

K.P.R SUGAR MILL LIMITED

NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of the Company will be held on Friday the 19th August, 2016 at 12.00 pm at the Registered Office of the Company at No.5, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001 at to transact the following business:

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Preference Shares.
3. To appoint a Director in place of Mr. KPD Sigamani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.R.Anandakrishnan who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED that pursuant to Section 148 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee the remuneration of ₹ 25,000/- (Rupees Twenty Five Thousand Only) (plus service tax and out of pocket expenses if any for the purpose of audit) payable to Mr.B.Venkateswar, Cost Accountant (M.no. 27622) as approved by the Board of Directors for conducting the audit of Cost Accounting Records of the company for the financial year ending 31st March 2017 be and is hereby ratified and confirmed.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the 'Act')**

ITEM NUMBER: 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. B. Venkateswar, Cost Accountant, (M. No: 27622), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2016, at a remuneration of Rs.25,000 (Rupees Twenty Five Thousand Only) per annum excluding service tax and out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the Shareholders and hence the resolution under Item 6 is placed for your approval.

FOR AND ON BEHALF OF THE BOARD

19/04/2016
Coimbatore



**K.P.Ramasamy
Chairman**

Note:

A Member entitled to attend and vote at the Meeting is entitled to appoint one or more Proxy (ies) to attend and vote instead of himself and a Proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT:

| | |
|---|---|
| Name of the Director | Mr. KPD Sigamani |
| Date of Birth | 04.08.1953 |
| Date of Appointment | 03/03/2006 |
| Expertise in specific functional area | Mr.KPD Sigamani , a Post Graduate in Mathematics is a Managing Director of Holding Company M/s K.P.R.Mill Limited since 19.03.2003. He has over Three Decades of experience in the Apparel Industry specialized in the production and marketing of knitted Apparel. His travel across the Globe gained an in-depth knowledge on Export of Apparel. He currently heads the Apparel Division, the major contributor to the export business of the Holding Company. |
| Qualification | M.Sc. |
| Directorship held in other public Companies (Excluding foreign and private companies) | K.P.R. Mill Limited K.P.R. Sugar Mill Limited K.P.R Developers Limited Galaxy Knits Limited |
| Chairmanship/Membership of Committees in other Indian Public Companies | NIL |
| Shares in the Company – No.of Shares | 1 |
| Relationship between Directors inter-se | Brothers: Mr. K.P.Ramasamy Mr. P.Nataraj |

| | |
|--|--|
| Name of the Director | Mr.C.R.Anandakrishnan |
| Date of Birth | 03/09/1977 |
| Date of Appointment | 03/03/2006 |
| Expertise in specific functional area | Mr.C.R.Anandakrishnan , is a young, energetic and enthusiastic entrepreneur who joined the management team of the K.P.R group in the year 2002. Since then, he has been contributing his talented efforts for the growth of the Group. He has widely travelled across the world for choosing suitable technology and machinery for textile mills. He visited Srilanka for studying the large scale garment manufacturing process. Under his able administration, KPR's prestigious Textile Processing Unit was established with a Trendsetter Effluent Treatment Plant that is adjudged as 'State of the Art' Processing Unit adhering to the highest International Standards. Considering his significant role in formulation and implementation of Business Plan, he was appointed as "Executive Director" of our Holding Company M/s. K.P.R. Mill Limited during 2011 and has been functioning as such looking after the various Expansion and Modernisation Schemes of KPR Group. |
| Qualification | MBA (Philadelphia) |
| Directorship held in other public Companies (Excluding foreign and private companies) | K.P.R. Mill Limited K.P.R. Sugar Mill Limited |
| Chairmanship/Membership of Committees in other Indian Public Companies | NIL |
| Shares in the Company – No.of Shares | 1 |
| Relationship between Directors inter-se | Father: Mr.K.P.Ramasamy |

K.P.R.SUGAR MILL LIMITED-DIRECTORS' REPORT-2015-16

Dear Shareholders,

We take pleasure in presenting the Report on our Business and Operations for the Year ended 31st March 2016.

FINANCIAL RESULTS

| Particulars | ₹ in Lakhs | |
|--|------------|---------|
| | 2015-16 | 2014-15 |
| Sales and Other Income:- | | |
| Domestic Sales (Net of Excise Duty) | 34,388 | 39,891 |
| Export Sales | 28,072 | 13,813 |
| Other Income | 2,941 | 2,001 |
| | 65,401 | 55,705 |
| Profit before Interest & Depreciation | 8,798 | 5,198 |
| Less : Interest | 871 | 1,269 |
| Depreciation | 2,727 | 2,723 |
| Profit Before Tax | 5,200 | 1,206 |
| Less : Taxation:- | | |
| Provision for Current Tax | 1,110 | 241 |
| Current Tax expenses relating to prior years | 9 | - |
| Less : MAT Credit Entitlement | 1,119 | 241 |
| | - | - |
| Profit After Tax | 5,200 | 1,206 |

REVIEW OF OPERATIONS

During the year under review, the Company earned revenue of Rs.654 Crore as against Rs.557 Crore of last year. Sugar Business constitutes Rs. 218 Crore of the total revenue and the Garments Rs. 436 Crore. It registered a net profit of Rs.52.06 Crore as against last year's Rs.12.06 Crore. Due to delay in fixation of sugarcane price by the Government, crushing could be commenced during the last week of November 2015. We produced 66335 MT of Sugar and generated 10.05 Crore units of power. The power generated was sold to the Karnataka Government. Consequent on strong export demand the Garment segment made a major contribution to the Revenue and performance.

EXPANSION IN GARMENT SEGMENT

Abundant availability of raw materials and skilled workforce has made India a preferred sourcing hub for the Global Garment Industry. Growth trend in Knitwear sector is expected to continue for a long term. Encouraging demand from the existing Buyers and enquiries from new markets have led us to add a large Green field manufacturing facility of 36 Million garments per annum at an estimated cost of Rs.175 Crores in Thekkalur, Tirupur. The project is expected to complete during the current financial year.

OUTLOOK

The uptrend in Sugar prices extended a ray of hope to the Sugar Industry, which was grappling under strains. The trend is expected to sustain during the current year. The deficient monsoon impacts sugarcane production in sugar crop year 2015-16. The Indian Garment Industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The expansion in Garment capacity will generate further revenues.

RESERVES

The Company has not created any reserves during the financial year.

DIVIDEND

The Board has recommended a Dividend of 7% for its Preference Shareholders. Considering the financial requirements, your Directors have not recommended any equity dividend for the year.

SHARE CAPITAL

The Company has not issued any shares during the year.

FINANCE

In order to reduce the high cost debt, a portion of the term loan has been repaid in advance, which has helped to minimize the Finance cost. Anchor Subsidy and ETP Subsidy have been received. Further, Land Conversion subsidy and PF subsidy are yet to be received.

DEPOSITS

The Company has not accepted any fixed deposits from public during the year under review.

DIRECTORS

Mr. KPD Sigamani and Mr. C.R.Anandakrishnan, Directors, retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend their reappointment. The details of the aforesaid Directors are furnished in the Notice of the ensuing Annual General Meeting.

Mr.M.J.Vijayaraaghavan, Director passed away on 10.06.2015. Taking note of his association and sane advice, the Board placed on record the invaluable services rendered by him as a Senior Director.

Familiarization Program on the Company and its operations was conducted for the Independent Directors. Requisite declaration from the Independent Directors of the Company under Section 149(7) of the Act confirming that they meet with the criteria of their Independence laid down in Section 149(6) have been obtained.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Act.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act read with the Companies (Accounts) Rules 2014 are provided in the Annexure to the Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5) of the Act, the Board of Directors of the Company hereby state and confirm that;

I. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

II. The Directors had selected 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 and of the profit of the Company for the year under review.

III. The Directors had taken proper and sufficient care for the maintenance of adequate record in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The Directors had arranged preparation of the accounts for the financial year ended 31st March 2016 on a going concern basis.

