

# 36<sup>th</sup> Annual Report 2014 - 15



**KAKATIYA CEMENT  
SUGAR & INDUSTRIES LTD.**



## **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

### **BOARD OF DIRECTORS:**

Sri P Venkateswarlu

Sri P Veeraiah

Sri J S R Prasad

Sri J S Rao

Sri C Madhusudana Rao

Sri V B R Suryam

Sri T R C Bose

Sri B V Subbaiah

Sri A Chengappa

Sri K. Venkat Rao

Smt. J Shalini

Chairman & Managing Director

Joint Managing Director

Director

Director

Director

Director

Director

Director

Director

Director

Additional Director

### **SENIOR EXECUTIVES**

Sri R Ramakrishna

Sri M Bhavani Dattu

Sri D G K Raju

Sri Ramaswamy Ettikan

Company Secretary

Chief Financial Officer

Vice President (Cement Works)

General Manager (Sugar Works)

### **AUDITORS**

**M/s. M. Anandam & Co.,**

Chartered Accountants,

SECUNDERABAD

### **COST AUDITORS**

**M/s. Narasimha Murthy & Co.,**

Cost Accountants,

HYDERABAD

### **BANKERS**

**State Bank of India**

Ashok Nagar Branch,

Hyderabad

**Andhra Bank**

Ashok Nagar Branch,

Hyderabad

### **REGISTERED OFFICE**

1-10-140/1, "GURUKRUPA"

Ashok Nagar,

HYDERABAD-500 020

### **REGISTRARS**

**XL SOFTECH Systems Limited,**

3, Sagar Society, Road No.2, Banjara Hills,

HYDERABAD-500 034

### **FACTORIES**

#### **CEMENT:**

Srinivasa Nagar

Mellacheruvu Mandal

Nalgonda Dist. Telangana

#### **SUGAR & POWER:**

Peruvancha Village

Kallur Mandal

Khammam Dist. Telangana



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**NOTICE**

NOTICE is hereby given that the **THIRTY SIXTH ANNUAL GENERAL MEETING of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED** will be held on Monday, the 10th day of August, 2015 at 11.00 A.M at Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020 to transact the following Business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2015, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Sri J S Rao having Director Identification Number 00029090, who retires by rotation and being eligible for re-appointment.
4. To appoint M/s.M.ANANDAM & COMPANY, Chartered Accountants, Regn.No.000125S as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution.

"RESOLVED THAT Smt. J Shalini be and is hereby appointed as Director of the Company, liable to retire by rotation."

By Order of the Board  
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

Place : Hyderabad  
Date : 28th May 2015

**R. Ramakrishna**  
Company Secretary



## **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll only instead of himself/herself. Such proxy need not be a member of the company.
2. The Register of Members and Share Transfer Books will remain closed from 03.08.2015 to 10.08.2015 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office with their Folio Number(s) with their e-mail address.
4. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 10th August 2015. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on 10th August 2015. The Dividend will be paid on or before 9th September 2015.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank Account details furnished by the Depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the Bank details, if available, on the payment instrument for distribution of dividend.
6. As per provisions of Section 124 of the Companies Act, 2013 the Company has already transferred to the Investors Education and Protection Fund, the amount of all unclaimed dividends declared up to and including the financial year ended 31st March 2007. The amount of unclaimed dividends for the financial year ended 31st March 2008 will be transferred to the Investors Education and Protection Fund by October 15th 2015.
7. As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer dividend, which remains unpaid or unclaimed for a period of 7 years, to the Investors Education and Protection Fund set up by the Central Government. Shareholders, who have not claimed their dividend for any year from the financial year ended March 31, 2009 onwards, are requested to lodge their claim with the Company.
8. (a) The Company's shares are listed with the The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited, Mumbai (BSE).  
(b) The Annual Listing Fee for the year 2015-2016 has been paid to these two Stock Exchanges.
9. All the shareholders are requested to intimate their e-mail address to the Company at [kcsilcs@gmail.com](mailto:kcsilcs@gmail.com) for sending by e-mail the Notice and Annual Report.
10. As per SEBI circular No.CIR/MRD/DP/10/2013 dated March 21, 2013, dividend payments to investors are made electronically through ECS. Shareholders are requested to update bank details with the depositories to ensure that dividend is credited promptly. Those shareholders who hold shares in physical form are requested to communicate their bank account number, Name of the Bank and address to: [kcsilcs@gmail.com](mailto:kcsilcs@gmail.com).
11. Electronic copy of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. They can also visit the company's website [www.kakatiyacements.com](http://www.kakatiyacements.com) where the notice is uploaded.
12. Members may also note that the Notice of the 36th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.kakatiyacements.com](http://www.kakatiyacements.com) in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [shares@kakatiyacements.com](mailto:shares@kakatiyacements.com)



## KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

13. *The e-voting period commences on 4th August, 2015 (11:00 AM) and ends on 6th August, 2015 (11:00 AM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.*
14. *The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 3rd August, 2015.*

### SHAREHOLDER INSTRUCTIONS FOR E-VOTING

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 4th August, 2015 (11:00 AM) and ends on 6th August, 2015 (11:00 AM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd August, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

15. Mrs. Manjula Aleti, Company Secretary Practice (Membership No.ACS31661, Cop 13279) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company



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**ANNEXURE TO NOTICE:**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

Smt. J Shalini was appointed as an Additional Director of the Company at the Board Meeting held on 06.08.2014 and as per the provisions of the Section 149(1) of Companies Act, 2013 she holds office as a Director up to the date of this Annual General Meeting. Company has received Notice from a member along with deposit of ₹ 500/- as required by Section 149(1) of the Companies Act 2013, signifying his intention to propose Smt. J. Shalini as a Director. According to Article 36(e) of the Articles of Association of the Company the director shall be liable to retire by rotation.

None of the Directors excepting Sri J.S.R. Prasad of the Company are interested in the said resolution.

Your Directors recommend the resolution for approval.

By Order of the Board  
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

Place : Hyderabad  
Date : 28th May 2015

**R. Ramakrishna**  
Company Secretary





# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 36th Annual Report together with the Audited Accounts for the year ended 31st March 2015.

## FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2015 are summarised below:

	(₹ in Lacs)	
Particulars	2014-15	2013-14
Income (Sale and other Income)	19534.00	20324.37
Profit before Depreciation, Interest & Taxes	2075.46	1678.01
Depreciation	247.40	713.77
Interest	81.07	46.04
Provision for Taxation	349.53	178.68
Provision for Deferred Taxation	(13.54)	(144.54)
Profit after Taxation	1411.00	884.06
Profit brought forward from Previous year	12068.89	11518.80
Less: Adjustment for depreciation on fixed asset (See Note No. 3.1)	7.34	-
APPROPRIATIONS		
Transfer to General Reserve	141.10	88.40
Proposed Dividend	209.89	209.89
Corporate Tax on Dividend	42.72	35.67
Balance carried over to Balance Sheet	13078.84	12068.89

Segment-wise performance has been furnished under Notes on Accounts.

## DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of ₹ 2.70 per equity share for the year ended 31.03.2015, as against ₹ 2.70

per equity share in the previous year aggregating an amount of ₹ 245.56 Lacs including Dividend Distribution Tax.

## PERFORMANCE OF THE YEAR UNDER REVIEW

### Cement Division:

During the year under review, the Cement Division has produced 2,60,685 MT of cement as against 2,51,535 MT of cement for the previous year. The profit for the Division was ₹ 1319.13 Lacs as against ₹ 475.93 Lacs for the previous year.

### Sugar Division:

The Sugar Division crushed 2,31,086 MT of sugarcane for the current season as against 2,20,815 MT for the previous season. The recovery rate was 10.48% compared to 10.20% for the previous season. The Loss for the Division was ₹ 1971.50 Lacs as against profit of ₹ 1038.87 Lacs for the previous year.

### Power Division:

During the year under review, the Power Division has generated 9,19,76,742 KWH against 8,54,62,160 KWH of power for the previous year. The Profit for the Division was ₹ 2063.38 Lacs as against Profit of ₹ 1446.99 Lacs for the previous year.

## CURRENT YEAR OUTLOOK:

### Cement Division:

Rising input costs, Transportation costs, competitive selling prices are responsible for decreasing in margins. With the State Governments (Both Telangana & Andhra Pradesh) thrust on infrastructure and housing, demand for cement is expected to increase in the coming years. It is targeted to achieve 2,75,000 MT of cement production/sales during the year 2015-16.

### Sugar Division:

Persistent fall in sugar prices coupled with unabated rise in sugar-cane prices resulted in huge losses in sugar division though there was an overall increase in the sugar production during the year. Sugarcane crop in the factory zone is likely to remain stable as last year. It is expected to crush





## **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

over 250,000 lakh MT during the crushing season 2015-16.

### **Power Division:**

The matters relating to down ward revision of tariff by the APERC on the Power sales to APTRANSCO, and PLF ceiling, contested in the Courts by the Company are pending. Much depends on the power policy of the new government.

### **INSURANCE:**

All the properties of the Company including its buildings, Plant and Machinery and Stocks wherever required have been adequately insured.

### **NUMBER OF BOARD MEETINGS:**

The Board of Directors met 4 (four) times in the year 2014-15. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### **EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return in form MGT 9 is enclosed as annexure-2.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company hereby declares and states that -

1. In the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures therefrom.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the status of the Company as on 31st March, 2015 and Profit & Loss Account of the Company for the year ended as on 31st March, 2015.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

4. The accounts were prepared on a going concern basis.
5. 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.
6. 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.

### **EVALUATION OF THE BOARD'S PERFORMANCE:**

In compliance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, the performance evaluation of the Board was carried out during the year under review. More details on the same is given in the Corporate Governance Report.

### **COMPOSITION OF AUDIT COMMITTEE:**

The Board has constituted the Audit Committee which comprises of Mr. C Madhusudana Rao as the Chairman and Mr. J S Rao, Mr. B V Subbaiah and Mr. T R C Bose as the Members.

### **REMUNERATION POLICY:**

The Company follows a policy on remuneration of Directors and Senior Management Employees. The Policy is approved by the Nomination & Remuneration Committee and the Board. More details on the same is given in the Corporate Governance Report.

### **DISCLOSURE AS PER SECTION 197(12)**

Refer Annexure - 3

### **STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The independent Directors have submitted the declaration of independence as per the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet criteria of independence as per Section 149(6) of the Companies Act, 2013.

### **ENVIRONMENTAL PROTECTION:**

The Company consciously makes efforts to preserve the environment and control the pollution from time to time.



Planting of saplings and seedlings in and around the factories and colonies is being done on a continuous basis, so as to develop green belt around the plant to improve the environment.

