

**K.P.R. SUGAR MILL LIMITED**  
**BALANCE SHEET AS AT 31.03.2014**

	Note	As at 31.03.2014	As at 31.03.2013
(₹ in Lakhs)			
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	583	483
(b) Reserves and Surplus	4	19,770	9,245
		<b>20,353</b>	<b>9,728</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	18,064	21,126
(b) Deferred Tax Liabilities (Net)	6	-	10
(c) Other Long - Term Liabilities	7	41	1,765
		<b>18,105</b>	<b>22,901</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	8	2,119	12,290
(b) Trade Payables	9	17,156	3,142
(c) Other Current Liabilities	10	2,632	2,491
(d) Short-Term Provisions	11	63	13
		<b>21,970</b>	<b>17,936</b>
		<b>60,428</b>	<b>50,565</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	29,428	30,516
(b) Long-Term Loans and Advances	13	2,649	60
		<b>32,077</b>	<b>30,576</b>
<b>2 Current Assets</b>			
(a) Current Investments	14	6,269	-
(b) Inventories	15	14,318	17,066
(c) Trade Receivables	16	1,520	492
(d) Cash and Cash Equivalents	17	5,248	566
(e) Short-Term Loans and Advances	18	974	1,864
(f) Other Current Assets	19	22	1
		<b>28,351</b>	<b>19,989</b>
		<b>60,428</b>	<b>50,565</b>
Accompanying notes form part of the financial statements			

For and on behalf of the Board

"To be read with my report of even date"

K.P.Ramasamy  
Director

A.Vetrivel  
Chartered Accountant

KPD Sigamani  
Director

P.Nataraj  
Director

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

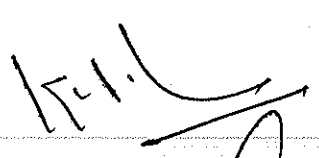
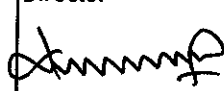
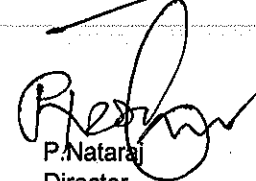
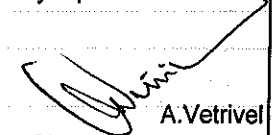
Coimbatore  
07.05.2014

**K.P.R. SUGAR MILL LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31.03.2014**

	Note	Year Ended	
		31.03.2014	31.03.2013
		(₹ in Lakhs)	
<b>I. Revenue from Operations</b>	20	<b>33,902</b>	<b>6,899</b>
Less: Excise Duty		1,019	294
<b>Revenue from Operations (Net)</b>		<b>32,883</b>	<b>6,605</b>
II. Other Income	21	226	11
<b>III. Total Revenue</b>		<b>33,109</b>	<b>6,616</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	22	20,400	19,671
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade	23	2,162	(16,694)
Employee Benefits Expenses	24	1,962	313
Finance Costs	25	3,013	1,344
Depreciation and Amortization Expenses	12	2,613	897
Other Expenses	26	2,311	1,010
<b>Total Expenses</b>		<b>32,461</b>	<b>6,541</b>
V. Profit Before Tax		648	75
Tax Expense			
1. Current Tax Expense for Current Year		130	15
2. Less: MAT Credit Entitlement		130	15
4. Deferred Tax		(10)	10
Net Tax Expenses		(10)	10
VI. Profit for the year		<b>658</b>	<b>65</b>
VII. Earnings per equity share of ₹ 10 each			
1. Basic & Diluted (in ₹)		60	6
Accompanying notes form part of the financial statements			
For and on behalf of the Board		"To be read with my report of even date"	
<p>K.P.Ramasamy Director</p> <p><i>(Signature)</i> KPD Sigamani Director</p> <p><i>(Signature)</i> P.Nataraj Director</p> <p>Coimbatore 07.05.2014</p>	<p><i>(Signature)</i> A.Vetrivel Chartered Accountant</p> <p>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</p>		

**K.P.R. SUGAR MILL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

(₹ in Lakhs)

