

K.C.P. SUGAR AND INDUSTRIES CORPORATION LTD.

Regd. Office : "Ramakrishna Buildings", Post Box No. 727, No.239, (Old No.183), Anna Salai, Chennai - 600 006.
Ph : 044 2855 5171 to 5176, 6551 4966 **Fax :** 044 2854 6617 / 2855 5863 **E-mail :** kcpsugar@vsnl.com

Ref: KSICL/STK.EX. AR1213/2013-14

06.08.2013

**THE VICE PRESIDENT
CAPITAL MARKET (OPERATIONS)
THE NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**

Exchange Plaza, 5th floor
Plot No.C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051.

**MANAGER
CORPORATE RELATIONSHIP
DEPT OF CORP.SERVICES
BOMBAY STOCK EXCHANGE LTD.**

Floor 25, P.J.Towers
Dalal Street
Mumbai 400001.

KCPSUGIND -EQ

Scrip ID / Code: KCPSUGIND / 533192

Dear Sir,

Sub : Eighteenth Annual Report 2012-13 – Corrigendum to
Director's Report - reg.

Ref: Our letter dt. 01.08.2013.

We refer to our letter dt 01.08.2013 forwarding therewith six copies of Annual Report 2012-13 together with soft copy, for your records. In this connection, we wish to inform you that there was a mistake inadvertently crept in on **page No.11 – clause IX (ii)** of Director's Report, **which should read as follows:**

ii. Information as per Section 217(2A) of the Companies Act, 1956 read with the Company (Particulars of Employees) Rules, 1975 is annexed and forms part of this Report. However, as per the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the Company, excluding the said annexure. Any Shareholder interested in obtaining a copy of the said statement may write to the Secretary at the Registered Office of the Company.

We regret the inconvenience caused in this regard and would request you to kindly take the above correction on record. We are also keeping all the shareholders informed in this regard.

We will also forward Form 'A' as required under clause 31(a) of the Listing Agreement shortly, in respect of unqualified audit report for the year ended 31.03.2013.

Thanking you,

Yours faithfully,

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

S. Chidambaram

**S. CHIDAMBARAM
GENERAL MANAGER (FIN) & COMPANY SECRETARY**

Leading Manufacturers of Premium Grade Sugars, Rectified Spirit, Anhydrous Alcohol, Extranatural Alcohol, Co2, Calcium Lactate, Bio-Fertilizers, Bio-Compost and Mycorrhiza Inoculum.

Factories at - Vuyyuru, Krishna Dist., A.P. - 521 165. Tel : 08676 232001 Fax : 08676 232640
 - Lakshmipuram, Krishna Dist., A.P. - 521 131. Tel : 08671 222046 Fax : 08671 222640



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

*Eighteenth Annual Report
2012 - 2013*

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BOARD OF DIRECTORS (as on 29.05.2013)

WHOLETIME DIRECTORS:

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

NON-WHOLETIME DIRECTORS:

Shri.K.A.Rangaswamy	Independent Director
Shri.Ranvir R.Shah	Independent Director
Dr.Vithal Rajan	Independent Director
Shri.M.S.V.M.Rao	Independent Director

Board Committees

Audit Committee

Shri.K.A.Rangaswamy
Shri. Vinod R. Sethi
Dr.Vithal Rajan
Smt.V.Kiran Rao
Shri.M.S.V.M.Rao

Remuneration Committee

Shri.K.A.Rangaswamy
Dr. Vithal Rajan
Shri. Vinod R. Sethi
Shri. Ranvir R.Shah

Share Transfer & Grievances Committee

Shri. K.A. Rangaswamy
Smt.Irmgard Velagapudi M.Rao
Smt.V.Kiran Rao

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.

Legal Advisor

Shri.T.Raghavan

Bankers

State Bank of India
Punjab National Bank
ICICI Bank Ltd
ING Vysya 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
Website: www.iepindia.com

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005	31.03.2004
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	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49	14,342.19	14,475.97	12,784.19	9,012.45	6,554.82
Net Worth	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34	15,476.04	15,609.82	13,918.04	10,146.30	7,688.67
Fixed Assets (Net)	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19	14,758.28	15,541.25	13,970.66	10,448.77	9,649.21
Gross Income	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65	25,428.43	33,611.64	36,184.68	29,977.81	20,890.02
Gross Profit	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26	2,280.74	5,000.54	10,555.24	8,033.82	3,022.50
Depreciation	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35	1,059.37	1,001.49	743.45	619.97	626.02
Finance Cost*	567.58	*634.16	*500.57	319.62	360.18	459.93	351.56	420.53	915.01	1,373.05
Profit / (Loss) before Tax	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73	761.44	3,647.49	9,391.26	6,498.84	1,023.43
Profit / (Loss) after Tax	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88	710.97	2,355.05	5,711.05	4,065.21	1,911.79
Earnings per Share (Rs.)	3.42	2.33	**1.04	**2.09	**0.999	**0.63	**2.08	**5.04	35.85	16.86
Cash Earnings per Share (Rs.)	**4.38	**3.29	**2.01	**3.03	**1.96	**1.56	**2.96	**5.69	41.32	22.38
Book Value per Share (Rs.)	**19.33	**17.09	**15.57	**15.05	**13.83	**13.65	**13.77	**12.28	89.49	67.81
Dividends on Equity %	100.00	70.00	45.00	75.00	70.00	50.00	50.00	150.00	100.00	25.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.19	0.26	0.26	0.25	0.25	0.22	0.12	0.16	0.30	0.49

* 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	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686	8,46,674	12,21,209	10,72,145	9,97,945	10,14,957
Sugar bagged in QTLS	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150	9,19,000	13,19,880	11,97,470	11,44,442	10,60,812
Recovery (%)	10.10	9.88	10.25	9.50	10.45	10.85	10.83	11.15	11.46	10.47
SUGAR UNIT, LAKSHMIPURAM										
Cane Crushed in MTS	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957	2,74,193	4,53,307	4,35,534	3,72,153	3,13,619
Sugar bagged in QTLS	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686	2,68,948	4,67,905	4,61,679	4,13,580	3,14,879
Recovery (%)	9.11	8.87	9.09	8.58	9.05	9.80	10.32	10.63	11.10	10.05

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Eighteenth 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 Friday, the 30th day of August 2013 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Profit and Loss Account for the year ended on that date, and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri. K.A. Rangaswamy who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. M.S.V.M.Rao, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS:

6. To consider and if thought fit, to appoint Shri. Prathap K. Moturi, as an additional Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member along with a deposit of five hundred rupees, signifying the intention to move the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Shri. Prathap K. Moturi be and is hereby appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, (the "Act") read with Article 110 of the Articles of Association of the Company, to hold office of the Director upto the date of the next Annual General Meeting, subject to retirement by rotation in accordance with the Articles of Association of the Company."

// BY ORDER OF THE BOARD //

Place : Chennai
Date : 21.06.2013

VINOD R. SETHI
EXECUTIVE CHAIRMAN

NOTES:

- 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.

- b. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item 6 is given below:

Shri.Prathap K Moturi aged 63 years is a practicing Chartered Accountant with over three decades of rich experience in handling the accounts/audits of various public limited companies and is a Director in a few Private Limited Companies. He was co-opted on the Board of the Company on 26.10.2005 as an Independent Additional Director and held Office upto Eleventh Annual General Meeting held on 12.10.2006. He was elected as Director at the Eleventh AGM held on 12.10.2006. He did not seek reappointment on retirement by rotation at the Fourteenth Annual General Meeting held on 23.09.2009, and the Company resolved not to fill the vacancy caused by his retirement by rotation.

The Company has received notice in writing from a Member along with a deposit of Rs.500/- proposing the candidature of Shri.Prathap K Moturi for the office of Director under the provisions of Section 257 of the Companies Act, 1956, at the ensuing General Meeting. He was co-opted on the Board of the Company on 21.06.2013 as an Independent Additional Director and holds Office upto the date of Eighteenth Annual General Meeting to be held on 30.08.2013. Hence this resolution.

The Directors recommend the appointment of Shri.Prathap K Moturi as a Director.

None of the Directors other than Shri.Prathap K Moturi may be deemed to be concerned or interested in this resolution.

Information required under Clause 49 of the Listing Agreement (relating to Corporate Governance) with respect to Shri.Prathap K.Moturi is given below:

Directorships and Committee Memberships in other Companies.	Directorship: 1. Rosy Management Consultants (Pvt) Ltd. 2. KFD Technologies India Private Ltd. 3. G.Cast Private Limited
No. of Shares held in his own name/relatives.	NIL

Information required under Clause 49 of the Listing Agreement (relating to Corporate Governance) with respect to the Directors retiring by rotation at the Eighteenth Annual General Meeting and being eligible seeking re-appointment is as under:

	Shri. K.A. Rangaswamy	Shri. M.S.V.M.Rao
Profile of the Director	Shri.K.A.Rangaswamy is an experienced Chartered Accountant and Company Secretary and in addition holds a Master's Degree in Business Administration, with over 48 years of experience and expertise in the fields of finance, management, business administration, taxation and other related fields. He served as Executive Director of this Company for five years and retired at the close of the tenure on 01.04.2001 and was inducted again in the Board on 29.03.2002 as Non Executive Director, liable to retire by rotation. He retired by rotation at the Fifteenth AGM held on 19.08.2010 and was reappointed. Again, he retires by rotation at the ensuing Eighteenth AGM and being eligible, seeks reappointment.	Shri.M.S.V.M.Rao is a Post-graduate in Political Science. He was co-opted on the Board of the Company on 17.12.2005 as an Independent Additional Director. He retired by rotation at the Sixteenth AGM held on 29.09.2011 and was reappointed. Again, he retires by rotation at the ensuing Eighteenth AGM and being eligible, seeks reappointment.
Directorships and Committee Memberships in other Companies.	Energy Device Technology (India) Pvt.Ltd. – Director.	---
No. of Shares held in their own name.	2,260 equity shares of F.V.Re.1/- each.	10 equity shares of F.V.Re.1/- each.

- c. The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 23rd day of August 2013 to 30th day of August 2013, both days inclusive, **for the purpose of payment of dividend.**
- d. Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 30.08.2013 but within the stipulated time:
- to those Members whose names appear on the Register of Members of the Company as on 22nd August 2013; and
 - in respect of **shares held in electronic form**, the dividend will be payable on the basis of beneficial ownership as at the close of 22nd August 2013 as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose as on that date.
- e. 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.
- d. 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.
- e. 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:

- i. Name of the Sole / First joint holder and the Folio Number.
 - ii. 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.
- f. **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.**
- g. **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.
- h. 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**.
- i. **Members who hold shares in the physical form** can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the **nomination facility** by filling **Form 2B printed with this Annual Report**. Members holding shares in dematerialized form may please contact their Depository Participants for recording nomination in respect of their shares.
- j. As required under the provisions of the Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2006 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 pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due 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
31.03.2006	(Final)	12.10.2006	17.10.2013	16.11.2013
31.03.2007		27.09.2007	02.10.2014	01.11.2014
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

- k. Members are informed that the final dividend for the financial year 2005-06 shall become due for transfer to IEPF on 16.11.2013. 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 17.10.2013. The Company has already sent reminders to all such members at their registered address in this regard.

Shareholders are requested to **encash their Dividend Warrants on receipt** as Dividend remaining **unclaimed for seven years**, are required to be **transferred to the Investor Education and Protection Fund** established by the Central Government under Section 205C of the Companies Act, 1956. **Once** unclaimed dividends are **transferred** to this fund, shareholders will **not be entitled to claim** these dividends.

[The Unclaimed Dividend for the above year(s), 2005–06 (final), 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are held in separate Bank Accounts and Shareholders who have not received the dividend/ encashed the said warrants, are in their own interest advised to write to the Registrar immediately with complete details. Shareholders are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they first became due for payment and no payment shall be made in respect of any such claim.]

- I. 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.P.V.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.
- m. Members/Proxy holders must bring the **Attendance Slip duly filled and signed, to the meeting** and hand it over at the entrance. Xerox copy/torn attendance slips will not be accepted at the entrance of the Meeting Hall. 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.
- n. **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.
- o. 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.

// BY ORDER OF THE BOARD //

Place : Chennai
Date : 21.06.2013

VINOD R. SETHI
EXECUTIVE CHAIRMAN

DIRECTORS' REPORT

Your Directors present their 18th Annual Report and the audited statement of accounts for the year ended 31st March 2013. The financial statements have been presented in the new format in accordance with the changes brought about by the Revised Schedule VI to the Companies Act, 1956.

I. FINANCIAL RESULTS:

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Physical Performance		
Cane crushed – in Tonnes	10,45,524	11,16,558
Sugar bagged – In Quintals	10,44,649	10,63,267
Financial Performance – Rs. Crores		
Turnover	505.57	410.60
Other Income	5.20	8.61
Profit Before Tax	55.60	31.75
Profit After Tax	38.76	26.42
Surplus from Previous Year	71.39	56.89
Amount available for appropriation	110.15	83.31
Appropriations		
Transfer to General Reserve	4.00	2.70
Proposed Dividend	11.34	7.94
Tax on proposed Dividend	1.92	1.28
Carried forward	92.89	71.39

II. PERFORMANCE:

During the financial year under review your Company recorded a Turnover of Rs. 505.57 crores (Prev.Year: Rs.410.60 cr.) including Excise Duty of Rs. 12.63 crores (Prev.Year: Rs.11.05 cr.) and Inter-divisional transfers of Rs. 76.16 crores (Prev. year: Rs.71.60 cr.). The profit before finance cost and depreciation is Rs. 72.15 crores. Profit before tax is Rs. 55.60 crores and after adjustments relating to payment of Income Tax pertaining to earlier years, provision for current tax and Deferred Tax, the Profit after tax is Rs. 38.76 crores.

The increase in profit is due to higher quantum of sale of sugar coupled with better realisation.

III. DIVIDEND:

The Board of Directors recommends a dividend of Re.1/- per equity share of face value of Re.1/- each on the Paid-up Equity Capital for the year ended 31.03.2013 as against Re.0.70 per equity share, approved for the previous year ended 31.03.2012. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

IV. SHARE CAPITAL AND RESERVES:

The Share Capital of the Company is Rs.11.33 crores. The General Reserve as at 01.04.2012 was Rs.109.00 crores and after transferring from Net Profits a sum of Rs. 4.00 crores to the General Reserve for the year ended 31.03.2013 the General Reserve stood at Rs. 113.00 crores as on 31.03.2013. The total Reserves and Surplus has increased to Rs.207.89 crores as on 31.03.2013 as against Rs. 182.40 crores as on 31.03.2012.

V. 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:

- Removal of Levy obligation recently announced by Government of India will improve the profitability and liquidity of sugar mills for prompt payment of sugarcane dues.
- Removal of Release Mechanism recently announced by Government of India will place the sugar mills in a better financial position and sustained revenue inflow.
- 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:

- 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.

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.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

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	
	2012-13	2011-12	2012-13	2011-12
Crushing commenced on	28.11.2012	30.11.2011	08.12.2012	05.12.2011
Crushing completed on	24.03.2013	11.04.2012	27.02.2013	13.03.2012
No. of days	117	134	81	99
Cane crushed (in MT)	769209	871574	227531	281847
Sugar Bagged (in qtls)	778220	859940	206768	241447
Recovery (%)	10.10	9.88	9.11	8.57

FINANCIAL YEARWISE

UNIT/YEAR ENDED DETAILS	VUYYURU		LAKSHMIPURAM	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
2011-12 Season – From - To	01.04.2012 to 11.04.2012	30.11.2011 to 31.03.2012	**	05.12.2011 to 13.03.2012
2012-13 Season - From / To	28.11.2012 to 24.03.2013	**	08.12.2012 to 27.02.2013	**
No. of days	128	139	81	99
Cane crushed (in MT)	817993	834711	227531	281847
Sugar Bagged (in qtls)	837881	821820	206768	241447
Recovery (%)	10.24	9.88	9.11	8.57

ii. INDUSTRIAL CHEMICALS / COGENERATION / OTHER UNITS:

Vuyyuru Distillery Unit produced 101.71 lakh litres during the year ended 31.03.2013 as against 99.52 lakh litres during the previous financial year. As against this, the said Unit sold 89.99 lakh litres valued at Rs. 23.04 crores during the year under review as against 100.61 lakh litres valued at Rs. 27.49 crores during the previous year.

The Bio-fertilizer unit at Vuyyuru sold about 1.49 lakh Qtls valued at Rs. 5.20 crores as against 1.30 lakh qtls valued at Rs. 4.07 crores during the previous year.

Cogeneration Unit at Vuyyuru produced 36,436 MW of power during the financial year under review as against 35,583 MW in the previous year, and the Lakshmipuram Unit produced 5,947 MW of power as against 7,588 MW in the previous year. In all, total export of electrical energy was 13,836 MW resulting in a turnover of Rs. 4.88 crores as against 14,210 MW at a turnover of Rs. 5.05 crores during the previous year. The Calcium Lactate plant contributed Rs. 1.22 crores towards its turnover of the Company as against a turnover of Rs. 0.95 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 969 employees, including non-seasonal employees at the sugar units, as on 31.03.2013. 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 (Sugar Factory) received from Union Labour Minister, Government of India for the performance year 2010 based on Lowest Average Frequency Rate in Industry.
- WINNER – NATIONAL SAFETY AWARD (Sugar Factory) received from Union Labour Minister, Government of India for the performance year 2010 based on accident-free year.
- WINNER – NATIONAL SAFETY AWARD (Distillery Unit) received from Union Labour Minister, Government of India, for the performance year 2010 based on Lowest Average Frequency Rate in Industry.
- WINNER – NATIONAL SAFETY AWARD (Distillery Unit) received from Union Labour Minister, Government of India for the performance year 2010 based on accident-free year.
- Awarded “SURAKSHA PURASKAR” by National Safety Council of India in recognition for developing and implementing very effective Management System & Procedures and achieving very good performance in OSH for the Assessment period of three years 2008 to 2010.
- Awarded as Second Best Cane Development in the state by SISTA in their annual convention held at Bangalore.
- Awarded with “EXCELLANCE WATER EFFICIENT UNIT” by Confederation of Indian Industry (CII) for excellence in Water Management during the year 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 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.

VI. 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.

VII. 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.

VIII. DIRECTORS:

As per Article 119 and Article 120 of the Articles of Association read with Section 255 and 256 of the Companies Act, 1956, Shri. K.A. Rangaswamy, Director, and Shri. M.S.V.M.Rao, Director, retire by rotation and being eligible, offer themselves for re-appointment. A brief resume, expertise and details of other Directorship are provided in the Notice of the ensuing Annual General Meeting. Your Directors recommend their reappointment as Directors of your Company.

IX. STATUTORY COMPLIANCES:

- i. Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed to and forms part of this Report.
- ii. No employee of the Company was in receipt of remuneration in excess of sum prescribed under Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975, during the financial year 2012-13.
- iii. As required by the Listing Agreements and Accounting Standards of the Institute of Chartered Accountants of India, the additional disclosures in respect of related party transactions have been made.

X. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 217 (2AA) of the Companies Act, 1956, 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; therefor
- 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 2013 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.