**AUDITORS:**

M/s. M. ANANDAM & CO., Chartered Accountants, Secunderabad, the Auditors of the Company retire at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

**COST AUDIT:**

For the year ended 31st March 2015, with the approval of Central Government, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct the Cost Audit. In respect of financial year 2013-2014 Cost Audit Report was filed on 27.09.2014. In respect of 2014-2015 it will be filed before the due date i.e. 30th September 2015.

**SECRETARIAL AUDITOR AND SECRETARIAL  
AUDIT REPORT:**

The Board had appointed Ms. Rekha Gadwal, Company Secretary in whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-2015. The report is enclosed as Annexure-1.

**VIGIL MECHANISM/WHISTLE BLOWING  
POLICY:**

Fraud free and corruption free work culture has been core to the company. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put an even greater emphasis to address this risk.

**MANAGEMENT DISCUSSION AND ANALYSIS  
REPORT:**

**a. Industry Structure And Developments:**

With the bifurcation of Andhra Pradesh in to two new states, and with a new capital for Andhra coming up, the coming years are likely to see an upswing in the infrastructure development. Further, with a new government at the centre, promising development, there is a positive expectation from the industry.

Therefore, with efficient Management and sustained demand the outlook for next year is likely to be encouraging.

Sugar being an agro-based industry needs good rainfall and irrigation facilities. However with the expectation of a reasonably good monsoon, we are optimistic about the availability of sugar cane and we are hopeful of sustaining last year's performance in terms of crushing quantity. As far as Power operations are concerned, with sustained performance in sugar cane crushing and adequate availability of bagasse, we look forward to sustained generation of power. However much depends upon the outcome of APERC's decision on revision of tariff and also the new government's policy on power.

**b. Opportunities and threats:**

The scenario for infrastructure looks encouraging with the formation of new capital in process. However, until the government funding actually starts on infrastructure and capital construction, we have to tackle the bottlenecks in terms of rising input costs, pressure on margin, etc. However with the forecasted demand for cement for the year 2014-2015, outlook for cement industry though challenging appears encouraging.

**c. Segment or product-wise performance:**

Segment-wise or product-wise performance has already been furnished elsewhere in this Report.

**d. Outlook:**

Division-wise outlook has already been furnished elsewhere in this Report.

**e. Risks and concerns:**

The Cement, Sugar and Power industries being core industries, there is no risk of product obsolescence or steep fall in demand by way of product substitution or otherwise and therefore, your Directors do not foresee any major risks and concerns, in the near future except as discussed elsewhere in this Report.



**f. Internal control systems and their adequacy:**

The Company has adequate internal control system. Apart from this, the Company also has independent internal auditors, who conduct periodical audit and their report is taken into account by the Audit Committee for its review and suggest remedial actions wherever required.

**g. Financial Performance with respect to operational performance:**

This has been already discussed elsewhere in this Report.

**h. Human Resources / Industrial Relations:**

The Company enjoys cordial industrial relations with employees and believes that human resources are an invaluable asset. The Board wishes to place on record its appreciation to all employees for their efforts and cooperation for the performance and growth of business during the year.

**i. Corporate Social Responsibility:**

During the financial year ended 31st March 2015 your Company supplied cement at concessional price to the State Government as part of its Indiramma Housing Welfare Scheme. A CSR committee of Directors has been set up to draw a policy and oversee its implementation.

**j. CAUTIONARY STATEMENT:**

Statements in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from

those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors, such as litigations and labour negotiations.

**ACKNOWLEDGEMENTS:**

Your Directors appreciate the support and the cooperation received from the State Government, NEDCAP, APTRANSCO and the Central Government for the Company's growth and development.

Your Directors would like to convey the deep appreciation to all the employees and workers of the Company for their sustained effort and wholehearted co-operation throughout the year.

Your Directors thank the Distributors, Dealers and Suppliers for their continuous support and active involvement.

Finally your Directors record their deep sense of gratitude to all the Shareholders for the abundant confidence reposed in the Board of Directors.

For and on behalf of the Board

**P. Venkateswarlu**  
**Chairman &**  
**Managing Director**  
**DIN: 00276684**

Place : Hyderabad  
Date : 28th May 2015



# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## ANNEXURE TO DIRECTORS' REPORT:

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures adopted : NIL
- b) Additional Investments and Proposal for reduction of Consumption of energy : NIL
- c) Impact of the above measures : NIL
- d) Total Energy Consumption and Energy Consumption per unit of production : FORM "A" Enclosed.

### B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption FORM "B" Enclosed

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, development of new export market for product & services and export plans : Exports are not contemplated at present.
- Total foreign exchange used : Nil
- Total foreign exchange earned : Nil

## FORM-A

Form for Disclosure of particulars with respect to Conservation of Energy

	CURRENT YEAR 2014-15			PREVIOUS YEAR 2013-14		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
<b>A. POWER &amp; FUEL CONSUMPTION</b>						
<b>1. ELECTRICITY</b>						
(a) Purchased (KWH)	2,68,46,031	77,34,908	—	2,71,43,955	78,37,449	—
Total Amount (₹)	22,78,56,868	6,23,43,358	—	23,23,75,378	6,24,09,225	—
Rate per Unit (₹)	8.49	8.06	—	8.56	7.96	—
(b) OWN GENERATION						
Through Diesel						
Generators (Units)	12,662	—	—	26,934	—	—
Total Amount (₹)	2,36,400	—	—	4,16,813	—	—
Cost per Unit (₹)	18.67	—	—	15.47	—	—
<b>2. FUEL</b>						
(a) COAL						
Quantity (MT)	47,814	—	—	52,204	—	—
Total Cost (₹)	22,44,26,934	—	—	24,52,74,384	—	—
Average Rate (₹)	4,693.75	—	—	4,698.38	—	—
(b) Bagasse/Steam						
Quantity (MT)	—	98,401	66,141	—	96,199	64,684
Total Cost (₹)	—	3,82,77,989	8,02,64,088	—	3,55,93,630	5,82,15,600
Average Rate (₹)	—	389.00	1213.53	—	370.00	900.00



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	CURRENT YEAR 2014-15			PREVIOUS YEAR 2014-15		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>						
1. Electricity (KWH) Cement (MT)	100.60	–	–	102.90	–	–
2. Coal (MT) (Per tonne of clinker)	0.200			0.215		

**FORM - B**

Form for disclosure of particulars with respect to Absorption, Research & Development (R & D):

1. Specific areas in which R & D carried out by the Company	There is no separate Research and Development Wing as the scale of Company's operations are relatively small. However, the Company has fairly good laboratory with adequate testing facility to ensure quality of various inputs and also finished products. Besides the Company continuously endeavours to improve production process and product quality and encourages the technicians and workers to innovate.
2. Benefits derived as a result of the above R & D	
3. Future plan of action	
4. Expenditure on R & D	
A. Capital	
B. Recurring	
C. Total	
D. Total R & D expenditure as a Percentage of total turnover	

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION - NOT APPLICABLE**

For and behalf of the Board

Place : Hyderabad  
Date : 28th May 2015

**P. Venkateswarlu**  
**Chairman & Managing Director**  
**DIN: 00276684**



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2015 Form No. MR-3**

**Annexure-1**

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

To,  
The Members,  
Kakatiya Cement Sugar & Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kakatiya Cement Sugar & Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the verification of Kakatiya Cement Sugar & Industries Limited 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 my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 Kakatiya Cement Sugar & Industries Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(C) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (v) Labour laws like EPF, ESI, Gratuity, Payment of Wages, Minimum Wages Act Factories Act, etc.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE/NSE;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Company has complied with the conditions of Corporate Governance as stipulated in the listing agreement and stipulated from time to time by SEBI.

As per the information provided by the Company, during the year 1996-97 the Company entered into an MOU with Sri S.R.Kailash, the promoter of M/s. Sri Kailash Sugars & Chemicals Limited (SKSCL) for the purchase of 36,71,500 shares of ₹ 10/- each at the rate of ₹ 7.25 Per share. As these shares were seized from SKSCL by the Income-Tax Department, it was agreed upon to pay ₹ 66.18 Lacs immediately and to keep the balance amount of ₹ 200 Lacs in escrow deposit account with Global Trust Bank Ltd. (Presently merged with Oriental Bank of Commerce) with a condition that this amount to be paid only on release of shares by Income-Tax Department. This amount was released to Income-Tax Department in 1999 on behalf of Sri S.R.Kailash. However, the company disputed this payment and filed a case in Honourable High Court of Andhra Pradesh. As per the Amalgamation Scheme sanctioned by Honourable BIFR in the case No.66/99, dt.07.01.1999 of M/s SKSCL, the company had to issued one share of ₹ 10 each of the company for every twenty five shares M/s SKSCL of ₹ 10 each. Accordingly, the company valued shares of M/s SKSCL so purchased above in 1:25 ratio without giving corresponding effect in escrow deposit account maintained for the purpose in view of



## **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

pending appeal before Honourable High Court of Andhra Pradesh. In view of the disposal of the case by Honourable High Court of Andhra Pradesh, the share suspense (shown as share application money pending allotment) is adjusted against the escrow deposit account and the balance amount of ₹ 175.23 Lacs is transferred from amalgamation reserve and also adjusted against escrow deposit account.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on

agenda were sent at least seven days in advance, and 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Rekha Gadwal**

Place : HYDERABAD

Practicing Company Secretary

Date : 28<sup>th</sup> April 2015.

ACS No. 28335 CP No.10213

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This Report is to be read with our letter of even date which is appended as Annexure A and forms an integral part of this report.

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### **ANNEXURE A**

To,

The Members

Kakatiya Cement Sugar & Industries Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Rekha Gadwal**

Place : HYDERABAD

Practicing Company Secretary

Date : 28<sup>th</sup> April 2015.