PARTICULARS		Year Ended 31.03.2014	Year Ended 31.03.2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax		648	75
Depreciation		2,613	897
Finance Costs		3,013	1,344
Interest Income		(213)	(11)
<b>Operating profit before Working Capital adjustments</b>		<b>6,061</b>	<b>2,305</b>
(Increase) / Decrease in Sundry Debtors		(1,028)	(492)
(Increase) / Decrease in Loans and Advances		(1,610)	(1,606)
(Increase) / Decrease in Inventories		2,748	(17,066)
(Increase) / Decrease in Other Current Assets		(11)	4910
Increase / (Decrease) in Current Liabilities		12,141	18845
Bank Balance not considered as Cash and Cash Equivalents			
(i) Margin deposit account		-	(54)
<b>Cash Generated from Operations</b>		<b>18,301</b>	<b>6,842</b>
Net Income Tax (Paid) / Refunds		(113)	12
<b>Net Cash from Operating Activities</b>	<b>(A)</b>	<b>18,188</b>	<b>6,854</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(1,526)	(25,588)
Interest Receipts		203	20
<b>Net Cash flow used in Investing Activities</b>	<b>(B)</b>	<b>(1,323)</b>	<b>(25,568)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Share Capital		100	4,498
Proceeds from Securities Premium		9,900	-
Proceeds from Long-Term Borrowings		-	15,566
Repayment of Long-Term Borrowings		(2,199)	-
Proceeds from Other Short-Term Borrowings		-	332
Repayment of Other Short-Term Borrowings		(10,171)	-
Finance Costs		(3,357)	(1,343)
Dividend Paid		(28)	-
Tax on Dividend		(5)	-
<b>Net Cash used in Financing Activities</b>	<b>(C)</b>	<b>(5,760)</b>	<b>19,053</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>11,105</b>	<b>339</b>
Opening Balance of Cash and Cash Equivalents		412	73
<b>Cash and cash equivalents at the end of the year</b>		<b>11,517</b>	<b>412</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents (Refer Note 17)		5,248	566
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements			
Add: Current investments considered as part of Cash and Cash equivalents (As defined in AS 3 Cash Flow Statements)		6,269	-
- Balances held as margin money or security against borrowings, guarantees and other commitments		-	154
<b>Cash and cash equivalents at the end of the year</b>		<b>11,517</b>	<b>412</b>
For and on behalf of the Board		"To be read with my report of even date"	
<p>K.P.Ramasamy Director</p> <p></p> <p>KPD Sigamani Director</p> <p></p> <p>Coimbatore 07.05.2014</p> <p>P.Nataraj Director</p> <p></p>	<p style="text-align: right;"> A.Vetrivel Chartered Accountant</p> <p style="text-align: center;"><b>A.VETRIVEL, B.Sc., F.C.A.</b> <b>CHARTERED ACCOUNTANT</b> M.No. 25028 1/1, SETH NARAYANDAS LAY-OUT-II TATABAD, COIMBATORE - 641 012 Phone : 2495760, 4378813</p>		

## **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 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 notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

(ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### **B) USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

### **C) FIXED ASSETS AND DEPRECIATION**

i) Fixed assets and intangibles are stated at cost less accumulated depreciation. 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.

ii) Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

iii) Expenditure during construction period in respect of new projects is included under capital work-in-progress and the same is allocated to the fixed assets on the commissioning of the respective projects.

iv) Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

### **D) 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.

### **E) REVENUE RECOGNITION**

All income and expenses are recognized on accrual basis other than dividend.

### **F) 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.

### **G) INVESTMENTS**

Long term investments are stated at cost. The diminution, if any, in the value of investments is not recognised unless such diminution is considered permanent in nature. Current investments are stated at lower of cost or market value.

### **H) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## I) CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

### **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.

## J) RETIREMENT BENEFITS

### (a) Short Term

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

### (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.

#### iii) Leave encashment

There is no scheme for encashment of unavailed leave on retirement.

## K) TAXATION

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

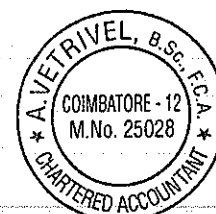
Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

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 probable that future economic benefit associated with it will flow to the Company.

