



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

*Seventh Annual Report*

*2001 - 2002*

**d. HUMAN RESOURCES :**

The Company had 1237 employees including non-seasonal employees at the sugar units. The relations with the Unions have remained cordial. The Company aims at providing adequate compensation packages to its employees at various levels. Consequent to the automation of many of the unit operations and technology upgradation, surplus staff have been provided voluntary retirement scheme, which has been well received by them.

**e. OTHERS :**

- Your Company has regularly paid all the installments, both principal and interest, in respect of both Secured and Unsecured Loans, including Fixed Deposits.
- The gross block of Fixed Assets has increased to Rs.122.48 crores from Rs.107.39 crores primarily on account of the new 10,000 TCD Evaporator set up at Vuyyuru, the 1.0 MW Biogas power plant and installation of centralized pump control automation systems at its Vuyyuru unit.
- The Company has valid Pollution Control clearances in respect of both Air and Water for sugar units at Vuyyuru and Lakshmipuram and also for Distillery unit at Vuyyuru. The Company also takes adequate steps to safeguard the environment.
- Though the Company has taken lot of efforts in maintaining high standards of Safety and was also the recipient of many a safety award in the past, during the last year, two accidents had occurred which resulted in the loss of three lives. In order to prevent such untoward accidents in future, the Company has initiated continuing safety programmes at the Units.

**f. CAUTIONARY NOTE :**

It is explicitly stated that some of the statements in this Management Discussion and Analysis report are likely to be forward looking and are stated as required by the applicable legislations in force. It may so happen that the actual events or results may be effected by many factors which may be different from what the Board of Directors / Management perceives in terms of the future performance and outlook.

**V. FUTURE PLANS:**

Your Company has already submitted an application to the appropriate authorities for setting up of a 20 MW Cogeneration plant at Vuyyuru and are awaiting approvals from the State Government of Andhra Pradesh. Further, your Board will proceed in setting up of this plant depending on the policies of Andhra Pradesh Government once it is announced. Your Board of Directors are happy to record that the facility set up by the Company at its Vuyyuru Factory for the manufacture of Ethanol, is the first of its kind in the State of Andhra Pradesh and also in South India. Your Company has received orders for supply and it is hoped that this unit will contribute its mite to the operations during the current financial year. Your Board of Directors is also contemplating enlarging the variety and scope of biotech products during the ensuing years.

**VI. PERSONNEL AND INDUSTRIAL RELATIONS:**

During the year under review, the relationship between the Employees and the Management remained cordial. During the year 60 employees (previous year: 313) opted for the voluntary retirement scheme and the Company expended an amount of Rs. 85.55 lakhs (previous year: Rs. 491.41 lakhs) on this account.

**VII. DIRECTORS:**

The last financial year saw large-scale changes in the composition of the Board.

The untimely demise of Shri.V.M.Rao, Chairman and Managing Director on 02.10.2001 created a void in the Board. As the Chief Promoter Director, under his dynamic leadership, the Company had grown to great heights and your Board of Directors deem it an honor to place on record its acknowledgement