ACS No. 28335 CP No.10213





**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**FORM NO. MGT - 9**

**Annexure-2**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2015**

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

- i) CIN : L26942TG1979PLC002485
- ii) Registration Date : 07-07-1979
- iii) Name of the Company : KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED
- iv) Category/sub-Category of the Company : Company Limited by Shares/Public Company
- v) Address of the Registered office : 1-10-140/1, GURUKRUPA, ASHOK NAGAR,  
HYDERABAD - 500020
- vi) Whether Listed Company : YES
- vii) Name, Address and Contract details of Registrar and Transfer Agent, if any : XL SOFTECH SYSTEMS LIMITED, 3,  
SAGAR SOCIETY, ROAD NO.2, BANJARA HILLS,  
HYDERABAD - 500034

**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:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	CEMENT	3242	66%
2	SUGAR	2060	22%
3	POWER	4390	12%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SL.NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

### **i) Category-wise Share Holding**

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	% change during the year
<b>A. Promoters</b>										
<b>(1) Indian</b>										
(a) Individuals/HUF		4119815	5000	4124815	53.06	4123766	2000	4125766	53.07	0.01
(b) Central Government		-	-	-	-	-	-	-	-	-
(c) State Government(s)		-	-	-	-	-	-	-	-	-
(d) Bodies Corporate		-	-	-	-	-	-	-	-	-
Banks/FI		-	-	-	-	-	-	-	-	-
(e) Any Other		-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		4119815	5000	4124815	53.06	4123766	2000	4125766	53.07	0.01
<b>2. Foreign</b>										
(a) NRIs-Individuals		-	-	-	-	-	-	-	-	-
Other Individuals		-	-	-	-	-	-	-	-	-
(b) Bodies Corporate		-	-	-	-	-	-	-	-	-
(c) Banks/FI		-	-	-	-	-	-	-	-	-
(d) Any Other		-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter		4119815	5000	4124815	53.06	4123766	2000	4125766	53.07	0.01
(A)=(A)(1)+(A)(2)										
<b>B. Public shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds		200	4060	4260	0.05	200	4060	4260	0.05	0.00
b) Banks/FI		0	3172	3172	0.04	0	3172	3172	0.04	0.00
(c) Central Government		-	-	-	-	-	-	-	-	-
(d) State Government		-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds		-	-	-	-	-	-	-	-	-
(f) Insurance Companies		-	-	-	-	-	-	-	-	-
(g) FIs		-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-	-
(h) Others (specify)		-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)		200	7232	7432	0.10	200	7232	7432	0.10	0.00
<b>(2) 2. Non-institutions</b>										
(a) Bodies Corporate		495538	12715	508253	6.54	476408	12715	489123	6.29	
(b) Individuals -		2017928	452503	2470431	31.78	2079043	441888	2520931	32.43	
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.		1663275	452503	2115778	27.22	1807291	441888	2249179	28.93	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.		354653	0	354653	4.56	271752	0	271752	3.50	
(c) Other (specify) N R I		662327	600	662927	8.53	630006	600	630606	8.11	
Sub-Total (B)(2)		3175793	465818	3641611	46.84	3185457	455203	3640660	46.83	
Total Public Shareholding Shareholding (B) =										
(B)(1)+(B)(2)		3175993	473050	3649043	46.94	3185657	462435	3648092	46.93	
(C) Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	
GRAND TOTAL										
(A)+(B)+(C)		7295808	478050	7773858	100	7309423	464435	7773858	100	



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered total shares	
1	P. VENKATESWARLU	2340836	30.11		2340836	30.11		0.00
2	P. VEERAAIAH	908692	11.69		909643	11.70		0.01
3	P. VENKATESWARLU	236950	3.05		236950	3.05		0.00
4	TRIVENI JASTI	69500	0.89		69500	0.89		0.00
5	SHANTI JETTY	57880	0.74	57880	57880	0.74	57880	0.00
6	SAMRAJYAM PALLEMPATI	323277	4.16		323277	4.16		0.00
7	SHALINI JETTY	38000	0.49	38000	38000	0.49	38000	0.00
8	RAGINI JETTY	36400	0.47	36400	36400	0.47	36400	0.00
9	JUTLA CHANDRA SEKHAR GOUD	31450	0.40	31450	31450	0.40	31450	0.00
10	JASTI LAKSHMI NALINI	28520	0.37		28520	0.37		0.00
11	J SIVA RAMA PRASAD	19350	0.25	19350	19350	0.25	19350	0.00
12	SUKUMARI KONERU	12040	0.15		12040	0.15		0.00
13	SESHAGIRI RAO JASTI	10000	0.13		10000	0.13		0.00
14	SAARIKA KONERU	5720	0.07		5720	0.07		0.00
15	J VENKATA KRISHNA	3000	0.04		3000	0.04		0.00
16	NARASIMHA RAO MUSUNURY	2000	0.03		2000	0.03		0.00
17	RAAJITHA KONERU	700	0.01		700	0.01		0.00
18	CHUNDURI MADHUSUDANA RAO	400	0.01		400	0.01		0.00
19	JASTI CHELAMESWAR (HUF)	100	0.00		100	0.00		0.00
	<b>TOTAL</b>	<b>4124815</b>	<b>53.06</b>	<b>183080</b>	<b>4125766</b>	<b>53.07</b>	<b>183080</b>	

## **(iii) CHANGE IN PROMOTERS' SHAREHOLDING**

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		908692	11.69	909643	11.70
1	26/06/2014	951			



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ricky Ishwardas Kirpalani	346271	4.45	309828	3.99
2	Keswqani Haresh	282567	3.63	282567	3.63
3	IL and FS Trust Co. Ltd.	218640	2.81	63034	0.81
4	S.U Securities Pvt. Ltd.	43140	0.55	-	-
5	Satish Kumar	40000	0.51	-	-
6	Anil Zavar	33324	0.43	33324	0.43
7	Kiran Bharat Gosar	30500	0.39	30200	0.39
8	Laurel Securities Pvt. Ltd	29004	0.37	21282	0.27
9	Shyam Sunder Saraf	28125	0.36	-	-
10	I V Srinivasa Rao	26609	0.34	16928	0.22
11	Zen Securities Ltd	-	-	140216	1.80
12	Insync Capital Partners	-	-	30000	0.39
13	Abhay Krishi Udyog Pvt. Ltd	-	-	23096	0.30
14	Bright Star Equities Private Ltd	-	-	21157	0.27

## **(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P. VENKATESWARLU	2340836	30.11	2340836	30.11
2	P. VEERAAH	908692	11.69	909643	11.70
3	P. VENKATESWARLU	236950	3.05	236950	3.05
4	J SIVA RAMA PRASAD	19350	0.25	19350	0.25
5	SESHAGIRI RAO JASTI	10000	0.13	10000	0.13
6	CHUNDURI MADHUSUDANA RAO	400	0.01	400	0.01
7	SHALINI JETTY	38000	0.49	38000	0.49
	KMP				
1	R RAMAKRISHNA	0	0.00	0	0.00
2	MBHAVANI DATTU	0	0.00	0	0.00



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Princial Amount	0	35000000	0	<b>35000000</b>
ii) Interest due but not paid	0	978082	0	<b>978082</b>
iii) Interest accrued but not due	0	0	0	<b>0</b>
<b>Total (i+ii+iii)</b>	0	35978082	0	35978082
<b>Change in Indebtedness during the financial year</b>				
*addition	79500000	49860598	0	129360598
*Reduction	0	38978082	0	38978082
Net Change	79500000	46860598	0	126360598
<b>Indebtedness at the end of the financial year</b>				
i) Princial Amount	79500000	46860598	0	126360598
ii) Interest due but not paid	2656261	223853	0	2880114
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	82156261	47084451	0	129240712

## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **A. Remuneration to Managing Director and whole Time Director:**

Sl.No.	Particulars of Remuneration	Managing Director	Joint Managing Director	Total Amount
1	Gross Salary	6300000	4100000	10400000
(a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961.			
(b)	Value of perquisites u/s 17(2) Income-Tax Act, 1961.	460000	107000	567000
	© Profits in lieu of salary under section 17(3) Income-Tax Act, 1961			
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of Profit	5168534	3216571	8385105
	- others, specify			
5	Others, please specify	0	0	
	<b>Total (A)</b>	<b>11928534</b>	<b>7423571</b>	<b>19352105</b>
	Ceiling as per the Act	0	0	



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		C Madhusudana Rao	V B R Suryam	A Chengappa	T R C Bose	B V Subbaiah	K Venkat Rao	J S R Prasad	
1	Independent Directors								
	*Fee for attending Board committee meetings	2250	1000	1000	3000	3000	1000		11250
	*Commission	0	0	0	0	0	0		0
	*Others, please specify	0	0	0	0	0	0		0
	<b>Total (1)</b>	<b>2250</b>	<b>1000</b>	<b>1000</b>	<b>3000</b>	<b>3000</b>	<b>1000</b>		<b>11250</b>
2	Other Non-Executive Directors								
	*Fee for attending Board committee meetings							750	3500
	*Commission							0	0
	*Others, please specify							0	0
	<b>Total (2)</b>							<b>750</b>	<b>3500</b>
	<b>Total (B) = (1+2)</b>	<b>2250</b>	<b>1000</b>	<b>1000</b>	<b>3000</b>	<b>3000</b>	<b>1000</b>	<b>750</b>	<b>14750</b>
	Total Managerial Remuneration								
	Overall ceiling as per the Act								



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **C. REMUNERATION TO KEY MANAGERIAL PERSONNEL**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Managing Director	Company Secretary	Chief Financial Officer	Total Amount
1	Gross Salary	6300000	1058000	964000	8322000
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961.				
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961.	460000	0	0	460000
	© Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	
4	Commission				
	- as % of Profit	5168534	0	0	5168534
	- others, specify				
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>11928534</b>	<b>1058000</b>	<b>964000</b>	<b>13950534</b>

## **VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal Made, if any (give Details)
<b>A. COMPANY</b>	NIL				
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORES</b>	NIL				
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	NIL				
Penalty					
Punishment					
Compounding					





**Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees.
1.	Sri P. Venkateswarlu ( Managing Director)	54 : 1
2.	Sri P. Veeraiah (Joint Managing Director)	33 : 1

- (ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

S.No.	Name of the Director	Percentage increase in remuneration
1.	Sri P. Venkateswarlu (Managing Director)	91%
2.	Sri P. Veeraiah (Joint Managing Director)	110%
3.	Sri R Ramakrishna (Company Secretary)	8%
4.	Sri M Bhavani Dattu(Chief Financial Officer)	8%

- (iii) **The percentage increase in the median remuneration of employees in the financial year**

6.5%

- (iv) **The number of permanent employees on the rolls of company**

402

- (v) **The explanation on the relationship between average increase in remuneration and company performance**

S.No.	Average increase in remuneration	Company performance (Net profits after Tax)
1.	11.75%	60%

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

S.No.	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2015(Net profits after Tax)
1.	₹ 213.74 Lacs	₹ 1411.00 Lacs

- (vii) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

S.No.	Particular	As at 31st March, 2014	As at 31st March, 2015
1.	Market capitalization	₹ 58,77,03,665	₹ 92,12,02,173
2.	Market quote(NSE)	₹ 75.60	₹ 118.50
3.	EPS	₹ 11.37	₹ 18.15

The company has not made any public issue during the year.

- (viii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

There are two whole time Directors viz., Managing Director and Joint Managing Director and the increase their salary is already given above with comparison to the performance of the company.



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

- (ix) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company**

(₹ in lacs)

S.No.	Name	Remuneration of Key Managerial Personnel	Performance of the Company for the year ended 31st March, 2015 (profits after tax)
1.	Sri P. Venkateswarlu (Managing Director)	119.29	1411.00
2.	Sri P. Veeraiah (Joint Managing Director)	74.24	1411.00
3.	Sri R Ramakrishna (Company Secretary)	10.57	1411.00
4.	Sri M Bhavani Dattu(Chief Financial Officer)	9.64	1411.00

- (x) **The key parameters for any variable component of remuneration availed by the directors**

Only commission of 2% of the net profit of the company is payable in addition to the monthly remuneration subject to the overall limits specified by the Companies Act, 2013.

- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Not Applicable

- (xii) **Affirmation that the remuneration is as per the remuneration policy of the company**

The remuneration paid to the Key Managerial personnel is in accordance with the remuneration policy of the Company

By Order of the Board  
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

Place : Hyderabad  
Date : 28th May 2015

**P. Venkateswarlu**  
**Chairman & Managing Director**  
**DIN:00276684**

**P. Veeraiah**  
**Joint Managing Director**  
**DIN: 00276769**



# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## CORPORATE GOVERNANCE REPORT

### THE CORPORATE GOVERNANCE CODE & COMPANY'S PHILOSOPHY

The Company attaches importance to good Corporate Governance and the code of governance as formulated by the Stock Exchanges/SEBI and other authorities. It will be the endeavor of the Board of Directors that the Company is so governed as to maximise the benefits of all stake-holders i.e., shareholders, employees, customers, society and others. The Company has been implementing the various clauses of Corporate Governance from time to time.

### BOARD OF DIRECTORS:

The Board of Directors of the Company effectively comprised of 11 Directors, out of which 2 are whole-time directors. The proportion of independent Directors is more than 50% as the Company has Executive Chairman. During the year under review, there were in all four (4) meetings of the Board of Directors and the maximum time gap between any two Board meetings was 91 days and the following is the attendance of the Directors:

Sl. No.	Name of the Director	DIN No.	No. of Board Meetings held	No. of Board Meetings Attended	Whether attended the last Annual General Meeting	No. of Directorships in other Boards	No. of Memberships in other Board Committees
01.	P. Venkateswarlu	00276684	4	4	YES	1	2
02.	P. Veeraiah	00276769	4	4	YES	1	2
03.	J.S.R. Prasad	00221271	4	3	YES	12	4
04.	T.R.C. Bose	00160630	4	4	YES	7	4
05.	J. S. Rao	00029090	4	4	YES	7	1
06.	C. Madhusudana Rao	00410173	4	3	NO	1	NIL
07.	V.B.R. Suryam	00409995	4	4	YES	NIL	NIL
08.	B.V.Subbaiah	01147062	4	4	NO	1	3
09.	A. Chengappa	03170722	4	4	YES	NIL	NIL
10.	K Venkata Rao	06566627	4	3	YES	NIL	2
11.	J Shalini	03337095	4	3	NO	3	NIL

The dates of Board Meeting held during the year under review are: 26.05.2014, 06.08.2014, 13.11.2014 and 11.02.2015.

In accordance with the provisions of the Companies Act, 2013, Sri J S Rao retire by rotation and is eligible for reappointment.

Smt. J Shalini, who was appointed as an Additional Director on 06.08.2014 also retires at this AGM. Pursuant to the provisions of Section 149(1) of the Companies Act, 2013, she is eligible for appointment.

Particulars, required to be furnished under clause 49 of the Listing Agreement, of Directors who are proposed to be appointed at the ensuing AGM

#### Sri J S Rao:

Sri J S Rao, aged 60 years, is Managing Director of Keerthi Industries Ltd.

#### Smt. J Shalini:

Smt. Shalini Jetty aged 26 is a Mechanical Engineer and Post-graduate in Management. She has over three years experience and is currently Managing Director of Green Secure Energy Pvt. Ltd. Her Din No. 03337095.



# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Sl. No.	Location	Date and Time	Whether any special resolutions were passed	Postal Ballots
01.	Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad	29.09.2012 11.00 A.M	NIL	N.A.
02.	Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad	11.07.2013 11.00 A.M	Yes	N.A
03.	Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad	14.07.2014 11.00 A.M	NIL	N.A

## SHAREHOLDERS/INVESTORS GRIEVANCES:

The Company accords utmost attention for resolving shareholders /investors, grievances/complaints. Complaints received from shareholders/investors directly or through Stock Exchanges or SEBI are replied immediately. There are no outstanding /unresolved complaints.

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors of the Company constituted Stakeholders Relationship Committee consisting of the following Directors, to deal with complaints regarding transfer/ transmission of shares, non-receipt of share certificates, dividends, annual reports and such other matters:

Sri C Madhusudana Rao	- Chairman
Sri T R C Bose	- Member
Sri B V Subbaiah	- Member
Sri R. Ramakrishna, Company Secretary is the Compliance Officer.	

**Email-id of Investor Grievances:** [shares@kakatiyacements.com](mailto:shares@kakatiyacements.com) or [kcsilcs@gmail.com](mailto:kcsilcs@gmail.com)

## Number of Shareholders complaints received so far.

During the year the Company has received 3 complaints and all have been resolved and there is no pending complaint.

## AUDIT COMMITTEE:

The Board of Directors of the Company constituted Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements. During the year, in all, 4 meetings of the Committee took place and attendance thereat is as under:

Name of the Director	No. of Meetings Attended
Sri C Madhusudana Rao	3
Sri T R C Bose	4
Sri J S Rao	4
Sri B V Subbaiah	4

## NOMINATION & REMUNERATION COMMITTEE:

Other than the whole-time Directors, no other Director receives any remuneration from the Company excepting Sitting Fees for attending the Board Meetings. The details of remuneration paid to the whole-time Directors is mentioned in Note No. 29(iv) (Notes on Accounts) to the Balance Sheet of the Company.

The Board of Directors of the Company constituted Nomination and Remuneration Committee consisting of the following Independent Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

Sri C. Madhusudana Rao	- Chairman
Sri T.R.C. Bose	- Member
Sri B V Subbaiah	- Member



# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

A per Section 135 of the Companies Act 2013, CSR committee has been formed which shall formulate and recommend to the Board a CSR policy and implement activities undertaken as specified in Schedule VII. Following is the composition of the Committee, which was Chaired by Mr. K Venkat Rao, Independent Director.

Sri K Venkat Rao	-	Independent Director
Sri P Venkateswarlu	-	Managing Director
Sri P Veeraiah	-	Joint Managing Director

## Report of the Committee:

It was submitted that as per the provision of Section 135 of the Companies Act, 2013, the company was to spend ₹ 42 Lacs during the financial year 2014-15 being 2% of the average profits for the previous 3 years. After deducting the amount of ₹ 11.43 Lacs which was already spent as per details below, still an amount of ₹ 30.57 Lacs had to be spent by the company before March 31st 2015. The company could not take up any other work during 2014-2015 due to cash crunch arising out of unremunerative sugar prices in the market. The company had to in fact borrow funds from Company's banker to pay off the farmers.

Managing Director informed the members that a request letter dated 27th March from the neighboring village Gram Panchayat, Kallur, was received requesting laying of roads and reinforcing the existing roads that were in a bad condition. The total works was estimated to cost around ₹ 40 Lacs. Managing Director submitted that the company intends to carryout this road laying project from Kalluru to Pullaya Banjara Road as part of CSR and would take up this work in the current financial year. The company would spend the balance ₹ 30.57 Lacs of the year 2014-15 budget, in addition to the CSR budget for 2015-2016 that will be known after finalization of accounts for year ended 31.3.2015.

Sl. 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) In INR	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expen diture upto to the reporting period. Upto 30th September 2014
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Hyderabad Eye Research Foundation	Scientific Research	Hyderabad	1143340	1143340	1143340

## RISK MANAGEMENT COMMITTEE:

Basically, the aim of risk management is protecting the company's resources and income against losses so that the goals of the business can be achieved. This committee identifies, assesses, manages and monitors risk, besides ensuring that proper internal systems and processes are in place to manage risks of all kinds by Board of Directors is as under Risk Management committee constitute.

Sri P.Venkateswarlu	-	Managing Director
Sri P.Veeraiah	-	Joint Managing Director
Sri K.Venkat Rao	-	Independent Director

## INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 11th February, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.



All the Independent Directors were present at the Meeting.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Independent Directors are familiarised with their roles, rights and responsibilities in the Company through a induction program at the time of appointment as Directors. The Company also discusses the industry overview, key regulatory and strategy updates.

#### **CODE OF CONDUCT:**

The Company has evolved a Code of Conduct for the Directors and Senior Management Personnel of the Company (one level below the Joint Managing Director including Head of the Department) which has been affirmed for adherence.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Anti Sexual Harassment of Women at the Workplace (Prevention, prohibition & Redressal ) Act, 2013. Internal complaints Committee (ICC) has been setup to address complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

Following is a summary of sexual harassment complaints received and disposed during the year 2014-2015.

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

#### **DISCLOSURES:**

The pecuniary disclosure with regard to interested Directors

- (a) Disclosures on materially significant related party transactions of the Company of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large:

None of the transactions with any of related parties were in conflict with interests of the Company.

- (b) Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years.

There were no instances of non-compliance of any matter related to Capital Market during the last three years.

#### **CEO & MD / CFO Certification**

In terms of Clause 49 of the Listing Agreement the certification of Chairman & Managing Director & Chief Financial Officer on the Financial Statements and Internal controls relating to financial reporting has been obtained.

#### **MEANS OF COMMUNICATION:**

Quarterly/Half Yearly Financial Results of the Company are forwarded to the National and Bombay Stock Exchanges and published in Financial Express and Andhra Prabha. Half Yearly report is not sent to each shareholder as the results of the Company are published in the Newspapers. They are also available on Company website: [www.kakatiyacements.com](http://www.kakatiyacements.com)

- i) Company has not made any presentations to any Institutional Investors / analysts during the year.
- ii) All terms required to be covered in the Management Discussions & Analysis have been included in the Directors' Report to Members.



## **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

### **GENERAL SHAREHOLDER INFORMATION:**

- a) Annual General Meeting : 36th Annual General Meeting  
Date : 10th August, 2015  
Time : 11.00 A.M  
Venue : Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020.
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book closure : 3rd August 2015 to 10th August 2015 (both days inclusive)
- d) Dividend payment date : On or before 9th September, 2015
- e) Registered Office : **KAKATIYA CEMENT SUGAR & INDUSTRIES LTD.,**  
1-10-140/1, "GURUKRUPA", Ashok Nagar,  
HYDERABAD - 500 020.  
Phone: 040-27637717/27633627 Fax No.27630172  
CIN No. L26942TG1979PLC002485  
e-mail: shares@kakatiyacements.com or  
kcsilcs@gmail.com
- f) Listing on Stock Exchanges : The National Stock Exchange of India Ltd.,  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
Bandra - Kurla Complex, Bandra (E), MUMBAI - 400 051.  
Bombay Stock Exchange Limited,  
Floor 25, P.J. Towers, Dalal Street, MUMBAI - 400 001.
- g) Code/Symbol : NSE - KAKATCEM, BSE - 500234  
ISIN for NSDL & CDSL: INE437B01014
- h) Market Price Data: (Source: National Stock Exchange Quotations)

Month and Year		High ₹	Low ₹
April	2014	88.65	72.00
May	2014	101.00	75.20
June	2014	145.20	90.05
July	2014	141.20	107.70
August	2014	116.90	98.00
September	2014	122.90	101.95
October	2014	115.50	103.65
November	2014	123.75	105.90
December	2014	118.00	99.10
January	2015	123.45	106.90
February	2015	135.00	100.00
March	2015	139.40	111.30

- i) Address of Registrars and Share Transfer Agents:

XL SOFTECH Systems Limited,  
3, Sagar Society, Road No. 2, Banjara Hills,  
HYDERABAD - 500 034.  
Tel: 040-23545913, 14, 15  
Fax: 040-23553214  
Email: xlfield@rediffmail.com

- j) Share Transfer System:

The Share Transfer work is being handled by the Company's R & T Agent. Transfer of shares are registered and duly transferred share certificates are dispatched within fifteen (15) days of receipt, provided the transfer documents are in order.





# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## k) Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31.03.2015

Share Holding	Number of Shareholders	% to total	Number of Shares	% to total
Up to 500	40548	97.91	1109690	14.28
501 - 1000	475	1.15	377814	4.86
1001 - 2000	183	0.44	279089	3.59
2001 - 3000	80	0.19	198959	2.56
3001 - 4000	27	0.06	94961	1.22
4001 - 5000	18	0.04	86346	1.11
5001 - 10000	44	0.11	318810	4.10
10001 and above	40	0.10	5308189	68.28
<b>TOTAL</b>	<b>41415</b>	<b>100.00</b>	<b>7773858</b>	<b>100.00</b>

Shareholding Pattern as on 31.03.2015:

Category	No. of Equity Shares	% of Paid-up Capital
Promoters	4125766	53.07
Other Corporate Bodies	489123	6.29
General Public	2520931	32.44
Non Resident Individuals	630506	8.11
Foreign Institutional Investors & OCBs	100	0.00
Indian Financial Institutions	3000	0.04
Mutual Funds & Banks	4432	0.06
<b>TOTAL</b>	<b>7773858</b>	<b>100.00</b>

## l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: The Company has not issued any of these instruments.

## m) Dematerialisation of Shares:

As on 31st March 2015 out of the total shares 73,09,423 shares were dematerialised with the following depositories:

- i) National Securities Depositories Limited - 51,46,497 Shares
- ii) Central Depository Services Limited - 21,62,926 Shares

## n) Plant locations

### CEMENT:

Srinivasa Nagar  
Mellacheruvu Mandal  
Nalgonda Dist. Telangana

### SUGAR & POWER:

Peruvancha Village  
Kallur Mandal  
Khammam Dist. Telangana

## o) Address for correspondence:

Shareholders can correspond at the Registered Office of the Company at Hyderabad, addressed to the Company Secretary or to the Registrars & Share Transfer Agents, whose address has been mentioned elsewhere in this Report.



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that all Directors and Senior Management personnel of the company have affirmed compliance with the code of conduct of the Company for the financial year ended 31.03.2015 as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad  
Date : 28th May 2015

**P. Venkateswarlu**  
**Chairman & Managing Director**  
**DIN: 00276684**

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**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To  
The Members of  
Kakatiya Cement Sugar and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Kakatiya Cement Sugar and Industries Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2015, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **M. ANANDAM & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn.No.000125S)

Place : Hyderabad  
Date : 28th May 2015

**A.V. Sadasiva**  
**PARTNER**  
M. No. 018404



## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Kakatiya Cement Sugar and Industries Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Kakatiya Cement Sugar and Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 adequate 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

- (d) In our opinion, the aforesaid financial statements 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 the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial

position in its financial statements - Refer Note 32 to the financial statements;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **M. ANANDAM & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn.No.000125S)

Place : Hyderabad  
Date : 28th May 2015

**A.V. Sadasiva**  
**PARTNER**  
M. No. 018404



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2015. We report that:

- (i) (a) The Company is in the process of updating proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the fixed assets have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) The company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted deposits within in the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub-section (1) of section 148 of the Act. We have however, not made a detailed examination of the cost records with a view determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and records of the Company examined by us, the particulars of income tax, sales tax, valued added tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2015 which have not been deposited on account of any dispute pending, are as under:

Name of the Statute	Nature of dues	Amount (in Lacs)	Period to which the amount relates	Forum where the Dispute is pending
Income-Tax Act, 1961	Income-tax	12.42	Assessment years 1999-2000 2000-2001 2001-2002	High Court of Andhra Pradesh
Income-Tax Act, 1961	Income-tax	64.45	Assessment year 2011-12	CIT (Appeals)
Income-Tax Act, 1961	Income-tax	120.68	Assessment year 2012-13	CIT (Appeals)



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to a financial institutions or banks.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained other than amounts temporarily invested pending utilization of the funds for the intended use.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

for **M. ANANDAM & CO.**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn.No.000125S)

Place : Hyderabad  
Date : 28th May 2015

**A.V. Sadasiva**  
**PARTNER**  
M. No. 018404



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2015**

(₹ in Lacs)

Particulars	Note	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	777.39	777.39
(b) Reserves and surplus	3	17,417.23	16,441.42
<b>(2) Share application money pending allotment</b>	4	-	14.69
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	821.56	-
(b) Deferred tax liabilities (net)	6	79.55	96.62
(c) Other Long term liabilities	7	142.68	142.68
(d) Long Term Provisions	8	202.33	215.69
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowing.	9	2,670.79	350.00
(b) Trade payables	10	900.62	923.77
(c) Other current liabilities	11	855.40	1,755.67
(d) Short-term provisions	12	345.23	258.39
<b>TOTAL</b>		<b>24,212.79</b>	<b>20,976.32</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	5,967.17	6,132.03
(ii) Capital work-in-progress		-	41.27
(b) Non-current investments	14	5.07	5.07
(c) Long term Loans and advances	15	201.49	371.72
<b>(2) Current assets</b>			
(a) Inventories	16	10,116.38	7,974.77
(b) Trade receivables	17	1,052.69	1,202.53
(c) Cash and cash equivalents	18	4,309.25	2,622.08
(d) Short-term loans and advances	19	2,560.73	2,626.85
<b>TOTAL</b>		<b>24,212.79</b>	<b>20,976.32</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date  
for **M. ANANDAM & CO.**  
**Chartered Accountants**

For and on behalf of the Board of Directors

**A.V. Sadasiva**  
**Partner**  
M. No. 018404

**P. Venkateswarlu**  
**Chairman & Managing Director**  
**DIN: 00276684**

**P. Veeraiah**  
**Joint Managing Director**  
**DIN: 00276769**

Place : Hyderabad  
Date : 28th May 2015

**M. Bhavani Dattu**  
**Chief Financial Officer**

**R. Ramakrishna**  
**Company Secretary**



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015**

(₹ in Lacs)

Particulars	Note	Year ended 31.03.2015	Year ended 31.03.2014
I. Revenue from operations	20	19,273.79	20,052.87
II. Other Income	21	260.21	271.50
<b>III. Total Revenue (I +II)</b>		<b>19,534.00</b>	<b>20,324.37</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	6,951.93	6,417.50
Changes in inventories	23	(2,399.40)	(177.30)
Employee benefit expense	24	1,748.79	1,564.97
Finance costs	25	81.07	46.04
Depreciation	13	247.40	713.77
Other Expenses	26	11,157.22	10,841.19
<b>Total Expenses</b>		<b>17,787.01</b>	<b>19,406.18</b>
<b>V. Profit before tax (III - IV)</b>		<b>1,746.99</b>	<b>918.19</b>
<b>VI. Tax expense:</b>			
(1) Current tax		349.53	178.68
(2) Deferred tax		(13.54)	(144.54)
<b>VII. Profit for the year (V-VI)</b>		<b>1,411.00</b>	<b>884.06</b>
<b>VIII. Earning per equity share:</b>	27		
(1) Basic		18.15	11.37
(2) Diluted		18.15	11.16
<b>Significant Accounting Policies</b>	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date  
for **M. ANANDAM & CO.**  
**Chartered Accountants**

**A.V. Sadasiva**  
**Partner**  
M. No. 018404

Place : Hyderabad  
Date : 28th May 2015

For and on behalf of the Board of Directors

**P. Venkateswarlu**  
**Chairman & Managing Director**  
DIN: 00276684

**M. Bhavani Dattu**  
**Chief Financial Officer**

**P. Veeraiah**  
**Joint Managing Director**  
DIN: 00276769

**R. Ramakrishna**  
**Company Secretary**





**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	1,746.99	918.19
Adjustments for:		
Depreciation	247.40	713.77
Finance cost	81.07	46.04
Bad debts written off	0.13	-
Interest Income	(197.60)	(217.30)
Dividend Income	-	(0.34)
<b>Operating Profit before working capital changes</b>	<b>1,877.99</b>	<b>1,460.37</b>
<b>Working Capital Changes:</b>		
(Increase)/Decrease in Inventories	(2,141.61)	280.81
(Increase)/Decrease in Trade and Other receivables	386.19	(1,179.67)
Increase/(Decrease) in Trade payable and other liabilities	(1,119.37)	103.74
	<b>(2,874.79)</b>	<b>(795.12)</b>
Cash Generated from Operations	<b>(996.80)</b>	<b>665.24</b>
Direct Taxes paid	<b>(270.17)</b>	<b>(700.00)</b>
Cash Flow from Operating Activities	<b>(1,266.97)</b>	<b>(34.76)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets/Capital WIP	(52.13)	(196.56)
Interest Income	197.60	217.30
Dividend Income	-	0.34
Cash Flow from Investing Activities	<b>145.47</b>	<b>21.08</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividend paid Including Corporate Dividend Tax	(252.62)	(245.56)
Interest Paid	(81.07)	(46.04)
Increase/(Decrease) in Bank Borrowings	3,142.35	1,252.96
Repayment of Unsecured Loans	-	(30.00)
Cash Flow from Financing Activities	<b>2,808.66</b>	<b>931.36</b>
<b>D) Net increase in Cash and Cash equivalents</b>	<b>1,687.17</b>	<b>917.68</b>
Cash and Cash equivalents at the beginning of the year	<b>2,622.08</b>	<b>1,704.40</b>
Cash and Cash equivalents at the end of the year	<b>4,309.25</b>	<b>2,622.08</b>

**Note:** The Cash Flow Statement has been prepared as per indirect method as set out in Accounting Standard-3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our report of even date  
for **M. ANANDAM & CO.**  
**Chartered Accountants**

For and on behalf of the Board of Directors

**A.V. Sadasiva**  
**Partner**  
M. No. 018404

**P. Venkateswarlu**  
**Chairman & Managing Director**  
DIN: 00276684

**P. Veeraiah**  
**Joint Managing Director**  
DIN: 00276769

**M. Bhavani Dattu**  
**Chief Financial Officer**

**R. Ramakrishna**  
**Company Secretary**

Place : Hyderabad  
Date : 28th May 2015



## **Note 1 : Significant Accounting Policies**

### **i) Basis of Preparation of financial statements**

These financial statements have been prepared in accordance with 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 financial statements have been prepared under the historical cost convention on accrual basis.