## L) EARNINGS PER SHARE

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period. The weighted average numbers of shares outstanding during the period are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



**K.P.R.SUGAR MILL LIMITED**

**Notes forming part of the Financial Statements**

	As at 31.03.2014	As at 31.03.2013
	(₹ in Lakhs)	
<b>3 SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
12,17,000 (Pr.Yr 12,17,000) Equity Shares of ₹10 each	122	122
59,83,000 (Pr Yr 37,83,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 10 each	598	378
	720	500
<b>Issued, Subscribed &amp; Paid up Capital</b>		
10,50,000 (Pr.Yr 10,50,000) Equity Shares of ₹10 each fully paid-up	105	105
37,83,000 (Pr Yr 37,83,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹10 each	378	378
10,00,000 (Pr Yr Nil) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹10 each	100	-
	<b>583</b>	<b>483</b>

**3.1 Term / Rights to Shares**

**Equity Shares:** As per the provisions of the Companies Act, 1956 and Articles of Association of the Company.

**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.

**3.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	10,50,000	105	50,000	5
Issued during the year	-	-	10,00,000	100
Outstanding at the end of the period	10,50,000	105	10,50,000	105

**3.3 7% Redeemable Cumulative Non-Convertible Preference Shares**

Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the period	37,83,000	378	-	-
Issued during the year	10,00,000	100	37,83,000	378
Outstanding at the end of the period	47,83,000	478	37,83,000	378

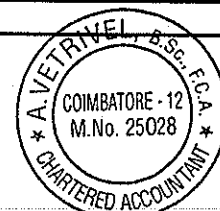
**3.4 Details of Shareholders holding more than 5% of Shares in the Company**

**a. Equity Shares**

Particulars	Number of Shares	%	Number of Shares	%
M/s K.P.R Mill Limited	10,50,000	100	10,50,000	100

**b. 7% Redeemable Cumulative Non-Convertible Preference Shares**

Particulars	Number of Shares	%	Number of Shares	%
M/s K.P.R Mill Limited	47,83,000	100	37,83,000	100



		As at 31.03.2014	As at 31.03.2013
(₹ in Lakhs)			
<b>4 RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Opening Balance		293	-
Add: Additions during the year		-	293
Closing Balance		293	293
<b>Securities Premium Account</b>			
Opening Balance		10,559	3,863
Changes during the year		9,900	6,696
Closing Balance		20,459	10,559
<b>Surplus in Statement of Profit and Loss</b>			
Opening Balance		(1,607)	(1,672)
Add: Profit for the year		658	65
Less:			
Dividends proposed to be distributed to preference shareholders		28	-
Tax on Dividend		5	-
		33	-
Closing Balance		(982)	(1,607)
		<b>19,770</b>	<b>9,245</b>
<b>5 LONG TERM BORROWINGS</b>			
<b>From Banks Secured</b>			
i) Term Loans		17,755	20,794
Interest Free Sales Tax Loan		309	332
		<b>18,064</b>	<b>21,126</b>
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	Loan amounting to ₹ 19,795 Lakhs (Pr. Yr. ₹ 20,995 Lakhs) is repayable in 30 quarterly instalments.		
5.3	Interest rate relating to term loans from banks is in the range of 11.95% to 12.00%.		
5.4	The Company has not defaulted in its repayments of the loans and interest.		
<b>6 DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liabilities</b>			
i) On difference between book balance and tax balance of fixed assets		10	10
<b>Deferred Tax Assets</b>			
i) Unabsorbed Depreciation Carry Forward		(10)	-
ii) Others		-	-
Closing Balance		-	10
Opening Balance		10	
Net Deferred Tax Charge / (Credit)		(10)	10
<b>7 OTHER LONG TERM LIABILITIES</b>			
Loan from Holding Company		41	1,765
		<b>41</b>	<b>1,765</b>
<b>8 SHORT TERM BORROWINGS</b>			
<b>From Banks Secured</b>			
Loans for Working Capital		2,119	12,290
		<b>2,119</b>	<b>12,290</b>



8.1	Working capital loans are secured by first charge on inventories and bookdebts and second charge on fixed assets to lending banks on pari-passu basis.		
8.2	The Company has not defaulted in its repayments of the loans and interest.		
		As at 31.03.2014	As at 31.03.2013
		(₹ in Lakhs)	
9	<b>TRADE PAYABLES</b>		
	Other than Acceptance	17,156	3,142
		<b>17,156</b>	<b>3,142</b>
10	<b>OTHER CURRENT LIABILITIES</b>		
	<b>Current Maturities of</b>		
	Long Term Loan	2,040	1,200
	Interest accrued and not due on borrowings	-	344
	Advance Received from Customers	10	-
	Other Liabilities #	582	947
		<b>2,632</b>	<b>2,491</b>
	# Includes Statutory dues ₹ 582 Lakhs (Pr Yr ₹ 947 Lakhs).		
11	<b>SHORT TERM PROVISIONS</b>		
	Provision for Income Tax (Net of Advance Tax paid) *	30	13
	Provision for Preference Dividend	28	-
	Provision for Tax on Preference Dividend	5	-
		<b>63</b>	<b>13</b>
	* Net of Advance Tax Paid ₹ 100 Lakhs (Pr Yr ₹ 2 Lakhs)		