XI. 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.

XII. ISO CERTIFICATION:

Your Company has been certified consecutively for the past five 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.

XIII. 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.

XIII. CORPORATE GOVERNANCE:

The Management Discussion and Analysis and the Report on Corporate Governance are included as a part of the Director's Report. A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached to this Report.

XIV. FIXED DEPOSITS:

As on 31.03.2013 your Company had accepted deposits of Rs. 38.05 crores as against Rs. 37.62 crores as on 31.03.2012. As at 31.03.2013, there were matured and unclaimed deposits amounting to Rs. 2.28 crores in respect of 46 deposits. As on the date of this report amount of unclaimed deposits Rs.1.18 crores.

In compliance with the provisions of Investors Education and Protection Fund constituted under Section 205C of the Companies Act, 1956, the Company has transferred 6 deposit(s) amounting to Rs.1,80,000/- which remained unclaimed beyond the period of seven years from the date of maturity to the Investor Education and Protection Fund.

XV. SUBSIDIARY COMPANIES:

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. 38.52 crores (P.Y. Rs. 34.97 crores) with an improved profit of Rs.2.23 crores (P.Y. Rs. 1.92 crores) for the year ended 31.03.2013.

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. 0.10 crores for the financial year ended 31.03.2013 as against Rs. 0.27 crores for the previous year ended 31.03.2012. The Company incurred a loss of Rs. 0.10 crores as against the profit of Rs. 0.16 crores in the previous financial year.

The Statement as required under Section 212(3) of the Companies Act, 1956 in respect of the subsidiary companies is separately annexed.

XVI. AUDITORS:

The Statutory Auditors, M/s. B.Purushottam & Co., Chartered Accountants, Chennai, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. M/s. B.Purushottam & Co., Chartered Accountants, Chennai, have forwarded their Certificate to the Company stating that their reappointment, if made, will be within the limits specified under Section 224 (1B) of the Companies Act, 1956. The Statutory Auditors of the Company have undergone the peer review process as stipulated under clause 41 of the Listing Agreement for issuance of Limited Review / Audit Report. Members are requested to consider

their re-appointment for the financial year ending 31st March 2014 on remuneration to be decided by the Audit Committee / Board of Directors.

XVII. COST AUDIT:

Mr. V. Srinivasan, Cost Auditor, had been appointed by the Company to conduct the Cost Audit in respect of Sugar, Industrial Alcohol, Electricity and Fertilizer for the financial year 2012-13. The Central Government's approval has been received to this appointment. The Cost Audit reports for 2012-13 are due for submission on or before 30.09.2013.

The Cost Audit Reports for the financial year ended 31.03.2012 had been e-filed with the Ministry of Corporate Affairs, New Delhi, vide, SRNs S20108486 and S20104501 both dt. 30.01.2013.

In pursuance of Section 233-B(2) of the Companies Act, 1956, your Directors, on the recommendation of the Audit Committee, and subject to the approval of the Central Government, have appointed Shri. V. Srinivasan, Cost Accountant, Chennai, as the Cost Auditor to conduct the Cost Audit of Sugar, Industrial Alcohol, Electricity, Fertilizer and Calcium Lactate, for the financial year ending 31st March 2014. Mr.V.Srinivasan has confirmed that his appointment is within the limits of section 224(1B) of the Companies Act, 1956 and has also certified that he is free from any disqualifications specified under section 233B(5) read with section 224(3) or section 226(4) of the Companies Act, 1956. The Audit Committee has also received a certificate from the said Cost Auditor certifying his independence and arms length relationship with the Company.

XVIII. 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 : 29.05.2013

VINOD R. SETHI
EXECUTIVE CHAIRMAN

A. CONSERVATION OF ENERGY:**Measures taken, additional proposals and impact on reduction of energy consumption:**

Measures taken towards conservation of energy include:

1. Installation of new FBDC Sugar Drier hall to achieve sugar dust collection efficiency above 98%, thereby reduced power consumption by 50 KWH.
2. Installation of 120 KW VFD for vacuum pump to achieve power saving of 30 KWH.
3. Elimination of Dry seed pumps by providing belt conveyor to achieve a reduction in energy consumption by 15 KWH.
4. Age-old evaporator bodies of NME QUINT set were renewed and achieved consistency in juice boiling. Direct contact heater was installed for TEVC juice heating and thereby achieved steam conservation 1.20 MT per hour.
5. Installation of new VFD's to Raw Juice pump motor to achieve trouble-free operation and power saving of 20 KWH.
6. Installation of VFD to No.2 Feeder table to achieve power saving of 5 KWH .
7. Replacement of 250 watts MV lamps with 24W LED lights with solar panels, to achieve power saving of 2.26 KWH.
8. Installation of 380 KVA DG set for improving the fuel efficiency and to reduce diesel consumption by 35 litres per hour.
9. Installation of direct contact heater for juice for effective utilization of vapours and improved operational feasibility.
10. At boilers, installed hot water recovery unit for recycling boiler blow down water as wet scrubber wash water, thereby conditioning chemicals cost is minimized and reduced steam consumption.
11. Installation of higher heating surface hot air blower to support the use of Exhaust steam as a substitute for Live Steam. Identified reduction in steam % cane by 0.02%.
12. Installation of Bucket Elevator for transfer of dry seed instead of rotor pump to increase 10% of bolder grain production and achieved power saving of 11 KWH.
13. Recirculation of soda condensate to Evaporator Bodies during soda boiling time which has resulted in reduction of water consumption by 10T and steam by 8T per 1 cleaning.
14. Installation of VFD for super heated wash water pump and run in auto mode, resulted in a power saving of about 69%, i.e. 18,360 units / season.
15. Run service water pump with VFD in auto mode and achieved 22% power saving, i.e. 20,400 units / season.

Additional proposals and Impact on reduction of energy consumption:

- Proposed to arrange 150 HP VFD for air compressor.
- To arrange VFD for power plant cooling tower fans and low capacity cooling tower pump to save power upto 20 KWH and 40 KWH respectively.
- Up-gradation of Distillery 0.6 MW TG set to 0.8 MW in retrofit manner thereby overcome power cut crisis during sugar off season.
- Replacement of damaged six bodies of OMS & NMS evaporator sets to enable reduction in steam consumption and improved boiling house efficiency.
- Replacement of old, rewinding motors of above 25 HP with energy efficient motors.
- Installation of high efficiency injection water pumps to achieve reduction in power consumption.
- Installation of auto cut valves to achieve reduction in man power intervention.
- Installation of advanced type centrifugal machines with higher capacity for "B" curing to minimize break down time at "B" station.
- Installation of lighting energy saver in factory premises for power saving and improving durability of lights.
- Installation of Solar Panels for 6.0 HP submersible pump.
- Installation of VFD to vacuum pump.

- Replacement of conventional lamps with solar LED lamps for street light fittings for power saving.
- Installation of auto slip regulator for preparatory devices for power saving.
- Installation of VFD for FBDC blower motors for improving efficiency.
- Technology up-gradation of DC drives to reduce down-time and improve efficiency.

ANNEXURE – FORM A

(See Rule 2)

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

	SUGAR UNITS AT			
	VUYYURU		LAKSHMIPURAM	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A) Power and Fuel Consumption				
Electricity				
a. Purchased				
Units KWH	1034283	1219101	418396	556564
Total Amount Rs.	7578899	6110234	3246682	3074488
Rate / Unit Rs.	7.33	5.01	7.76	5.52
b. Own Generation				
i. Through Diesel Generator :				
Units KWH	122330	36570	125110	71990
Unit per ltr. Of Diesel Oil	3.10	2.89	2.71	2.90
Cost / Unit Rs.	14.56	14.10	16.76	14.68
ii. Through SteamTurbine/Generator:				
Unit KWH	36435700	35583100	5948138	7588148
KWH per tonne of bagasse	272.45	270.28	176.49	186.63
Cost / Unit	2.20	2.10	1.78	1.39
B. Consumption per unit of production				
Electricity KWH (per Tonne)	224.58	225.14	244.78	245.99

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:

- Testing of different varieties of seed cane collected from research stations of all parts of the country, testing their adaptability to our location for achieving higher yield and high sugar recovery. During the current year 50 varieties were tested and we may issue 4 varieties for commercial cultivation.
- Commercialization of mechanical cane harvesting in the cane grower's field with New Holland – 4000 series machine. Planning to procure John Deere – cobra machine which is technically more powerful machine for next harvesting season.
- Identification of high yielding and high sucrose content varieties for improvement of productivity.
- Testing of different micronutrient combination and other chemical for yield improvement and soil enrichment.
- Sub surface irrigation system: It helps in near complete mechanization in sugar cane cultivation.

Benefits derived:

- Dependence in manual labour for irrigation and fertilizer application was totally eliminated.
- Sugar cane area can be stabilized with 6-7 multi ratoon crops.
- Reduced fertilizer cost and higher fertilizer efficiency.
- Double the area can be irrigated.
- Harvesting by the mechanical cane harvester.

3. EXPENDITURE ON R & D:				Amt. in Rs.
a. Capital	..	..	..	-
b. Recurring	..	..	..	57063/-
c. Staff Cost	..	..	..	5711393/-
d. Total	..	..	..	5768456/-

Total R & D expenditure as a % age of total turnover: 0.11%

4. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings	..	..	Rs. NIL
Foreign Exchange outgo	..	..	Rs. 237594

For and on behalf of the Board of Directors

Place : Chennai
Date : 29.05.2013

VINOD R. SETHI
EXECUTIVE CHAIRMAN

1. Company's philosophy on Code of Governance

At K.C.P.Sugar and Industries Corporation Ltd (KSICL) Corporate Governance is an integral part of the way the Company has been doing business since its inception. The Company strives to maintain highest ethical standards in its conduct of business. It is the Company's constant endeavour to adopt the best corporate governance practices. The tenets of good corporate governance continue to have the influence on the Company's policies and decision and instill the values of transparency, professionalism and accountability in all its dealings.

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 seven members, with three promoter Directors (Executive) and four Non-Executive Independent Directors.
- 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.
- In line with amended clause 49 of the Listing Agreement on the composition of the Board of Directors, the Company has taken effective steps for its due compliance.
- None of the Director is a Director in more than 15 public companies and Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which they are Directors as required under clause 49.

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

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attend-ance at the last AGM On 28.09.12	**No.of Directorships, Committee Membership / Chairmanship		
				Directorship	Committee Membership	Committee Chairmanship
Shri.Vinod R.Sethi DIN 00106598	Whole-time Director – Executive Chairman – Promoter Group	5	Yes	9	7	1
Smt.Irmgard Velagapudi M.Rao DIN 00091370	Promoter and Managing Director	4	Yes	2	1	--
Smt.V.Kiran Rao DIN 00091466	Promoter and Executive Director	1	No	2	2	--
Shri.K.A.Rangaswamy DIN 00020891	Non-Wholetime Independent Director	5	Yes	1	2	2
Shri.Ranvir R. Shah DIN 00041398	Non-Wholetime Independent Director	4	No	1	--	--
Dr.Vithal Rajan DIN 00021571	Non-Wholetime Independent Director	5	Yes	1	1	--
Shri.M.S.V.M.Rao DIN 00432640	Non-Wholetime Independent Director	5	Yes	1	1	--

* The Directorships held by Directors as mentioned above, do not include Alternate Directors and Directorships of foreign companies, Sec. 25 Companies and Private Limited Companies.

** 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 (including this Company) 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.
- None of the Directors received any loans / advances from the Company during the year under review.

Board Meetings held during the year :

There were five Board Meetings held during the financial year 2012 - 13 on the following dates:

1.	11.05.2012
2.	03.08.2012
3.	28.09.2012
4.	09.11.2012
5	07.02.2013

Details of Directors seeking re-election :

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, at least two thirds of the Board should consist of retiring Directors. Of these, one third of the Directors are required to retire by rotation every year.

The additional information relating to the aforesaid Directors as required under Clause 49 of the Listing Agreement with the Stock Exchanges is furnished as part of the Notice convening the Annual General Meeting.

3. Audit Committee

Composition and Terms of Reference :

The Audit Committee presently comprises of five members, viz, three Non-Wholetime Directors and two Whole-time Directors. The Chairman of the Audit Committee is Shri.K.A. Rangaswamy, a Non-Wholetime Director, a senior Chartered Accountant and Company Secretary. Shri. Vinod R. Sethi, Executive Chairman, Smt.V.Kiran Rao, Executive Director, Dr Vithal Rajan, Director, and Shri. M.S.V.M.Rao, Director, are presently its other members.

The Terms of Reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and broadly comprise the following:

- Supervision and evaluation of the financial reporting process and reviewing with the Management, the quarterly, half yearly and annual results before placement to the Board, Related Party transactions, Risk Assessment and Minimization procedure.
- Review of performance of Statutory Auditors, recommending the appointment and removal of external and internal auditors, recommending audit fees and also payment for other services.
- Reviewing of adequacy of internal controls in the Company including the scope and structure of internal audit function.

Meetings and attendance during the year:

There were four meetings of the Audit Committee during the year, viz., on 11.05.2012, 03.08.2012, 09.11.2012, and 07.02.2013. 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
Smt.V.Kiran Rao	1
Dr Vithal Rajan	4
Shri.M.S.V.M.Rao	4

4. Remuneration Committee :

The 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 terms of reference broadly include:

- To review, recommend and approve the remuneration for the Wholetime Directors of the Company.
- To discharge such other function(s) or exercise such powers as may be delegated to the Committee by the Board from time to time.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

The Whole-time Directors are paid salaries, allowances/perquisites, and in addition, commission if it arises, within the limits under the Companies Act, 1956 and subject to the further limits, if any as approved by the Shareholders. The remuneration paid to the Whole-time Directors during 2012-13 is as below:

(Rs. in Lakhs)

Directors	Salary & Allowance	Contribution to PF	Perquisites	Commission	Total
Shri.Vinod R.Sethi	12.00	1.44	1.77	167.84	183.05
Smt.Irmgard Velagapudi M.Rao	48.00	--	--	135.05	183.05
Smt.V.Kiran Rao	36.00	4.32	0.90	121.94	163.16

The Committee had met once on 11.05.2012 during the financial year 2012 – 13.

The Non Executive Directors are paid a sitting fees of Rs.20000/- 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.175000/- (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 2012 - 13 are given below:

(Rs. in Lakhs)

Directors	Commission	Sitting Fees	Total
Shri.K.A.Rangaswamy	1.75	4.00	5.75
Shri. Ranvir R.Shah	1.75	1.00	2.75
Dr.Vithal Rajan	1.75	2.00	3.75
Shri.M.S.V.M.Rao	1.75	1.80	3.55
Total	7.00	8.80	15.80

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	2260
Shri. Ranvir R. Shah	138642
Dr.Vithal Rajan	Nil
Shri.M.S.V.M.Rao	10

6. Share Transfer & Investors / Shareholders Grievance Committee :

The Share Transfer 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-Wholetime Independent Director with Smt.Irmgard Velagapudi M.Rao, Managing Director, and Smt.V.Kiran Rao, Executive Director, as its other Members. The Committee normally meets once 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 10 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	10
Smt.Irmgard Velagapudi M.Rao	8
Smt.V.Kiran Rao	5

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, 673 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Queries / Complaint	During the year ended 31.03.2013	
	Received	Attended to
Non-receipt of Certificates	14	14
Non-receipt of Interest / Dividend Warrants/ Cheques / Drafts	13	13
Issue of Duplicate Share Certificates	4	4
Issuance of Duplicate Dividend Warrant / Cheque / Drafts / Revalidation	250	250
Correction in Share Cert./Dividend Warrant / Cheque / Drafts	139	139
Non-Receipt of Annual Report	3	3
General queries-request for change of address, procedure for transmission of shares/procedure for loss of share certificates/ Nomination	250	250
TOTAL	673	673

7. 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
31.03.2010	19.08.2010 at 10.00 a.m.	1	414	18
31.03.2011	29.09.2011 at 10.00 a.m.	1	54	4
31.03.2012	28.09.2012 at 10.00 a.m.	1	471	13

- All the three AGMs were held at "Sathguru Gnanananda Hall", Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai 600018.
- All Special Resolutions set out in the Notice for the AGMs were passed by the Shareholders at the respective meetings with requisite majority.
- 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 was placed before the Board at its Meeting on 29.05.2013.
- The Financial Statements for the year 2012-13 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. 41 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 30.06.2012, 30.09.2012, 31.12.2012 and 31.03.2013. 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 2012-13, 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 members as well as the employees in the Senior Management of the Company. The Managing Director has confirmed and declared that all the Members of the Board as well of the employees in the Senior Management 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 (Insider Trading) Regulations, 1992. 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 Business Line or The Financial Express (in English) and Dina Malar or Malai Murasu or 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 notices to all shareholders during the financial year 2012-13 well in advance of dispatch of Annual Report 2011-12 and the Company is once again sending similar notice ahead of dispatch of Annual Report for the financial year 2012-13, requesting the shareholders to furnish the e-mail address / change in their e-mail address of the members to effectively implement the said Green Initiative of MCA.

11. CORPORATE SOCIAL RESPONSIBILITY:

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 the 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 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 been organizing every year Mega health camps, 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, Inner Wheel Club of Vuyuru.

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

The Company is having a world class 100 bed Eye hospital where surgeries were performed at free of cost and also an old age home (VANAPRASTHA) with world class facilities is being run through Rotary Community Service Trust, Vuyuru.

The Company is organizing by donating liberally 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.

12. General Shareholder Information :

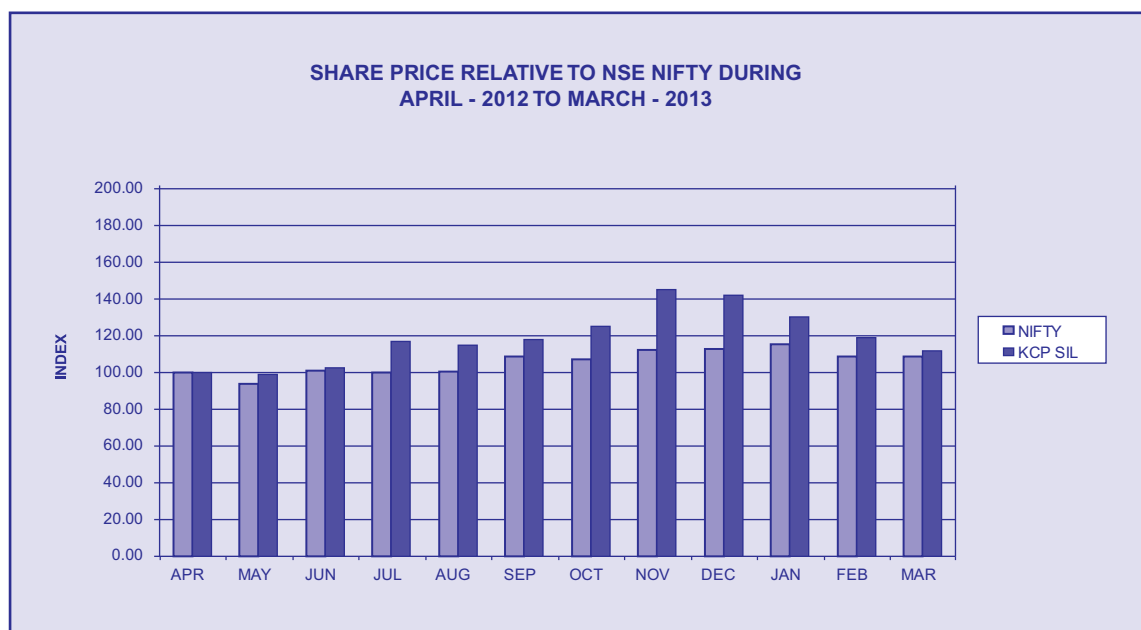
- **AGM: Date, Time and Venue** : 18th Annual General Meeting – on 30th day of August 2013 at 10.00 a.m. at "Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T.T.K.Road, Chennai 600018.