V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES:

The Company has duly constitute the CSR Committee with the Members indicated therein;

I. Corporate Social Responsibility Committee

1. Mr.K.P.Ramasamy -Chairman
2. Mr.KPD Sigamani - Non-Independent Director
3. Mr.P.Nataraj - Non-Independent Director
4. Dr.S.Ranganayaki- Independent Director

The Company has reconstituted the following Committees with the Members indicated therein;

I. Audit Committee:

1. Mr.G.P.Muniappan- Independent Director- Chairman
2. Dr.S.Ranganayaki- Independent Director
3. Mr.P.Nataraj – Non-Independent Director

II. Nomination and Remuneration Committee

1. Mr.G.P.Muniappan - Independent Director - Chairman
2. Dr.S.Ranganayaki- Independent Director
3. Mr.P.Nataraj - Non-Independent Director

POLICIES:

In pursuance of the Act the following policies have been framed

1. Nomination & Remuneration Policy
2. Related Party Transaction Policy
3. Whistle Blower Policy consisting of Vigil Mechanism
4. Corporate Social Responsibility Policy
5. Risk Management Policy

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Act, the Company has framed a Risk Management Policy. In the opinion of the Board there appears to be no element of risk which may threaten the existence of the company.

CSR EXPENDITURE

During the year, in pursuance of the recommendations of the CSR Committee, the Company has contributed Rs.11.00 Lakhs being 2% of the average net profit of the Company towards implementing the CSR activities. Annual report on CSR, as required by the ACT is appended.

BOARD MEETINGS:

The Board of Directors met Nine times during the financial year. They were held on 24.04.2015, 16.07.2015, 28.07.2015, 24.09.2015, 19.10.2015, 21.12.2015, 14.01.2016, 22.02.2016 and 30.03.2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There were no loans or investments made by the Company under Section 186 of the Act. It has extended Corporate Guarantee to Banks towards the Crop loans taken by the Sugar Cane Farmers during the year under review, as disclosed in the Notes to Accounts.

RELATED PARTY TRANSACTIONS :

The Company has during the year under review, has not entered into the transactions with business entities in which Directors are interested, other than the transactions with another wholly owned subsidiary of our Holding Company entered in the ordinary course of Business and are on arm's length basis, which are not applicable to the provision of Section 188 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL AND MANAGERIAL REMUNERATION CRITERIA:

In pursuance of the Act, Key Managerial Personnel (KMP) for the Company has been appointed. None of the Directors or KMP received any remuneration or commission from the Company.

PARTICULARS OF EMPLOYEES:

No Employee or Director or KMP is in receipt of any remuneration pursuant to Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no reporting is required.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and also for the matters incidental thereto. Suitable mechanism under the aforesaid Act is in place at the Company's work place for adherence.

AUDITOR & AUDITOR'S REPORT:

Mr.A.Vetrivel, Chartered Accountant, Coimbatore, the Statutory Auditor of the Company retires at the ensuing Annual General Meeting and is eligible for re-appointment. The Auditor's Report to the Shareholders does not contain any qualification remarks.

SECRETARIAL AUDIT REPORT:

As required by the Act a Secretarial Audit Report issued by a Company Secretary in practice is annexed.

EXTRACT OF ANNUAL RETURN:

Pursuant to section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 forms part of this Report

DISCLOSURE ON COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of majority independent Directors. All the Members of the Audit Committee are financially literate. A Member is a Chartered Accountant and another is Retd.Deputy Governor of RBI. The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. Direct access to the Chairman of the Audit Committee is available for reporting issues concerning the interests of co employees and the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY& INTERNAL AUDIT:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. In pursuance of the provisions of section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014, a Qualified Personnel is looking after the Internal Audit functions of the Company.

SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS:

No significant and material order was passed by any Regulators that have any impact on the going concern status and the operations of the Company

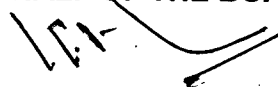
COST AUDIT:

In pursuance of Companies (Cost Records and Audit) Rules, 2014, the Company has appointed a Cost Auditor for the Company to audit the cost records for the Financial Year 2016-17.

ACKNOWLEDGEMENT:

Your Directors thank the Government Authorities, Sugar Cane and Capital Goods Suppliers, Holding Company, Project Consultants, Bankers for their support & co-operation and the Employees at all level for their dedicated involvement

FOR AND ON BEHALF OF THE BOARD



K.P.Ramasamy
Chairman

19/04/2016
Coimbatore

Form No.MGT-9 - KPRSML

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i. | CIN | U15421TZ2006PLC012633 |
| ii. | Registration Date | 03/03/2006 |
| iii. | Name of the Company | K.P.R. Sugar Mill Limited |
| iv. | Category/Sub-Category of the Company | Public Company Limited by Shares / Indian Non-Government Company |
| v. | Address of the Registered office and contact details | No.5, A.K.S. Nagar, Thadagam Road, Coimbatore - 641 001. Ph: 0422-2478090, Fax: 0422-2478050 Mail: corporate@kprmill.com |
| vi. | Whether listed company | No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Sugar | 10721 | 25.17 |
| 2 | Garment | 18101 | 57.51 |

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|---|-------------------------------|--------------------------------|-----------------|--------------------|
| i. | K.P.R. Mill Limited No.9, Gokul Buildings, Ist Floor, A.K.S. Nagar, Thadagam Road, Coimbatore – 641 001 | L17111TZ2003 PLC010518 | Holding | 100% | 2(46) |

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

[illegible]

| | | | | | | | | | |
|---|---|-------------|-------------|-----|---|-------------|-------------|-----|---|
| (specify) | | | | | | | | | |
| Sub-total(B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. (i) Indian (ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others (Specify) | | | | | | | | | |
| Sub-total(B)(2) | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 20500 00 | 205000 0 | 100 | - | 205000 0 | 205000 0 | 100 | - |

ii. **Shareholding of Promoters**

| Sr · N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------------|------------------------|--|--|---|--|--|---|---|
| | | No. of Shares | % of total Share s of the comp any | %of Shares Pledged / encumb ered to total shares | No. of Shares | % of total Shares of the compa ny | %of Shares Pledged / encumb ered to total shares | |
| | K.P.R Mill Limited | 20,49,992 | 99.99 | - | 20,49,992 | 99.99 | - | - |
| | K.P. Ramasamy | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | KPD. Sigamani | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | P.Nataraj | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | C.R.Anandakri shnan | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | N.Jayanthi | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | E.K.Sakthivel | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | D.Geetha | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | A.Gayathri | 1 | 0.00 | - | 1 | 0.00 | - | - |
| | Total | 20,50,000 | 100 | - | 20,50,000 | 100 | - | - |

Note: Beneficial Interest in shares held by Shareholders under Sl.no 2 to 9 vests with K.P.R. Mill Limited, the Holding Company

iii. **Change in Promoters' Shareholding: No Change**

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | | | | Rs in Lakhs |
|---|--------------|-----------------|----------|--------------------|
| Particulars | Secured Loan | Unsecured Loans | Deposits | Total |
| Indebtedness at the beginning of the FY | | | | |
| i) Principal Amount | 12974 | | - | 12974 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 12974 | - | - | 12974 |
| Change in Indebtedness during the FY | - | - | - | - |
| Addition | 38484 | - | - | 38484 |
| Reduction | 32411 | - | - | 32411 |
| Net Change | 6072 | - | - | 6072 |
| Indebtedness at the end of the FY | - | | | |
| i) Principal Amount | 19046 | | - | 19046 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 19046 | - | - | 19046 |

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

None of the Directors or the Key Managerial Personnel receive any remuneration from the Company.

V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

The Company has not paid any penalties, received any punishments or went for Compounding of any offences.