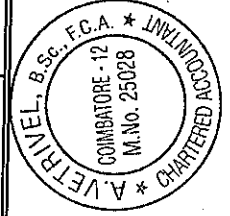


**K.P.R.SUGAR MILL LIMITED**

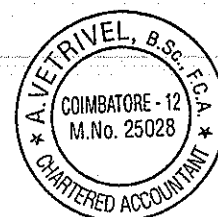
**12. TANGIBLE ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As On 31.03.2013	Addition	Deletion	Cost As On 31.03.2014	Upto 31.03.2013	For the year	Withdrawn on Deletion	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land	178	-	-	178	-	-	-	-	178	178
	123	55	-	178	-	-	-	-	178	123
Factory Building	6,962	187	-	7,149	70	235	-	305	6,844	6,892
	-	6,962	-	6,962	-	70	-	70	6,892	-
Non Factory Building	2,169	-	-	2,169	2	35	-	37	2,132	2,167
	-	2,169	-	2,169	-	2	-	2	2,167	-
Plant & Machinery	21,421	1,229	-	22,650	1,141	2,264	-	3,405	19,245	20,280
	-	21,421	-	21,421	-	1,141	-	1,141	20,280	-
Electrical	635	73	-	708	21	47	-	68	640	614
	-	635	-	635	-	21	-	21	614	-
Furniture & Fixtures	235	32	-	267	5	16	-	21	246	230
	-	235	-	235	-	5	-	5	230	-
Computers & Accessories	11	3	-	14	1	2	-	3	11	10
	-	11	-	11	-	1	-	1	10	-
Vehicles	152	1	-	153	7	14	-	21	132	145
	-	152	-	152	-	7	-	7	145	-
<b>Total</b>	<b>31,763</b>	<b>1,525</b>	<b>-</b>	<b>33,288</b>	<b>1,247</b>	<b>2,613</b>	<b>-</b>	<b>3,860</b>	<b>29,428</b>	<b>30,516</b>
Previous Year	<b>123</b>	<b>31,640</b>	<b>-</b>	<b>31,763</b>	<b>-</b>	<b>1,247</b>	<b>-</b>	<b>1,247</b>	<b>30,516</b>	<b>123</b>

Previous year Figures in italics

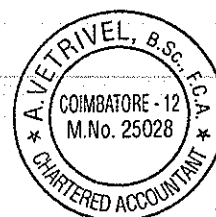


		As at 31.03.2014	As at 31.03.2013
		(₹ in Lakhs)	
<b>13</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b>		
	Advance for Purchase	2,500	-
	Capital Advances	-	40
	Security Deposit	5	5
		2,505	45
	<b>MAT Credit Entitlement</b>		
	Opening Balance	15	-
	Changes during the year	129	15
	Closing Balance	144	15
		<b>2,649</b>	<b>60</b>
<b>14</b>	<b><u>CURRENT INVESTMENTS</u></b>		
	<b><u>Investment in Mutual Funds</u></b>		
	Reliance Mutual Fund	3,447	-
	HDFC Mutual Fund	2,822	-
		<b>6,269</b>	<b>-</b>
<b>15</b>	<b><u>INVENTORIES</u></b>		
	Raw Materials	1	-
	Stock-in-process	181	152
	Finished Goods	13,626	16,836
	Stores, Spares, Packing & Others	510	78
		<b>14,318</b>	<b>17,066</b>
<b>16</b>	<b><u>TRADE RECEIVABLES</u></b>		
	<b><u>Unsecured and Considered good</u></b>		
	Over six months from the payment due date	-	-
	Others	1,520	492
		<b>1,520</b>	<b>492</b>
<b>17</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>		
	(a) Cash on Hand	40	165
	(b) Balance with Banks		
	i) In Current Accounts	2,028	247
	ii) In Deposit Accounts	3,180	154
		<b>5,248</b>	<b>566</b>
<b>18</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	<b><u>Unsecured and Considered good</u></b>		
	Loans and Advances Others (Cenvat - ED & ST)	767	1,613
	Loans and Advances to Employees	2	1
	Balances with Government Authorities (VAT Credit)	1	-
	Advance for Purchase	187	239
	Others (Primarily prepaid expenses)	17	11
		<b>974</b>	<b>1,864</b>
<b>19</b>	<b><u>OTHER CURRENT ASSETS:</u></b>		
	Interest accrued on Deposits	11	1
	Income Receivables	11	-
		<b>22</b>	<b>1</b>