### **ii) Revenue Recognition**

Revenue and expenses are recognised on accrual basis with the exception of insurance claims, which are accounted on cash basis. Dividend Income on investments is accounted for when the right to receive the payment is established

### **iii) Fixed Assets**

Fixed Assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation. All major acquisitions of Fixed Assets are capitalised at cost and operative expenses directly attributable to cost for bringing assets to working conditions for intended use.

### **iv) Treatment of Expenditure During Construction Period**

Expenditure during construction period is grouped under "Capital work-in-progress" and the same is allocated to respective Fixed Assets on the completion their construction.

### **v) Depreciation**

Cement Division: Depreciation is provided on Straight Line Method in respect of Buildings, Plant & Machinery (other than Quarry Equipment) and Electrical Installations and in respect of all other assets depreciation is provided on Written Down Value Method over the useful life as specified in schedule-II of the Companies Act, 2013.

Sugar and Power divisions: Depreciation is provided on Straight Line Method over the useful life as specified in schedule-II of the Companies Act, 2013.

The depreciation is provided as per schedule II of the companies act 2013 w.e.f. 01.04.2014.

### **vi) Inventories**

Inventories are valued at the lower of weighted average cost and net realizable value except waste/scrap which is valued at net realisable value. Finished and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.

### **vii) Employee Benefits**

- a) Provident Fund is administered through Regional Provident Fund Commissioner. The contribution to the Provident Fund is charged against revenue.
- b) Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected unit credit method. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with life Insurance Corporation of India (LIC) for future payment of gratuity to the employees. The company accounts for gratuity liability of its employees on the basis of Independent Actuarial valuation carried out by an Actuary.
- c) The company accounts for Leave Encashment liability of its employees on the basis of Independent Actuarial valuation carried out by an Actuary.

### **viii) Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### **ix) Taxes on Income**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



# KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

## x) Investments

All investments are stated at cost. Provision for diminution in value of investments is made only if such a decline is other than temporary.

## xi) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

## xii) Impairment

The management periodically assesses using , external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets net selling price and value in use. which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

## Note 2 : SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>AUTHORIZED CAPITAL:</b>		
90,00,000 Equity Shares of ₹ 10/- each (Previous year: 90,00,000 Equity Shares of ₹ 10/- each)	900.00	900.00
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
77,73,858 Equity Shares of ₹ 10/- each fully paid up (Previous year: 77,73,858 Equity Shares of ₹ 10/- each fully paid up)	777.39	777.39

**2.1 :** The company has only one class of equity shares having face value of ₹ 10 each. Each shareholder of Equity share entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by board of directors is subject to approval of shareholders in ensuing Annual general meeting.

During the year ended, dividend per share recognised as distributions to equity shareholders was ₹ 2.70 /- (Previous Year ₹ 2.70 per share ).

In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 2.2 : The details of shareholders holding more than 5% shares in the company

Particulars	As at 31.03.2015		As at 31.03.2014	
Name of the Shareholder	Number of Shares	% of Shares	Number of Shares	% of Shares
a) P Venkateswarlu	2340836	30.11	2340836	30.11
b) P Veeraiah	909643	11.70	908692	11.69

## 2.3 : The reconciliation of number of shares as at 31st March, 2015

Particulars	As at 31.03.2015	As at 31.03.2014
Number of shares at the beginning of the year	77,73,858	77,73,858
Add: Shares issued during the year	-	-
Number of shares as at the end of the year	77,73,858	77,73,858



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **Note 3 : RESERVES AND SURPLUS**

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>1. Security Premium Reserve</b>	<b>1391.62</b>	<b>1,391.62</b>
<b>2. Amalgamation Reserve</b>		
Opening Balance	1,251.12	1,251.12
Less: Adjustment of shares pending allotment (Refer note 4.1)	175.23	-
Closing Balance	1,075.89	1,251.12
<b>3. General Reserve</b>		
i) Opening balance	1,729.79	1,641.39
ii) Add: Transfer from Surplus	141.10	88.40
Closing balance	1,870.89	1,729.79
<b>4. Surplus</b>		
Opening Balance	12,068.89	11,518.79
Less: Adjustment for depreciation on fixed assets (Note no.3.1)	7.34	-
Add: Net profit transferred from Statement of Profit & Loss	1,411.00	884.06
<b>TOTAL</b>	<b>13,472.55</b>	<b>12,402.85</b>
<b>Less Appropriations:</b>		
a) Proposed dividend	209.89	209.89
b) Corporate dividend tax	42.72	35.67
c) Amount transferred to General reserve	141.10	88.40
	<b>393.71</b>	<b>333.96</b>
Surplus-Closing balance	<b>13,078.84</b>	<b>12,068.89</b>
<b>TOTAL (1+2+3+4)</b>	<b>17,417.23</b>	<b>16,441.42</b>

3.1 : Consequent to the enactment of the Companies Act,2013, the company has charged depreciation based on the useful life of the assets prescribed in Schedule II of the Companies Act,2013. Accordingly, where the remaining useful life of the assets expired as on 1st April, 2014 the carrying amount of those assets has been adjusted against the opening retained earnings net of deferred tax of ₹7.34 Lacs.

## **Note 4 : SHARE APPLICATION MONEY PENDING ALLOTMENT**

1,46,862 Equity shares of ₹ 10 to be allotted to the shareholders.	-	14.69
	-	14.69

4.1 During the year 1996-97 the company entered into an MOU with Sri S.R.Kailash, the promoter of M/s. Sri Kailash Sugars & Chemicals Limited (SKSCL) for the purchase of 36,71,500 shares of ₹ 10/- each at the rate of ₹ 7.25 Per share. As these shares were seized from SKSCL by the Income-Tax Department, it was agreed upon to pay ₹ 66.18 Lacs immediately and to keep the balance amount of ₹ 200 Lacs in escrow deposit account with Global Trust Bank Ltd. (Presently merged with Oriental Bank of Commerce) with a condition that this amount to be paid only on release of shares by Income-Tax Department. This amount was released to Income-Tax Department in 1999 on behalf of Sri S.R.Kailash. However, the company disputed this payment and filed a case in Honourable High Court of Andhra Pradesh. As per the Amalgamation Scheme sanctioned by Honourable BIFR in the case No.66/99, dt. 07.01.1999 of M/s SKSCL, the company had to issued one share of ₹ 10 each of the company for every twenty five shares M/s SKSCL of ₹ 10 each. Accordingly, the company valued shares of M/s SKSCL so purchased above in 1:25 ratio without giving corresponding effect in escrow deposit account maintained for the purpose in view of pending appeal before Honourable High Court of Andhra Pradesh. In view of the disposal of the case by Honourable High Court of Andhra Pradesh, the share suspense (shown as share application money pending allotment) is adjusted against the escrow deposit account and the balance amount of ₹ 175.23 Lacs is transferred from amalgamation reserve and also adjusted against escrow deposit account.



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 5 : OTHER LONG TERM LIABILITIES**

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
Term Loan From Andhra Bank Ashoknagar	821.56	-
<b>TOTAL</b>	<b>821.56</b>	<b>-</b>

5.1 Interest free loan is taken from Andhra Bank to meet timely settlement of cane price of crushing sugar season (2013-14) relating to the fair and Remunerative prices fixed by the Central Government to the Sugar cane growers. Loan is secured by first charge on the fixed assets of sugar division and Collateral security of fixed deposits of ₹ 795.00 Lacs of the Company. The loan is repayable in 12 equal quarterly installments starting from May.2016.

**Note 6 : DEFERRED TAX LIABILITY (NET)**

<b>1. Deferred tax asset</b>		
Employee Benefits	14.29	13.73
<b>TOTAL</b>	<b>14.29</b>	<b>13.73</b>
<b>2. Deferred tax Liability</b>		
Opening Balance	96.62	241.16
Add: Depreciation	0.75	130.81
Less: Adjustment for Depreciation difference on Fixed assets (Refer Note no.3.1)	3.52	-
	<b>93.84</b>	<b>110.35</b>
<b>Deferred tax Liability (Net)(2-1)</b>	<b>79.55</b>	<b>96.62</b>

**Note 7 : OTHER LONG TERM LIABILITIES**

Security Deposits from stockists	13.43	13.43
Other Liabilities	129.25	129.25
<b>TOTAL</b>	<b>142.68</b>	<b>142.68</b>

7.1. Other Liabilities represents liability to Sri S.R Kailash .The Company has filed a Petition in AP High Court against Arbitration award amounting to ₹ 129.25 Lacs given in favour of Sri S. R. Kailash and pending decision of the AP High court and the same is retained in Fixed deposit with Andhra bank.

**Note 8 : LONG TERM PROVISIONS**

Provision for Gratuity	194.65	208.66
Provision for Leave Encashment	7.68	7.03
	<b>202.33</b>	<b>215.69</b>

**Note 9: SHORT TERM BORROWINGS**

Unsecured Loans		
From Related Parties.	468.61	350.00
From Banks	2,202.18	-
<b>TOTAL</b>	<b>2,670.79</b>	<b>350.00</b>

9.2 During the year Company has taken loan from Andhra bank and State bank of India against fixed deposits of the company of ₹ 2553.94 Lacs with rate of interest of 9.50% per annum.



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

**Note 10 : TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
Due to Micro and Small Enterprises	-	-
Others	900.62	923.77
<b>TOTAL</b>	<b>900.62</b>	<b>923.77</b>

**NOTE 11 : OTHER CURRENT LIABILITIES**

Current maturities of Longterm debts	-	902.95
Unclaimed Dividend	38.83	32.98
Statutory Liabilities	816.57	819.74
<b>TOTAL</b>	<b>855.40</b>	<b>1755.67</b>

11.4 Statutory liabilities represent amounts payable towards Excise Duty, Service Tax, Sales tax/VAT and Tax Deducted at Source.