Date of Book Closure

For the year ended 31.03.2013	Book Closure Date (s)	Dividend paid / payable
Dividend	23.08.2013 to 30.08.2013 (both dates inclusive)	The Board of Directors at their Meeting held on 29.05.2013 has recommended a dividend of Re. 1/- per equity share of face value Re.1/-, subject to the approval of Shareholders at the ensuing Annual General Meeting.
Payment date		On approval thereat, this dividend will be paid to the Shareholders on or after 30th August 2013 but within the statutory time limit.

- **Tentative Financial calendar** :
 - i. Financial Year – 1st April to 31st March.
 - ii. First Quarter Results on or before 14.08.2013.
 - iii. Half-yearly Results on or before 14.11.2013.
 - iv. Third Quarter Results before 14.02.2014.
 - v. Results for the year ending 31.03.2014 on or before 30.05.2014.
- **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.
- **Custodial Charges** : The Company has already paid Custodial Charges to NSDL and CDSL for the financial year 2013-14.
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 2012 – 13 is furnished below:

										(Rs. per share)
Period	High		Low		Period	High		Low		
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE	
April'12	17.35	17.31	15.15	15.50	October'12	21.65	21.70	18.50	18.30	
May'12	18.50	17.50	14.70	14.50	November'12	26.05	26.00	19.75	19.80	
June'12	17.25	17.25	15.55	15.50	December'12	24.70	25.00	22.55	22.70	
July'12	21.00	20.50	16.45	16.45	January'13	24.10	24.10	20.65	21.05	
August'12	20.40	20.60	18.20	18.25	February'13	24.00	23.75	18.25	18.60	
Sept'12	20.30	19.75	18.25	18.20	March'13	22.00	21.80	16.60	16.80	



- **Registrar /Transfer Agents/ Depository Registrars** : Integrated Enterprises (India) Ltd
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 Share Transfer 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 31.03.2013:**

a. By number of Shares held:

No of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
Upto 5000	24,409	94.59	1,46,81,707	12.95
5001 – 10000	653	2.53	47,82,783	4.22
10001 – 20000	329	1.27	46,69,294	4.12
20001 – 30000	131	0.51	32,13,805	2.83
30001 – 40000	78	0.30	27,46,805	2.42
40001 – 50000	47	0.18	21,62,312	1.91
50001 – 100000	74	0.29	51,33,981	4.53
100001 and above.	85	0.33	7,59,94,363	67.02
TOTAL	25,806	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 Shareholding Pattern				Quarter ended:31.03.2013					
(I) Cate gory Code	(II) Category of Shareholder	(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		(VIII) Number	(IX) As a % (IX)=(VIII)/(IV)*100	(X) (X)=(VIII) / (IV) A + B + C *100
					(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	3	1733300	1733300	1.529	1.529	Nil	Nil	Nil
b.	Central Government / State Govt.	0	0	0	0	0	Nil	Nil	Nil
c.	Bodies Corporate	1	43014076	43014076	37.936	37.936	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)	4	44747376	44747376	39.465	39.465	Nil	Nil	Nil
2	FOREIGN								
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)	4	44747376	44747376	39.465	39.465			
B	PUBLIC SHAREHOLDING								
1	Institutions								
a.	Mutual Funds / UTI	6	11220	4750	0.010	0.010			
b.	Financial Instituions / Banks	12	53745	32405	0.047	0.047			
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	1	30000	30000	0.026	0.026			
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)	20	95465	67155	0.084	0.084			
2	Non-Institutions								
a.	Bodies Corporate (Indian / Foreign / Overseas)	429	16712259	6745859	14.739	14.739			
b.	Individuals (Resident / NRI / Foreign National)								
(i).	Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	25183	34771680	27812782	30.667	30.667			
(ii).	Individual shareholders holding Nominal Share Capital above Rs.1 lakh.	71	16814354	14605084	14.829	14.829			
c.	Qualified Foreign Investor	0	0	0	0.000	0.000			
d.	Any other								
(i).	Clearing Member	97	241321	241321	0.213	0.213			
(ii).	Limited Liability Partnership	1	75	75	0.000	0.000			
(iii).	Trust	1	2520	2520	0.002	0.002			
	SUB TOTAL B (2)	25782	68542209	49407641	60.451	60.451			
	Total Public shareholding (B) = B(1)+B(2)	25802	68637674	49474796	60.535	60.535			
	TOTAL (A) + (B)	25806	113385050	94222172	100.000	100.000			
C.	Shares held by Custodians and against which Depository Receipts have been issued:	NOT APPLICABLE							
	GRAND TOTAL (A) + (B) + (C)	25806	113385050	94222172	100.000	100.000			

I (b) Statement Showing Shareholding of Persons belonging to the Category PROMOTER AND PROMOTER GROUP Quarter ended 31.03.2013

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)n (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	43014076	37.936	Nil	Nil	Nil
3	Smt. Kiran Velagapudi	255020	0.225	Nil	Nil	Nil
4	Smt. Irmgard Velagapudi	42500	0.037	Nil	Nil	Nil
	TOTAL	44747376	39.465	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	V.R.K.Grandsons Investment Pvt.Ltd.	9578330	8.448			
2	Famous Developers Private Limited	1500000	1.323			
	Total	11078330	9.771			

(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 31.03.2013

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)

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		

(II) (b) Statement showing details of Depository Receipts (DRs) where underlying shares in excess of 1% of the total no of shares

SI No	Name of DR holder	Type of outstanding DR (ADRs,GDRs) AND SDRs etc)	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		

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Partly paid-up Shares	No of partly paid-up shares	As a % of total No.of paid-up shares	As a % of total No.of shares of the Company
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
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	4110	15.93	19162878	16.90
- Sub-Total	4110	15.93	19162878	16.90
Electronic Mode:				
- NSDL	15701	60.84	82555846	72.81
- CDSL	5995	23.23	11666326	10.29
- Sub-Total	21696	84.07	94222172	83.10
GRAND TOTAL	25806	100.00	113385050	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 31.03.2013:

Sl. No	Name of the Shareholder	Shares	% to Capital
1	PADMINI RAJAN	888000	0.78
2	HAROON MAHMUD ADAM	885000	0.78
3	SAKUNTHALA DEVI BOPPANA	870100	0.77
4	BOPPANA VINAY KUMAR	855250	0.76
5	RANI S B	509060	0.45
6	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU	468270	0.41
7	NAREN RAJAN	369000	0.33
8	KOGANTY SRIHARI RAO	341063	0.30
9	MALINI NARASIMHAN	310120	0.27
10	RAJESWARI VENKATESH K	303750	0.27
	Total	5799613	5.11

● 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 220 folios comprising of 259900 equity shares of face value of Re.1/- each, which were unclaimed as on 31.03.2012. The Company had sent three reminders in accordance with the said clause in the financial year in the financial year 2011-12, and sent two more reminders to the shareholders concerned in the current financial year 2012-13. On 12.03.2013, unclaimed shares were dematerialized and credited to the special account opened with a title "Unclaimed Securities Suspense Account". Any claims received subsequent to the credit of the unclaimed shares to the said account will be met by way of transfer of shares from the said account to the credit of the shareholder after proper verification. 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 31.03.2013 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 01-04-2012 shares in the suspense account lying as on 01-04-2012	220	259900
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 12/03/2013 (the date of transfer to suspense account)	209	246290
Number of shareholders who approached the company for transfer of shares from suspense account during the period	Nil	Nil
Number of shareholders to whom the shares were transferred from the suspense account during the period	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31-03-2013	209	246290

● 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 : 29.05.2013

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 31.03.2013.

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

Place : Chennai
Date : 29.05.2013

IRMGARD VELAGAPUDI M. RAO
MANAGING DIRECTOR

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, 2013 as stipulated in clause 49 of the Listing agreement of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, 2013, 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 : 29.05.2013

To the Members of**K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 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, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **B. Purushottam & Co**
Chartered Accountants
FRN 002808S

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

Place : Chennai
Date : 29.05.2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of under 'Report on Other Legal and Regulatory Requirements 'section of our report of even date)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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.
- c) During the year, the Company has not disposed off any substantial part of Fixed Assets.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories 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) a) 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 301 of the companies act, 1956. Accordingly, clauses iii(b),iii(c),iii(d) of Para 4 of the Order, are not applicable.

The Company has not taken any loans, from companies, firms or other parties, covered in the register maintained u/s 301 of the companies Act, 1956, except an amount of Rs. 3 Crores (Rupees Three crores only) from a Director of the company in accordance with the companies (Acceptance of Deposits) Rules 1975.

In our opinion, the rate of interest and other terms and conditions on which loans (deposits) have been taken by the company from the parties covered in the register maintained under section 301 of the companies act, 1956 are not, prima facie, prejudicial to the interest of the company.

In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, the Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal has passed no order on the company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account and records maintained by the company at its Sugar, Distillery, Biotech and Power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise Duty, cess and other material statutory dues applicable to it except the following:

Name of the Statute	Nature of the Dues	Amount in Rs.	Period to which the Amount relates	Due Date	Date of Payment
Andhra Pradesh Agri Lands Assessment Act	Non Agri Land Assessment Tax	801891	FY 1993-94 to 1999-2000, and 2005-06.	On 30th September of each year, on receipt of demand.	Not paid at the date of our report.

- b) According to the information and explanation given to us no undisputed amounts payable in respect of Income tax, Sales tax, wealth tax, Service tax, Customs Duty and Excise Duty and Cess were in arrears, as at 31-03-2013 for a period of more than six months from the date they became payable.
- c) According to the information given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty and Cess which have not been deposited on account of any dispute.
- x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the company is not a Chit Fund or a Nidhi /Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us the company did not avail of any term loans during the year under report.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year under report.
- xx) The Company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Chennai.

Date : 29-05-2013

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amt. in Rs.			
	Particulars	Note No.	As at end of current reporting period 31.03.2013	As at end of previous reporting period 31.03.2012	
I	EQUITY AND LIABILITIES				
	(1) Shareholders' Funds				
	(a) Share Capital	2	113385050	113385050	
	(b) Reserves and Surplus	3	2078908539	1823950297	
			2192293589		1937335347
	(2) Non - current liabilities				
	(a) Long term borrowings	4	181119000	277616000	
	(b) Deferred tax liabilities (Net)	5	201192561	198031131	
	(c) Other long term liabilities	6	5734660	10184743	
	(d) Long term provisions	7	35673893	20025296	
			423720114		505857170
	(3) Current Liabilities				
	(a) Short term borrowings	8	302555464	794940000	
	(b) Trade payables	9	834850586	689993610	
	(c) Other current liabilities	10	248588906	203137026	
	(d) Short term provisions	11	176007891	104770540	
			1562002847		1792841176
	TOTAL		4178016550		4236033693
II	ASSETS				
	(1) Non - current assets				
	(a) Fixed Assets				
	(i) Tangible assets	12	1152080752	1204603554	
	(ii) Capital work in progress	13	6680097	19784688	
	(iii) Intangible assets under development		12633462	-	
			1171394311	1224388242	
	(b) Non - current investments	14	338186470	258885695	
	(c) Long term loans and advances	15	5979727	5289520	
			1515560508		1488563457
	(2) Current Assets				
	(a) Current Investments	16	-	98194926	
	(b) Inventories	17	2170520579	2279353660	
	(c) Trade receivables	18	215722609	123853114	
	(d) Cash and Bank balances	19	76006691	74204053	
	(e) Short term loans and advances	20	200206163	171864483	
			2662456042		2747470236
	TOTAL		4178016550		4236033693

The note nos. 1 to 45 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board

For B.PURUSHOTTAM & CO.

Chartered Accountants
FRN 002808S

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.V.N.S. Kishore

Partner
M.No. 206734

V. KIRAN RAO

Executive Director

Chennai
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director &
Chairman-Audit Committee

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Amt. in Rs.						
	Particulars	Note No.	For the current reporting period 2012 - 13		For the previous reporting period 2011 - 12	
I	Revenue from Operations	21		5055692145		4106005822
	Less: Inter Divisional Transfers			761583974		716009643
				4294108171		3389996179
	Less: Excise duty			126339272		110478754
				4167768899		3279517425
II	Other Income	22		51985189		86089084
III	Total revenue (I + II)			4219754088		3365606509
IV	Expenses					
	Cost of materials consumed	23	2787331431		2645041641	
	Less: Inter Divisional Transfers		86822757		97630300	
			2700508674		2547411341	
	Changes in inventories of finished goods, work in progress and stock in trade	24	125943081		(173552665)	
				2826451755		2373858676
	Employee benefits expense	25		377933954		278398600
	Finance costs	26		56758170		63416121
	Depreciation	12		108740123		108286726
	Impairment loss on capital assets			-		14535030
	Other expenses	27		293838383		209599810
	Total Expenses			3663722385		3048094963
V	Profit before tax (III-IV)			556031703		317511546
VI	Tax expense:					
	(1) Current tax		165000000		83000000	
	(2) Deferred tax		3161430		(36347065)	
	(3) Tax relating to earlier years		257192		6609049	
				168418622		53261984
VII	Profit for the year			387613081		264249562
VIII	Earning per equity share:					
	Basic & Diluted			3.42		2.33

The note nos. 1 to 45 attached form an integral part of Financial Statements

In accordance with our Report attached

For and behalf of the Board

For B.PURUSHOTTAM & CO.

Chartered Accountants

FRN 002808S

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.V.N.S. Kishore

Partner

M.No. 206734

V. KIRAN RAO

Executive Director

Chennai
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director &
Chairman-Audit Committee

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

The Financial Statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all the material aspects with applicable accounting principles in India, the Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the said Act.

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, which are depreciated under written down value method, in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956. 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.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

					Amt. in Rs.
Particulars	Number	As at end of current reporting period 31-03-2013	Number	As at end of previous reporting period 31-03-2012	
2 Share Capital:					
Authorized:					
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	
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.					
I Particulars of equity share holders holding more than 5% of the total number of equity share capital:					
a. Durgamba Investments Private Limited	43014076		42421015		
	37.94 %		37.41 %		
b. V.R.K. Grandsons Investments Private Limited	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	15545110	4505000	1090000000	713900187	1823950297
Transferred from/to Profit & Loss Account			400000000	387613081	427613081
Transferred to General Reserve				400000000	400000000
Proposed Dividends				113385050	113385050
Provision towards dividend distribution tax				19269789	19269789
At the close of the reporting period	15545110	4505000	1130000000	928858429	2078908539
At the close of the previous reporting period	15545110	4505000	1090000000	713900187	1823950297

Amt. in Rs.		
Particulars	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
4 Long term Borrowings		
Unsecured		
Fixed Deposits	181119000	277616000
5 Deferred tax liabilities (Net)		
a Deferred tax liability:		
On account of depreciation on fixed assets	219027816	227400347
b Deferred tax asset:		
On account of timing differences in recognition of expenditure	17835255	29369216
Net Deferred tax liability	201192561	198031131
6 Other Long term liabilities		
Interest accrued but not due on fixed deposits	5734660	10184743
7 Long term Provisions		
Provision for employee benefits	35673893	20025296
8 Short term Borrowings		
Secured Loans:		
a) Loans repayable on demand		
- from banks	103200464	-
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 Lakshmipuram.		
Unsecured Loans:		
a) Loans repayable on demand		
- from banks	-	700000000
The above loans have been guaranteed by directors and others.		
b) Fixed Deposits maturing within one year.	199355000	94940000
	302555464	794940000
9 Trade Payables		
a) To Micro, Small and Medium Enterprises	-	-
b) Trade payables to Suppliers and service providers	834850586	689993610
	834850586	689993610
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 31-03-2013	As at end of previous reporting period 31-03-2012
10 Other current liabilities:		
a) Interest accrued but not due on borrowings	29061176	17659975
b) Advances received from customers	24030449	1312758
c) Unpaid dividends	11162939	12863368
d) Unpaid matured deposits and interest accrued thereon	6107887	9565227
e) Statutory Liabilities	91936752	104301618
f) Outstanding Liabilities for Expenses	84175060	55934437
g) Earnest Money and Other Deposits	2114643	1499643
	248588906	203137026
11 Short term provisions:		
a) Provision for employee benefits	775571	12525282
b) Provision for Dividend	113385050	79369535
c) Provision for tax on distributed profits	19269789	12875723
d) Provision for Income Tax (Net of Advance Tax)	42577481	-
	176007891	104770540
13 Capital work in progress:		
a) Plant and Machinery	-	16277426
b) Building under Construction	6680097	3507262
c) Intangible assets under development	12633462	-
	19313559	19784688

NOTES TO FINANCIAL STATEMENTS (CONTD.)



12. FIXED ASSETS

Amt. in Rs.

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Cost upto 31.03.2012	Additions during the Year	Deductions during the Year	Cost upto 31.03.2013	Upto 31.03.2012	For the Year	Impairment Loss	On Deductions	upto 31.03.2013	As at 31.03.2012
Lands	84789460	439800	-	85229260	-	-	-	-	-	84789460
Buildings										
Own Buildings	303037697	2931173	1696965	304271905	60726582	7279668	-	1681586	66324664	242311115
Leasehold Buildings	112189	-	-	112189	112189	-	-	-	112189	-
Plant & Machinery	1769381351	45581543	40729633	1774233261	950344784	90725185	-	31877663	1009192306	819036567
Tramways & Railways Sidings	23097214	-	-	23097214	11320046	1166502	-	-	12486548	11777168
Furniture and Fixtures	8179464	366407	30692	8515179	4636589	389437	-	20419	5005607	3542875
Vehicles	65534555	10859028	3358994	73034589	35630121	6009894	-	2033969	39606046	29904434
Computers, Office Equipments	65559892	6291540	590478	71260954	52317957	3169437	-	540955	54946439	13241935
TOTAL	2319691822	66469491	46406762	2339754551	1115088268	108740123	-	36154592	1187673799	1204603554
PREVIOUS YEAR	2291560866	38222287	10091331	2319691822	999570948	108286726	14535030	7304436	1115088268	1291989918

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.1295880/- is pending formal transfer of title in the name of the Company.