K.P.R. Sugar Mill Limited – Annual Report on CSR

Annexure to Director's Report

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Corporate Social responsibility (CSR) refers to business practices that involve participating in initiatives that benefit society. The Company has framed CSR Policy and the activities under the Policy are those covered under the ambit of Schedule VII of the Companies act 2013.

As and when the website for the Company is created, the policy will be uploaded there in.

1. The Composition of the CSR Committee.

The composition of the Committee is as follows:

- 1 Mr. K.P.Ramasamy - Director
- 2 Mr. K.P.D.Sigamani – Director
- 3 Mr. P. Nataraj – Director
- 4 Dr.S.Ranganayaki – Independent Director

2. Average net profit of the company for last three financial years

Rs.575 Lakhs

3. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

Rs.11 Lakhs

4. Details of CSR spent during the financial year.

During the Financial year funds were utilized towards Rural Development Projects, Promoting sanitation, making available of Safe Drinking water and eradicating Hunger etc., directly.

5. Total amount to be spent for the financial year;

Rs. 11 Lakhs

6. Amount unspent, if any;

NIL

7. Manner in which the amount spent during the financial year is detailed below.

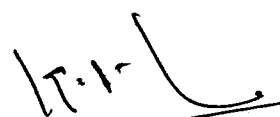
Rs. In Lakhs

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|--|--|--|---|---|---|---|
| S. No | CSR project or activity identified. | Sector in which the Project is covered | Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or Programs Subheads: 1. Direct expenditure on projects or program. 2.Overhead | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency * |
| 1 | Rural Development Projects | Rural Development Projects | Almel, Vijayapura District, Karnataka. | Rs.4.00 | Rs.4.00 Direct Expenditure | Rs.4.00 | Direct - Rs.4.00 |
| 2 | Sanitation & Safe Drinking Water | Promoting Sanitation & Making available of safe drinking water | Almel, Vijayapura District, Karnataka. | Rs. 6.50 | Rs.6.50 Direct Expenditure | Rs.6.50 | Direct- Rs.6.50 |
| 3 | Eradicating Hunger, poverty and malnutrition | Eradication of Hunger | Almel, Vijayapura District, Karnataka. | Rs. 0.50 | Rs. 0.50 - Direct Expenditure | Rs.0.50 | Direct - Rs.0.50 |
| | TOTAL | | | Rs.11.00 | Rs.11.00 | Rs.11.00 | Rs.11.00 |

8. Details of implementing agency: NIL

9. The Committee hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company


P.Nataraj
Director


K.P.Ramasamy
Chairman
CSR Committee

K.P.R.SUGAR MILL LIMITED

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

A Conservation of Energy

a) Energy conservation measures taken; NIL

b) Additional investment and proposals if any being implemented for reduction of consumption of energy

- No significant additional investment is envisaged for reduction of consumption of energy

c) Impact of measures (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- The above measures have secured reduced consumption of electricity and fuel oils vis-à-vis reduction in the cost of production. Total energy consumption & consumption per unit of production are furnished below

I Power and Fuel Consumption

| Particulars | UOM | 2015-16 | 2014-15 |
|------------------------------|----------------|---------------|---------------|
| 1.Electricity | | | |
| A. Electricity | | | |
| i) Purchase of Units | Units in Lakhs | 77.00 | 76.86 |
| ii) Total Amount | Rs in Lakhs | 539.73 | 529.84 |
| iii) Rate per unit (Average) | Rs. | 7.01 | 6.89 |
| iv) Demand Charges | Rs in Lakhs | 77.14 | 82.10 |
| | | | |
| B. Own generation | | | |
| i) Through Diesel Generator | | | |
| Units generated | Units in Lakhs | 0.29 | 0.60 |
| Cost per unit | Rs. | 20.18 | 18.51 |
| Units / Litre of Diesel | Units | 3.15 | 3.27 |
| | | | |
| ii) Through steam turbine | Units in Lakhs | 1005.50 | 883.89 |
| | | Co-Generation | Co-Generation |
| | | | |
| 2. FURNACE OIL | | Not Used | Not Used |
| 3. OTHERS | | Not Used | Not used |

II Consumption per Unit of Production

| Particulars | UOM | Electricity | |
|-------------|-----------------|-------------|---------|
| | | 2015-16 | 2014-15 |
| Sugar | Units / Quintal | 22.58 | 19.52 |
| Garment | Units / Garment | 0.23 | 0.30 |

B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

----- NIL -----

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

| Particulars | 2015-16 | 2014-15 |
|--|-----------|-----------|
| i) Foreign Exchange earned through exports amount to | 28,072.48 | 13,813.22 |
| ii) Foreign exchange used | 3,277.62 | 38.50 |

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

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

To,

The Members,
K.P.R. Sugar Mill Limited
No.5 A.K.S.Nagar,
Thadagam Road,
Coimbatore – 641001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by M/s. K.P.R. Sugar Mill Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act 1956 (to the extent applicable);
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. – Not Applicable.
- (vi) and other laws applicable to the Company viz., :-



1. Essential Commodities Act, 1955
2. Sugarcane (Control) Order, 1966
3. Sugar Cess Act, 1982
4. Sugar Development Fund Act, 1982
5. Sugar (Packing And Marking) Order 1970
6. Food Safety and Standards Act, 2006
7. Insecticides Act, 1968
8. Factories Act, 1948
9. The Boiler Act, 1923
10. The Electricity Act, 2003
11. Environment Protection Act, 1986
12. The Water (Prevention and Control of Pollution) Act 1974
13. The Air (Prevention and Control of Pollution) Act 1981,
14. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
15. Employee State Insurance Act, 1948
16. The Payment of Wages Act, 1956
17. The Minimum Wages Act, 1948
18. The Industrial Employment (Standing Order) Act, 1946
19. The Employees' Compensation Act, 1923
20. Equal Remuneration Act, 1976
21. The Payment of Bonus Act, 1965
22. The Payment of Gratuity Act, 1972
23. The Industrial Employment (Standing Order) Act, 1946
24. The Legal Metrology Act, 2011
25. Land Revenue and all other local laws applicable to its plants and offices.
26. and other applicable laws applicable to Sugar Industry

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals, I report that the audit systems are in place to monitor and ensure compliance of Laws relating to Income tax, Central Excise Act, VAT Act, Central Sales Tax and Service Tax.



I have also examined the compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with effect from 01.07.2015.

During the period under review the Company has complied with all the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. including the laws mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of **Executive Directors, Non-Executive Directors**, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Place: Coimbatore
Date : 19.04.2016

Soundararajan.G ACS
Practicing Company Secretary
ACS.No.13993, CP No.4993


G. Soundararajan, ACS
Practicing Company Secretary
ACS-13993 CP-4993



No. 1/1, Seth Narayandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

Date :

AUDITOR'S REPORT
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
M/S.K.P.R. SUGAR MILL LIMITED

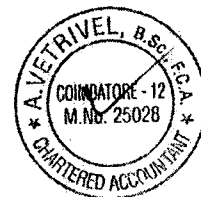
Report on the Financial statements

I have audited the accompanying financial statements of M/S.K.P.R. SUGAR MILL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

Auditors Responsibility

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

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, 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 of the state of affairs of the company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, I give in the Annexure -A, statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 my opinion, the aforesaid financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure - B" and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

- i. There were no pending litigations which would impact the financial position of the Company.
- ii. The Company did not have any long-term contracts including derivative contracts on which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

**DATE : 19.04.2016
PLACE : COIMBATORE**


**A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813**

**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

Annexure "A" to the Independent Auditor's Report for the year ended 31st March 2016

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

1. In respect of Fixed assets

- a) The company has maintained proper records of the fixed assets showing full particulars including quantitative details and situation of the fixed assets.
- b) Some of the fixed assets were physically verified by the management in accordance with program of verification, which in my opinion provides for the physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to me and the records examined by me and based on the examination of the registered sale deed provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. In respect of inventories:

- a) As explained to me, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3. According to the information and explanations given to me, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year.

4. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**


5. According to the information and explanations given to me, the Company has not accepted any deposit during the year.
6. I have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. I have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to me, in respect of statutory dues:
 - a. The company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, income tax, sales tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
8. In my opinion and according to the information and explanations given to me, the company has not defaulted in the repayment of loans and borrowings to financial institutions, banks and Government. The Company has not issued any debentures
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and in my opinion and according to the information and explanations given to me term loans have been applied by the Company during the year for the purposes for which they were raised.



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

10. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In my opinion and according to the information and explanations given to me, the Company has not paid / provided managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In my opinion and according to the information and explanations given to me the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
15. In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**DATE : 19.04.2016
PLACE : COIMBATORE**


**A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813**

**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of K.P.R. SUGAR MILL LIMITED ("the Company") as of 31.03.2016 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



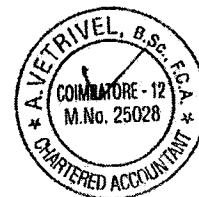
**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**M/S.K.P.R. SUGAR MILL LIMITED
COIMBATORE**


Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31.03.2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**DATE : 19.04.2016
PLACE : COIMBATORE**


**A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**A.VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813**

K.P.R. SUGAR MILL LIMITED
BALANCE SHEET AS AT 31.03.2016

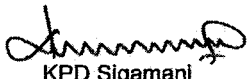
| | Note | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------------|------|---------------------|---------------------|
| | | (₹ in Lakhs) | |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 583 | 583 |
| (b) Reserves and Surplus | 4 | 16,211 | 11,042 |
| | | 16,794 | 11,625 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 8,743 | 9,024 |
| (b) Other Long - Term Liabilities | 6 | 11,552 | 7,967 |
| | | 20,295 | 16,991 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 7 | 16,351 | 4,622 |
| (b) Trade Payables | 8 | 16,723 | 20,224 |
| (c) Other Current Liabilities | 9 | 3,576 | 7,199 |
| (d) Short-Term Provisions | 10 | 1,122 | 231 |
| | | 37,772 | 32,276 |
| | | 74,861 | 60,892 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 24,406 | 26,988 |
| (ii) Capital Work-in-Progress | | 3,443 | - |
| | | 27,849 | 26,988 |
| (b) Long-Term Loans and Advances | 12 | 8,046 | 387 |
| | | 35,895 | 27,375 |
| 2 Current Assets | | | |
| (a) Current Investments | 13 | - | 5,800 |
| (b) Inventories | 14 | 21,257 | 20,197 |
| (c) Trade Receivables | 15 | 14,463 | 4,819 |
| (d) Cash and Bank Balances | 16 | 2,180 | 1,323 |
| (e) Short-Term Loans and Advances | 17 | 593 | 676 |
| (f) Other Current Assets | 18 | 473 | 702 |
| | | 38,966 | 33,517 |
| | | 74,861 | 60,892 |

Accompanying notes forming part of the financial statements


For and on behalf of the Board of Directors


"To be read with my report of even date"


K.P. Ramasamy
Director


KPD Sigamani
Director

Coimbatore
19.04.2016


P. Nataraj
Director


P. Karidaswamy
Company Secretary


A. Vetrivel
Chartered Accountant

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028

1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813

K.P.R. SUGAR MILL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016


(₹ In Lakhs)

| | Note | Year Ended | |
|--|------|---------------|---------------|
| | | 31.03.2016 | 31.03.2015 |
| I. Revenue from Operations (Gross) | 19 | 66,115 | 56,463 |
| Less: Excise Duty | | 943 | 1,074 |
| Revenue from Operations (Net) | | 65,172 | 55,389 |
| II. Other Income | 20 | 229 | 316 |
| III. Total Revenue | | 65,401 | 55,705 |
| IV. Expenses | | | |
| Cost of Materials Consumed | 21 | 42,714 | 44,721 |
| Purchase of Stock-in-Trade | | 5,067 | - |
| Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade | 22 | (1,150) | (2,648) |
| Employee Benefits Expenses | 23 | 6,351 | 5,022 |
| Finance Costs | 24 | 871 | 1,269 |
| Depreciation and Amortization Expenses | 11 | 2,727 | 2,723 |
| Other Expenses | 25 | 3,621 | 3,412 |
| Total Expenses | | 60,201 | 54,499 |
| V. Profit Before Tax | | 5,200 | 1,206 |
| VI. Tax Expense | | | |
| 1. Current Tax Expense for Current Year | | 1,110 | 241 |
| 2. Less: MAT Credit Entitlement | | 1,119 | 241 |
| 3. Current Tax Expense relating to Prior Years | | 9 | - |
| Net Tax Expenses | | - | - |
| VII. Profit for the Year | | 5,200 | 1,206 |
| VIII. Earnings per equity share of ₹ 10 each | | | |
| 1. Basic & Diluted (in ₹) | | 252 | 76 |


See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors


"To be read with my report of even date"


K.P. Ramasamy
Director


A. Vetrivel
Chartered Accountant


KPD Sigamani
Director


P. Nataraj
Director


P. Karidaswamy
Company Secretary

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813

Coimbatore
19.04.2016

K.P.R. SUGAR MILL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(₹ in Lakhs)


| PARTICULARS | Year Ended 31.03.2016 | Year Ended 31.03.2015 |
|--|--------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit Before Tax | 5,200 | 1,206 |
| Depreciation | 2,727 | 2,723 |
| Finance Costs | 871 | 1,269 |
| Interest Income | (8) | (26) |
| Dividend from Mutual Funds | (51) | (205) |
| Operating profit before Working Capital adjustments | 8,739 | 4,967 |
| (Increase) / Decrease in Sundry Debtors | (9,644) | (3,299) |
| (Increase) / Decrease in Loans and Advances | (6,457) | 2,329 |
| (Increase) / Decrease in Inventories | (1,060) | (5,879) |
| (Increase) / Decrease in Other Current Assets | 229 | (691) |
| Increase / (Decrease) in Current Liabilities | (3,921) | 17,601 |
| (i) Margin deposit account | (217) | (6) |
| Cash Generated from Operations | (12,331) | 15,022 |
| Net Income Tax (Paid) / Refunds | (228) | (71) |
| Net Cash from Operating Activities | (A) (12,559) | 14,951 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (3,588) | (295) |
| Proceeds from Sale of Fixed Assets | - | 10 |
| Purchase of Investment | - | (5,800) |
| Proceeds from the sale of investment | - | 6,269 |
| Dividend Income | 51 | 205 |
| Interest Receipts | 8 | 37 |
| Net Cash flow used in Investing Activities | (B) (3,529) | 426 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Securities Premium | - | (9,900) |
| Proceeds from Long-Term Borrowings | 7,858 | 960 |
| Repayment of Long-Term Borrowings | (7,755) | (12,040) |
| Proceeds from Other Short-Term Borrowings | 11,729 | 2,503 |
| Finance Costs | (871) | (1,269) |
| Dividend Paid | (26) | (26) |
| Tax on Dividend | (5) | (5) |
| Net Cash used in Financing Activities | (C) 10,928 | (19,777) |
| Net Increase in Cash and Cash Equivalents | (A+B+C) (5,160) | (4,400) |
| Opening Balance of Cash and Cash Equivalents | 7,117 | 11,517 |
| Closing Cash and Cash Equivalents | 1,957 | 7,117 |




| | | | |
|---|--|-------|-------|
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | |
| Cash and Bank Balances (Refer Note 16) | | 2,180 | 1,323 |
| Add: Current investments considered as part of Cash and Cash equivalents (As defined in AS 3 Cash Flow Statements) | | - | 5,800 |
| - Balances held as margin money or security against borrowings, guarantees and other commitments | | 223 | 6 |
| Closing Cash and Cash Equivalents | | 1,957 | 7,117 |
| Accompanying notes forming part of the financial statements | | | |

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy
Director


KPD Sigamani
Director


P. Nataraj
Director


P. Kandaswamy
Company Secretary


A. Vetrivel
Chartered Accountant

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 25028

1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Phone : 2495760, 4378813

Coimbatore
19.04.2016

1 Company Overview

K.P.R.Sugar Mill Limited is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. Plant Located at Bijapur District, Karnataka State. It produces Sugar along with Green Energy viz., Co-Gen Power. The Company also has Garment manufacturing facility at Arasur, Coimbatore and commenced its operation from November 2013.

