



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

***Nineteenth Annual Report
2013- 2014***

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K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

BOARD OF DIRECTORS (AS ON 26-05-2014)

WHOLETIME DIRECTORS:

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

NON-WHOLETIME DIRECTORS:

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

Board Committees

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

Registered & Corporate Office

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

Plant Locations:

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

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
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	22,427.96	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49	14,342.19	14,475.97	12,784.19	9,012.45
Net Worth	23,561.81	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34	15,476.04	15,609.82	13,918.04	10,146.30
Fixed Assets (Net)	11,318.80	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19	14,758.28	15,541.25	13,970.66	10,448.77
Gross Income	35716.56	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65	25,428.43	33,611.64	36,184.68	29,977.81
Gross Profit	4,892.66	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26	2,280.74	5,000.54	10,555.24	8,033.82
Depreciation	1,109.40	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35	1,059.37	1,001.49	743.45	619.97
Finance Cost	455.47	567.58	*634.16	*500.57	319.62	360.18	459.93	351.56	420.53	915.01
Profit / (Loss) before Tax	3,327.79	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73	761.44	3,647.49	9,391.26	6,498.84
Profit / (Loss) after Tax	2,766.45	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88	710.97	2,355.05	5,711.05	4,065.21
Earnings per Share (Rs.)	2.44	3.42	2.33	**1.04	**2.09	**0.999	**0.63	**2.08	**5.04	35.85
Cash Earnings per Share (Rs.)	**3.42	**4.38	**3.29	**2.01	**3.03	**1.96	**1.56	**2.96	**5.69	41.32
Book Value per Share (Rs.)	**20.78	**19.33	**17.09	**15.57	**15.05	**13.83	**13.65	**13.77	**12.28	89.49
Dividends on Equity %	85.00	100.00	70.00	45.00	75.00	70.00	50.00	50.00	150.00	100.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.21	0.09	0.26	0.26	0.25	0.25	0.22	0.12	0.16	0.30

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

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

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	8,03,318	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686	8,46,674	12,21,209	10,72,145	9,97,945
Sugar bagged in QTLS	8,21,468	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150	9,19,000	13,19,880	11,97,470	11,44,442
Recovery (%)	10.24	10.10	9.88	10.25	9.50	10.45	10.85	10.83	11.15	11.46
SUGAR UNIT, LAKSHMI-PURAM										
Cane Crushed in MTS	2,85,464	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957	2,74,193	4,53,307	4,35,534	3,72,153
Sugar bagged in QTLS	2,74,470	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686	2,68,948	4,67,905	4,61,679	4,13,580
Recovery (%)	9.62	9.11	8.87	9.09	8.58	9.05	9.80	10.32	10.63	11.10

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

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

May 26, 2014

Dear Member,

You are cordially invited to attend the 19th Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Thursday, September 11, 2014 at 11.00 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

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

Very truly yours,

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Enclosures:

1. Notice to the 19th Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, September 11, 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as at March 31, 2014, the statement of Profit and Loss Account for the year ended on that date, and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the fourth consecutive Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors, and to pass the following resolution:

"RESOLVED that, pursuant to Section 139 and other provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M.s. B.Purushottam & Co., Chartered Accountants, Chennai, (FRN 002808S), the retiring auditors of the Company, be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of three years, from the conclusion of this AGM to the conclusion of Twenty second AGM, (subject to the ratification by the members at every AGM to be held after this AGM) and the Board of Directors be and is hereby authorized to fix their remuneration as may be determined by the Audit Committee each year."

SPECIAL BUSINESS:

4. Appointment of Shri. Ranvir R.Shah (DIN 00041398) as an Independent Director

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

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri. Ranvir R.Shah (DIN 00041398), who retires by rotation at this AGM, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

5. Appointment of Dr.Vithal Rajan (DIN 00021571) as an Independent Director

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

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Dr.Vithal Rajan (DIN 00021571), who retires by rotation at this AGM, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

6. Appointment of Shri.M.S.V.M.Rao (DIN 00432640) as an Independent Director

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

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri.M.S.V.M. Rao (DIN 00432640), a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

7. Appointment of Shri.Prathap K.Moturi (DIN 00020630) as an Independent Director

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

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

“RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the Companies Act, 2013, Shri.Prathap K. Moturi (DIN 00020630), a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

8. Remuneration of Cost Auditor:

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

“RESOLVED that the Company do hereby confirm and ratify in terms of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,00,000/- (Rupees Two lakhs only) plus service tax as applicable and reimbursement of out of pocket expenses to be paid to Mr.V.Srinivasan, Cost Accountant (Membership No.1248) for conducting the audit of cost records of the Company for the financial year ending 31st March 2015, as approved by the Board of Directors on the recommendations of the Audit Committee.

9. Acceptance / Renewal of Deposits from public / members

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

“RESOLVED that pursuant to the provisions of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of members of the Company be and is hereby accorded to invite / accept / renew from time to time unsecured deposits from public and / or members of the Company in accordance with the terms and conditions of Acceptance of Deposits by Companies, as prescribed under Rule 3 of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and / or any Committee thereof is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation / acceptance / renewal of deposits by the Company.”

// BY ORDER OF THE BOARD //

Place : Chennai
Date : 26.05.2014

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. As per section 105 of the Companies Act, 2013, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company.