**Note 12 : SHORT TERM PROVISIONS**

Provision for Employee Benefits		
Leave Encashment	3.63	3.21
Provision for Income Tax (Net of Advance Tax)	88.98	9.62
Proposed Dividend and Corporate Dividend Tax.	252.62	245.56
<b>TOTAL</b>	<b>345.23</b>	<b>258.39</b>



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 13 : FIXED ASSETS TANGIBLE** (₹ in Lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	AS AT 01.04.2014	ADDI- TIONS	DELE- TIONS	31.03.2015	AS AT 01.04.2014	DELE- TIONS	Adjustments (Note No. 13.1)	For the Year	Up to 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
CEMENT DIVISION											
FREEHOLD LAND	101.23	-	-	101.23	-	-	-	-	-	101.23	101.23
BUILDINGS	567.79	27.13	-	594.92	248.12	-	-	10.19	258.31	336.61	319.67
PLANT & EQUIPMENTS	6757.45	28.27	-	6785.72	5276.24	-	-	58.61	5334.85	1450.87	1481.21
OTHER EQUIPMENT	147.52	-	-	147.52	126.11	-	0.06	13.09	139.26	8.26	21.41
FURNITURE & FIXTURES	18.78	-	-	18.78	17.22	-	-	0.14	17.36	1.42	1.58
OFFICE EQUIPMENT	9.17	2.67	-	11.84	5.56	-	-	1.96	7.52	4.32	3.61
VEHICLES	60.91	-	-	60.91	49.53	-	1.95	2.22	53.69	7.22	11.38
TOTAL	7662.85	58.07	-	7720.92	5722.78	-	2.00	86.20	5810.98	1909.94	1940.09
SUGAR DIVISION											
FREEHOLD LAND	156.82	-	-	156.82	-	-	-	-	-	156.82	156.82
BUILDINGS	2211.47	-	-	2211.47	1030.68	-	-	57.07	1087.75	1123.72	1180.79
PLANT & EQUIPMENTS	3966.87	11.31	-	3978.18	3096.31	-	-	32.72	3129.03	849.15	870.55
OTHER EQUIPMENT	88.26	-	-	88.26	87.27	-	-	-	87.27	0.99	0.99
FURNITURE & FIXTURES	12.15	-	-	12.15	11.50	-	0.05	-	11.55	0.60	0.65
OFFICE EQUIPMENT	45.62	-	-	45.62	33.78	-	8.81	0.76	43.35	2.27	11.84
VEHICLES	67.51	-	-	67.51	44.65	-	-	5.60	50.25	17.26	22.86
TOTAL	6548.70	11.31	-	6560.01	4304.19	-	8.86	96.15	4409.20	2150.81	2244.50
POWER DIVISION											
FACTORY BUILDINGS	420.82	21.40	-	442.22	168.28	-	-	12.86	181.14	261.07	252.54
PLANT & EQUIPMENTS	4572.04	2.62	-	4574.66	2877.14	-	-	52.19	2929.33	1645.33	1694.90
TOTAL	4992.86	24.02	-	5016.88	3045.42	-	-	65.05	3110.47	1906.40	1947.44
GRAND TOTAL	19204.42	93.40	-	19297.81	13072.39	-	10.86	247.40	13330.65	5967.16	6132.03
PREVIOUS YEAR	19015.60	188.81	-	19204.41	12358.61	-	-	713.77	13072.38	6132.03	6656.98

13.1 Consequent to the enactment of the Companies Act, 2013, the company has charged depreciation based on the useful life of the assets as prescribed as per Schedule II of the Companies Act, 2013. Accordingly, where the remaining useful life of the assets expired as on 1st April, 2014 the carrying amount of those assets has been adjusted.

13.2 The company has provided depreciation as per Schedule II of the Companies Act, 2013. Had the Company followed Schedule XIV of the Companies Act 1956, the depreciation would have been higher by ₹482.07 Lacs.



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 14 : NON-CURRENT INVESTMENTS**

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Long term - Quoted</b>		
Investments in Equity Instruments of Andhra Bank 5,631 Equity Shares of ₹ 10/- with a Premium of ₹ 80 per share, Fully paid.	5.07	5.07
<b>TOTAL</b>	5.07	5.07
13.1. Aggregate market value of Quoted Investments ₹ 4.45 Lacs as against (P.Y 3.66 Lacs)		

**Note 15 : LONGTERM LOANS AND ADVANCES**

**Unsecured considered good**

a) Deposits with Government	132.27	132.27
b) Deposits with Others	69.22	239.45
<b>TOTAL</b>	201.49	371.72
13.1. Deposits Others includes the amount referred in point 7.1 above.		

**Note 16 : INVENTORIES**

**(Valued at lower of cost or net realizable value)**

Finished Goods	8,869.30	6,658.62
Work-in-Progress	217.62	320.43
Raw Materials	29.02	29.36
Banked Energy	418.56	127.03
Packing Materials	22.90	35.48
Stores Spares and Consumables	558.98	803.85
<b>TOTAL</b>	10,116.38	7,974.77

**Note 17 : TRADE RECEIVABLES**

**Unsecured, considered good**

Outstanding for a period exceeding six months	1,043.88	1,000.75
Others	8.82	201.78
<b>TOTAL</b>	1,052.70	1,202.53

**Note 18 : CASH AND BANK BALANCES**

Balances with banks in Current Accounts	311.55	707.98
Balances with banks in Deposit Accounts (Refer Note no.9.1)	3,984.31	1,900.92
Cash on hand	13.39	13.18
<b>TOTAL</b>	4,309.25	2,622.08
Balances with banks includes-		
Unclaimed dividend	38.83	32.98
Margin Money agianst Bank Guarantee	81.50	81.50

18.1 During the year, the Company has transferred unclaimed dividend of ₹ 1.34 Lacs pertaining to the financial year 2006-07 to the investor education and protection fund on expire of seven years.





**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 19 : SHORT TERM LOANS & ADVANCES**

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Unsecured Considered good</b>		
Advances towards Goods and Services.	1,249.22	1,444.13
Employees Advances	2.75	3.94
Other Advances	1,173.01	1,143.90
Prepaid expenses.	18.55	18.16
Interest Accrued on Deposits.	117.20	16.72
<b>TOTAL</b>	<b>2,560.73</b>	<b>2,626.85</b>

19.1. Other Advances include Income tax paid under protest during AY 2007-08 amounting to ₹ 602.10 Lacs (Previous year ₹ 602.10 Lacs) and Sales tax paid under protest amounting to ₹ 200.54 Lacs (Previous year ₹ 200.54 Lacs).

**Note 20 : REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Revenue from operations</b>		
Sale of products (Gross)	20,861.21	21,590.90
Less: Excise Duty	1,587.42	1,538.03
Revenue from operations (Net)	19,273.79	20,052.87
<b>20.1 : Details of products sold</b>		
Cement	9,218.23	7,879.79
Sugar	4,819.46	7,213.73
Power	5,236.10	4,959.35
	19,273.79	20,052.87

**Note 21 : OTHER INCOME**

Interest Income	197.60	217.30
Sale of Flyash	38.04	29.40
Sale of scrap	8.48	18.72
Miscellaneous Income	16.09	6.08
<b>TOTAL</b>	<b>260.21</b>	<b>271.50</b>
<b>TOTAL (20+21)</b>	<b>19534.00</b>	<b>20324.37</b>

21.1 : Interest income represents Interest on Fixed Deposits and Interest on electricity deposits

**Note 22 : COST OF MATERIALS CONSUMED**

**Cement Division**

- Limestone	460.83	379.19
- Gypsam	189.47	192.54
- Others	134.80	100.79

**Sugar Division**

- Sugar Cane	6,166.83	5,744.98
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<b>TOTAL</b>	<b>6,951.93</b>	<b>6,417.50</b>
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**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 23 : CHANGES IN INVENTORIES**

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Finished Goods</b>		
Closing Stock	9,287.86	6,785.65
Opening Stock	6,785.65	6,462.35
(A)	2,502.21	323.30
<b>Work in Progress</b>		
Closing Stock	217.62	320.43
Opening Stock	320.43	466.43
(B)	(102.81)	(146.00)
<b>Changes in inventories (A+B)</b>	(2,399.40)	(177.30)
<b>Details of Closing Inventory</b>		
<b>Finished Goods</b>		
Cement	53.69	61.69
Sugar	8,815.61	6,596.93
Banked Energy	418.56	127.03
<b>TOTAL</b>	9,287.86	6,785.65
<b>Work in Progress</b>		
Cement	217.62	320.43
<b>TOTAL</b>	9,505.48	7,106.08
<b>Details of Opening Inventory</b>		
<b>Finished Goods</b>		
Cement	61.69	29.73
Sugar	6,596.93	6,381.83
Banked Energy	127.03	50.79
<b>TOTAL</b>	6,785.65	6,462.35
<b>Work in Progress</b>		
Cement	320.43	466.43
<b>TOTAL</b>	7,106.08	6,928.78

**Note 24 : EMPLOYEE BENEFITS EXPENSE**

Salaries, Wages and Bonus	1,578.82	1,402.69
Contribution to Provident Fund	55.19	47.33
Staff Welfare Expenses	114.78	114.95
<b>TOTAL</b>	1,748.79	1,564.97

24.1 As per Accounting Standard 15, 'Employee Benefits', the disclosures as defined in the Accounting Standard are given in Note No. 30



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 25 : FINANCE COST**

(₹ in Lacs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest expense	81.07	46.04
<b>TOTAL</b>	<b>81.07</b>	<b>46.04</b>

**Note 26 : OTHER EXPENSES**

Consumption of Stores & Spare Parts	720.26	755.87
Cost of packing materials consumed	596.65	583.86
Power & Fuel	8,903.72	8,816.46
Repairs to Buildings	1.12	1.13
Repairs to Machinery	23.73	21.69
Repairs to Others	72.69	49.73
Other Manufacturing Expenses	138.90	115.55
Excise Duty on Increase/(Decrease) in Inventories	104.89	34.31
Advertisement and sales promotion	18.94	10.54
Other selling expenses	63.03	59.79
Donations	58.01	18.15
Contribution towards CSR	11.43	-
Bad debts Written Off	0.13	-
Miscellaneous Expenses	443.72	374.11
<b>TOTAL</b>	<b>11,157.22</b>	<b>10,841.19</b>

**26.1 Corporate Social Responsibility (CSR) Expenditure**

- Gross amount required to be spent by the company during the year: ₹ 42.00 Lacs
- Amount spent during the year:**

The company has contributed an amount of ₹ 11.43 Lakhs to L.V.Prasad Eye Research Foundation towards Corporate Social Responsibility activities in Compliance to the provisions of Sec 135 of the Companies Act, 2013.

**Note.27. PAYMENT TO AUDITOR IS A PART OF MISCELLANEOUS EXPENSES WHICH IS INCLUDED IN NOTE NO.26**

**As Auditor**

For Statutory Audit	3.00	3.00
For Tax Audit	0.65	0.65
For Quarterly review	1.00	1.00
<b>TOTAL</b>	<b>4.65</b>	<b>4.65</b>

**Note.28. EARNINGS PER SHARE (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit after tax as per statement of P&L Account attributable to equity shareholders	1,411.00	884.06
Weighted average number of equity shares in calculating basic EPS	77.74	77.74
Weighted average number of equity shares in calculating Diluted EPS	77.74	79.21
Basic Earnings per Share (₹)	18.15	11.37
Diluted Earnings per Share (₹)	18.15	11.16



# **KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

## **Note 29 : RELATED PARTY DISCLOSURES**

### **i) Key management personnel:**

P.Venkateswarlu Managing Director  
P.Veeraiah Joint Managing director

### **ii) Relatives of key management personnel:**

P.Samrajyam Wife of Sri P.Venkateswarlu  
P.Radha. Wife of Sri P.Veeraiah

### **iii) Enterprise in which key management personnel and their relatives have control:**

Standard Construction Co. (Partnership Firm)  
Kakatiya Finance and Leasing Company Pvt. Limited (KFL (P) Ltd.)

