



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

Twenty Second Annual Report
2016 - 2017

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BOARD OF DIRECTORS**WHOLETIME DIRECTORS:****DIN**

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

NON-WHOLETIME DIRECTORS:

Shri.K.A.Rangaswamy	00020891	Non-Independent Director (upto 21.09.2016)
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
Shri K.R.Adivarahan	00019844	Additional Director (from 21.09.2016)

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Chairman Shri.M.S.V.M.Rao Members Shri. Vinod R. Sethi, Dr.Vithal Rajan Shri.K.A.Rangaswamy, (upto 21.09.2016) Shri K.R.Adivarahan, (from 21.09.2016) Shri.Prathap K.Moturi Shri. Ranvir R.Shah	Chairman Dr. Vithal Rajan Members Shri. Vinod R. Sethi Shri. Ranvir R.Shah Shri.K.A.Rangaswamy (upto 21.09.2016) Shri.K.R.Adivarahan (from 21.09.2016)	Chairman (upto 21.09.2016) Shri. K.A. Rangaswamy (from 21.09.2016) Shri.K.R.Adivarahan Members Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao,	Chairperson Smt.Irmgard Velagapudi M.Rao Members Shri.Vinod R.Sethi Shri.K.A.Rangaswamy, (upto 21.09.2016) Shri.M.S.V.M.Rao Shri.K.R.Adivarahan (from 21.09.2016)

Chief Financial Officer

Shri.R. Ganesan

General Manager (Finance) and Company Secretary

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

Auditors

B.Purushottam & Co. - FRN 002808S
Chartered Accountants,
Flat No.3-D, "Pioneer Homes"
23/A, North Boag Road, T.Nagar
Chennai 600017.

Cost Auditor

Shri.V.Srinivasan, Membership No. 1248
No.28, 'BETA' Block, Jaihind Apts
175-A, Velachery Main Rd, Gowrivakkam, Chennai 600073.

Secretarial Auditors

M/s. V.Mahesh & Associates - CP No. 2473
Company Secretaries
No.39/19, III floor, Aspen Court , 6th Main Road,
R.A. Puram - Chennai 600028

Internal Auditor

Mr.S.Manisekaran - Membership No. 026400
Chartered Accountant,
'Venkatesam', No.20/22, Ramanujam Street,
Nungambakkam, Chennai 600034.

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:

- Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**
Sugar, Industrial Chemicals, Incidental Co-generation Power, Biotech, CO2, Calcium Lactate Divisions.
- 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 Registry Management Services Private Limited
2nd Floor, "Kences Towers", No.1,Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph: 28140801 to 28140803 Fax: 28142479
Email : corpserv@integratedindia.in

Website: www.integratedindia.in

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
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	22,764.10	20,818.26	20,283.62	22,427.96	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49	14,342.19
Net Worth	23,897.95	21,952.11	21,417.47	23,561.81	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34	15,476.04
Fixed Assets (Net)	10,135.12	9,879.55	10,713.37	11,318.80	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19	14,758.28
Gross Income	43,696.63	39,917.43	41,645.59	35,716.56	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65	25,428.43
Gross Profit / (Loss)	6,439.11	2,587.97	(1,301.80)	4,892.66	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26	2,280.74
Depreciation	918.32	1,025.50	1,031.07	1,109.40	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35	1,059.37
Finance Cost	847.67	684.45	421.38	455.47	567.58	*634.16	*500.57	319.62	360.18	459.93
Profit / (Loss) before Tax	4,673.12	878.02	(2,754.25)	3,327.79	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73	761.44
Profit / (Loss) after Tax	3,174.05	875.81	(1,617.00)	2,766.45	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88	710.97
Earnings per Share (Rs.)	2.80	0.77	(1.43)	2.44	3.42	2.33	**1.04	**2.09	**0.999	**0.63
Cash Earnings per Share (Rs.)	3.61	1.68	(0.52)	**3.42	**4.38	**3.29	**2.01	**3.03	**1.96	**1.56
Book Value per Share (Rs.)	**21.08	**19.36	**19.01	**20.78	**19.33	**17.09	**15.57	**15.05	**13.83	**13.65
Dividends on Equity %	90.00	25.00	10.00	85.00	100.00	70.00	45.00	75.00	70.00	50.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.23	0.21	0.26	0.21	0.09	0.26	0.26	0.25	0.25	0.22