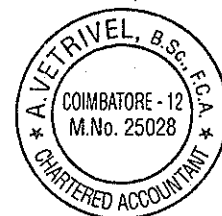


**K.P.R. SUGAR MILL LIMITED**  
**Notes Forming part of the Financial Statements**

		Year Ended	
		31.03.2014	31.03.2013
		(₹ in Lakhs)	
<b>20</b>	<b><u>REVENUE FROM OPERATIONS</u></b>		
	Sale of Products	29,840	6,850
	Sale of Service	3,904	-
	Other Operating Income	158	49
		<b>33,902</b>	<b>6,899</b>
<b>20.1</b>	<b><u>Sale of Products</u></b>		
	Sugar	20,684	2,655
	Molasses	2,210	1,501
	Co-Gen Power	6,946	2,694
		<b>29,840</b>	<b>6,850</b>
<b>20.2</b>	<b><u>Sale of Service</u></b>		
	Fabrication Income	3,904	-
		<b>3,904</b>	<b>-</b>
<b>20.3</b>	<b><u>Other Operating Income</u></b>		
	Others (Primarily Waste)	158	49
		<b>158</b>	<b>49</b>
<b>21</b>	<b><u>OTHER INCOME</u></b>		
	<b>Interest from</b>		
	Bank Deposits	213	11
	Miscellaneous Income	13	-
		<b>226</b>	<b>11</b>
<b>22</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	<b>a) Opening Stock</b>		
	Sugar Cane & Coal	-	-
		<b>-</b>	<b>-</b>
	<b>b) Add: Purchases</b>		
	Yarn, Fabric, Polyester & Garments	1	-
	Production Expenses	50	-
	Sugar Cane & Coal	20,349	19,671
		<b>20,400</b>	<b>19,671</b>
	<b>c) Less : Closing Stock</b>		
	Sugar Cane & Coal	-	-
		<b>-</b>	<b>-</b>
		<b>20,400</b>	<b>19,671</b>



		Year Ended	
		31.03.2014	31.03.2013
		(₹ in Lakhs)	
<b>23</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE</u></b>		
	<b>A) OPENING STOCK</b>		
	Finished Goods	16,836	-
	Stock-in-Process	152	-
		16,988	-
	<b>B) CLOSING STOCK</b>		
	Finished Goods	13,625	16,836
	Stock-in-Process	181	152
	Increase / (decrease) of excise duty on inventory	1,019	(294)
		14,826	16,694
		<b>2,162</b>	<b>(16,694)</b>
<b>24</b>	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>		
	Salaries, Wages & Bonus	1,485	250
	Contribution to Provident Fund & Other Funds	129	21
	Welfare Expenses	348	42
		<b>1,962</b>	<b>313</b>
<b>25</b>	<b><u>FINANCE COSTS</u></b>		
	<b>a) Interest Expense on:</b>		
	Term Loans	2,498	937
	Working Capital Loans	398	327
	Others:		
	Bank Charges	117	80
		<b>3,013</b>	<b>1,344</b>
<b>26</b>	<b><u>OTHER EXPENSES</u></b>		
	<b><u>Manufacturing Expenses</u></b>		
	Power & Fuel	340	149
	Consumption of Stores & Packing materials	308	321
	Insurance Charges	17	3
	<b><u>Repairs and Maintenance</u></b>		
	Building	24	3
	Machinery	434	75
	Others	64	24
	<b><u>Administration Expenses</u></b>		
	Professional Fees	45	38
	Rent	31	1
	Duties, Rates & Taxes	862	332
	Travelling Expenses	62	23
	Donations	2	-
	General Expenses	66	17
	<b><u>Selling Expenses</u></b>		
	Freight & Forwarding	48	24
	Other Selling expenses	8	-
		<b>2,311</b>	<b>1,010</b>



K.P.R.SUGAR MILL LIMITED

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

**27.1** At the request of the Company the Bankers have established Letter of Credits in favour of the suppliers of the Company as under:

i) Foreign Letter of Credit - ₹ Nil (Pr.Yr. ₹ 1,392 Lakhs)

**27.2** The Company has discounted sale bills amounting to ₹ 448 Lakhs (Pr.Yr. ₹.Nil) with banks.

**27.3** Estimated amount of contracts on capital account remaining to be executed (net of advances) aggregate to ₹. Nil (Pr.Yr. ₹ 126 Lakhs).