2 Significant Accounting Policies

A) BASIS OF ACCOUNTING

(i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

(ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements have been prepared on accrual basis under the historical cost convention.

B) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C) FIXED ASSETS AND DEPRECIATION

i) Fixed assets and intangibles are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost includes all costs relating to acquisition and installation of fixed assets including any incidental costs of bringing the assets to their working condition for their intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress

ii) Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

D) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013, except 1) Plant & Machinery @ 10.34% and 2) Electricals @ 7.07% based on useful life ascertained for such asset through technical assessment by competent Professional.

E) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Initial Recognition : Transactions in Foreign Currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transactions or at rates that closely approximate the rate at the date of the transaction or at the forward contract rate for the transaction.

Measurement at the Balance Sheet date : Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Accounting for forward contracts : Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.



F) INVENTORIES

- i) Finished goods are valued at cost or net realisable value whichever is lower. The cost for the finished goods is inclusive of cost of purchase, cost of conversion, excise duty, cess, if any, and other costs incurred in bringing the inventories to their present location and condition.
- ii) Stock-in-process, Stores, Spares, Consumables, Packing and Other Materials are valued at lower of Cost or Net Realizable Value.
- iii) Waste and Scrap are valued at Net Realizable Value.

G) REVENUE RECOGNITION

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Sale of Service and revenue from sale of windmill power are recognised when services are rendered and related costs are incurred.

OTHER INCOME

Dividend Income is recognised when right to receive the income is established. Interest income is recognised on time proportion basis (accrual basis) taking into account the amount outstanding and rate applicable. Export incentives are accounted for in the year of exports based on eligibility and expected amount on realisation.

H) EXCISE DUTY

The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the statement of profit and loss. The Excise Duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for closing stock of finished goods.

I) INVESTMENTS

Long term investments (excluding investment properties) are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed Assets.

J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

K) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

L) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

M) RETIREMENT BENEFITS

(a) Short Term

Short term employee benefits are charged off at the undiscounted amount during the year in which the related service is rendered by employees.

(b) Long Term Post Retirement

Post Retirement Benefits comprise of Provident Fund and Gratuity which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan, and contributions made to the Fund are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

ii) Gratuity Fund

This is a defined benefit plan, the Company has made provision in the books of accounts as per Gratuity Act 1972.



N) BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

O) SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

P) LEASE

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Q) TAXATION

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.



R) IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent amount was previously charged to the Statement of Profit & Loss except in case of revalued assets.

T) INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

U) SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

V) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

W) OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



K.P.R.SUGAR MILL LIMITED
Notes forming part of the Financial Statements

| | | As at 31.03.2016 | As at 31.03.2015 |
|---|---|---------------------|--|
| | | (₹ in Lakhs) | |
| 3 SHARE CAPITAL | | | |
| Authorised | | | |
| 24,17,000 (Pr.Yr.24,17,000) Equity Shares of ₹10 each | | 242 | 242 |
| 47,83,000 (Pr.Yr.47,83,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 10 each | | 478 | 478 |
| | | 720 | 720 |
| Issued, Subscribed & Fully Paid up | | | |
| 20,50,000 (Pr.Yr.20,50,000) Equity Shares of ₹10 each fully paid-up | | 205 | 205 |
| 37,83,000 (Pr.Yr.37,83,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹10 each | | 378 | 378 |
| | | 583 | 583 |
| 3.1 Term / Rights to Shares | <p>Equity Shares: As per the provisions of the Companies Act,1956 and Articles of Association of the Company.</p> <p>Preference Shares: 7% Redeemable Cumulative Non-Convertible Preference Shares are redeemable at the end of 7th year but within a period of 10 years from the date of issue at a premium of 7% IRR.</p> | | |
| 3.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period | | | |
| Equity Shares with voting rights | For the Year Ended 31.03.2016 | | For the Year Ended 31.03.2015 |
| Particulars | Number of Shares | (₹ in Lakhs) | Number of Shares |
| At the beginning of the period | 20,50,000 | 205 | 10,50,000 |
| Issued during the year | - | - | 10,00,000 |
| Outstanding at the end of the period | 20,50,000 | 205 | 20,50,000 |
| 3.3 7% Redeemable Cumulative Non-Convertible Preference Shares | | | |
| Particulars | Number of Shares | (₹ in Lakhs) | Number of Shares |
| At the beginning of the period | 37,83,000 | 378 | 47,83,000 |
| Add: Issued during the year | - | - | - |
| Less: Redemption during the year | - | - | 10,00,000 |
| Outstanding at the end of the period | 37,83,000 | 378 | 37,83,000 |
| 3.4 Details of Shareholders holding more than 5% of Shares in the Company | | | |
| a. Equity Shares | | | |
| Particulars | Number of Shares | % | Number of Shares |
| M/s K.P.R Mill Limited | 20,50,000 | 100 | 20,50,000 |
| b. 7% Redeemable Cumulative Non-Convertible Preference Shares | | | |
| Particulars | Number of Shares | % | Number of Shares |
| M/s K.P.R Mill Limited | 37,83,000 | 100 | 37,83,000 |



K.P.R.SUGAR MILL LIMITED
Notes forming part of the Financial Statements

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| | (₹ in Lakhs) | |
| 4 RESERVES AND SURPLUS | | |
| Capital Reserve | | |
| Opening Balance | 293 | 293 |
| Add: Additions during the year | - | - |
| Closing Balance | 293 | 293 |
| Securities Premium Account | | |
| Opening Balance | 10,559 | 20,459 |
| Changes during the year | - | (9,900) |
| Closing Balance | 10,559 | 10,559 |
| Surplus in Statement of Profit and Loss | | |
| Opening Balance | 190 | (982) |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) | - | 3 |
| Add: Profit for the year | 5,200 | 1,206 |
| Less: | | |
| Dividends proposed to be distributed to preference shareholders | 26 | 26 |
| Tax on Dividend | 5 | 5 |
| | 31 | 31 |
| Closing Balance | 5,359 | 190 |
| | 16,211 | 11,042 |
| 5 LONG TERM BORROWINGS | | |
| From Banks Secured | | |
| i) Term Loans | 7,850 | 8,352 |
| Interest Free Sales Tax Loan | 893 | 672 |
| | 8,743 | 9,024 |
| 5.1 Term Loans from banks are secured by pari-passu first charge on fixed assets of the company and the second charge on current assets has been given on pari-passu basis to Banks. | | |
| 5.2 i) Loan amounting to ₹ 5,536 Lakhs (Pr. Yr. ₹ Nil) is repayable in 24 quarterly installments. | | |
| ii) Loan amounting to ₹ 2,099 Lakhs (Pr. Yr. ₹ Nil) is renewable every year | | |
| iii) Loan amounting to ₹ 597 Lakhs (Pr. Yr. ₹ 597 Lakhs) is repayable in 12 quarterly installments. | | |
| iv) Loan amounting to ₹ Nil (Pr. Yr. ₹ 7,755 Lakhs) is fully paid | | |
| 5.3 Interest rate relating to term loans from banks is in the range of 9.75% to 11.50%. | | |
| 5.4 The Company has not defaulted in its repayments of the loans and interest. | | |
| 5.5 For the current maturities of long-term borrowings, refer Note 9 Other Current Liabilities. | | |
| | As at 31.03.2016 | As at 31.03.2015 |
| | (₹ in Lakhs) | |
| 6 OTHER LONG TERM LIABILITIES | | |
| Advance Received from Customers | 6,169 | 2,500 |
| Trade Payables | 5,329 | 5,467 |
| Payables on Purchase of Fixed Assets | 54 | - |
| | 11,552 | 7,967 |