3) Gross deduction during the year includes Rs.2938450/- being the Capital subsidy received from Govt. of A.P. on procurement of Sugarcane Harvester, which is disclosed in pursuance of Accounting standard 12.- Govt. grants

NOTES TO FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

14. Non Current Investments

Name of the Company	Opening Balance as on 01.04.2012		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2013	
	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. (Including 10 shares held by the nominees of the company)	600000	6000000					600000	6000000
KCP Sugars Agricultural Research Farms Limited (Including 6 shares held by the nominees of the company)	2250000	22500000					2250000	22500000
ii) Others (Quoted)								
Investments in Equity Shares								
Krishna Industrial Corporation Ltd.	52501	500010					52501	500010
Jeypore Sugar Company Ltd.	16580	821936					16580	821936
Sri Sarvaraya Sugars Ltd.	150000	1700000					150000	1700000
Nava Bharat Ventures Ltd. (Face value of Rs.2/- each)	40	205					40	205
Bajaj Hindustan Ltd. (Face value of Re.1/- each)	1000	5601					1000	5601
Balrampur Chini Mills Ltd. (Face value of Re.1/- each)	1000	9146					1000	9146
Bannari Amman Sugars Ltd.	50	2547					50	2547
The Dhampur Sugar Mills Ltd.	100	6013					100	6013
Kothari Sugars And Chemicals Ltd.	5	50					5	50
Oswal Sugars Ltd.	100	404					100	404
Sakthi Sugars Ltd.	50	815					50	815
Thiru Arooran Sugars Ltd.	100	7326					100	7326
Simbhaoli Sugars Ltd.	100	1026					100	1026
Eid Parry (I) Ltd. (Face value of Re.1/- each)	1000	7486					1000	7486
Jubilant Life Science Ltd. (formerly Jubilant Organosys Ltd.) (Face value of Re.1/- each)	1600	11268					1600	11268

NOTES TO FINANCIAL STATEMENTS (CONTD.)



14. Non Current Investments (Continued)

Name of the Company	Opening Balance as on 01.04.2012		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2013		Amt in Rs.
	No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value	
Jubilant Industries Ltd (Face value of Re.1/- each)	80	-					80	-	
The Andhra Sugars Ltd	100	2348					100	2348	
Avon Organics Ltd	100	5580					100	5580	
Citric India Ltd	100	790					100	790	
Indian Sucrose Ltd. (formerly Lactose (I) Ltd.)	100	680					100	680	
Coromandel International Ltd. (Face value of Re.1/- each)	330	-					330	-	
Automotive Stampings and Assemblies Ltd.	2000	208814					2000	208814	
Blue Star Ltd.	95268	33797537					95268	33797537	
(Face value of Rs.2/- each)	33997	11588794	1900	639656			35897	12228450	
Gujarat Gas Company Ltd. (Face value of Rs.2/- each)	169885	71202476	14050	3919666			183935	75122142	
Indraprastha Gas Ltd.	131500	5543806					131500	5543806	
ISMT Ltd.	4268	1526151			4268	1526151 (53648)	-	-	
Subex Systems Ltd.									
Yuken India Ltd.	19365	4806357					19365	4806357	
Container Corporation of India Ltd.	9478	11706404					9478	11706404	
Bank of Baroda	370	100191			370	100191 (235675)	-	-	
Bharat Petroleum Corporation Ltd. (Includes 1 : 1 Bonus shares received during the year.)	60	11732			60	11732 (20924)	-	-	
Bank of India	650	100095			650	100095 (175632)	-	-	
Union Bank of India	775	99540			775	99540 (121385)	-	-	
Precision Wires India Ltd.	140374	16652453					140374	16652453	
Savita Oil Technologies Ltd.	77262	39973458	2500	1180199			79762	41153657	
Axys Health	50000	3250000					50000	3250000	

NOTES TO FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

14. Non Current Investments (Continued)

Name of the Company	Opening Balance as on 01.04.2012		Purchased during the year		Sold during the year		Closing Balance as on 31.03.2013		Amt in Rs.
	No of Shares	Value	No of Shares	Value	No of Shares	Value	No of Shares	Value	
Tata Motors Ltd. (A Ordinary shares) (Face value of Rs.2/- each)	165	10065	165	39414	330	49479 (62472)	-	-	-
Geodesic Information Systems Ltd. (Face value of Rs.2/- each)	166636	15106659			166636	15106659 (7013106)	-	-	-
Vikas Wsp Ltd. (Face value of Re.1/- each)	22850	976840	1563871	100656779	65660	10141092 (7209375)	1586721	101633619	
Garware Polyster Ltd.	65660	10141092					-	-	-
iii) Debenture (Quoted)									
Coromandel International Ltd (1:1 Bonus Debentures received during the year)			330	-	-	-	330	-	-
iv) Other non current investments (Unquoted)									
Agri Business Finance (AP) Ltd.	50000	500000	-	-	-	-	50000	500000	
TOTAL		258885695		106435714		27134939		338186470	
NOTE: The Face value of the above Equity Shares is Rs.10/- each unless otherwise mentioned. Aggregate of Quoted Investments - At cost - At market value Aggregate of Unquoted Investments at Cost Figures in brackets denotes sale value of shares sold All investments are long term in nature and therefore dumunition in market value is considered as temporary and hence no provision is made.		229885695 193859100 29000000						309186470 201854701 29000000	

Amt. in Rs.		
Particulars	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
15 Long term loans and advances:		
Unsecured, considered good		
Security Deposits	5979727	5289520
16 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 :12004.05) -Unquoted	-	20107144
SBI SHF Ultra Short Term Fund - Institutional plan - Daily Dividend. No of units : (44347.942) Unquoted	-	44374551
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend No of units 33704.805 -Quoted		33713231
	-	98194926
Aggregate value of quoted investments	-	33713231
Aggregate market value of quoted investments	-	33713231
Aggregate value of Unquoted investments	-	64481695
17 Inventories:		
a) Raw materials	70989	502696
b) Work in progress	13909602	36821399
c) Finished goods	2085642610	2192164254
d) Stores and spares	66321526	48779819
e) Crops under cultivation	4575852	1085492
	2170520579	2279353660
<p>Note :</p> <p>i) For mode of valuation refer Note No.1, para "e".</p> <p>ii) Until the previous financial year, the Levy Stock held at the year end was valued at Levy price which was lower than the cost price. In pursuance of Govt. of India Notification No.281(E) dt.02.05.2013 regarding dispensing of Levy obligation from Sugar season 2012-13 the sugar produced in the said season and held in stock as on 31-03-2013 has been treated as Open market sugar and valued accordingly. On account of which, the profit has been increased by Rs.7,40,35,450/-.</p>		

Particulars	Amt. in Rs.	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
18 Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	1269082	1456430
b) Doubtful	6226863	6226863
ii) Others - Unsecured considered good	214453527	122396684
	221949472	130079977
Less: Provision for doubtful debts	6226863	6226863
	215722609	123853114
19 Cash and Bank balances :		
i) Cash and cash equivalents:		
a) Balances with Banks		
- in Current accounts	47998712	44760117
b) cash on hand	1140543	747569
ii) Other balances with Bank		
a) - in unpaid dividend accounts	11162939	12863367
b) - in margin money, security for borrowings, guarantees and other commitments	15704497	15833000
	76006691	74204053
20 Short term loans and advances:		
Unsecured considered good		
a) Advances to suppliers and service providers	190075989	163870247
b) Advances to employees	2353929	2316595
c) Advance taxes, duties etc (Net)	7776245	5677641
	200206163	171864483

		Amt. in Rs.	
Particulars	For the current reporting period 2012 - 13	For the previous reporting period 2011 - 12	
21 Revenue from operations:			
i) Sale of products			
Sugar	3797005422	2817051987	
Molasses	116591728	126684968	
Bagasse	399114952	383494337	
Industrial Alcohol	230366806	274881141	
Bio Fertilizer	52047625	42390886	
Electrical Energy	162482905	136055422	
Steam	270076777	253049442	
Others	28005930	18376119	
Total	5055692145	4051984302	
ii) Other operating revenues	-	54021520	
	5055692145	4106005822	
Less: Inter Divisional Transfers	761583974	716009643	
	4294108171	3389996179	
Less: Excise duty	126339272	110478754	
	4167768899	3279517425	
22 Other Income:			
a) Interest income	4694960	3413339	
b) Dividend Income			
- from long term investments	6650522	6234230	
- from current investments	22106151	10313894	
c) Net gain/loss on sale of current investments	-	354086	
d) Net gain/loss on sale of long term investments	-	43876843	
e) Rent Received	5761635	5719133	
f) Miscellaneous Receipts	10958461	8242970	
g) Profit on sale of fixed assets (Net)	-	3899735	
h) Unclaimed Balance credited back	69751	1494059	
I) Claims Received	1448578	649074	
J) Provision no longer required withdrawn	295131	1891721	
	51985189	86089084	
23 Cost of materials consumed:			
a) i) Consumption of raw materials	2668348329	2537776873	
Less: Inter Divisional Transfers	86822757	97630300	
	2581525572	2440146573	
ii) Consumption of stores and spare parts	118983102	107264768	
	2700508674	2547411341	
b) Consumption of major raw materials			
Sugarcane	2552346139	2408574528	

Particulars	Amt. in Rs.	
	For the current reporting period 2012 - 13	For the previous reporting period 2011 - 12
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		
(a) Sugar	9794775	34269879
(b) Molasses	-	1889211
(c) Bio Fertilizer	1106755	55653
(d) Calcium Lactate	585000	606656
(e) Crops under cultivation	6998924	1085492
Total	18485454	37906891
ii) Finished goods		
(a) Sugar	1950711916	2096342789
(b) Molasses	99333676	73402194
(c) Industrial Alcohol	28590269	12797956
(d) Ethanol	-	11000
(e) Bio Fertilizer	1980650	4927010
(f) Calcium Lactate	5026099	4683305
Total	2085642610	2192164254
Grand Total	2104128064	2230071145
Less:		
Stocks at the beginning of the year		
i) Work in progress		
(a) Sugar	34269879	26216137
(b) Molasses	1889211	1648428
(c) Bio Fertilizer	55653	26537
(d) Calcium Lactate	606656	654566
(e) Crops under cultivation	1085492	2024116
Total	37906891	30569784
iii) Finished goods		
(a) Sugar	2096342789	1917005900
(b) Molasses	73402194	77275678
(c) Industrial Alcohol	12797956	17432189
(d) Ethanol	11000	236500
(e) Bio Fertilizer	4927010	9373743
(f) Calcium Lactate	4683305	4624686
Total	2192164254	2025948696
Grand Total	2230071145	2056518480
Changes in inventories	125943081	(173552665)
25 Employee Benefit Expenses:		
a) Salaries, wages and other benefits	243767804	208002780
b) Contribution to provident and other funds	58824168	23601000
c) Remuneration to whole time directors	52925392	23681722
d) Staff welfare expenses	22416590	23113098
	377933954	278398600
Note : Contribution to provident and other funds for the current reporting period includes Rs.35600000/- being the amount paid to Life Insurance Corporation of India for Superannuation scheme extended to management employees of the organisation.		

Particulars	Amt. in Rs.	
	For the current reporting period 2012 - 13	For the previous reporting period 2011 - 12
26 Finance Costs:		
a) Interest expense	53390867	59845521
b) Other borrowing costs	3367303	3570600
	56758170	63416121
27 Other expenses:		
a) Power and fuel	695010914	635257647
Less: Inter Divisional Transfers	674761217	618379343
	20249697	16878304
b) Rent	148410	113760
c) Repairs to buildings	7224654	7354694
d) Repairs to machinery	156569909	87612031
e) Repairs others	6123924	8570863
f) Insurance	2480274	3265829
g) Payment to the auditors		
- as auditor	365170	280900
- for other services	213484	209570
- for reimbursement of expenses	-	69422
h) Selling expenses	19666813	15994901
i) Irrecoverable loans and advances written off	-	165888
Loss on sale of fixed asset (net)	127390	-
Loss on sale of Investment (net)	12242722	-
j) Assets Written Off	6072415	3035357
k) Donations	2000000	400000
l) Legal and professional charges	4218844	4273906
m) Directors sitting fees	880000	920000
n) Remuneration to non whole time directors - Commission	700000	700000
o) Miscellaneous expenses	54554677	59754385
	293838383	209599810

28. Contingent liabilities and Capital Commitments:**Contingent Liabilities:**

Claims against the company not acknowledged as debts:

Particulars	31.03.2013	31.03.2012
Labour Cases	5617626	5232242
Share transmission	1105851	1105851
Case on Duty relating to Captive Power Generation	26169375	26169375
TOTAL	32892852	32507468

Outstanding Guarantees furnished by banks on behalf of the company is Rs.13099478/- (Rs. 5099438/-)

29. 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.

30. Disclosure under Accounting standard 15 (AS 15):**Employee Benefits:**

Defined benefit plans						Amt in Rs
	Gratuity	2012-13	2011-12	2010-11	2009-10	2008-09
(I)	Change in Benefit Obligation					
	Liability at the beginning of the year	100909306	91135575	81597380	63383088	59933869
	Interest Cost	8030395	7249640	6479760	5058809	4275733
	Current Service Cost	4718940	4026285	4014320	4019201	4027524
	Benefits Paid	6626500	4833824	3569470	5905464	5955861
	Actuarial (gain)/loss on obligations	1959860	3331629	2613585	15041746	1101823
	Liability at the end of the year	108992001	100909305	91135575	81597380	63383088
(II)	Fair value of Plan Assets					
	Fair value of plan assets at the beginning of the year	87867452	78505406	58319551	55186008	25386351
	Expected Return on Plan Assets	8008411	7109714	6123308	4916007	3543487
	Contributions	6515340	5852945	17516632	3309712	31569300
	Benefit Paid	6626500	3783479	3454085	5092176	5141662
	Actuarial gain /(loss) on Plan Assets	-	-	-	-	171468
	Fair Value of plan assets at the end of the year	95764703	87684586	78505406	58319551	55186008
(III)	Actual Return on Plan Assets					
	Expected Return on Plan Assets	8008411	7109714	6123308	4916007	3543487
	Actuarial gain/(loss) on plan Assets	-	-	-	-	171468
	Actual Return on Plan Assets	8008411	7109714	6123308	4916007	3372019
(IV)	Amount Recognised in the Balance Sheet					
	Liability at the end of the year	108992001	100909305	91135575	81597380	63383088
	Fair value of Plan Assets at the end of the year	96844207	87684586	78505406	58319551	55186008
	Difference (Funded Status)	12147794	13224719	12630169	23277829	8197080
	Amount Recognised in the Balance Sheet	12147794	13224719	12630169	23277829	8197080
(V)	Expenses Recognised in the Income Statement					
	Current Service Cost	4718940	4026285	4014320	4019201	4027524
	Interest Cost	8030395	7249640	6479760	5058809	4275733
	Expected Return on Plan Assets	8008411	7109714	6123308	4916007	3543487
	Net Actuarial (Gain)/ loss to be recognised	1959860	3331629	2613585	15041746	1273291
	Expenses Recognised in P & L	6700784	7497840	6984357	19203749	6033061
(VI)	Actuarial Assumptions : For the Year					
	Discount Rate Current	8.00%	8.00%	8.00%	8.00%	8.00%
	Salary Escalation Current	7.00%	7.00%	7.00%	7.00%	5.00%
	Expected rate of return on plan assets	9.30%	9.30%	9.30%	8%	8 & 9.25%

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.

31. 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	19325859	9551084	5726644	23150299
Provision for gratuity	13224719	3000496	2926050	13299165
Provision for Income Tax	113000000	165000000	-	278000000
Proposed Dividend	79369535	113385050	79369535	113385050
Tax on Proposed Dividend	12875723	19269789	12875723	19269789
Total	237795836	310206419	100897952	447104303

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

Loans and Advances to Subsidiary Companies	Outstanding as at Rs.		Maximum mount outstanding during the year ended - Rs.	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
The Eimco-K.C.P.Ltd.	NIL	NIL		40700000
KCP Sugars Agricultural Research Farms Ltd.	NIL	NIL	2209838	967373

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

PRODUCTS / SERVICES	Units	2012-2013		2011-2012	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1189716	3793306712	1011439	2814170737
Molasses	MTs	12912	36954027	11950	36412905
Bagasse	MTs	77105	108898496	80909	104066581
Industrial Alcohol	BLs	8998934	230366806	10061154	274881141
Bio Fertiliser	Qtls	148906	52047625	129964	42390887
Electrical Energy	Kwh	13836300	48827119	14209800	50456956
Others	-		23707386		13595452
TOTAL			4294108171		3335974659

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

PRODUCTS / SERVICES	Units	2012-2013		2011-2012	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1186	3698710	1050	2881250
Molasses	MTs.	39200	79637701	39100	90272063
Bagasse	MTs.	225280	290216456	235565	279427755
Electrical energy	KWH	23678270	113655786	24317746	85598466
Steam	MTs.	388570	270076777	401979	253049442
Filter Cake	MTs.	41623	424567	46899	468988
Sugarcane - Agricultural Produce	MTs.	1433	3061779	1810	4007999
Bio Gas	M3	2643434	812198	759200	303680
TOTAL			761583974		716009643

34. Raw Materials Consumed

PARTICULARS	Units	2012-2013		2011-2012	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar - Sugarcane	MTs	1045524	2552346139	1116558	2412582527
Distillery - Molasses	MTs	39200	105354769	39100	116689085
Others			10647421		8505261
Total			2668348329		2537776873
Less: Inter Divisional Transfers			86822757		97630300
Net Consumption			2581525572		2440146573

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

35. Opening Stock of Finished Goods

PARTICULARS	Units	As at 01.04.2012		As at 01.04.2011	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	836535	2096342789	785757	1917005900
Molasses	MTs	42740	73402194	37949	77275678
Industrial Alcohol	BLs	885649	12797956	995240	17432189
Bio Fertiliser	Qtls	2281	4927010	4419	9373743
Others		-	4694305	-	4861186
Total			2192164254		2025948696

36. Closing Stock of Finished Goods

PARTICULARS	Units	As at 31.03.2013		As at 31.03.2012	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	690282	1950711916	836535	2096342789
Molasses	MTs	43027	99333676	42740	73402194
Industrial Alcohol	BLs	2057868	28552515	885649	12797956
Bio Fertiliser	Qtls	2250	1980650	2281	4927010
Others	Qtls		5063853		4694305
Total			2085642610		2192164254

37. Particulars regarding Capacity and Production

Class of Goods	Capacity			Actual Production	
	Licenced	Installed		2012-2013	2011-2012
	(as certified by the management)				
			Units		
a. Sugar					
(i) Vuyyuru Unit	7500	7500	Qtls	837881	821820
	(Tonnes of Cane crushed per day)				
(ii) Lakshmipuram	4000	4000	Qtls	206768	241447
	(Tonnes of Cane crushed per day)				
b. Molasses (By-Product)			MT's	52398	55842
c. Industrial Alcohol / Anhydrous Alcohol	50000	50000	BL per day	10171153	9951563
d. Bio Fertiliser			Qtls	148876	128264
e. Electrical Power					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	36435700	35583100
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	5 MW	5 MW	Kwh	5946638	7588148

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

Particulars	2012 – 2013 Rs.	2011 – 2012 Rs.
i) Raw Materials	Nil	Nil
ii) Components and Spare parts	Nil	Nil
iii) Capital Goods	Nil	Nil

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

Particulars	2012 – 2013 Rs.	2011 – 2012 Rs.
i) Foreign Travel	237594	NIL
ii) Others	NIL	NIL

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

Particulars	2012 – 2013 Rs..	%	2011 – 2012 Rs.	%
a) Raw Materials:				
i) Imported	NIL		NIL	
ii) Indigenous	2581525572	100	2440146573	100
	2581525572		2440146573	
b) Spare parts and Components: (debited to respective heads)				
i) Imported		-		-
ii) Indigenous	224152122	100	176753104	100

41. RELATED PARTY DISCLOSURES:

(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.P.Ltd., 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.