**28 Payment to Auditors**

Particulars	(₹ in Lakhs)	
	2013-14	2012-13
Audit Fees	0.44	0.20
Tax Audit and Tax Matters	-	-
Other Services	-	-
Cost Audit	-	-
Expenses (incl. Service Tax)	0.02	0.02
<b>Total</b>	<b>0.46</b>	<b>0.22</b>

**29 Micro, Small and Medium Enterprises**

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 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 from 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.

**30 Related Party disclosures**

In accordance with Accounting Standard 18 – "Related Party Disclosure", the company has compiled the required information as detailed below, as identified and disclosed by the management and relied upon by the Auditors:

**30.1 Name of related parties and nature of relationship where control exists are as under**

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 or significantly influenced 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 Jahnavi Motors Private Limited M/s K.P.R.Charities M/s Quantum Knits Pvt. Limited



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

(₹ in Lakhs)

Nature of Transaction	Holding Company	Total as on 31/03/2014
Purchase of Goods / Asset	35 (58)	35 (58)
Sales of Goods / Asset	5,250 (639)	5,250 (639)
Interest Paid	86 (69)	86 -
Lease Rent paid	18	18
Processing / Service Charges income	3,904 -	3,904 -
Investment	17,175 (7,175)	17,175 (7,175)
Amount Receivable	3,843 (63)	3,843 (63)
Amount Payable - Loan	41 (1,764)	41 (1,764)

(Previous year figures are in Brackets)

**30.3 Details of major transactions with related parties**

**a. Purchase of Goods / Asset**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	35	58

**b. Sale of Goods / Asset**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	5,250	639

**c. Processing / Service Charges Income**

(₹ in Lakhs)

Name	2013-14	2012-13
M/s.K.P.R.Mill Limited	3904	0

**d. Interest paid**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	86	69

**e. Investment**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	17,175	7,175

**f. Amount Receivable**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	3,843	63

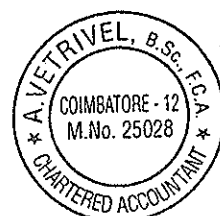
**g. Amount Payable - Loan**

(₹ in Lakhs)

Particulars	2013-14	2012-13
M/s.K.P.R.Mill Limited	41	1,764

**31 Earnings Per Share (EPS)**

Particulars	2013-14	2012-13
Profit After Tax (Rs.in Lakhs)	658	65
Less: Preference Dividend and Tax thereon	33	-
Weighted average number of Shares	10,50,000	10,50,000
EPS (Rs.) Basic & Diluted	60	6
Face Value Per Share (Rs)	10	10



		(₹ in Lakhs)	
		2013-14	2012-13
<b>32</b>	<b>Defined Contribution Plan</b>		
	Provident Fund	115.4	15.87
	ESI Contribution	36.95	-
<b>32.1</b>	<b>Defined Benefit Plan</b>		
	Gratuity		
	<b>A Changes in Present value of obligation</b>		
	PV of obligation as the beginning of the year	2.83	-
	Current Service Cost	13.05	2.22
	Interest Cost	0.00	-
	Actuarial (gain) / Loss on obligation	-	0.61
	PV of obligation as at end of the year	15.88	2.83
	<b>B Change in Assets during the year ended 31st March</b>		
	FV of Plan Asset as at beginning of the year	-	-
	Expected return on Plan Assets	0.00	-
	Actuarial gain / (loss)	-	-
	Contributions by the employer	0.00	-
	FV of Plan Asset as at end of the year	0.00	-
	<b>C Net Asset/(Liability) recognized in the Balance Sheet</b>		
	PV of obligation as at end of the year	15.88	2.83
	FV of Plan Asset as at end of the year	0.00	0.00
	Funded Status [Surplus/(Deficit)]	-15.88	-2.83
	<b>D Expenses recognized during the period ended 31st March</b>		
	Current Service Cost	13.05	2.22
	Interest Cost	0.00	0.00
	Expected return on Plan Assets	0.00	0.00
	Actuarial (gains) / Losses	0.00	0.61
	Net amount recognised in the year	13.05	2.83
	<b>E Categories of plan assets as a percentage of total plan assets</b>		
	Equity instruments	-	-
	Debt instruments	-	-
	Property	-	-
	Insurer managed asset	-	-
	<b>Assumptions used in accounting for the gratuity Plan</b>		
	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)		
	Expected average remaining working lives of employees (years)		