K.P.R.SUGAR MILL LIMITED
Notes forming part of the Financial Statements

| | As at 31.03.2016 | As at 31.03.2015 |
|---|---------------------|---------------------|
| | (₹ in Lakhs) | |
| 7 SHORT TERM BORROWINGS | | |
| From Banks Secured | | |
| Loans for Working Capital | 6,399 | 1,494 |
| Packing Credit | 9,952 | 3,128 |
| | 16,351 | 4,622 |
| 7.1 Working capital loans are secured by first charge on inventories and book debts and second charge on fixed assets to lending banks on pari-passu basis. | | |
| 7.2 The Company has not defaulted in its repayments of the loans and interest. | | |
| 8 TRADE PAYABLES | | |
| Other than Acceptance | 16,723 | 20,224 |
| | 16,723 | 20,224 |
| 9 OTHER CURRENT LIABILITIES | | |
| Current Maturities of | | |
| Long Term Loan | 382 | - |
| Advance Received from Customers | 2,452 | 6,559 |
| Statutory remittances (Contributions to PF & ESIC, With holding tax, Excise duty, VAT, Service tax, Etc.,) | 732 | 630 |
| Other Liabilities | 10 | 10 |
| | 3,576 | 7,199 |
| 10 SHORT TERM PROVISIONS | | |
| Provision for Income Tax (Net of Advance Tax paid) * | 1,091 | 200 |
| Provision for Preference Dividend | 26 | 26 |
| Provision for Tax on Preference Dividend | 5 | 5 |
| | 1,122 | 231 |
| * Net of Advance Tax Paid ₹ 19 Lakhs (Pr.Yr. ₹ 41 Lakhs) | | |



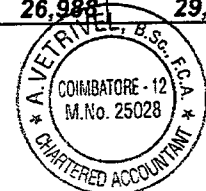
K.P.R.SUGAR MILL LIMITED

(₹ in Lakhs)

11.FIXED ASSET

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION AND IMPAIRMENT | | | | NET BLOCK | |
|-------------------------|--------------------------------|-----------|-----------|------------------------------------|---|--|--|------------------------------------|------------------------------------|------------------------------------|
| | Balance as at 1 April, 2015 | Additions | Disposals | Balance as at 31 March, 2016 | Balance as at 1 April 2015 | Depreciation/ Amortisation Expense For the Year | Eliminated on disposal of assets | Balance as at 31 march, 2016 | Balance as at 31 march, 2016 | Balance as at 31 march, 2015 |
| Land | 178 | - | - | 178 | - | - | - | - | 178 | 178 |
| | 178 | - | - | 178 | - | - | - | - | 178 | 178 |
| Factory Building | 7,149 | 25 | - | 7,174 | 531 | 227 | - | 758 | 6,416 | 6,618 |
| | 7,149 | - | - | 7,149 | 305 | 226 | - | 531 | 6,618 | 6,844 |
| Non Factory Building | 2,283 | 9 | - | 2,292 | 73 | 36 | - | 109 | 2,183 | 2,210 |
| | 2,169 | 113 | - | 2,283 | 37 | 35 | - | 72 | 2,210 | 2,132 |
| Plant & Machinery | 22,795 | 91 | - | 22,886 | 5,755 | 2,365 | - | 8,120 | 14,766 | 17,040 |
| | 22,650 | 144 | - | 22,794 | 3,405 | 2,351 | - | 5,756 | 17,038 | 19,245 |
| Electrical | 699 | 4 | - | 703 | 117 | 50 | - | 166 | 537 | 582 |
| | 708 | 2 | 11 | 698 | 68 | 50 | 2 | 116 | 583 | 640 |
| Furniture & Fixtures | 282 | 14 | - | 296 | 49 | 28 | - | 77 | 219 | 233 |
| | 267 | 15 | - | 282 | 21 | 27 | - | 48 | 234 | 246 |
| Computers & Accessories | 15 | 1 | - | 16 | 12 | 1 | - | 13 | 3 | 3 |
| | 14 | 1 | - | 15 | 3 | 9 | - | 12 | 3 | 11 |
| Vehicles | 172 | 1 | 1 | 173 | 49 | 20 | - | 68 | 104 | 123 |
| | 153 | 20 | 0 | 173 | 21 | 27 | - | 48 | 125 | 132 |
| Total | 33,573 | 146 | 1 | 33,718 | 6,585 | 2,727 | - | 9,312 | 24,406 | 26,988 |
| | 33,288 | 295 | 11 | 33,572 | 3,860 | 2,725 | 2 | 6,584 | 26,988 | 29,428 |

Previous Year figures are shown in Italics



K.P.R.SUGAR MILL LIMITED
Notes forming part of the Financial Statements

| | As at 31.03.2016 | As at 31.03.2015 |
|--|---------------------|---------------------|
| | (₹ in Lakhs) | |
| 12 LONG TERM LOANS AND ADVANCES | 6,530 | - |
| Capital Advances | 14 | 5 |
| Security Deposit | | |
| MAT Credit Entitlement | 382 | 144 |
| Opening Balance | 1,120 | 238 |
| Changes during the year (Net) | 1,502 | 382 |
| Closing Balance | 8,046 | 387 |
| 13 CURRENT INVESTMENTS | | |
| Other Current Investments (lower of cost and fair value, unless otherwise stated) | | |
| Investment in Mutual Funds | - | 5,800 |
| Reliance Mutual Fund | - | 5,800 |
| 14 INVENTORIES | 2,103 | 2,160 |
| Raw Materials | 478 | 383 |
| Stock-in-process * | 15,749 | 16,072 |
| Finished Goods | 1,378 | - |
| Stock-in-trade | 1,549 | 1,582 |
| Stores, Spares, Packing & Others | 21,257 | 20,197 |
| * Includes Sugar Nil (Pr. Yr. ₹ 124 Lakhs) and Garments ₹ 478 Lakhs (Pr. Yr. ₹ 259 Lakhs). | | |
| 15 TRADE RECEIVABLES | | |
| Unsecured and Considered good | 14,483 | 4,842 |
| Others | 20 | 23 |
| Less: Provision for Doubtful Trade Receivables | 14,463 | 4,819 |
| 16 CASH AND BANK BALANCES | 41 | 25 |
| (a) Cash on Hand | | |
| (b) Balance with Banks | 1,916 | 1,292 |
| i) In Current Accounts | 223 | 6 |
| ii) In Deposit Accounts | 2,180 | 1,323 |
| 17 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured and Considered good | - | 106 |
| Loans and Advances Others (Cenvat - ED & ST) | 14 | 14 |
| Loans and Advances to Employees | 474 | 362 |
| Balances with Government Authorities (VAT Credit) | 75 | 178 |
| Advance for Purchase | 30 | 16 |
| Others (Primarily prepaid expenses) | 593 | 676 |
| 18 OTHER CURRENT ASSETS | 473 | 702 |
| Income Receivables | 473 | 702 |



K.P.R. SUGAR MILL LIMITED
Notes Forming part of the Financial Statements

(₹ In Lakhs)

| | | Year Ended | |
|-------------|--|---------------|---------------|
| | | 31.03.2016 | 31.03.2015 |
| 19 | <u>REVENUE FROM OPERATIONS</u> | | |
| | Sale of Products (Refer Note 19.1) | 63,319 | 53,398 |
| | Sale of Service (Refer Note 19.2) | 84 | 1,380 |
| | Other Operating Revenues (Refer Note 19.3) | 2,712 | 1,685 |
| | | 66,115 | 56,463 |
| | Less : Excise Duty | 943 | 1,074 |
| | | 65,172 | 55,389 |
| 19.1 | <u>Sale of Products</u> | | |
| | Garment | 35,874 | 23,830 |
| | Yarn | 4,918 | - |
| | Fabric | 114 | 87 |
| | Sugar | 16,382 | 23,978 |
| | Molasses | 1,818 | 2,000 |
| | Co-Gen Power | 4,213 | 3,503 |
| | | 63,319 | 53,398 |
| 19.2 | <u>Sale of Service</u> | | |
| | Fabrication Income | 84 | 1,380 |
| | | 84 | 1,380 |
| 19.3 | <u>Other Operating Revenues</u> | | |
| | Export Incentives | 2,152 | 1,083 |
| | Others | 560 | 602 |
| | | 2,712 | 1,685 |
| 20 | <u>OTHER INCOME</u> | | |
| | Interest from: | | |
| | Bank Deposits | 8 | 24 |
| | Others | - | 2 |
| | Dividend Income: | | |
| | From Current Investments: | | |
| | Others | 51 | 205 |
| | Miscellaneous Income | 170 | 85 |
| | | 229 | 316 |
| 21 | <u>COST OF MATERIALS CONSUMED</u> | | |
| | a) Opening Stock | | |
| | Yarn & Fabric | 2,160 | - |
| | | 2,160 | - |
| | b) Add: Purchases | | |
| | Yarn, Fabric & Garments | 12,731 | 15,937 |
| | Production Expenses | 9,653 | 5,360 |
| | Trims, Packing & Others | 4,039 | 3,199 |
| | Sugar Cane & Coal | 16,234 | 22,385 |
| | | 42,657 | 46,881 |
| | c) Less : Closing Stock | | |
| | Yarn & Fabric | 2,103 | 2,160 |
| | | 2,103 | 2,160 |
| | | 42,714 | 44,721 |



| | | (₹ In Lakhs) | |
|----|---|--------------|------------|
| | | Year Ended | |
| | | 31.03.2016 | 31.03.2015 |
| 22 | <u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE</u> | | |
| | A) Inventories at the beginning of the year | | |
| | Finished Goods | 16,072 | 13,626 |
| | Stock-in-Process | 383 | 181 |
| | | 16,455 | 13,807 |
| | B) Inventories at the end of the year | | |
| | Finished Goods | 15,749 | 16,072 |
| | Stock-in-Process | 478 | 383 |
| | Stock In Trade | 1,378 | - |
| | | 17,605 | 16,455 |
| | Net (Increase) / Decrease | (1,150) | (2,648) |
| 23 | <u>EMPLOYEE BENEFITS EXPENSES</u> | | |
| | Salaries & Wages | 5,111 | 3,652 |
| | Contribution to Provident Fund & Other Funds | 581 | 363 |
| | Welfare Expenses | 659 | 1,007 |
| | | 6,351 | 5,022 |
| 24 | <u>FINANCE COSTS</u> | | |
| | Interest Expense on | | |
| | Term Loans | 502 | 1,162 |
| | Working Capital Loans | 285 | 68 |
| | Others | 84 | 39 |
| | | 871 | 1,269 |
| 25 | <u>OTHER EXPENSES</u> | | |
| | <u>Manufacturing Expenses</u> | | |
| | Power & Fuel | 631 | 623 |
| | Consumption of Stores & Packing materials | 403 | 450 |
| | Insurance Charges | 38 | 18 |
| | <u>Repairs and Maintenance</u> | | |
| | Building | 138 | 150 |
| | Machinery | 997 | 1,021 |
| | Others | 105 | 126 |
| | <u>Administration Expenses</u> | | |
| | Professional Fees | 41 | 35 |
| | Rent | 250 | 190 |
| | Duties, Rates & Taxes | 87 | 82 |
| | Payment to Auditor (Refer Note 27) | 2 | 1 |
| | Travelling Expenses | 218 | 153 |
| | Expenditure on Corporate Social Responsibility | 11 | - |
| | Donations | - | 1 |
| | Bad Debts Written Off | (3) | 23 |
| | General Expenses | 93 | 87 |
| | <u>Selling Expenses</u> | | |
| | Freight & Forwarding | 460 | 348 |
| | Sales Commission | 55 | 32 |
| | Other Selling Expenses | 95 | 72 |
| | | 3,621 | 3,412 |



K.P.R.SUGAR MILL LIMITED
Notes forming part of the Financial Statements

26 Contingent Liabilities and Commitments (to the extent not provided for).

| I. Contingent Liabilities : | | | ₹ in Lakhs |
|---|----------------------|----------------------|------------|
| Particulars | As at 31 March, 2016 | As at 31 March, 2015 | |
| (a) Disputed Liabilities in Appeal: | | | |
| (i) Income Tax demands | 3 | - | |
| (b) Letter of Credit Facility in favour of Suppliers | | | |
| (i) Foreign Letter of Credit | 801 | - | |
| | 520 | 579 | |
| (c) Discounted sales invoices | | | |

| II. Commitments | | | ₹ in Lakhs |
|---|----------------------|----------------------|------------|
| Particulars | As at 31 March, 2016 | As at 31 March, 2015 | |
| (a) Capital Commitments : | | | |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for | 2,449 | - | |
| (b) Other Commitments : | | | |
| The Company had given Corporate guarantee to banks for the loans taken by our Sugar Cane suppliers (Farmers) | 19,000 | 19,000 | |
| (ii) Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. The duty implication involved is ₹ 1,242 Lakhs (Pr.Yr. ₹ Nil) | 7,449 | - | |

| 27 Payment to Auditors | | | (₹ in Lakhs) |
|------------------------------|---------|---------|--------------|
| Particulars | 2015-16 | 2014-15 | |
| Audit Fees | 1.05 | 0.90 | |
| Tax Audit and Tax Matters | 0.63 | - | |
| Expenses (incl. Service Tax) | - | 0.11 | |
| Total | 1.68 | 1.01 | |

28 Micro, Small and Medium Enterprises

In accordance with the Notification No. G.S.R.679 (E) dated 04.09.2015 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company is in the process of compiling relevant information of its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these Financial Statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

29 Related Party disclosures

Disclosures under Accounting Standard 18 – Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

29.1 Name of related parties and nature of relationships:

| | |
|--|--|
| Holding Company | M/s. K.P.R.Mill Limited |
| Key Management Personnel | Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan |
| Enterprises owned by key management personnel/Directors or their relatives | M/s K.P.R.Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s Jahnvi Motors Private Limited M/s K.P.R.Charities M/s Quantum Knits Private Limited |



29.2 Transactions during the year with related parties / Key Management Personnel are as under

(₹ in Lakhs)

| Nature of Transaction | Enterprises owned by key management personnel / Directors or their relatives | Holding Company | Total as on 31/03/2016 |
|---------------------------------------|--|-------------------|------------------------|
| Purchase of Goods / Asset | 560 (481) | 9,848 (15,637) | 10,408 (16,118) |
| Sales of Goods / Asset | 7,764 (10,017) | 527 (457) | 8,291 (10,474) |
| Interest Paid | - | (1) | (1) |
| Lease Rent paid | - | 212 (156) | 212 (156) |
| Processing / Service Charges income | - | (1,321) | (1,321) |
| Processing / Service Charges Expenses | - | 7,948 (4,777) | 7,948 (4,777) |
| Amount Payable | 1,822 (6,436) | 6,740 (1,793) | 8,562 (8,229) |

(Previous year figures are in Brackets)

29.3 Details of transactions with related parties

a. Purchase of Goods / Asset (₹ in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|-----------------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | 9,848 | 15,637 |
| M/s.Quantum Knits Private Limited | 560 | 481 |
| | 10,408 | 16,118 |

b. Sale of Goods / Asset (₹ in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|-----------------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | 527 | 457 |
| M/s.Quantum Knits Private Limited | 7,764 | 10,017 |
| | 8,291 | 10,474 |

c. Processing / Service Charges Income (₹ in Lakhs)

| Name | 2015-16 | 2014-15 |
|------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | - | 1,321 |

d. Processing / Service Charges Expenses (₹ in Lakhs)

| Name | 2015-16 | 2014-15 |
|------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | 7,948 | 4,777 |

e. Interest paid (₹ in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | - | 1 |

i. Amount Payable (₹ in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|-----------------------------------|---------|---------|
| M/s.K.P.R.Mill Limited | 6,740 | 1,793 |
| M/s.Quantum Knits Private Limited | 1,822 | 6,436 |
| | 8,562 | 8,229 |