* 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	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	5,06,541	8,98,654	8,33,277	8,03,318	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686	8,46,674
Sugar bagged in QTLS	4,73,740	8,53,870	7,90,620	8,21,468	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150	9,19,000
Recovery (%)	9.38	9.49	9.49	10.24	10.10	9.88	10.25	9.50	10.45	10.85
SUGAR UNIT, LAKSHMI-PURAM										
Cane Crushed in MTS	1,40,649	2,84,686	2,70,236	2,85,464	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957	2,74,193
Sugar bagged in QTLS	1,14,241	2,53,263	2,34,100	2,74,470	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686	2,68,948
Recovery (%)	8.12	8.90	8.67	9.62	9.11	8.87	9.09	8.58	9.05	9.80

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

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

May 29, 2017

Dear Member,

You are cordially invited to attend the 22nd Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Friday, 15th September 2017 at 10.00 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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 22nd Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Twenty second 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, September 15, 2017 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt.Irmgard Velagapudi (DIN: 00091370), who retires by rotation, and being eligible, offers herself for reappointment.
4. Appointment of Statutory Auditors in place of M/s. B.Purushottam & Co., Chartered Accountants, under rotation of Auditors as per section 139 of the Companies Act, 2013.

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

"RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit & Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee, M/s. Suri & Siva, Chartered Accountants (Firm's Regn.No.004284S), be appointed as Statutory Auditors of the Company in place of retiring Auditors, M/s. B.Purushottam & Co., Chartered Accountants (Firm Regn.No.002808S) to hold office from the conclusion this 22nd Annual General Meeting till the conclusion of 27th Annual General Meeting (AGM) to be held in the year 2022, subject to ratification by members at every AGM, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the statutory Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to appoint Shri. K.R. Adivarahan, as an Independent Director, to hold office for a period of five years from the conclusion of 22nd Annual General Meeting till the conclusion of 27th Annual General meeting, not liable to retire by rotation during the said tenure, and to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Shri. K.R. Adivarahan be and is hereby appointed as an Independent Director of the Company pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, (the "Act") read with schedule IV of the Companies Act, 2013, and Article 110 of the Articles of Association of the Company, to hold office of the Director for a period of five years from the conclusion of 22nd Annual General meeting till the conclusion of 27th Annual General meeting, not liable to retire by rotation during the said tenure."

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, and Article 147 and 148 of the Articles of Association of the Company, the reappointment of Smt.V. Kiran Rao be and is hereby reappointed as Executive Director of the Company, for a period of five years i.e. from 29th July 2017 to 28th July, 2022, not liable to retire by rotation and on the terms and conditions as to remuneration, recommended by the Board, as hereunder:

- i. *Salary : Rs.3,00,000/- (Rupees three lakhs only) per month, within the ceiling prescribed under section 196, 197 and 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.*
- ii. *Perquisites : Provision of car with driver for use on Company's business and telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Executive Director; Rent free furnished residential accommodation; Personal accident insurance; Contribution to provident fund and gratuity; Electricity to be valued as per Income Tax Rules. These perquisites shall be in accordance with the Company's practice, rules and regulations in force, from time to time as may be applicable to her.*

- iii. Commission : *Remuneration by way of commission on net profits in addition to salary such that the amount of salary and commission in aggregate is subject to an overall ceiling of 3 % of the net profits of the Company in a particular financial year as laid down in Section 198 , 197 and 198 read with Sch.V of the Companies Act, 2013.*
- iv. Minimum Remuneration: *Notwithstanding anything to the contrary herein contained, where in any financial year during her said tenure, the Company has no profits or its profits are inadequate, the Company will pay to her as minimum monthly remuneration the salary mentioned in (i) and the perquisites mentioned in (ii) above, however not exceeding the limits specified under Section II of Part II of Schedule V of the Act and she shall not be entitled to any commission.*

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

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

7. 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 Rule 14 of the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus service tax as applicable and reimbursement of travel and out of pocket expenses, approved by the Board of Directors on the recommendations of the Audit Committee, to SRR Associates, Cost Accountants, Chennai (FRN 000992) for conducting the audit of cost records of the Company for the financial year ending 31st March 2018."

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 29.05.2017

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, read with Rule 19 of the Companies (Management and Administration) Rules, 2014 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. A member holding more than 10% of the total share capital carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other member.

- b. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.
- c. Members / Proxies / authorized representatives are requested to hand over the duly filled in Attendance Slip attached with this notice at the registration counter. Members holding shares in dematerialized form are requested to furnish their client ID / DP ID numbers for identification.
- 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. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.

Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013, are available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and Public Holidays, upto the date of the Annual General Meeting.