(B) Transactions During the year

Particulars	Subsidiaries		Key Management Personnel	
	2012 - 13	2011 - 12	2012 - 13	2011 - 12
Interest Received	-	880352	-	-
Rent Received	270000	270000	1200000	1200000
Remuneration paid to Key Management Personnel			52925392	23681722
Advances given	2209838	40967373	-	-
Advances received back	2209838	41667373	-	-
Interest on fixed deposit paid to Key Management Personnel			3029452	3054000
(C) Closing balances as on 31/03/2013				
Party				
(a) The Eimco KCP Ltd.	-	-	-	-
(b) KCP Sugars agricultural Research Farms Ltd.	-	-	-	-
(c) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(d) Share Capital held by key Management Personnel.	-	-	1733310	1733310
(e) Fixed deposit held by key Management Personnel.	-	-	30000000	30000000

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

Particulars	2012 – 2013 Rs.	2011 – 2012 Rs..
NIL	NIL	NIL

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

Particulars		2012 – 2013 Rs.	2011 – 2012 Rs..
Profit attributable to the Shareholders	A	387613081	264249562
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	3.42	2.33

NOTES TO FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

44. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2013 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	3943378115	3010768908	249855312	286379429	48827119	50456956	52047625	42390886	4294108171	3389996179
Inter Segment Revenue	377039213	377058055	1946813	890907	382597948	338060681	-	-	761583974	716009643
Total Revenues	4320417328	3387826963	251802125	287270336	431425067	388517637	52047625	42390886	5055692145	4106005822
2 Segment Results										
Profit before depreciation, finance cost and taxation										
Less : Finance Cost	578410082	307465516	80166297	104197722	102353252	88965360	22617272	19118342	783546903	519746939
Less: Depreciation and Amortizations	53463771	55559136	2242501	3236931	571890	570312	480009	479142	56758171	59845521
Less: Impairment on Capital Assets	57485596	56799886	13794323	14127033	34266278	34377664	3193925	2982144	108740122	108286726
Unallocable Expenditure					-	14535030			-	14535030
Less : Tax									(62,016,907)	(19568116)
Total Profit									168418622	53261984
3 Capital Employed									387613081	264249562
Segment Assets	3120826981	3097465738	207991156	212612473	284894966	335416338	44447596	49420948	3658160699	3694915497
Unallocable Assets									519855853	541118196
Segment Liabilities	1087106465	1544501948	4432793	2987710	18574966	2147537	2742739	1064037	1112856963	1550701232
Unallocable Liabilities									872866000	747997114
Capital Employed	56358401	40773234	1762340	634670	-	879347	8960925	4173312	2192293589	1937335347
4 Capital Expenditure									67081666	46460563

Note:

- The operations of the Company predominantly relate to manufacture of Sugar, Electrical Energy, Bio Fertilizers and Chemicals comprising mainly Industrial 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.

II) Geographical Segment:

Particulars	Current Reporting Period	Previous Reporting Period
Sales within India	4294108171	3389996179
Sales outside India	—	—
Total	4294108171	3389996179

Note: Company does not own or operate any business outside India

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

	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	4178016550	4236033693	76164503	38222287
Located outside India	—	—	—	—
Total	4178016550	4236033693	76164503	38222287

45. 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.

In accordance with our Report attached

For and behalf of the Board

For B.PURUSHOTTAM & CO.

IRMGARD VELAGAPUDI M. RAO

Chartered Accountants
FRN 002808S

Managing Director

K.V.N.S. Kishore

V. KIRAN RAO

Partner
M.No. 206734

Executive Director

Chennai
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director &
Chairman-Audit Committee

	Amt in Rs.	
	2012-2013	2011-2012
A. Cash Flow from Operating Activities:		
Net Profit before tax and Extraordinary Items	556031703	317511546
Adjustments for:		
Depreciation	108740123	108286726
Loss/(Profit) on Sale of Assets	127390	(3899735)
Assets written off	6072415	3035357
Impairment of Assets	-	14535030
Dividend Income	(28756674)	(16548124)
Interest paid	53390867	59845521
Loss /(Profit)Profit on Sale of Investments	12242722	(44230929)
Interest received	(4694960) 147121883	(3413339) 117610507
Operating Profit before Working Capital Changes	703153586	435122053
Adjustments for :		
Trade and other Receivables	122533366	(6551887)
Inventories	(108833081)	178504568
Trade Payables	302626875	(24475260)
	316327160	147477421
Cash Generated from Operation	386826426	287644632
Direct Taxes Paid	121047727	92638000
Cash Flow Before Extraordinary Items	265778699	195006632
Extra ordinary items	-	-
Net Cash from Operating Activities	265778699	195006632
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	63531041	38222287
Investments purchased	106435714	149115917
Decrease in Capital Work in Progress	(471129)	4517763
Sale of Investments	(113087142)	(90025534)
Sale of Fixed Assets	(1113914)	(6638507)
Interest Received	(4694960)	(3413339)
Dividend Received	(28756674)	(16548124)
Net Cash Used in Investing Activities	21842936	75230463

	Amt in Rs.	
	2012-2013	2011-2012
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	96497000	13270000
Interest Paid	53390867	59845521
Dividends and Tax on dividend Paid	92245258	59300523
Net Cash Used in Financing Activities	242133125	132416044
Net Increase in Cash and Cash Equivalents (A-B-C)	1802638	(12639875)
Cash and Cash Equivalents at the beginning of the reporting period	74204053	86843928
Cash and Cash Equivalents at the end of the reporting period	76006691	74204053
In accordance with our Report attached		
For and behalf of the Board		
For B.PURUSHOTTAM & CO.	IRMGARD VELAGAPUDI M. RAO	
Chartered Accountants	Managing Director	
FRN 002808S		
K.V.N.S. Kishore	V. KIRAN RAO	
Partner	Executive Director	
M.No. 206734		
Chennai		
29.05.2013		
R.GANESAN	S.CHIDAMBARAM	K.A.RANGASWAMY
Chief Financial Officer	General Manager (Finance) & Company Secretary	Director & Chairman-Audit Committee

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, 2013. 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 Profit and Loss Account and Balance Sheet of the Company covered by our Report of 11th May, 2013 to the Members of the Company.

Place : Chennai

Date : 29th May, 2013.

For B Purushottam & Co.

Chartered Accountants,

FRN 002808S

K.V.N.S. Kishore

(M.No. 206734)

Partner

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

I. THE EIMCO-KCP LIMITED:

1. The above Company is a wholly owned subsidiary of 'K.C.P.Sugar and Industries Corporation Limited' in which the Company holds the entire 600000 shares of Rs.10/- each fully paid up (including 10 shares held by its Nominees).
2. The financial results for the year ended 31.03.2013 and the figures for the corresponding previous financial year is summarized below:

Particulars	Amt in Rs.	
	Current Reporting Period 2012 - 13	Previous Reporting Period 2011 - 12
Profit for the year before tax	33556418	29323279
Provision for current/prev. year taxation	11500000	10300000
Prior period adjustments	--	(880488)
Deferred taxation/ (reversal)	(267135)	733464
Profit for the year after tax	22323553	19170303
Profit / (Loss) brought forward from previous year	62708836	43538533
Profit carried forward to Balance Sheet	85032389	62708836

3. The Eimco-KCP Limited has not proposed any dividend for the year-ended 31.03.2013. (Previous year: Nil).
4. No part of the above profits or reserves have been dealt with in the Company's Accounts.

II. KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED:

1. The above Company is a wholly owned subsidiary of 'K.C.P.Sugar and Industries Corporation Limited' in which the Company holds the entire 2250000 shares (P.Y.:2250000) of Rs.10/- each fully paid up (including 6 shares held by its Nominees) as on 31st March 2013.
2. The financial results for the year ended 31.03.2013 and the figures for the corresponding previous financial year is summarized below:

Particulars	Amt in Rs.	
	Current Reporting Period 2012 - 13	Previous Reporting Period 2011 - 12
Profit for the year before tax	(989986)	1615953
Provn for current/prev. year taxation & FBT	--	--
Prior period adjustments	--	--
Deferred taxation/ (reversal)	48783	5875
Profit for the year after tax	(1038769)	1610078
Profit / (Loss) brought forward from previous year	2189607	579529
Profit carried forward to Balance Sheet	1150838	2189607

3. KCP Sugars Agricultural Research Farms Limited has not proposed any dividend for the year ended 31.03.2013.
4. No part of the above profits or reserves have been dealt with in the Company's Accounts.

For and behalf of the Board

IRMGARD VELAGAPUDI M. RAO
Managing Director

V. KIRAN RAO
Executive Director

Chennai
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director &
Chairman-Audit Committee

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THE EIMCO-K.C.P. LTD

Forty Fifth Annual Report **2012 – 2013**

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 Fifth 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 Thursday, 29th day of August 2013 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 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. K. Kalyanaraman, 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 : 28.05.2013

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 : 28.05.2013

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

TO THE SHAREHOLDERS	Your Directors have pleasure in submitting their Report for the year ended 31st March 2013 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.4477.20 lakhs as compared to Rs. 3629.55 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 2013 was Rs. 3667.67 lakhs as against Rs. 3426.06 lakhs in the previous year. The Profit was at Rs. 335.56 lakhs for the year under review as against profit of Rs. 293.23 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs. 223.24 lakhs to which after adding the brought forward surplus of Rs.627.08 lakhs, the carry forward surplus to the next year amounted to Rs. 850.32 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 217 (2A) of the Companies Act 1956 read with Companies (Particulars of employees) Rule 1975 and forming a part of Director's Report for the year ended 31st March 2013 is not applicable as there was no employee covered by the same.
EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO	Our Exports earnings during 2012-13 was Rs.932.26 lakhs (P.Y.- Rs. 400.62 lakhs). During the period under review the Company has incurred expenditure in foreign currency amounting to Rs.75.68 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 Shri. K. Kalyanaraman 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 217(2AA) of the Companies Act 1956, your Directors certify as follows: <ul style="list-style-type: none"> 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 2013 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.
SECRETARIAL COMPLIANCE CERTIFICATE	The Secretarial Compliance certificate in terms of the Amended Section 383 A of the Companies Act, 1956 is attached with this Report.
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.

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON



Registration No : U27209TN1967PLC005550
Authorised Capital : Rs. 1,00,00,000/-
Paid-up Capital : Rs. 60,00,000/-

To
 The Members
 The Eimco-K.C.P. Limited
 183, New No.239, Annasalai,
 Ramakrishna Buildings
 Chennai 600 006.

I have examined the registers, records, books and papers of THE EIMCO-K.C.P. LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Tamilnadu within the time prescribed under the Act and rules made thereunder.
3. The company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met five times respectively on 10.05.2012, 02.08.2012, 08.11.2012, 10.12.2012 and 06.02.2013 in respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 27th September 2012 after giving due notice to the members of the company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act during the year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act during the year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The provisions of section 314 were not attracted by the company and hence the company was not required to obtain approvals from the Board of Directors/members pursuant to section 314 of the Act.
12. No duplicate share certificates were issued during the period under scrutiny.
13. The Company has
 - i) Not received any request for transfer or transmission of shares during the year.
 - ii) Not declared dividend during the period under scrutiny.
 - iii) No unclaimed or unpaid dividend which is required to be transferred to Unpaid Dividend Account of the Company.
 - iv) No application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investors Education and Protection Fund does not arise.
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors or directors to fill casual vacancies during the period under review.
15. The company has not appointed any Managing/Wholetime Director during the financial year.
16. The company has not appointed any sole-selling agent during the period.
17. The company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director or such other authorities under the various provisions of the Act during the year under scrutiny.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or other securities during the year under scrutiny.
20. The company has not bought back any shares during the financial year.

21. The company has not redeemed any preference shares during the year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including unsecured loans falling under the purview of section 58A of the Act.
24. The company has not borrowed any amount from banks or financial institutions during the year. The Company has enhanced its BG limits during the year.
25. The company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the year.
26. The company has not altered the provisions of memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. No prosecution was initiated against the company and no show cause notices were received by the company for alleged offences under the Act.
32. The company has not received any amount as security from its employees during the year under scrutiny.
33. The provisions of Section 418 of the Act are not applicable to this Company.

Place: Chennai
Date: 28.05.2013

P R SUDHA
Company Secretary:
C P No: 4468

Annexure A:

Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes of Board Meetings
3. Minutes of meetings of Members
4. Register of Directors u/s 303
5. Register of Directors' shareholding u/s 307
6. Register under section 301
7. Register of Directors' Attendance under Regulation 71 of Table A of Schedule I of the Act.
8. Register of Shareholders' Attendance.

Annexure B:

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2013

Document	Form No.	Section	Date of filing	Whether filed within the prescribed time
Secretarial Compliance Certificate for the year ended 31.3.2012	66	383A	03.10.2012	Yes
Balance Sheet and Profit & Loss Account for the year ended 31.03.2012	23AC & ACA XBRL	220	13.12.2012	Yes
Schedule V made upto 27.9.2013	20B	159	20.10.2012	Yes
Appointment of Auditor	23B	224	12.10.2012	Yes
Modification of Charge	8	135	19.02.2013	No

Place: Chennai
Date: 28.05.2013

P R SUDHA
Company Secretary:
C P No: 4468



**To the Members of
THE EIMCO-K.C.P.LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **THE EIMCO-K.C.P.LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 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, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of under 'Report on Other Legal and Regulatory Requirements 'section of our report of even date)

- i) a) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
- b) The assets have not been physically verified by the Management during the year under report.
- c) During the year, the Company has not disposed off any substantial part of Fixed Assets.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories 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) a) According to the information and explanations given to us, the Company has not granted Loans to companies, Firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, clauses iii(b), iii(c), iii(d) of Para 4 of the Order, are not applicable.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained u/s 301 of the companies Act, 1956. Accordingly, clauses iii (f), iii (g) of Para 4 of the Order, are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted public deposits covered under the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Provisions of Section 209(1)(d) of the Companies Act 1956, relating to maintenance of cost records, do not apply to the company, during the year under report.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise Duty, and other material statutory dues applicable to it.
- b) According to the information and explanation given to us no undisputed amounts payable in respect of Income tax, Sales tax, wealth tax, Service tax, Customs Duty and Excise Duty and Cess were in arrears, as at 31-03-2013 for a period of more than six months from the date they became payable.
- c) According to the information given to us, there no dues of Income tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited on account of any dispute except in respect of Income tax which have not been deposited. The details are given as under



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

- x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
- xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantees for loans taken by others from any banks or financial institution
- xvi) In our opinion, the company did not avail of any term loans during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under the clause.
- xx) The Company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such moneys does not arise during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. Purushottam & Co
Chartered Accountants
FRN 002808S

Place : Chennai
Date : 28-05-2013

K.V.N.S. Kishore
Partner

			Amt. in Rs.
Particulars	Note No.	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	6000000	6000000
(b) Reserves and Surplus	3	97036577	74713026
		103036577	80713026
(2) Non - current liabilities			
(a) Deferred tax liabilities (Net)	4	—	96279
(b) Long term provisions	5	21313157	26944677
		21313157	27040956
(3) Current liabilities			
(a) Short term borrowings	6	16835833	19164258
(b) Trade payables	7	69957918	44242087
(c) Other current liabilities	8	70176087	46509740
(d) Short term provisions	9	10718059	12148499
TOTAL		167687897	122064584
		292037631	229818566
II. ASSETS			
(1) Non - current assets			
(a) Fixed Assets			
(i) Tangible assets	10	19952717	19414404
(ii) Intangible assets		877927	—
(b) Deferred tax assets (Net)	4	170856	—
(c) Long term loans and advance	11	2989788	3613688
(d) Other non current assets	12	17664965	14057166
		41656253	37085258
(2) Current Assets			
(a) Current Investments	13	650228	—
(b) Inventories	14	102344846	68663425
(c) Trade receivables	15	122207041	110919781
(d) Cash and cash equivalents	16	1386220	3463050
(e) Short term loans and advances	17	23793043	9687052
TOTAL		292037631	229818566

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

In accordance with our Report attached

For B.PURUSHOTTAM & CO.

Chartered Accountants
FRN 002808S

K.V.N.S. Kishore

Partner
M.No. 206734

Chennai
28.05.2013

For and behalf of the Board

IRMGARD VELAGAPUDI M. RAO

Chairperson

V. KIRAN RAO

Vice-Chairperson



PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2013

Particulars	Note	for the current reporting period 31-03-2013	for the previous reporting period 31-03-2012
I. Revenue from Operations	18	366767127	342605754
Less: Excise Duty		26459567	27829944
		340307560	314775810
II Other Income	19	18442573	7053000
Total revenue		358750133	321828810
III Expenses			
Cost of materials consumed	20	226533234	178598205
Changes in inventories of finished goods, work in progress and stock in trade	21	(33930762)	(892201)
Employee benefits expense	22	50975793	42220872
Finance costs	23	6044022	6463522
Depreciation and amortization expense	24	4838912	3270839
Other expenses	25	70732516	62844294
Total Expenses		325193715	292505531
IV Profit/(Loss) before tax ((I+II)-III)		33556418	29323279
V Tax expense:			
(1) Current tax		11500000	10300000
(2) Deferred tax Asset/(Liability)		267135	733464
(3) Rev. of excess provision for taxation relating to earlier years			880488
		11232865	10152976
VI Profit for the year		22323553	19170303
VII Earning per equity share:			
Basic / Diluted		37.21	31.95

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

In accordance with our Report attached

For and behalf of the Board

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
28.05.2013

1. ACCOUNTING POLICIES**i. Basis of Preparation of Financial Statements**

The Financial statements have been prepared on the basis of going concern, under the historical cost convention to comply in all the material aspects with applicable accounting principles in India, the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the said Act.

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 provisions of Section 205(2) (b) of the Companies Act, 1956, in the manner and the rates specified in schedule XIV of the said act. Assets costing individually upto Rs.5000/- are fully depreciated in the year of acquisition.

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, un-availed 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 31-03-2013	Number	As at end of previous reporting period 31-03-2012
2 Share Capital:				
Authorized:				
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	62708836	74713024
Transferred from/to Profit & Loss Account		22323553	22323553
At the close of the reporting period	12004188	85032389	97036577
At the close of the previous reporting period	12004188	62708836	74713024



Amt. In Rs.