### 33 Details of Investments

Particulars	(₹ in Lakhs)			
	2013-14		2012-13	
	Units	Amount	Units	Amount
Reliance Mutual Fund	1,12,280	3,447	-	-
HDFC Mutual Fund	1,07,84,332	2,822	-	-
<b>Total</b>		<b>6,269</b>		

### 34 Previous Year's Figures

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.



**A. VETRIVEL, B.Sc., F.C.A**  
Chartered Accountant



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

**AUDITOR'S REPORT**

Date : .....

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF 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, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.





**A. VETRIVEL, B.Sc., F.C.A**  
Chartered Accountant



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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Date : .....

**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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
  - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



**A. VETRIVEL, B.Sc., F.C.A**  
Chartered Accountant



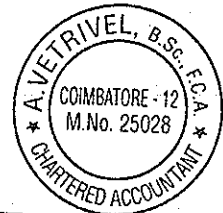
No. 1/1, Seth Naryandas Layout-II, Tatabad,  
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E-mail : vetrivelfca@gmail.com

2. As required by section 227(3) of the Act, I report that: Date : .....

- a. I have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

DATE : 07.05.2014  
PLACE : COIMBATORE

  
A. VETRIVEL  
CHARTERED ACCOUNTANT



Annexure of the Auditor's Report for the year ended 31<sup>st</sup> March 2014

The Annexure referred to in paragraph 1 of the my Report of even date to the members of M/S.K.P.R. SUGAR MILL LIMITED, on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

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 physically verified by the management in accordance with program of verification, which is 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) The company has not sold/disposed off any substantial portion of fixed assets, during the year.

2. In respect of inventory

- a) As explained to me, the inventories were physically verified during the year by the Management at reasonable intervals.
- b) In my opinion and according to the information and explanation given to me, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In my opinion and according to the information and explanations given to me, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.



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

3. In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to me:
  - a. The Company has not granted any loans to firms or other parties list in the Register maintained under section 301 of the Companies Act,1956.
  - b. The Company has accepted loans from its holding company during the year 2013-14 Rs.628.50 Lakhs (Incl. Int. accrued) (Maximum Amount Rs.1814 Lakhs). At the year end, the outstanding balance of such loan was Rs.41.17 Lakhs (Previous year outstanding balance Rs.1764.44 Lakhs).
  - c. There is no stipulation as to repayment of principal of loans and interest taken from parties listed in the register maintained under section 301 of the Companies Act' 1956.
4. In my opinion and accounting to the information and explanations given to me, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of my audit, I have not observed any major weakness in internal control system.
5. In respect of the transaction entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of my knowledge and belief and according to the information and explanation given to me:
  - (a) The particulars of contracts or arrangements referred to section 301 that needed to be entered in the register maintained under the said section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5.00 Lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to me, the Company has not accepted any deposit from the public during the period. Therefore, the provision of clause (vi) of the CARO are not applicable to the Company.



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


7. In my opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
8. I have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. I have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to me, the company has been regular in depositing Income tax dues and other statutory dues with the appropriate authorities to the extent applicable to the company during the year.
10. The Company has not incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.
11. In my opinion and according to the information and explanations given to me, the Company has not defaulted in the repayment of dues to banks and financial institutions.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable.
15. In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. In my opinion and according to the information and explanations given to me, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.



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

17. In my opinion and according to the information and explanations given to me, and on an overall examination of the Balance sheet, I report that funds raised on short-term basis have not been used during the year for long-term investment.
18. According to the information and explanations given to me, the Company has not made preferential allotment of shares to parties covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures and shares during the year. Therefore the provisions of clause 4 (xix) and (xx) of the Companies (Auditor's Report) Order 2003, (CARO) are not applicable to the Company.
20. To the best of my knowledge and belief and according to the information and explanations given to me, no fraud on or by the company was noticed or reported during the year.

**DATE : 07.05.2014  
PLACE : COIMBATORE**

  
**A.VETRIVEL  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.025028**

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