- f. The Register of Contracts or Agreements 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.
- g. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 8th day of September 2017 to 15th day of September 2017, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2017 and the AGM.
- h. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 15.09.2017 but within the stipulated time of 30 days from the date of declaration:
- to those Members whose names appear on the Register of Members of the Company as on 15th September 2017 or to their Mandates; and
 - in respect of **shares held in electronic form**, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- i. **M/s. Integrated Registry Management Services Pvt. 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.
- j. 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.
- k. 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 Registry Management Services Pvt. Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
- Name of the Sole / First joint holder and the Folio Number.

- ii. Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, and Complete address of the Bank with PIN code, Account type and the Bank Account Number.
- iii. Dividend warrants for physical payment will be issued by the Company payable at par at the designated branches of the bank, with a validity period of 3 months. Hence, members are advised to encash the warrants within the validity period.
- iv. Dividend, on approval by the shareholders at the AGM, will be paid without deduction of tax, to shareholders. Taxability of dividend in the hands of recipients is as per the extant tax law.
- l. **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.**
- m. **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.
- n. 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**.
- o. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH-13 pursuant to Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014. Members holding shares in physical form can submit Form SH-13 to the Company's Registrar & Transfer Agents, M/s. Integrated Registry Management Services Private Limited, and the members holding shares in electronic form can submit the Form SH-13 to their respective Depository Participants.
- p. 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.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.
- q. 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 on their behalf at the AGM.
- r. **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.
- s. 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.
- t. The soft copy of full Annual Report is being sent by electronic mode to all the members whose e-mail address is registered with the Company / Depository Participant. If a member opts for the hard copy of the Annual Report, the same will be sent to such member. For members who have not registered their e-mail address, hard copies of the full Annual Report are being sent by the permitted mode.

- u. **Remote E-voting:** Pursuant to section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended on 19.03.2015, the Company provides facility for its members to exercise their voting right by electronic means, and the business set out in the Notice may be transacted through such e-voting. Detailed instructions for e-voting is given in the Annexure.
- v. **Voting at AGM:** The Company also provides facility for voting through polling paper at the venue of the Annual General Meeting in pursuance of Rule 20 of Companies (Management & Administration) Rules, 2015 read with clause 7 of Secretarial Standard 2 on General Meetings . Members who have availed the facility of remote e-voting cannot avail this facility but can attend the meeting.
- w. Distribution of Gift, Gift Coupons or cash in lieu of gifts to members at or in connection with the General Meeting, is not permitted as per clause 14 of Secretarial Standard 2 on General Meetings., issued by the Institute of Company Secretaries of India.
- x. Details of Director seeking reappointment at the forthcoming Annual General Meeting [in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015] *(Item 3 of this Notice)* :

NAME OF DIRECTOR	SMT.Irmgard Velagapudi M.Rao
Date of Birth	18.09.1936
Nationality	German (Holder of Person of Indian Origin Card)
Date of appointment on the Board	11.09.2000
Qualifications	Diploma in Commerce
Expertise in specific functional area	Rich experience in managing the corporate affairs of the company.
No. of shares held in the Company	15,83,280
List of Directorships held in other Companies	***
Chairman / Member in the Committees of the Boards of Companies in which she / he is a director.	***
Directorships relate to Directorship in other Indian public companies and Committee memberships relate to Audit Committee and Stakeholders Relationship Committee of Public Limited companies (whether listed or not).	

i. Item No. 4 –

M/s. B.Purushottam & Co., Chartered Accountants, were first appointed as Statutory Auditors of the Company at the 11th Annual General Meeting held on 12.10.2006. In terms of their appointment made at the 21st AGM held on 21.09.2016, they are holding office of Statutory Auditors of the Company upto the conclusion of the 22nd Annual General Meeting and hence would retire at the conclusion of the ensuing 22nd AGM.

As per third proviso to section 139(2) of the Companies Act, 2013, a transition period of 3 years from the commencement of the Companies Act, 2013 is provided to appoint a new Auditor when the existing Auditor's firm has completed tenure of eight years as on the date of commencement of the Companies Act, 2013. Accordingly, the Board of Directors recommends to the members the appointment of M/s. Suri & Siva, Chartered Accountants (FRN 004284S) as the Statutory Auditors of the Company for a period of five years from the conclusion of this 22nd AGM, subject to ratification by members at every AGM.

M/s. Suri & Siva, Chartered Accountants (FRN 004284S), have consented to the said appointment as statutory auditors of the Company and confirmed that the appointment, if made, would be within the limits specified under section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors of the Company in terms of the provisions of the proviso to section 139(1), section 141(2) and section 141(3) of the Companies Act, 2013 read with the provisions of the Companies (Audit & Auditors) Rules, 2014.

None of the directors / key managerial personnel of the Company and their relatives are concerned or interested financially or otherwise in the resolution set out at item No.(4) of the Notice.