Particulars	As at end of previous reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
4 Deferred tax liability:		
Deferred tax liability:		
a) On account of depreciation on fixed assets	89463	161467
b) On account of timing differences in recognition of expenditure	369791	348045
Total	459254	509512
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	630110	413233
b) On account disallowance under section 40 (ia)		
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961		
	630110	413233
Net Deferred tax liability/(asset)	(170856)	96279
5 Long term Provisions		
a) Provisions for employee benefits	2790001	1448692
b) Others - Provisions for Liquidated Damages	18523156	25495985
	21313157	26944677
6. Short term Borrowings		
Secured Loans:		
Loans repayable on demand		
- from banks	16835833	19164258
Total	16835833	19164258
Details of security for secured loans		
Secured by exclusive charge on the entire current assets of the company and collaterally by hypothecation of entire movable fixed assets of the company alongwith equitable mortgage of factory land and buildings at Ambattur, Chennai		
7 Trade Payables		
i) To Micro, Small and Medium Enterprises	—	—
ii) Trade payable for Goods and Services	69957918	44242087
	69957918	44242087
8 Other current liabilities:		
(I) Statutory Liabilities	2268699	2522714
(ii) Accrued Salaries, Wages & Benefits payable	630709	451208
(III) Advance received from customers	67276679	43535818
	70176087	46509740
9 Short term provisions:		
a) Provision for employee benefits	7644101	7130895
b) Provision for Income Tax (Net)	3073958	5017604
	10718059	12148499

10. Fixed Assets:

Amt. in Rs.

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	Deductions	As at end of current reporting period	As at end of current reporting period	As at end of previous reporting period
Tangible Assets										
Own assets										
Land	632110	-	-	632110	-	-	-	-	632110	632110
Buildings	12932617	2965423	-	15898040	5517430	728624	-	6246054	9651985	7415186
Plant & Machinery	27269834	-	-	27269834	19625286	1595418	-	21220704	6049129	7644548
Furniture & Fixtures	3305940	90455	-	3396395	2584927	200351	-	2785278	611118	721013
Vehicles	1269105	57450	-	1326555	639390	167991	-	807381	519174	629715
Office equipment	1592278	165580	65000	1692858	1218472	74607	26825	1266254	426604	373806
Computers	11297948	1258566		12556514	9299922	1193993		10493915	2062597	1998026
	58299832	4537474	65000	62772306	38885427	3960984	26825	42819586	19952717	19414404
Intangible assets										
Others (Specify nature) Knowhow	235000			-	235000			235000	-	-
Softwares		1755855		1755855		877928		877928	877927	
	235000	1755855	-	1990855	235000	877928	-	1112928	877927	-
TOTAL	58534832	6293329	65000	64763161	39120427	4838912	26825	43932514	20830644	19414404



Particulars	As at end of Current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
11 Long term loans and advances:		
Unsecured considered good		
i) Security Deposits	603701	1227601
ii) IT Refund Receivable	2386087	2386087
	2989788	3613688
12 Other non current assets		
Unsecured considered good		
i) Interest Receivable	1380155	1256063
ii) Margin Money fixed deposits with Bank	16284810	12801103
	17664965	14057166
13 Current Investments		
Investment in Mutual Funds (NAV as on 31.03.2013 Rs.650228/-)	650228	-
14 Inventories:		
i) Raw materials	29401213	29568144
ii) Work in progress	67524428	27694309
iii) Finished goods	5234997	11134354
iv) Loose tools	184208	266618
	102344846	68663425
15 Trade receivables:		
Unsecured, considered good		
i) Trade receivables exceeding six months	4626845	5657677
ii) others	117580196	105262104
	122207041	110919781
16 Cash and cash equivalents:		
i) Balances with banks - in Current accounts	1232625	3325750
ii) Cash on hand	153595	137300
	1386220	3463050
17 Short term loans and advances:		
Unsecured, considered good		
i) Advances for Supply of goods and rendering of services	8401937	6376526
ii) Loans and advances to Employees	241194	210389
iii) Prepaid Taxes and Expenses	15149912	3100137
	23793043	9687052

		Amt. in Rs.	
Particulars	For the current reporting period 2012-13	For the previous reporting period 2011-12	
18 Revenue from operations:			
i) Sale of products			
Filters	57493331	23107134	
Thickeners, Components, Spares, Bar Screens, etc.,	296508462	313771985	
ii) Sale of services	10379180	3668430	
iii) Other operating revenue	2386154	2058205	
Total	366767127	342605754	
Less: Excise duty	26459567	27829944	
	340307560	314775810	
19 Other Income:			
i) Interest income	2077932	1254845	
ii) Miscellaneous Receipts	1652101	3271086	
iii) Packing & Forwarding Charges	805140	690971	
iv) Difference in Foreign Exchange	459109	(470589)	
v) Provision no longer required withdrawn	13408906	2200921	
vi) Credit Balance Written Back	39385	105766	
	18442573	7053000	
20 Cost of materials consumed:			
i) Consumption of raw materials			
Stainless Steel	16722819	12352198	
Iron and Steel	22975822	15759972	
iii) Consumption of stores and spare parts	186834593	150486035	
	226533234	178598205	
21 Changes in inventories of finished goods, work in progress and stock in trade:			
Stocks at the end of the year			
i) Work in progress	67524428	27694309	
ii) Finished goods	5234997	11134354	
Total	72759425	38828663	
Stocks at the beginning of the year			
i) Work in progress	27694309	24844439	
ii) Finished goods	11134354	13092023	
Total	38828663	37936462	
Net	(33930762)	(892201)	



Particulars	For the current reporting period 2012-13	For the previous reporting period 2011-12
22 Employee Benefit Expenses:		
i) Salaries,wages and other benefits	46063341	37607306
ii) Contribution to provident and other funds	2655126	2573472
iii) Staff welfare expenses	2257326	2040094
	50975793	42220872
23 Finance Costs:		
i) Interest expense	576251	3622363
ii) Bank Guarantee Commission & Other Charges	5467771	2841159
	6044022	6463522
24 Depreciation and amortization:		
Depreciation	3960984	3270839
Amortization of Intangible Assets	877928	-
	4838912	3270839
25 Other expenses:		
i) Machining and fabrication charges	28867509	19028224
ii) Work Shop Maintenance	1617675	1355931
iii) Power and fuel	3374415	2495874
iv) Rent	303372	279735
v) Research , inspection and testing charges	85553	50016
vi) Repairs to machinery	142256	42500
vii) Repairs others	958119	495116
viii) Insurance	275554	185241
ix) Rates and taxes	257667	490584
x) Payment to the auditors		
- as auditor - Audit Fees	56180	22472
- for other services - Certification Fees	5618	-
- Out of Pocket Expenses	4904	-
xi) Selling expenses	15019246	15540727
xii) Performance and delivery guarantee claims	10066814	13471021
xiii) Irrecoverable loans and advances written off	-	394817
xiv) Legal and professional charges	1671863	1139617
xv) Loss on sale of assets	20175	-
xvi) Miscellaneous expenses	8005596	7852419
	70732516	62844294

26. 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.112301086 /- (Rs.76030443/-) 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.26564/- 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.1928609/- 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.664880/- including interest. Pending disposal of its appeal against the said demands with Commissioner of Income Tax Appeals (III)

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

Particulars		Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012	
		Qty.	Value Rs.	Qty.	Value Rs.
(I) <u>SALES:</u>	Filters (in Nos)	9 Nos	57493331	5 Nos	23107134
	Thickeners, Components, Spares, Bar screens, etc. (Unit quantification not possible)		296508462		313771985
	Scrap		2386154		2058205
	Chemicals	-	-	-	-
	TOTAL		356387947		338937324
(II) <u>SERVICES:</u>	Service Charges		3756687		3047230
	Design, Erection & Fabrication		6622493		621200
	TOTAL		366767127		342605754

28. Raw Materials Consumed (in MT)

Particulars	Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012	
	MT	Rs.	MT	Rs.
Stainless Steel	81.69	16722819	53.91	12352198
Iron and Steel	555.68	22975822	471.79	15759972
TOTAL	637.37	39698641	525.70	28112170

Note : The above does not include of Rs 186834593/- (P.Y.Rs. 150486035/-) being the cost of Motors, Components, Pipes, Spares etc., consumed.



29. Opening and Closing Stock of Finished Goods.

Particulars	OPENING STOCK				CLOSING STOCK			
	Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012		Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012	
	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.
Filters	-	-	-	-	-	-	-	-
Washers, Classifiers, Clarifiers, Components Spares etc (Unit Quantification not Possible)	-	11134354	-	13092023	-	5234997	-	11134354
Chemicals	-	-	-	-	-	-	-	-
Total		11134354		13092023		5234997		11134354

30. Purchase of Finished Goods

Particulars	Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012	
	Qty.	Value Rs.	Qty.	Value Rs.
Chemicals	NIL	NIL	NIL	NIL

31. 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 : 9Nos.(4Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

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

Particulars	Current Reporting Period 2012 - 2013		Previous Reporting Period 2011 - 2012	
	VALUE Rs.	%	VALUE Rs.	%
Raw materials:				
Imported	NIL	NIL	NIL	NIL
Indigenous	39698641	100.00	28112170	100.00
Spares and Components:				
Imported	7191522	3.85	3198244	2.13
Indigenous	179643071	96.15	147287791	97.87
TOTAL	186834593	100.00	150486035	100.00

33. Expenditure incurred in Foreign Currency during the year.

Particulars	Current Reporting Period 2012 - 2013	Previous Reporting Period 2011 - 2012
	Rs.	Rs.
Foreign Travel Expenses	376332	682833
TOTAL	376332	682833

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

Particulars	Current Reporting Period 2012 - 2013	Previous Reporting Period 2011 - 2012
	Rs.	Rs.
Components	7191522	3198244
Finished Goods- Chemicals	—	—
TOTAL	7191522	3198244

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

Particulars	Current Reporting Period 2012 - 2013	Previous Reporting Period 2011 - 2012
	Rs.	Rs.
Export of Goods- FOB Value*	93225934	40062395
Total	93225934	40062395

36. 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.

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

1. Assumptions	<u>31/03/2013</u>	<u>31/03/2012</u>
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	5170285	4758354
Interest cost	413623	380668
Current Service Cost	512586	468975
Benefits Paid	(493315)	(495248)
Actuarial loss on obligation	(66036)	57536
Present value of obligations as at end of year	5537143	5170285
3. Table showing changes in the fair value of Plan assets LIC FUND	Rs.	Rs.
Fair value of plan assets at beginning of year	5604970	5070322
Expected return on plan assets	493519	439050
Contributions	607421	590846
Benefits paid	(493315)	(495248)
Actuarial gain on plan assets	-	-
Fair value of plan assets at the end of year	6212595	5604970
4. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	5604970	5070322
Actual return of plan assets	493519	439050
Contributions	607421	590846
Benefits Paid	(493315)	(495248)
Fair value of plan assets at the end of year	6212595	5604970
Funded status (Asset)	675452	434685
Excess of Actual over estimated return on plan assets	-	-


5. Actuarial Gain/Loss recognised

Actuarial Gain on obligation	66036	(57536)
Actuarial loss on plan assets	-	-
Total Gain for the year	(66036)	57536
Actuarial Gain recognized in the year	(66036)	57536

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	5537143	5170285
Fair value of plan assets as at the end of the year	6212595	5604970
Funded status (Asset)	675452	434685
NET ASSET RECOGNIZED IN THE BALANCESHEET	675452	(434685)

7. Expenses Recognized in statement of Profit & Loss

	Rs.	Rs.
Current Service Cost	512586	468975
Interest Cost	413623	380668
Expected return on plan assets	(493519)	(439050)
Net Actuarial loss recognized in the year	(66036)	57536
Expenses recognized in the profit & loss	366654	468129

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:

- Holding Company: KCP Sugar and Industries Corporation Ltd.,
- 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(P.Y279735)	NIL
Interest Paid	NIL(P.Y880352)	NIL
Advance Received	NIL(P.Y40000000)	NIL
Advance Repaid	NIL(P.Y40700000)	NIL
Guarantees given by	NIL -(P.Y NIL)	NIL

iii) Closing Balances with related parties:

Particulars	As on 31.03.2013 Rs.	As on 31.03.2012 Rs.
Outstanding Balance Payable to KCP Sugar & Industries Corp.Ltd., (Holding Company)	NIL	NIL

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

Rent expenses of Rs.303372/- (Previous year Rs.279735 /-) 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	2012-2013 Rs.	2011-2012 Rs.
Profit attributable to the Shareholders (A)	22323553	19170303
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)	37.21	31.95

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.

In accordance with our Report attached

For and behalf of the Board

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

28.05.2013



Amt. in Rs.			
Particulars	2012-2013		2011-2012
A.Cash flows from operating activities			
Net Profit before tax and Extraordinary items:		33556418	29323279
Adjustments for:			
Depreciation and amortization expense	4838912		3270839
Debit Balances Written off	-		394817
Loss on Sale of Asset	20175		-
Excess Provision credited back	(13408906)		(2200921)
Credit Balances written back	(39385)		(105766)
Interest Paid	6044022		6463522
Interest received	(2077932)		(1254845)
		(4623114)	6567646
Operating Profit Before Working Capital Changes		28933304	35890925
Adjustments for:			
Trade and other Receivables	(28377150)		(17972090)
Inventories	(33681421)		3904022
Trade Payables and others	57712155		12083971
		(4346416)	(1984097)
Cash Generated from Operations		24586888	33906828
Direct Taxes paid		(13443646)	(5249743)
Cash Flow before Extraordinary items		11143242	28657085
Extraordinary items		-	-
Net Cash from Operating Activities		11143242	28657085
B.Cash flows from investing activities			
Purchase of property, plant and equipment	(6293329)		(4695921)
Proceeds from sale of property, plant and equipment	18000		
Increase in Capital Work in Progress			
Purchase of investments	(650228)		
Proceeds from sale of investments			
Interest received	2077932		1254845
Net cash used in investing activities		(4847625)	(3441076)
C.Cash flows from financing activities			
Repayment of short term borrowings	(2328425)		(21076520)
Receipt of Unsecured Loan	-		40000000
Repayment of Unsecured Loan	-		(40700000)
Repayment of finance lease obligation			-
Interest paid	(6044022)		(6463522)
Dividend paid			
Net cash from financing activities		(8372447)	(28240042)
Net increase/(decrease) in cash and cash equivalents		(2076830)	(3024033)
Cash and cash equivalents at beginning of reporting period		3463050	6487083
Cash and cash equivalents at end of reporting period		1386220	3463050

In accordance with our Report attached

For and behalf of the Board

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
28.05.2013

KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Fourteenth Annual Report ***2012 - 2013***

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M. Rao
Directors	Shri. Vinod R. Sethi Shri. R. Ganesan
Auditors	Venkat & Rangaa., Chartered Accountants, Flat No.5, 1st Floor 6, Soundararajan Street 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 TO SHAREHOLDERS

NOTICE is hereby given that the Fourteenth 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 Thursday, 29th day of August 2013 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 2013 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. R.Ganesan, 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 : 28.05.2013

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

Your Directors have pleasure in presenting the Fourteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2013.

REVIEW OF OPERATIONS:

During the year ended 31.03.2013, the turnover and other income decreased to Rs. 10.00 lakhs from Rs.26.74 lakhs. This has resulted in loss of Rs.9.90 lakhs as against profit of Rs. 16.16 lakhs in the previous year. After providing for deferred taxation of Rs.0.49 lakhs, the loss was Rs.10.39 lakhs. After adjusting loss of Rs.9.90 lakhs from carried forward profit of Rs.21.90 lakhs from previous year, the balance profit carried to the Balance Sheet was Rs.11.51 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.R. Ganesan, 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 2013 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, 1956 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 217(2A) of the Companies Act, 1956 and the rules framed thereunder have not been appended herewith as there is no employee covered by the same.

The Statement pursuant to Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not enclosed as the same does not apply to the Company.

SECRETARIAL COMPLIANCE CERTIFICATE:

The Secretarial Compliance Certificate in terms of the amended Section 383A of the Companies Act 1956 is attached with this report.

AUDITORS:

M/s.Venkat & Rangaa, 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 reappointment and to authorize the Board to fix their remuneration.

For KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.

Place : Chennai
Date : 28.05.2013

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

Registration No : U73100TN1998PLC041501

Authorised Capital : Rs. 50000000/-

Paid-up Capital : Rs. 22500000/-

To

The Members

Kcp Sugars Agricultural Research Farms Limited

Ramakrishna Buildings,

239 (Old No.183), Anna Salai,

Chennai 600 006.

I have examined the registers, records, books and papers of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Tamilnadu within the time prescribed under the Act and rules made thereunder.
3. The company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 10.05.2012, 02.08.2012, 08.11.2012, and 06.02.2013 in respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The company did not close its Register of Members during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 27th September 2012 after giving due notice to the members of the company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act during the year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act during the year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The provisions of section 314 were not attracted by the company and hence the company was not required to obtain approvals from the Board of Directors/members pursuant to section 314 of the Act.
12. No duplicate share certificates were issued during the period under scrutiny.
13. The Company has
 - i) Not received any request for transfer or transmission of shares during the year.
 - ii) Not declared dividend during the period under scrutiny.
 - iii) No unclaimed or unpaid dividend which is required to be transferred to Unpaid Dividend Account of the Company.
 - iv) No application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investors Education and Protection Fund does not arise.
 - v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors or directors to fill casual vacancies during the period under review.
15. The company has not appointed any Managing/Wholtime Director during the financial year.
16. The company has not appointed any sole-selling agent during the period.
17. The company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director or such other authorities under the various provisions of the Act during the year under scrutiny.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares or other securities during the year under scrutiny.

20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares during the year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposits including unsecured loans falling under the purview of section 58A of the Act.
24. The company has not made any borrowings from banks or financial institutions during the financial year.
25. The company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the year.
26. The company has not altered the provisions of memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the year under scrutiny.
31. No prosecution was initiated against the company and no show cause notices were received by the company for alleged offences under the Act.
32. The company has not received any amount as security from its employees during the year under scrutiny.
33. The provisions of Section 418 of the Act are not applicable to this Company.

Place: Chennai
Date: 28.05.2013

P R SUDHA
Company Secretary:
C P No: 4468

Annexure A:

Registers as maintained by the Company

1. Register of Members u/s 150
2. Minutes of Board Meetings
3. Minutes of meetings of Members
4. Register of Directors u/s 303
5. Register of Directors' shareholding u/s 307
6. Register under section 301
7. Register of Directors' Attendance under Regulation 71 of Table A of Schedule I of the Act.
8. Register of Shareholders' Attendance.