- b.** During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.
- c.** Members / Proxies should bring the duly filled Attendance Slip attached with this notice to attend the meeting.
- d.** The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- e.** The Register of Contracts or arrangements in which the directors are interested, maintained under section

189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

- f. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 4th day of September 2014 to 11th day of September 2014, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2014 and the AGM.
- g. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 11.09.2014 but within the stipulated time of 30 days from the date of declaration:
 - i. to those Members whose names appear on the Register of Members of the Company as on 11th September 2014; or to their mandates and
 - ii. in respect of **shares held in electronic form**, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- h. **M/s. Integrated Enterprises (India) Ltd**, Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
 - i. Securities and Exchange Board of India has made **trading** in the shares of the company **compulsory in dematerialized form** for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.
 - j. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Enterprises (India) Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
 - 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.
- k. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.**
- l. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.
- m. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio**.
- n. Pursuant to Sec 72 of the Companies Act, 2013 members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH13 pursuant to rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014.
- o. As required under the provisions of Section 124 of the Companies Act, 2013 [section 205-A(5) of the Companies Act, 1956], dividend for the financial year ended 31st March, 2007 and thereafter, which remain unclaimed for a period of seven years will be transferred to the **Investor Education and Protection Fund**

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

(IEPF) established by the Central Government.

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
31.03.2007	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
31.03.2013	30.08.2013	29.08.2020	27.09.2020

- p. Members are informed that the dividend for the financial year 2006-07 shall become due for transfer to IEPF on 01.11.2014. 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 02.10.2014. The Company has already sent reminders to all such members at their registered address in this regard.

As stipulated in Section 124(2) of the Companies Act, 2013, the Company shall within a period of 90 days of making any transfer of an amount Under Section 124(1) to the Unpaid Dividend Account and prepare a statement containing the names, their last known address and the Unpaid dividend to be paid to each person and place it on the website of the Company and also on MCA website.

- q. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.PV.Chcrian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.
- r. Members are requested to **bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
- s. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested to **address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.
- t. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.
- u. The Notice of the 19th AGM and instructions for E-voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all the members whose e-mail address are registered with the Company / Depository Participant unless a member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the aforesaid documents are being sent by the permitted mode.
- v. Members may also note that the notice of the 19th AGM and the Annual Report 2014 will be available on the Company's website www.kcpsugar.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days. Members who require communication in physical form, in addition to electronic communication or have any other queries, may write to us at investorservices@kcpsugar.com.

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

i. Item 4 to 7 - Appointment of Independent Directors

The strength of Board of Directors is eight, comprising of three wholetime directors, and five non-wholetime directors. One wholetime director and all the five non-wholetime directors are liable to retire by rotation, in accordance with section 255 of the Companies Act, 1956 (section 152 of the Companies Act, 2013). The Company is also in compliance with clause 49 of the Listing Agreement as the Company is having four independent directors, representing 50% of the total Board's strength. The details are disclosed in the Corporate Governance Report to the shareholders every year.

Section 149(10) of the Companies Act, 2013 mandates the appointment of independent director for a fixed term upto five consecutive years and eligibility of that independent director for reappointment for one more term of five years on passing of a special resolution by the Company. SEBI, vide circular dt. 17.04.2014 has advised stock exchanges to amend clause 49 of the equity listing agreement to align them with the Companies Act, 2013. The revised clause 49 which inter-alia deals with the independent directors is effective from 1st October 2014.

In order to ensure due compliance with the Companies Act, 2013 as well as the revised clause 49 of the Listing Agreement, the Company intends to pass requisite resolutions at this AGM for the appointment of independent directors. All the four existing independent directors of the Company qualify for appointment as independent directors for a tenure upto five years from the commencement of section 149. Accordingly, their appointments have been proposed for a fixed term from 11.09.2014 to 31.03.2019, co-terminus with the expiry of five consecutive years in office from the commencement of section 149 of the Act.

All the four independent directors have given a declaration in writing to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 in DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that they are not disqualified under section 164 (2) of the Companies Act, 2013. It is further confirmed that in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules made thereunder and they are independent of the Management.

The Company has received notice under section 160 of the Companies Act, 2013, from member(s) along with the requisite deposit of Rs.1.00 lakh each, signifying the intention to propose each of the candidates for the office of independent director, to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

Details of independent directors proposed for appointment are furnished in the annexure pursuant to the clause 49 of the Listing Agreement which forms an integral part of this notice.

Copy of the draft letter for appointment of each of them as Independent Director setting out the terms and conditions of appointment of independent directors as approved by the Board, are open for inspection by a member on any working day of the Company between 11.00 AM and 1.00 PM. This will also be posted on Company's website.

The Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of four Independent Directors for the approval by the shareholders of the Company.

Memorandum of Interest

Except the aforesaid four Independent Directors being appointees, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in any way, financially or otherwise, in the resolutions set out in Item No.4 to 7.

ii. Item 8 – Remuneration of Cost Auditor:

The Board of Directors, on the recommendations of Audit Committee, has approved the appointment and remuneration of Mr.V.Srinivasan, Cost Accountant (Membership No.1248) as Cost Auditor to conduct the audit the cost records of the Company for the financial year ending 31.03.2015. The remuneration of Rs.2,00,000/- plus service tax as applicable and reimbursement of out of pocket expenses, as determined by the Board based on the recommendations of the Audit Committee, is now placed for confirmation and ratification by the shareholders at this AGM in pursuance of section 148(3) of the Companies Act, 2013, read with rule 14 of the Companies (Audit & Auditors) Rules, 2014: