addresses, DIN and occupations of the Directors;			
	Name of Director	DIN	Address (Residential)	Occupation
	Smt Irmgard Velagapudi M Rao	00091370	No.15, Damodrapuram Main Road, Adyar, Chennai 600 020	Managing Director
	Sri Vinod R Sethi	00106598	No.11 3 rd Street, Kasturi Estate, Chennai 600 086	Executive Chairman
	Smt V Kiran Rao	00091466	No.11 3 rd Street, Kasturi Estate, Chennai 600 086	Executive Director
	Sri K A Rangaswamy	00020891	No.12 (old No.23) Krishnapuri 2 nd Street, R A Puram, Chennai 600 028	Company Director
	Sri Ranvir R Shah	00041398	No.21 South Mada Street, Srimagar Colony Saidapet, Chennai 600 015	Company Director
	Dr Vithal Rajan	00021571	No.1-2-16/11 1 st Street, Habsiguda, Hyderabad 500 067	Company Director
	Sri M S V M Rao	00432640	No.202 Lake Residency, Raj Bhavan Road, Somajiguda, Hyderabad 500 082	Company Director
	Sri Pratap K Moturi	00020630	No.25-C Ranjith Street, Kotturpuram, Chennai 600 085	Company Director

f.	Management perception of risk factors;	<p>The company has two schemes deposits viz., Fixed / Cumulative Deposits and both are unsecured. The Company has unblemished track record of servicing the depositors till date without any default either in repayment of deposits or in payment of interest.</p> <p>The Company has deposited 15% of the amount of deposits maturing in the financial year 2015-16 & 2016-17 in a separate bank account with Corporation Bank, Chennai 600 014 on 28.04.2015 in pursuance of sec 73 (2) (c) of Companies Act, 2013.</p> <p>Credit Analysis and Research Limited (CARE) have assigned CARE A- (FD) [single A minus (Fixed Deposit)] which denotes adequate degree of safety regarding timely servicing of financial Obligations and carry low credit risk.</p>
g.	Details of default, including the amount involved, Duration of default and present status, in repayment of	
	i) statutory dues	Nil
	ii) debentures and interest thereon	NA
	iii) loan from any bank or financial institution and interest thereon	Nil

2. PARTICULARS OF THE DEPOSIT SCHEME

a.	Date of passing resolution	26.05.2014
b.	Date of passing resolution in the general meeting authorising the invitation of such deposits;	11.09.2014
c.	Type of deposits, i.e. whether secured or unsecured;	Unsecured
d.	Amount which the Company can raise by way of deposits as per the Act and the rules made there under	Rs.74,96,11,480/- From Public (25% of the aggregate paid up capital & free reserves Rs.53,54,36,772) From shareholders (10% of the aggregate paid up capital & free reserves Rs.21,41,74,708)
	i) The aggregate of deposits actually held on the last day of the immediately preceding financial year (31.03.2015)	Rs.33,04,32,000/-
	ii) The aggregate of deposits actually held on the date of issue circular / advertisement (21.08.15)	
	iii) Amount of deposits proposed to be raised	Rs.74,96,11,480/-
	iv) Amount of deposits repayable within the next twelve months	Rs.7,97,28,000
e.	Terms of raising deposits:	
	Minimum amount	Rs.25000/- and thereafter in multiples of Rs.1000/- only
	Term of deposits:	Two / Three years
	Scheme 1 : Fixed deposit	Two / Three years interest payable quarterly
	Rate of interest	9.5% p.a. for 2years deposit 10% for 3years
	Scheme 2 : Cumulative deposit.	Three years only. Interest payable on maturity compounded quarterly
	Rate of interest	10% p.a.
	Interest payable	Interest on deposit under scheme 1 will be payable every quarter on 30 th June, 30 th September, 31 st December & 31 st March. Interest under scheme 2 will be payable on maturity, interest compounded quarterly. Interest will be payable by way of warrants / demand drafts payable at par by specified branches of ING Vysya Bank.

	Repayment of principal amount	Deposits will be repayable on maturity on surrender of duly discharged deposit receipt by way of account payee cheques payable at par. Premature repayment of deposits after the expiry of a period of six month from the date of such deposit but the before the expiry of the period for which such deposit was accepted is permitted subject to the compliance with the provisions of Companies (Acceptance Deposits) Rules 2014.
	Mode of payment	Deposits will be accepted only through account payee cheques / demand drafts drawn on Chennai banks favouring K.C.P Sugar and Industries Corporation Limited. Demand draft charges are not deductible from the principal. No deposits will be accepted by way of cash and out station cheques will not accepted
	Renewal of deposits	Renewal of deposits will be considered on submission of fresh application accompanied by the duly discharged deposit receipt. Renewal will be accepted for the principal amount only
f.	Proposed time schedule mentioning the date of opening of the Scheme and time period for which the circular or advertisement is valid;	<p>The present validity period for Acceptance of Deposits as per DPT-1 submitted to ROC on 12.09.2014 is from 17.10.2014 till the date of 20th Annual General Meeting, viz, 20.08.2015.</p> <p>As per provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, on approval of Form DPT-1 in the Meeting of Board of Directors on 20.08.2015, e-filing of the same with ROC will be on same day. The Company will temporarily suspend acceptance / renewal of deposits for a period of one month from 21.08.2015 to 20.09.2015. Circular in the form of advertisement (DPT-1) will be released in the Financial Express and Malai Sudar (Tamil) on 20.09.2015, and Acceptance / renewal of deposits will commence on 21.09.2015.</p> <p>This Circular in the form of Advertisement shall be valid until the expiry of six months from the date of closure of financial year 2015-16 or until the date on which the financial statement is laid before the Company in Annual General Meeting for the financial year 2015-16.</p>
g.	Reasons or objects of raising the deposits	To support business operations.
h.	Credit rating obtained	
	a) Name of credit rating Agencies	Credit Analysis and Research Limited
	b) Rating obtained	CARE A- (FD)[single A minus (Fixed Deposit)]
	c) Meaning of the rating obtained & date of which obtained	Adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk.
i.	Extent of deposit insurance:	
	a) Name of insurance Company	Ministry of Corporate Affairs vide notification No.GSR 241(E) dt.31.03.2015 has permitted acceptance of deposits without insurance contract till 31 st March 2016 through insertion of a proviso to rule 5 (1) of Companies (Acceptance of Deposits) Rules 2015. However the Company undertakes to provide the necessary insurance for the deposits once deposit insurance policy made available in the market.
	c) Terms of insurance coverage	
	d) Duration if coverage	
	e) extent of coverage	
	Procedure for claim in case of default etc.	
j.	Short particulars of the charge created or to be created for securing such deposits, if any	Not applicable
k.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons.	None of the directors, promoters, key managerial personnel and their relatives are concerned or interested expect to the extent of deposit if any they hold in the Company

3. DETAILS OF ANY OUTSTANDING DEPOSITS

a.	Amount outstanding as on 31.03.2015	Rs. 33,04,32,000
b.	Date of acceptance	Accepted on different dates
c.	Total amount accepted	Rs. 33,04,32,000
d.	Rate of interest	9.5% for 2years and 10% for 3years
e.	Total number of depositors	3368
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any including number of depositors, amount and duration of default involved;	Nil
g.	Any waiver by the depositors, of interest accrued on deposits	Nil

4. FINANCIAL POSITION OF THE COMPANY

a.	Profits of Company, before and after making provisions for tax, for the three financial years immediately preceding the date of issue of circular or advertisement	Profit (amount in Rs.)					
		31.03.2013		31.03.2014		31.03.2015	
		Before taxation	After taxation	Before taxation	After taxation	Before taxation	After taxation
		55,60,31,703	38,76,13,081	33,27,78,552	27,66,44,491	(27,54,25,008)	(161729515)

b.	Dividends declared by the company in respect of the financial years: interest coverage ratio for last three years (cash profit after tax plus interest paid or interest paid)	For the year ended	Dividend declared	Dividend (%)	Interest coverage ratio
		31.03.2013	11,33,85,050	100	9.75
		31.03.2014	9,63,77,293	85	9.51
		31.03.2015	1,13,38,505	10	*

*For the financial year ended 31.03.2015, Interest coverage ratio cannot be quantified in view of Loss sustained in that year.

c. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement.

Equity & Liabilities	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Shareholder's funds			
Share capital	113385050	113385050	113385050
Reserves and surplus	2028362038	2242796416	2078908539
Non-current Liabilities			
Long term borrowings	537504000	479876000	181119000
Deferred tax liabilities (net)	55896443	169676439	201192561
Other long term liabilities	6236098	6562944	5734660
Long term provisions	39434932	40273832	35673893
Current Liabilities			
Short term borrowings	452488218	392278404	302555464
Trade payables	970545504	980590394	834850586
Other current liabilities	233552112	238988341	248588906
Short term provisions	23264321	147789325	176007891
Total	4460668716	4812217145	4178016550

Assets	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013
Non-current assets			
Fixed assets			
Tangible assets	1047749162	1051439552	1152080752
Capital work in progress	6647738	67394155	6680097
Intangible assets under development	16939853	13045962	12633462
Non-current investment	397917269	343583442	338186470
Long term loans and advances	5762543	5794453	5979727
Currents Assets			
Current investments	0	0	0
Inventories	2402880965	2807429705	2170520579
Trade receivables	228206536	206712499	215722609
Cash and bank balances	109399818	108702451	76006691
Short term loans and advances	245164832	208114926	200206163
Total	4460668716	4812217145	4178016550

d.