Annexure B:

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2013

Document	Form No.	Section	Date of filing	Whether filed within the prescribed time
Secretarial Compliance Certificate for the year ended 31.3.2012	66	383A	03.10.2012	Yes
Balance Sheet and Profit & Loss Account for the year ended 31.03.2012	23AC & ACA XBRL	220	13.12.2012	Yes
Schedule V made upto 27.9.2012	20B	159	25.10.2012	Yes
Appointment of Auditor	23B	224	01.11.2012	Yes

Place: Chennai
Date: 28.05.2013

P R SUDHA
Company Secretary:
C P No: 4468

To the Members of KCP AGRICULTURAL RESEARCH FARMS LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of **K.C.P. AGRICULTURAL & RESEARCH FARMS LIMITED**, No.239 (Old No 183), Ramakrishna Buildings, Anna Salai, Chennai 600 006 which comprise the Balance Sheet as at 31st March, 2013 and the Statement Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 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, the 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Venkat & Rangaa
Chartered Accountants

K.R. Adivarahan
Partner
(M.No. 25420)

Place : Chennai
Date : 28.05.2013

Referred to in Para 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories are not applicable to this Company as it is in the business of Agriculture.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records are not applicable to this company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has incurred cash loss during the financial year covered by our audit and has not incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not obtained any loans from a financial institution, bank or debenture holders and hence this clause is not applicable.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Hence this clause is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issued debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Venkat & Rangaa
Chartered Accountants

K.R. Adivarahan
Partner
(M.No. 25420)

Place : Chennai
Date :

Amt. in Rs.					
	Particulars	Note No.	As at end of current reporting period 31.03.2013		As at end of previous reporting period 31.03.2012
I.	EQUITY AND LIABILITIES				
	(1) Shareholders' Funds				
	(a) Share Capital	2	22500000		22500000
	(b) Reserves and Surplus	3	1150838		2189607
			23650838		24689607
	(2) Non - current liabilities				
	Deferred Tax Liability	4	182221		133438
	(3) Current Liabilities				
	Other Current Liabilities	5	30455		30455
	TOTAL		23863514		24853500
II.	ASSETS				
	(1) Non - current assets				
	(a) Fixed Assets - Tangible assets	6	6221713		4671256
	(b) Non current investments	7	13144830		13144830
			19366543		17816086
	(2) Current Assets				
	(a) Current Investments	8	3997906		5815985
	(b) Inventories	9	-		464430
	(c) Trade receivables	10	31125		
	(d) Cash and cash equivalents	11	57068		92813
	(e) Short term loans and advances	12	410872		664186
			4496971		7037414
	TOTAL		23863514		24853500

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

As per our report of even date
for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

Chennai
28.05.2013

K.R.ADIVARAHAN
Partner
M. No. 25420

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

R.GANESAN
Director

Amt.in Rs.					
	Particulars	Note No.	For the Current reporting period 2012 - 2013		For the Previous reporting period 2011 - 2012
I.	Revenue from Operations	13		338350	131782
II	Other Income	14		661724	2541904
III	Total revenue (I + II)			1000074	2673686
IV	Expenses				
	Changes in inventories	15		462465	(46346)
	Employee benefits expense	16		524378	474830
	Finance costs	17		1355	2055
	Depreciation	6		68442	46147
	Other expenses	18		933420	581047
	Total Expenses			1990060	1057733
V	Profit before tax (iii - iv)			(989986)	1615953
VI	Tax expense:				
	(1) Current tax		-		
	(2) Deferred tax		48,783	48783	(5875)
VII	Profit for the year			(1038769)	1610078
VIII	Earning per equity share:				
	Basic and Diluted	19		(0.46)	0.72

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

As per our report of even date
for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

Chennai
28.05.2013

K.R.ADIVARAHAN
Partner
M. No. 25420

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

R.GANESAN
Director

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

The Financial Statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all the material aspects with applicable accounting principles in India, the Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the said Act.

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 written off under the Straight line method in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956.

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

2. Share Capital:

Amt. In Rs.

	Number	As at end of current reporting period 31.03.2013	Number	As at end of previous reporting period 31.03.2012
Authorized:				
Equity shares of Rs.10 /- each	5000000	50000000	5000000	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 preference share capital				
K.C.P Sugar and Industries Corporation Ltd	2250000	22500000	2250000	22500000

3. Reserves and Surplus:

Particulars	Amt. In Rs.		
	General Reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period		2189607	2189607
Transferred from/to Profit & Loss Account		(1038769)	(1038769)
At the close of the reporting period	-	1150838	1150838
At the close of the previous reporting period		2189607	2189607

Particulars	As at end of current reporting period 31.03.2013	As at end of previous reporting period 31.03.2012
4 Deferred tax liability:		
On account of depreciation on fixed assets	182221	133438
5 Other Current liabilities		
Outstanding liabilities for expenses	30455	30455

6. Fixed Assets

Amt. in Rs.

Description	GROSS BLOCK (AT COST)			DEPRECIATION					NET BLOCK	
	Cost upto 31.03.2012	Additions during the year	Deletions during the year	Cost upto 31.03.2013	upto to 31.03.2012	For the year	On Deletions	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
LAND (incl devt)	3686503	-	-	3686503	-	-	-	-	3686503	3686503
FENCING	306424	-	-	306424	124666	10235	-	134901	171523	181758
BUILDING	126500	798660	-	925160	43999	8587	-	52586	872574	82501
PLANT & MACHINERY	943277	882765	64663	1761379	243308	46817	2137	287988	1473391	699969
VEHICLES	29510	-	-	29510	8985	2803	-	11788	17722	20525
TOTAL	5092214	1681425	64663	6708976	420958	68442	2137	487263	6221713	4671256

7. Non Current Investments

Amt in Rs.

	COMPANY	OPENING BALANCE AS ON 01-04-2012		PURCHASED DURING THE YEAR		SOLD DURING THE YEAR		CLOSING BALANCE AS ON 31-03-2013	
		NO OF SHARES	BOOK VALUE	NO OF SHARES	BOOK VALUE	NO OF SHARES	BOOK VALUE	NO OF SHARES	BOOK VALUE
	Long Term Investments - at cost								
	Others (Quoted)								
	Investment in Equity Shares								
1	Asian Paints Ltd	200	232837					200	232837
2	Blue Star Ltd. (Face value of Rs.2/- each)	5800	2364753					5800	2364753
3	Container Corporation of India Ltd.	700	822051					700	822051
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	838740
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	Nucleus Soft	200	38058					200	38058
10	Subex Azure Ltd.	50	26322					50	26322
11	Yuken India Ltd.	100	20137					100	20137
12	Monsanto India Ltd	200	167819					200	167819
13	Savita Oil Technologies Ltd	8165	4489223					8165	4489223
14	Precision Wire India Ltd	500	69957					500	69957
	TOTAL		13144830		0		0		13144830

NOTE :

1. The Face value of the above Equity Shares is Rs.10/- each unless otherwise mentioned.

2. Aggregate of Quoted Investments - At Cost	13144830	13144830
- At market value	11338379	10482595

		Amt. in Rs.	
Particulars	As at end of current reporting period 31.03.2013	As at end of previous reporting period 31.03.2012	
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 : 2386.767) Unquoted (PY: 3472.9209)	3997906	5815985	
9 Inventories:			
i) Pesticides / fertilisers	-	1965	
ii) Standing crops	-	462465	
	-	464430	
10 Trade Receivables:			
i) Trade receivables	31125	-	
11 Cash and cash equivalents:			
i) Balances with banks			
- in Current accounts	34744	74176	
ii) Cash on hand	19825	16138	
iii) Fixed deposit	2499	2499	
	57068	92813	
12 Short term loans and advances:			
Income tax paid in advance	410872	664186	
	For the current reporting period 2012 - 2013	For the previous reporting period 2011 - 2012	
13 Revenue from operations:			
Sale of agricultural products	338350	131782	
14 Other Income:			
i) Interest income - long term investments	228	228	
ii) Dividend Income			
- from long term investments	259675	343620	
- from current investments	391921	434152	
iii) Miscellaneous Receipts	9900		
iv) Net gain/loss on sale of long term investments	-	1763904	
	661724	2541904	

		Amt. in Rs.	
Particulars	For the current reporting period 2012-2013	For the previous reporting period 2011-2012	
15 Changes in inventories of finished goods, work in progress and stock in trade:			
Stocks at the end of the year			
Standing Crops	-	462465	
Less:			
Stocks at the beginning of the year			
(a) Standing Crops	462465	416119	
(b) Agricultural produce	-	-	
Total	462465	416119	
NET	(462465)	46346	
16 Employee Benefit Expenses:			
i) Salaries and wages	491700	453140	
ii) Staff welfare expenses	32678	21690	
	524378	474830	
17 Finance Costs:			
Other borrowing costs	1355	2055	
18 Other expenses:			
i) Repairs others	97613	63827	
ii) Rates and taxes	1094	547	
iii) Payment to the auditors	14045	13483	
iv) Legal and professional charges	36938	27648	
v) Cultivation expenses	404248	179988	
vi) Labour charges	211194	143787	
vii) Pesticides / Fertilizers	46354	133205	
viii) Loss on Sale of Assets	25526	-	
ix) Miscellaneous expenses	96408	18562	
	933420	581047	
19 Earnings per share:			
Profit attributable to the Shareholders	(1038769)	1610078	
Basic /Weighted average number of equity shares outstanding during the year	2250000	2250000	
Nominal value of Equity Shares	1.00	1.00	
Basic / Diluted Earning per share	(0.46)	0.72	

Particulars	Amt. in Rs.			
	Current reporting period 2012 - 2013		Previous reporting period 2011 - 2012	
Cash flows from operating activities				
Profit before taxation		(989986)		1615953
Adjustments for:				
Depreciation and amortization expense	68442		46147	
Loss/ Profit on Sale of Assets	25526			
Interest received	(228)		(228)	
Profit on Sale of Investment	-		(1763904)	
Dividends received	(651596)		(777772)	
		(557855)		(2495757)
		(1547842)		(879804)
Increase / decrease in trade and other receivables	(31125)			
Increase / decrease in inventories	464430		(45681)	
Increase/ decrease in trade payables & others	-		247	
		433305		(45434)
		(1114537)		(925238)
		(253314)		
Income taxes paid				
Net cash from operating activities		(861223)		(925238)
Cash flows from investing activities				
Purchase of fixed assets	(1681425)		(337958)	
Purchase of investments	-		(3471282)	
Sale of Fixed Assets	37000			
Sale of investments	1818079		3982177	
Interest received	228	-	228	
Dividend received	651596	-	777772	
Net cash from investing activities		825478		950937
Net increase/(decrease) in cash and cash equivalents		(35745)		25699
Cash and cash equivalents at beginning of reporting period		92813		67114
Cash and cash equivalents at end of reporting period		57068		92813

As per our report of even date
for **VENKAT & RANGAA**
Chartered Accountants
FRN 004597S

K.R.ADIVARAHAN
Partner
M. No. 25420

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

R.GANESAN
Director

Chennai
28.05.2013

Consolidated Financial Statements

of

K.C.P. Sugar and Industries Corporation Limited

and

its Subsidiaries

2012 - 2013

CONSOLIDATED FINANCIAL STATEMENTS

				Amt in Rs.	
Particulars	Note No.	As at end of current reporting period 31-03-2013		As at end of previous reporting period 31-03-2012	
I EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2	113385050		113385050	
(b) Reserves & Surplus	3	2177095954		1900852930	
			2290481004		2014237980
2. Non - current liabilities					
(a) Long term borrowings	4	181119000		277616000	
(b) Deferred tax liabilities (Net)	5	201203926		198260848	
(c) Other long term liabilities	6	5734660		10184743	
(d) Long term provisions	7	56987050		46969973	
			445044636		533031564
3. Current Liabilities					
(a) Short term borrowings	8	319391297		814104258	
(b) Trade payables	9	904808504		734235697	
(c) Other current liabilities	10	318795448		249677220	
(d) Short term provisions	11	186725950		111813145	
			1729721199		1909830320
TOTAL			4465246839		4457099864
II ASSETS					
1. Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	12	1179133110		1228689213	
(ii) Capital work in progress	13	6680097		19784688	
(iii) Intangible under development		12633462		-	
		1198446669		1248473901	
(b) Non - current investments	14	322831300		243530525	
(c) Long term loans and advances	15	8969515		8876380	
(d) Other non current assets	16	17664965		14057166	
			1547912449		1514937972
2. Current Assets					
(a) Current Investments	17	4648134		104010911	
(b) Inventories	18	2272865425		2348481515	
(c) Trade receivables	19	337960775		234772895	
(d) Cash and Bank balances	20	77449979		77759916	
(e) Short term loans and advances	21	224410077		177136655	
			2917334390		2942161892
TOTAL			4465246839		4457099864

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
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

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

V. KIRAN RAO
Executive Director

K.A.RANGASWAMY
Director &
Chairman -Audit Committee

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Amt in Rs.					
Particulars		Note No.	Current reporting period 31-03-2013		Previous reporting period 31-03-2012
I	Revenue from Operations			5422797622	4448743358
	Less: Inter Divisional Transfers			761583974	716009643
				4661213648	3732733715
	Less: Excise duty			152798839	138308698
				4508414809	3594425017
II	Other Income	22		70819486	95004225
III	Total revenue (I + II)			4579234295	3689429242
IV	Expenses				
	Cost of materials consumed	23	3013864665		2823639846
	Less: Inter Divisional Transfers		86822757		97630300
			2927041908		2726009546
	Changes in inventories of finished goods, work in progress and stock in trade	24	92474784		(174491212)
				3019516692	2551518334
	Employee benefits expense	25	429434125		321094302
	Finance costs	26	62803547		69001346
	Depreciation	12	113647477		111603712
	Impairment loss on capital assets		-		14535030
	Other expenses	27	365234319	971119468	273225740
	Total Expenses			3990636160	3340978464
V	Profit before tax (III-IV)			588598135	348450778
VI	Tax expense:				
	(1) Current tax		176500000		93300000
	(2) Deferred tax		2943080		(35607726)
	(3) Provision for taxation relating to earlier years		257192		5728561
				179700272	63420835
VII	Profit for the year			408897863	285029943
VIII	Earning per equity share:				
	Basic & Diluted			3.61	2.51

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
29.05.2013

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

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

V. KIRAN RAO
Executive Director

K.A.RANGASWAMY
Director &
Chairman -Audit Committee

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 rates and rules prescribed under Schedule XIV to the Companies Act, 1956. Assets costing less than Rs.5000/- 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.

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.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

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.

I. 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

Amt. In Rupees

Particulars	Number	As at end of current reporting period 31-03-2013	Number	As at end of previous reporting period 31-03-2012
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	1102004188	778798632	1900852930
Transferred from/to Profit & Loss Account			40000000	408897863	448897863
Transfer to General Reserve				40000000	40000000
Proposed Dividends				113385050	113385050
Provision towards dividend distribution tax				19269789	19269789
At the close of the reporting period	15545110	4505000	1142004188	1015041656	2177095954
At the close of the previous reporting period	15545110	4505000	1102004188	778798632	1900852930

4. Long term Borrowings:

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
Unsecured Loans:		
Fixed Deposits	181119000	277616000

5. Deferred tax liabilities (Net):

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
i) Deferred tax liability		
On account of depreciation on fixed assets	219669291	228043297
ii) Deferred tax asset		
On account of timing differences in recognition of expenditure	18465365	29782449
Net Deferred tax liability	201203926	198260848
6. Other Long term liabilities:		
Interest accrued but not due on fixed deposits	5734660	10184743
7. Long term Provisions:		
Provision for employee benefits	38463894	21473988
Provision for liquidated damages	18523156	25495985
	56987050	46969973
8. Short term Borrowings:		
Secured Loans		
Loans repayable on demand		
From banks	120036297	19164258
Unsecured Loans:		
a) Loans repayable on demand		
- from banks	-	700000000
b) Fixed Deposits maturing within one year.	199355000	94940000
	319391297	814104258
9. Trade Payables:		
i) To Micro, Small and Medium Enterprises	-	-
ii) Trade payables to Suppliers and service providers	904808504	734235697
	904808504	734235697

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

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
10. Other current liabilities:		
a) Interest accrued but not due on borrowings	29061176	17659975
b) Advances received from customers	91307128	44848576
c) Unpaid dividends	11162939	12863368
d) Unclaimed matured deposits and interest accrued thereon	6107887	9565227
e) Statutory Liabilities	94205451	106700285
f) Outstanding Liabilities for Expenses	84836224	56540146
g) Earnest Money and Other Deposits	2114643	1499643
	318795448	249677220
11. Short term provisions:		
a) Provision for employee benefits	8419672	19656177
b) Provision for Dividend	113385050	79369535
c) Provision for tax on distributed profits	19269789	12875723
d) Provision for Income Tax (Net)	45651439	(88290)
	186725950	111813145

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)



CONSOLIDATED FINANCIAL STATEMENTS

12. Fixed Assets

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		Amt. in Rs.
	Cost upto 31.03.2012	Additions during the year	Deletions during the year	Cost upto 31.03.2013	upto to 31.03.2012	For the year	Impairment Loss	On Deductions	upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Lands	89108073	439800		89547873						89547873	89108073
Buildings											
Own Buildings	316403238	6695256	1696965	321401529	66412678	8027114		1681586	72758206	248643323	249990560
Leasehold Buildings	112189			112189	112189				112189		
Plant & Machinery	1797594462	46464308	40794296	1803264474	970213379	92367420		31879800	1030700999	772563475	827381602
Tramways & Railways Sidings	23097214			23097214	11320046	1166502			12486548	10610666	11777168
Furniture and Fixtures	11485404	456862	30692	11911574	7221516	589788		20419	7790885	4120689	4263888
Computers and Office Equipments	78450118	9471541	655478	87266181	62836351	5315965		567780	67584536	19681645	15613767
Knowhow and Designs	235000			235000	235000				235000		
Vehicles	66833170	10916478	3358994	74390654	36278496	6180888		2033969	40425215	33965439	30554155
TOTAL	2383318868	74444245	46536425	2411226688	1154629655	113647477	-	36183554	1232093578	1179133110	1228689213
Previous year	2350154032	43256167	10091331	2383318868	1035795349	111603712	14535030	7304436	1154629655	1228689213	1314358683
K.C.P. Sugar and Industries Corporation Ltd.	2319691822	66469491	46406762	2339754551	1115088268	108740123		36154592	1187673799	1152080752	1204603554
The EIMCO-K.C.P. Ltd.	58534832	6293329	65000	64763161	39120428	4838912		26825	43932515	20830646	19414404
KCP Sugars Agricultural Research Farms Ltd.	5092214	1681425	64663	6708976	420959	68442		2137	487264	6221712	4671255
Total	2383318868	74444245	46536425	2411226688	1154629655	113647477	-	36183554	1232093578	1179133110	1228689213

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
13. Capital work in progress:		
a) Plant and Machinery	-	16277426
b) Building under Construction	6680097	3507262
c) Intangible under development	12633462	-
	19313559	19784688
14. Non Current Investments:		
Investments in Equity Instruments		
Quoted - Fully paid up	322331300	243030525
Unquoted - Fully paid up	500000	500000
	322831300	243530525
Note : Aggregate value of quoted investments at cost	322831300	243530525
Aggregate of quoted investments at Market Value	212337296	205197479
15. Long term loans and advances:		
Unsecured, considered good		
Security Deposits	8969515	8876380
16. Other Non current assets:		
Interest receivable	1380155	1256063
Margin money fixed deposits with bank	16284810	12801103
	17664965	14057166
17. Current investments:		
Investments in mutual funds (Cost or NAV whichever is lower)	4648134	104010911
18. Inventories:		
i) Raw materials	29472202	30070840
ii) Work in progress	86009882	66063665
iii) Finished goods	2090877607	2203298608
iv) Stores and spares	66321526	48781784
v) Loose tools	184208	266618
	2272865425	2348481515