30 Expenditure in Foreign Currency and CIF Value of Imports

(₹ in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|--------------------------------|---------|---------|
| Travel, sales commission etc., | 105 | 38 |
| Professional Fees | 6 | - |
| Value of imports on CIF basis | | |
| Raw Material | 253 | - |
| Stores and Spare parts | 39 | - |
| Capital Goods | 2,875 | - |
| Total | 3,278 | 38 |



| 31 Earnings in Foreign Exchange (₹ in Lakhs) | | |
|--|---------|---------|
| Particulars | 2015-16 | 2014-15 |
| Export of Goods at FOB value | 28,073 | 13,813 |
| Total | 28,073 | 13,813 |

| 32 Earnings Per Share (EPS) | | |
|---|-----------|-----------|
| Particulars | 2015-16 | 2014-15 |
| Profit After Tax (₹ in Lakhs) | 5200 | 1206 |
| Less: Preference Dividend and Tax thereon | 31 | 32 |
| Weighted average number of Shares | 20,50,000 | 15,54,110 |
| EPS (₹) Basic & Diluted | 252 | 76 |
| Face Value Per Share (₹) | 10 | 10 |

33 Segment Reporting
The Company is operating in two business segments, viz., Textile and Sugar as follows

| 33.1 Particulars For the year ended 31 March, 2016 (₹ in Lakhs) | | | | |
|---|-------------------|----------|--------------|----------|
| | Business segments | | Eliminations | Total |
| | Textile | Sugar | | |
| Revenue | 43,552 | 21,620 | - | 65,172 |
| | (26,867) | (28,522) | - | (55,389) |
| Total | 43,552 | 21,620 | - | 65,172 |
| | (26,867) | (28,522) | - | (55,389) |
| Segment result | 5,201 | 641 | | 5,842 |
| | (1,464) | (695) | | (2,159) |
| Unallocable expenses (net) | | | | 871 |
| | | | | (1,269) |
| Operating income | | | | 4,971 |
| | | | | (890) |
| Other income (net) | | | | 229 |
| | | | | (316) |
| Profit before taxes | | | | 5,200 |
| | | | | (1,206) |
| Tax expense | | | | - |
| | | | | - |
| Profit for the year | | | | 5,200 |
| | | | | (1,206) |

Note: Figures in bracket relate to the previous year

| 33.2 Particulars For the year ended 31 March, 2016 (₹ in Lakhs) | | | |
|---|-------------------|----------|----------|
| | Business segments | | Total |
| | Textile | Sugar | |
| Segment assets | 33,070 | 44,647 | 77,717 |
| | (13,301) | (49,518) | (62,819) |
| Total assets | | | 77,717 |
| | | | (62,819) |
| Segment liabilities | 19,751 | 19,316 | 39,067 |
| | (7,086) | (27,301) | (34,387) |
| Total liabilities | | | 39,067 |
| | | | (34,387) |
| Other information | | | |
| Capital expenditure | | 145 | 145 |
| | | (295) | (295) |
| Depreciation and amortization | | 2,727 | 2,727 |
| | | (2,723) | (2,723) |

Note: Figures in bracket relate to the previous year



| (₹ in Lakhs) | | | | | |
|--------------|--------------------|---------|---------|-------------|---------|
| 33.3 | Geographic Segment | Sales | | Receivables | |
| | | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| | Europe | 17,534 | 6,157 | 6,831 | 1,410 |
| | Asia | 534 | 336 | 323 | 22 |
| | USA | 1,643 | 242 | 279 | 194 |
| | Others | 8,362 | 7,078 | 2,618 | 1,603 |
| | Domestic | 35,246 | 39,585 | 4,412 | 1,590 |
| | Total | 63,319 | 53,398 | 14,463 | 4,819 |

34 Disclosure of Employee Benefits:

34.1 Defined Contribution Plan

| | | (₹ in Lakhs) | |
|---|--|--------------|---------|
| | | 2015-16 | 2014-15 |
| Provident Fund | | 544 | 318 |
| Employee State Insurance | | 182 | 119 |
| 34.2 Defined Benefit Plan - Gratuity | | | |
| A Changes in Present value of obligation | | | |
| PV of obligation as the beginning of the year | | 82.74 | 15.88 |
| Current Service Cost | | 31.96 | 21.43 |
| Interest Cost | | 4.38 | 1.85 |
| Actuarial (gain) / Loss on obligation | | (6.48) | 20.46 |
| Benefits paid / Transferred from Group Company | | - | 23.12 |
| PV of obligation as at end of the year | | 112.60 | 82.74 |
| B Change in Assets during the year ended 31st March | | | |
| FV of Plan Asset as at beginning of the year | | 51.84 | - |
| Expected return on Plan Assets | | 4.96 | 2.09 |
| Actuarial gain / (loss) | | 12.71 | 22.68 |
| Contributions by the employer | | 0.00 | 27.07 |
| Asset transferred from Group Company | | 69.51 | 51.84 |
| FV of Plan Asset as at end of the year | | 112.60 | 82.74 |
| C Net Asset/(Liability) recognized in the Balance Sheet | | | |
| PV of obligation as at end of the year | | 69.51 | 51.84 |
| FV of Plan Asset as at end of the year | | (43.09) | (30.90) |
| Funded Status [Surplus/(Deficit)] | | | |
| D Expenses recognized during the period ended 31st March | | | |
| Current Service Cost | | 31.96 | 21.43 |
| Interest Cost | | 4.38 | 1.85 |
| Expected return on Plan Assets | | (4.96) | (2.09) |
| Actuarial (gains) / Losses | | (6.48) | 20.46 |
| Net amount recognized in the year | | 24.90 | 41.65 |
| Assumptions used in accounting for the gratuity Plan | | | |
| Discount Rate (per annum) | | 8.00% | 8.00% |
| Rate of increase in compensation levels (per annum) | | 7.50% | 7.50% |
| Rate of return on plan assets (per annum) | | 8.00% | 8.00% |
| Expected average remaining working lives of employees (years) | | 31.39 | 28.99 |

35 Details of Investments

| (₹ in Lakhs) | | | | |
|----------------------|---------|-----|----------|-------|
| Particulars | 2015-16 | | 2014-15 | |
| | Units | NAV | Units | NAV |
| Reliance Mutual Fund | | | 3,01,338 | 5,818 |
| Total | | - | 3,01,338 | 5,818 |

36 Details of hedged and unhedged foreign currency exposures:

(i) Outstanding forward exchange contracts for hedging purposes as on 31st March, 2016:

| Currency | Cross Currency | Amount (₹ in Lakhs) | Buy / Sell |
|----------|----------------|---------------------|------------|
| USD | INR | 3,296.71 | Sell |
| | | (7514.27) | Sell |
| EURO | INR | Nil | |
| | | (3,325.20) | Sell |
| GBP | INR | 864.21 | Sell |
| | | (Nil) | |
| USD | INR | 415.26 | Buy |
| | | (Nil) | |
| EURO | INR | 266.55 | Buy |
| | | (Nil) | |



(ii) The year-end unhedged foreign currency exposures are given below:

| As at 31st March, 2016 | | As at 31st March, 2015 | |
|--------------------------|-------------|--------------------------|-------------|
| Receivables / (Payables) | | Receivables / (Payables) | |
| ₹ in Lakhs | FC in Lakhs | ₹ in Lakhs | FC in Lakhs |
| 116.94 | JPY 198.00 | Nil | Nil |

Note: Figures in brackets relates to the previous year

37 Previous Year's Figures

The previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.


P. Nataraj
Director