K.C.P.SUGAR AND INDUSTRIES CORPORATION LTD						
CASH FLOW STATEMENT						
						AMT IN RS.
		2014-2015	2013-2014		2012-2013	
A. Cash Flow from Operating Activities:						
Net Profit before tax and Extraordinary Items		(275425008)		332778552		556031703
Adjustments for:						
Depreciation	103106548		110940205		108740123	
Loss/(Profit) on Sale of Assets	(860217)		(1238277)		127390	
Assets written off	0		0		6072415	
Provision no longer required withdrawn	(3569092)		(3580197)		(295131)	
Dividend Income	(25896848)		(36824184)		(28756674)	
Finance Cost	42137582		45547308		56758170	
Loss /(Profit)Profit on Sale of Investments	(33989934)		0		12242722	
Interest received	(3280361)	77647678	(4608188)	110236667	(4694960)	150194055
Operating Profit before Working Capital Changes		(197777330)		443015219		706225758
Adjustments for :						
Trade and other Receivables	(46688978)		(5494836)		122238235	
Inventories	404548740		636909126		(108833081)	
Trade Payables	(15447171)		(152778854)		302626875	316032029
		342412591		478635436		
Cash Generated from Operation		144635262		(35620216)		390193729
Direct Taxes Paid		34953307		107809932		121047727
Cash Flow Before Extraordinary Items		109681955		(143430148)		269146002
Extra ordinary items		-		-		-
Net Cash from Operating Activities		109681954		(143430148)		269146002



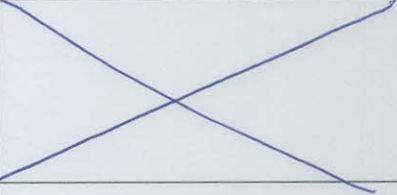

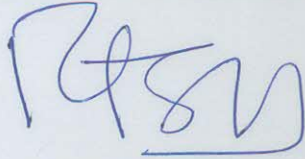


B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	142659292	10721111	63531041
Investments purchased	130902059	5396971	106435714
Increase / (Decrease) in Capital Work in Progress	(56852526)	61126558	(471129)
Sale of Investments	(110558166)	0	(113087142)
Sale of Fixed Assets	(5045245)	(1660383)	(1113914)
Interest Received	(3280361)	(4608188)	(4694960)
Dividend Received	(25896848)	(36824184)	(28756674)
Net Cash Used in Investing Activities	71928205	34151885	21842936
C. Cash Flow from Financing Activities			
(Increase) / Decrease of Long Term Borrowings	(117837814)	(388479940)	96497000
Finance Cost	42137582	45547308	56758170
Repayment of Finance Lease Liabilities		-	-
Dividends and Tax on dividend paid	112756614	132654839	92245258
Net Cash Used in Financing Activities	37056381	(210277793)	245500428
Net Increase in Cash and Cash Equivalents (A-B-C)	697368	32695760	1802638
Cash and Cash Equivalents at the beginning of the reporting period	108702451	76006691	74204053
*Cash and Cash Equivalents at the end of the reporting period	109399818	108702451	76006691

*Cash and Cash Equivalents include Rs.1,97,29,146 on account of unpaid dividend and interest warrant lying in various bank accounts.

e.	Any change in accounting policies during the last three years and their effect on the profits and reserves of the Company	Nil
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5. DECLARATION BY THE DIRECTORS THAT

- The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- The Board of Directors has satisfied itself fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement.
- The Company has complied with the provisions of the Act and the rules made there-under;
- The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government.
- The Shareholders approved the acceptance / renewal of deposits at the 19th Annual General Meeting held on 11.09.2014. The Company had filed E-form GNL-2 for submission of Form DPT-1 (Circular or Circular in the form of Advertisement inviting deposits) pursuant to section 73(2)(a) and section 76 read with Rule 4 of the Companies (Acceptance of Deposits) Rules, 2014, vide SRN No.C-20111779 dt. 12.09.2014.
- Credit rating for deposits: Credit Analysis and Research Limited (CARE) have assigned CARE A- (FD) [single A minus (Fixed Deposit)] which denotes adequate degree of safety regarding timely servicing of financial Obligations and carry low credit risk.
In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- The deposits shall be used only for the purposes indicated in the circular or circular in the form of advertisement.
- The deposits accepted by the Company are unsecured and rank pari passu with other unsecured liabilities of the Company.

Name of Directors	Designation	Signature
Smt Irmgard Velagapudi M Rao	Managing Director	
Sri Vinod R Sethi	Executive Chairman	
Smt V Kiran Rao	Executive Director	
Sri K A Rangaswamy	Director	
Sri Ranvir R Shah	Director	
Dr Vithal Rajan	Director	
Sri M S V M RAO	Director	
Sri Prathap K Moturi	Director	