### **iv) Aggregated Related Party Disclosures: (₹ in Lacs)**

Nature of Transaction	Key Management personnel	Relatives of Key Management personnel	Enterprises Controlled By relatives of key management personnel	Total
Remuneration	193.53 (105.28)	- -	- -	193.53 (105.28)
Rent Paid		26.0 (3.60)	-	26.0 (3.60)
Truck hire charges			23.21 (2.16)	23.21 (2.16)
Loan from KFL (P) Ltd.			- (350.00)	- (350.00)

\*Figures in bracket represents previous year.

## **Note 30 : EMPLOYEE BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below

### **Defined Benefit plans:**

The company operates post retirement gratuity plan with LIC. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company has determined the leave encashment provision based on independent actuary.



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**a) Gratuity - Disclosures as per AS 15:**

**(₹ in Lacs)**

<b>Particulars</b>	<b>Year ended 31.03.2015</b>	<b>Year ended 31.03.2014</b>
<b>1 Changes in the Present Value of Obligation</b>		
Present value of obligations as at beginning of the year	174.25	146.04
Interest cost	13.94	11.68
Current Service cost	8.72	8.26
Benefits paid	(9.97)	(12.41)
Actuarial (gain)/loss on obligations	12.14	20.67
Present value of obligations as at end of year	174.79	174.25
<b>2 Changes in Fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	46.56	43.67
Expected return on plan assets	3.86	3.40
Contributions	15.57	11.90
Benefits paid	(9.97)	(12.41)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of year	56.02	46.56
<b>3 Assets recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	174.79	174.25
Fair value of plan assets as at the end of the year	56.02	46.56
Net asset/(liability) recognized in balance sheet (Refer Note below)	118.77	127.68
<b>Note:</b> The Company has gratuity provision of ₹ 194.65 lacs as on 31.3.2015		
<b>4 Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	4%	4%

**b) Leave Encashment - Disclosures as per AS 15:**

<b>1 Changes in the Present Value of Obligation</b>		
Present value of obligations as at beginning of year	10.24	6.38
Interest cost	0.82	0.51
Current Service cost	0.32	1.15
Benefits paid	-	-
Actuarial (gain)/loss on obligations	(0.07)	2.20
Present value of obligations as at end of year	11.30	10.24
<b>2 Assets recognized in the Balance Sheet</b>		
Present value of obligations as at the end of year	11.30	10.24
Fair value of plan assets as at the end of the year	-	-
Funded status	(11.30)	(10.24)
Net asset/(liability) recognized in balance sheet	(11.30)	(10.24)
<b>3 Expenses recognized in the Statement of Profit &amp; Loss</b>		
Current service cost	0.32	1.15
Interest cost	0.82	0.51
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognized in the year	(0.07)	2.20
Expenses recognized in statement of profit and loss	1.06	3.86
<b>4 Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	4%	4%



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 31 : CONSUMPTION OF RAW MATERIALS AND OTHER MATERIALS**

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	₹ in Lacs	%	₹ in Lacs	%
<b>a) Raw Materials</b>				
i) Imported	-	-	-	-
ii) Indigenous	6,951.93	100	6,417.50	100
<b>TOTAL</b>	6,951.93	100	6,417.50	100
<b>b) Components, Spares, Consumables &amp; Packing Materials</b>				
i) Imported	-	-	-	-
ii) Indigenous	1,316.91	100	1,339.73	100
<b>TOTAL</b>	1,316.91	100	1,339.73	100

**Note: 32. Provisions, Contingent Liabilities and Contingent Assets:**

Disclosures required by AS-29 "Provisions, Contingent Liabilities & Contingent Assets"

- i) Disputes with regard to Power purchase Tariff and PLF with regard to sale of power to APTRANSCO amounting to ₹ 1772.05 Lacs, out of which ₹ 1042.27 Lacs was considered as income, matter is pending before APERC.
- ii) Claims against the company by APCPDCL/APSPDCL amounting to ₹ 907.41 Lacs towards wheeling charges for energy wheeled from company's bagasse based co-generation unit to cement division for which writ petition filed in the High court of Andhra Pradesh and stay obtained.
- iii) Duty on Electricity generated and consumed was levied by the A.P.Govt. at ₹ 0.25 paise per unit from 17.07.2003. The High Court has stayed the operation of A.P. Electricity Duty Amendment Act, but asked to submit monthly returns of generation. The duty amount as on 31.03.2015 was ₹ 1228.78 Lacs.
- iv) For the Asst. years 1999-00, 2000-01 and 2001-02 Income tax paid ₹ 123.98 Lacs under protest against the demand of ₹ 136.40 Lacs towards disallowance of un-absorbed depreciation/losses. The matter pending in appeal before the High Court of Andhra Pradesh.
- v) For the Asst. Year 2011-12 and 2012-13 there was a demand of ₹ 64.45 and 120.68 Lacs towards denial of exemption u/s. 80-IA to Company's Power Division and other disallowances in Sugar and Cement Divisions. The matter is pending before CIT (Appeals).
- iv) Sales tax paid under protest for the Asst. years 2001-02,2002-03 of ₹ 188.56 Lacs against a demand of ₹ 188.56 Lacs regarding disputed sales tax on Molasses sales. The matter is under appeal before the High Court of Andhra Pradesh.
- vii) The Company has paid ₹ 1.00 crore as per the directions of Hon'ble High Court against demand of ₹ 850.22 Lacs from the forest department towards Net Present Value (NPV) in respect of diverted forest land for renewal of Mining lease under Forest (Conservation) Act, 1980. The matter is pending in appeal before the High Court of Andhra Pradesh.



**KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED**

**Note 33 : SEGMENT REPORTING**

(₹ In Lacs)

	Year ended 31.03.2015				Year ended 31.03.2014			
Particulars	Cement	Sugar	Power	Consolidated	Cement	Sugar	Power	Consolidated
<b>PRIMARY DISCLOSURES</b>								
<b>Segment Revenue</b>								
External Revenue	12198.50	4180.04	2225.14	18603.68	10456.11	6932.95	2238.92	19627.98
Inter-Segment Revenue	-	802.64	3010.96	3813.60	-	582.16	2722.28	3304.44
Interest & Other Income	92.77	23.38	144.06	260.21	211.10	29.80	30.60	271.50
<b>Total Revenue</b>	<b>12291.27</b>	<b>5006.06</b>	<b>5380.16</b>	<b>22677.49</b>	<b>10667.21</b>	<b>7544.91</b>	<b>4991.80</b>	<b>23203.92</b>
<b>Segment Result</b>								
Segment result	1667.56	(1,900.00)	2,060.50	1825.05	530.34	(1013.09)	1446.99	964.24
Less : Interest Expenses	12.46	68.61	-	81.07	20.28	25.76	0.00	46.04
Less : Income Tax & Deferred Taxation	335.99	-	-	335.99	34.14	-	-	34.14
Net Profit/(Loss) from ordinary activities	1319.11	(1968.61)	2060.50	1411.00	475.92	(1038.85)	1446.99	884.06
<b>OTHER INFORMATION</b>								
Segment Assets	8738.23	12256.47	6767.61	27762.31	10622.98	10512.96	3380.47	24516.41
Total Assets	8738.23	12256.47	6767.61	27762.31	10622.98	10512.96	3380.47	24516.41
Segment Liabilities	5323.72	4508.47	-	9832.19	4950.83	2332.56	-	7283.39
Total Liabilities	5323.72	4508.47	-	9832.19	4950.83	2332.56	-	7283.39
Depreciation	86.19	96.14	65.05	247.39	188.66	269.95	255.16	713.77

The Company accounts for intersegment sales and transfer at average Market Price.

**Note 34 : CLASSIFICATION**

Previous Year figures have been regrouped wherever necessary to conform to current Year's groupings / classification.

As per our report of even date  
for **M. ANANDAM & CO.**  
**Chartered Accountants**

**A.V. Sadasiva**  
**Partner**  
M. No. 018404

Place : Hyderabad  
Date : 28th May 2015

For and on behalf of the Board of Directors

**P. Venkateswarlu**  
**Chairman & Managing Director**  
DIN: 00276684

**M. Bhavani Dattu**  
**Chief Financial Officer**

**P. Veeraiah**  
**Joint Managing Director**  
DIN: 00276769

**R. Ramakrishna**  
**Company Secretary**



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

CIN : L26942TG1979PLC002485  
1-10-140/1, "GURUKRUPA", Ashok Nagar,  
Hyderabad - 500 020.

**ATTENDANCE SLIP**

DPID No.* :	No. of shares held :
Client ID No.* :	E-mail Id :

**NAME AND ADDRESS OF THE SHAREHOLDER**

I hereby record my presence at the 36th Annual General Meeting of the Company on Monday, August 10, 2015 at Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020

Signature of Shareholder / proxy

\*Applicable for investors holding shares in electronic form.



**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

CIN : L26942TG1979PLC002485  
1-10-140/1, "GURUKRUPA", Ashok Nagar,  
Hyderabad - 500 020.

**PROXY FORM**

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/Client Id :

DP ID :

I / We being the member (s) of \_\_\_\_\_ shares of Kakatiya Cement Sugar & Industries Limited, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Monday, August 10, 2015 at 11.00 A.M. at Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020 and at any adjournment thereof in respect of such resolutions as are indicated below:





**KAKATIYA CEMENT SUGAR AND  
INDUSTRIES LIMITED**

Resolutions	For	Against
1. Audited Financial Statement, Report of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. To Appoint a Director of Sri J S Rao retires by rotation and being eligible for re-appointment.		
4. To Appoint Smt. J Shalini, Additional Director, as Director of the Company, liable to retire by rotation.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of shareholder\_\_\_\_\_

Affix One Rupee  
Revenue  
Stamp

Signature of proxy holder (s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Shareholder/Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting venue.
3. Members are requested to advise the change of their address, if any, to the Company at the above address.

**NO GIFTS/ COMPLIMENTS WILL BE DISTRIBUTED AT THE MEETING**



**By Courier**

If undelivered, please return to:



**KAKATIYA CEMENT SUGAR &  
INDUSTRIES LIMITED**

1-10-140/1, "GURUKRUPA"

ASHOKNAGAR,  
HYDERABAD - 500 020.

CIN No. L26942TG1979PLC002485

Website: [www.kakatiyacements.com](http://www.kakatiyacements.com)

Phone: 040-27637717