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
19. Trade receivables:		
i) Trade receivables exceeding six months - Unsecured		
a) Considered good	5927052	7114107
b) Doubtful	6226863	6226863
ii) Others - Unsecured considered good	332033723	227658788
	344187638	240999758
Less: Provision for doubtful debts	6226863	6226863
	337960775	234772895
20. Cash and Bank balances:		
Cash and cash equivalents:		
i) Balances with Banks		
- in Current accounts	49266082	48160043
ii) cash on hand	1313962	901007
Other balances with Bank		
I) - in unpaid dividend accounts	11162939	12863367
ii) - in margin money, security for borrowings, guarantees and other commitments	15706996	15835499
	77449979	77759916
21. Short term loans and advances:		
Unsecured considered good		
I) Advances to suppliers and service providers	198477925	172874989
ii) Advances to employees	2595123	2526984
iii) Advance taxes, duties etc (Net)	23337029	1734682
	224410077	177136655

Particulars	Amt. In Rupees	
	For the current reporting period 31-03-2013	For the previous reporting period 31-03-2012
22. Other Income:		
i) Interest income	6773120	3788060
ii) Dividend Income		
- from long term investments	6910197	6577850
- from current investments	22498072	10748046
iii) Rent Received	5491635	5449133
iv) Miscellaneous Receipts	12620462	11514056
v) Profit on sale of fixed assets (Net)	-	3899735
vi) Net gain/loss on sale of current investments	-	354086
vii) Net gain/loss on sale of long term investments	-	45640747
viii) Unclaimed Balance credited back	109136	1599825
ix) Claims Received	1448578	649074
x) Provision no longer required withdrawn	13704037	4092642
xi) Packing and forwarding charges	805140	690971
xii) Foreign exchange variation	459109	-
	70819486	95004225
23. Cost of materials consumed:		
i) Consumption of raw materials	2708046970	2565889043
Less: Inter Divisional Transfers	86822757	97630300
	2621224213	2468258743
ii) Consumption of stores and spare parts	305817695	257750803
	2927041908	2726009546
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	86009882	66063665
ii) Finished goods	2090877607	2203298608
	2176887489	2269362273
Less:		
Stocks at the beginning of the year		
i) Work in progress	66063665	55830342
ii) Finished goods	2203298608	2039040719
	2269362273	2094871061
Changes in inventories	(92474784)	174491212

Particulars	Amt. In Rupees	
	As at end of current reporting period 31-03-2013	As at end of previous reporting period 31-03-2012
25. Employee Benefit Expenses:		
i) Salaries and wages	290322845	246063226
ii) Contribution to provident and other funds	61479294	26174472
iii) Remuneration to whole time directors	52925392	23681722
iv) Staff welfare expenses	24706594	25174882
	429434125	321094302
26. Finance Costs:		
i) Interest expense	53967118	62587532
ii) Other borrowing costs	8836429	6413814
	62803547	69001346
27. Other expenses:		
i) Power and fuel	698385329	637753521
Less: Inter Divisional Transfers	674761217	618379343
	23624112	19374178
ii) Rent	181782	123495
iii) Repairs to buildings	8842329	8710625
iv) Repairs to machinery	156712165	87654531
v) Repairs others	7082043	9129806
vi) Insurance	2755828	3451070
vii) Payment to the auditors	659401	730847
viii) Selling expenses	34686059	31535628
ix) Irrecoverable loans and advances written off	-	560705
x) Assets Written Off	6072415	3035357
xi) Donations	2000000	400000
xii) Legal and professional charges	5927645	5286171
xiii) Directors sitting fees	880000	920000
xiv) Remuneration to non whole time directors - Commission	700000	700000
xv) Difference in foreign Exchange	-	470589
xvi) Testing Charges	85553	50016
xvii) Loss on sale of Assets	147565	-
xviii) Loss on sale of Investments	12242722	-
xix) Machine Fabrication charge	28867509	19028224
xx) Performance and delivery guarantee claim	10066814	13471021
xxi) Miscellaneous expenses	63700377	68593477
	365234319	273225740

28. Contingent liabilities and Capital Commitments not provided for:

Contingent Liabilities:		Amt. In Rupees	
Particulars	31.03.2013	31.03.2012	
i) Claims against the company not acknowledged as debts:			
Labour Cases	5617626	5232242	
Share Transmission	1105851	1105851	
ESI Cases	132925	132925	
Case on Captive Power Generation	26169375	2.6169375	
Bank Guarantees	125400564	81129881	
Disputed Income Tax	2593489	2593489	
TOTAL	161019830	116363763	

29. Employee Benefits

Disclosure under Accounting standard 15 (AS 15): Defined benefit plans			
	Gratuity	2012 – 2013	2011 – 2012
(I)	Change in Benefit Obligation		
	Liability at the beginning of the year	106079591	95893929
	Transitional liability		
	Interest Cost	-	-
	Current Service Cost	5231526	4495260
	Benefit Paid	6133185	5329072
	Actuarial (gain)/loss on obligations	1893824	3389165
	Liability at the end of the year	107071756	98449282
(II)	Fair value of Plan Assets		
	Fair value of plan assets at the beginning of the year	93472422	83575728
	Expected Return on Plan Assets	8501930	7548764
	Contributions	7122761	6443791
	Benefit Paid	6133185	4278727
	Actuarial gain /(loss) on Plan Assets	-	-
	Fair Value of plan assets at the end of the year	102963928	93289556
(III)	Actual Return on Plan Assets		
	Expected Return on Plan Assets	8501930	7548764
	Actuarial gain/(loss) on plan Assets	-	57536
	Actual Return on Plan Assets	8501930	7491228
(IV)	Amount Recognised in the Balance Sheet		
	Liability at the end of the year	114529144	106079590
	Fair value of Plan Assets at the end of the year	103056802	93289556
	Difference (Unfunded)	11472342	12790034
	Amount Recognised in the Balance Sheet	11472342	12790034
(V)	Expenses Recognised in the Income Statement		
	Current Service Cost	5231526	4495260
	Interest Cost	8444018	7630308
	Expected Return on Plan Assets	8501930	7548764
	Net Actuarial (Gain)/ loss to be recognised	1893824	3389165
	Expenses Recognised in P & L	7067438	7965969
(VII)	Actuarial Assumptions : For the Year		
	Discount Rate Current (%)	8.00%	8%
	Salary Escalation Current (%)	7% & 5%	7% & 5%
	Expected rate of return on plan assets	9.30%	8%
	L I C Mortality rate 1994- 1996 ultimate		

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.

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

		2012-2013 Rs.	2011-2012 Rs.
Profit attributable to the Shareholders	A	408897863	285029943
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	3.61	2.51

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.

(B). Transactions During the year

Particulars	Subsidiaries	
	2012 - 13	2011 - 12
Rent Received	1200000	1200000
Remuneration Paid	52925392	23681722
Interest On Fixed Deposits	3029452	3054000
Share Capital Held	1733310	1733310
Fixed Deposits Held	30000000	30000000

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENT REPORTING :

(I) The Company has identified the reportable segments as on 31-03-2012 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	Sugar	Chemicals	Power & Fuel	Engineering	Others	Total
Segment Revenues						
External Revenues	3943378115	249855312	48827119	366767127	52385975	4661213648
Inter Segment Revenues	377039213	1946813	382597948	-	-	761583974
Total Revenues	4320417328	251802125	431425067	366767127	52385975	5422797622
Segment Results						
Profit Before Depreciation Interest and Taxation	578410082	80166297	102353252	44439352	21697083	827066066
Less : Finance Cost	53463771	2242501	571890	6044022	481363	62803547
Less: Depreciation And Amortizations	57485596	13794323	34266278	4838912	3262368	113647477
Less: Impairment On Capital Assets						-
Unallocable Expenditure						(62016907)
Less : Tax						179700272
Total Profit						408897863
Capital Employed						
Segment Assets	3120826981	207991156	284894966	292037631	68311110	3974061844
Unallocable Assets						491355853
Segment Liabilities	1087106465	4432793	18574966	189001054	2955415	1302070693
Unallocable Liabilities						872866000
Capital Employed						2290481004
Capital Expenditure	56358401	1762340		1755855	10642350	70518946

Note:

1. The operations of the parent 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	Amt. in Rs.
Sales within India	4567987714
Sales outside India	93225934
Total	4661213648

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	4465246839	84139257
Located outside India	4465246839	84139257

Cash Flow Statement Annexed to Financial Statements			Amt. in Rs.
	2012-13		2011-12
A. Cash Flow from Operating Activities:			
Net Profit before tax and Extraordinary Items	588598135		348450778
Adjustments for:			
Depreciation	113647477	111603712	
Loss/(Profit) on Sale of Assets	173091	(3899735)	
Assets written off	6072415	3035357	
Impairment of Assets	-	14535030	
Bad debts and Debit balances written off	-	560705	
Dividend Income	(29408270)	(17325896)	
Loss/(Profit) on Sale of Investments	12242722	(45994833)	
Interest paid	59434889	62587531	
Interest received	(6773120)	(3788060)	
Credit balances written back	(13448291)	(1599825)	
	141940913		119713987
Operating Profit before Working Capital Changes	730539048		468164765
Adjustments for :			
Trade and other Receivables	150941641	12292952	
Inventories	(75616090)	174646227	
Trade Payables	244914721	(14782958)	
	320240272		172156221
Cash Generated from Operation	410298776		296008544
Direct Taxes Paid	134238059		97887743
Cash Flow Before Extraordinary Items	276060717		198120801
Net Cash from Operating Activities	276060717		198120801
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	71505795	43256167	
Investments purchased	107085942	152587199	
Increase/(Decrease) in Capital Work in Progress	(471129)	4517763	
Sale of Investments	(114905221)	(94007711)	
Sale of Fixed Assets	(1168914)	(6638507)	
Interest Received	(6773120)	(3788060)	
Dividend Received	(29408270)	(17325896)	
Net Cash Used in Investing Activities	25865083		78600955
C. Cash Flow from Financing Activities			
Repayment of Borrowings	98825425	13270000	
Interest Paid	59434889	62587531	
Dividends and Tax on dividend Paid (Including Interim)	92245258	59300523	
Net Cash Used in Financing Activities	250505572		135158054
Net Increase in Cash and Cash Equivalents (A+B+C)	(309938)		(15638209)
Cash and Cash Equivalents beginning of the year	77759916		93398125
Cash and Cash Equivalents at the end of the year	77449979		77759916

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
29.05.2013

R.GANESAN
Chief Financial Officer

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

V. KIRAN RAO
Executive Director

S.CHIDAMBARAM
General Manager (Finance) &
Company Secretary

K.A.RANGASWAMY
Director &
Chairman-Audit Committee

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

AUDITORS' REPORT

To
The Board of Directors,
K.C.P. Sugar and Industries Corporation Ltd
Chennai.

We have examined the attached consolidated Balance sheet of KCP SUGAR AND INDUSTRIES CORPORATION LIMITED and its subsidiaries as at March 31, 2013, and their Consolidated Profit and Loss Account for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of one of the subsidiaries viz .KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED, whose financial statements have been audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", prescribed by the Central Government u/s 211(3C) of the companies Act, 1956 and other recognized Accounting practices and policies.

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of KCP SUGAR AND INDUSTRIES CORPORATION LIMITED and its subsidiaries, we are of the opinion that :

- a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of KCP SUGAR AND INDUSTRIES CORPORATION LIMITED and its subsidiaries as at March 31, 2013.
- b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of KCP SUGAR AND INDUSTRIES CORPORATION LIMITED and its subsidiaries for the year then ended, and
- c) the cash-flow statement is in agreement with the above Profit and Loss Account and Balance Sheet.

For **B. Purushottam & Co**
Chartered Accountants
FRN 002808S

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

Place : Chennai
Date : 29.05.2013

[illegible]

[illegible]

[illegible]

ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

From (Please fill name and address of first holder)

Date :

.....
.....
.....
.....
.....

FOLIO NO :

--

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 APPEARAING 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><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.

We 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 of 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.

NOMINATION FORM
(To be filled in by individual(s))

To **From**

INTEGRATED ENTERPRISES (INDIA) LTD.

(Unit : K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED)

II Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, **Folio No**

T.Nagar, Chennai - 600 017. **No. of Shares**

I am/we are holder(s) of Shares of the Company as mentioned above. I/We nominate the following person in whom all rights of transfer and/or amount payable in respect of Equity Shares shall vest in the event of my/our death.

Nominee's Name						Age			
To be furnished in case the nominee is a minor		Date of Birth							
Guardian's Name*									
Occupation of Nominee Tick ()	1	Service		2	Business	3	Student		4 Household
	5	Professional		6	Famer	7	Others		
Nominee's Address									
		Pin code							
Telephone No.				Fax No.					
Email Address						STD Code			
Specimen Signature of Nominee/ Guardian (in case nominee is minor)									

* To be filled in case nominee is a minor

Kindly take the aforesaid details on record.

Thanking you,
yours faithfully

Date

Name and address of equity shareholder [as appearing on the Certificate (s)]		Signature (as per specimen with Company)
Sole/ 1st holder (address)		
2nd holder		
3rd holder		

Witness (two)

Date

Name and Address		Signature
1.		
2.		

(See overleaf for instructions)

INSTRUCTIONS FOR NOMINATION

1.	PROCEDURE FOR NOMINATION	<ul style="list-style-type: none"> Please read the instructions given below very carefully and follow the same to fill the form. If the form is not filled as per instructions, the same will be rejected. Nomination will be registered only when the form is submitted to the Company, complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the company), (b) the nominee and (c) two witnesses. Individual/joint shareholder can nominate only one person as his/her nominee for the shares held by him/them under a particular folio. Upon receipt of a duly executed nomination form, the Registrar and Transfer Agent of the Company will register the form and allot a registration number. This number and folio no. should be quoted by the nominee in all future correspondence.
2.	NOMINATION	<ul style="list-style-type: none"> The nomination can be made by individuals only. If the shares are held jointly, all joint holders shall sign (as per the specimen registered with the company) the Nomination Form. A minor can also nominate a person as his nominee. In that case, the natural/court appointed guardian of the minor has to sign the form on behalf of the minor.
	a) Who can nominate	
	b) Who cannot nominate	<ul style="list-style-type: none"> Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of the power of attorney cannot appoint a nominee.
	c) Who can be nominee	<ul style="list-style-type: none"> Any individual can be a nominee. A minor can also be a nominee and in that event the name and address of the Guardian shall be given by the holder. A non-resident Indian can be a nominee on a repatriable basis subject to the rules prescribed by the Reserve Bank of India.
	d) Who cannot be a nominee	<ul style="list-style-type: none"> Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of the power of attorney cannot be a nominee.
	e) Dematerialised Mode	<ul style="list-style-type: none"> For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.
3.	CHANGE/CANCELLATION OF NOMINATION	<ul style="list-style-type: none"> Shareholder(s) can change/cancel the nominee/appointee at any point of time by executing fresh Nomination Form and in the event of the death of a nominee/appointee, during his/their lifetime after giving due notice to the Company in the prescribed form (The prescribed form will be provided by the Company at the time of request). Whenever the shares in the given folio are entirely transferred, transpositioned or dematerialised with some other folio, then this nomination will stand rescinded.
4.	TRANSMISSION PROCEDURES	<ul style="list-style-type: none"> In the case of transmission of shares, the nominee can register the shares in his favour upon production of a certified copy of death certificates together with the share certificates of the shareholder and any other document/evidence called for by the Company, at that time. Transfer of shares in favour of nominee and repayment of amount to the nominee shall be a valid discharge by the Company against the legal heirs. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.

FOR OFFICE USE ONLY

Nomination Registration Number	
Date of Registration	
Checked by (Name and Signature)	



K.C.P Sugar and Industries Corporation Limited

Regd. Office: "Ramakrishna Buildings", 239, Anna Salai, Chennai - 600 006.

ATTENDANCE SLIP

To be handed over at the entrance of Meeting hall

Folio No / Client ID No.
Name :

Shares :

S. No.

SEVENTEENTH ANNUAL GENERAL MEETING

Venue : "Sathguru Gnanananda Hall"
Narada Gana Saba
314, T.T.K. Road
Alwarpet, Chennai - 600 018.

Date : **Friday, 30th August, 2013**
Time : **10.00 a.m.**

Proxy's name in Block Letters

I hereby record my presence

Signature of Member/Proxy

Folio No / Client ID No.

Shares :



K.C.P Sugar and Industries Corporation Limited

Regd. Office: "Ramakrishna Buildings", 239, Anna Salai, Chennai - 600 006.

PROXY FORM

I/We _____ of _____

in the district of _____ being a Member/Members of K.C.P. Sugar and Industries

Corporation Limited, hereby appoint _____

of _____ in the district of _____ or failing him _____

of _____ in the district of _____ as my/our Proxy in my/our absence to attend and

vote for me/us and on my/our behalf, at the Seventeenth Annual General Meeting of the Company, to be held at

10.00 a.m. on Friday the 30th day of August 2013 and at any adjournment thereof.

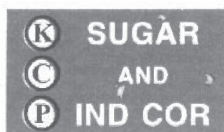
Signed this _____ day of _____ 2013

S.No	Recieved on	Time	Code

Signed by the said

Affix
Revenue
Stamp





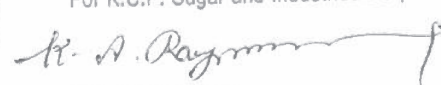
- NOTE :
1. The proxy must be deposited at the Registered Office of the Company at "Ramakrishna Buildings", 239, Anna Salai, Chennai - 600 006 not less than 48 hours before the time of holding the meeting.
 2. The Proxy need not be a member of the Company.
 3. Proxy cannot speak at Meeting or vote on a show of hands.



K.C.P. SUGAR AND INDUSTRIES CORPORATION LTD.

Regd. Office : "Ramakrishna Buildings", Post Box No. 727, No.239, (Old No.183), Anna Salai, Chennai - 600 006.
Ph : 044 2855 5171 to 5176, 6551 4966 **Fax :** 044 2854 6617 / 2855 5863 **E-mail :** kepsugar@vsnl.com

FORM A

1.	Name of the Company	K.C.P.Sugar and Industries Corporation Limited
2.	Annual Financial Statement for the year ended	31 ST March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	CEO / Managing Director →	<p>For K.C.P. Sugar and Industries Corporation Ltd.</p>  <p>Mrs. Irmgard Velagapudi M. Rao Managing Director</p>
	Chief Financial Officer →	<p>For K.C.P. Sugar and Industries Corporation Ltd.</p>  <p>R. GANESAN Chief Financial Officer</p>
	Auditor of the Company →	<p>For B. PURUSHOTTAM & CO. Chartered Accountants Reg No. 002808S</p>  <p>K.V.N. KISHORE Partner M. No. 206734</p> 
	Audit Committee Chairman →	<p>For K.C.P. Sugar and Industries Corporation Ltd.</p>  <p>K.A. Rangaswamy Director [CHAIRMAN - AUDIT COMMITTEE]</p>

Leading Manufacturers of Premium Grade Sugars, Rectified Spirit, Anhydrous Alcohol, Extraneutral Alcohol, Co2, Calcium Lactate, Bio-Fertilizers, Bio-Compost and Mycorrhiza Inoculum.

Factories at	- Vuyyuru,	Krishna Dist., A.P. - 521 165.	Tel : 08676 232001	Fax : 08676 232640
	- Lakshmipuram,	Krishna Dist., A.P. - 521 131.	Tel : 08671 222046	Fax : 08671 222640