



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

**CIN: L15421TN1995PLC033198**

**Twenty Sixth Annual Report  
2020 – 2021**

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## Board of Directors

### WHOLE-TIME DIRECTORS

### DIN

Mr.Vinod R. Sethi	Executive Chairman	00106598
Ms.Irmgard Velagapudi	Managing Director	00091370
Ms.Kiran Velagapudi	Executive Director	00091466

### NON WHOLE-TIME DIRECTORS

### DIN

Dr.Vithal Rajan	Independent Director	00021571
Mr.M.S.V.M.Rao	Independent Director	00432640
Mr.Pratap K. Moturi	Independent Director	00020630
Mr.K.R.Adivarahan	Independent Director	00019844

### Committees of Board of Directors

Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	CSR Committee
<b>Chairman</b> Mr. M.S.V.M.Rao	<b>Chairman</b> Dr.Vithal Rajan	<b>Chairman</b> Mr.K.R.Adivarahan	<b>Chairman</b> Ms.Irmgard Velagapudi
<b>Members</b> Mr.Vinod R.Sethi Dr.Vithal Rajan Mr.Pratap K.Moturi Mr.K.R.Adivarahan	<b>Members</b> Mr.Vinod R.Sethi Mr.K.R.Adivarahan	<b>Members</b> Ms.Irmgard Velagapudi Ms.Kiran Velagapudi	<b>Members</b> Mr.Vinod R.Sethi Mr.M.S.V.M. Rao Mr.K.R.Adivarahan

### Registered and Corporate Office

'Ramakrishna Buildings',  
No.239, Anna Salai, Chennai - 600 006.  
Tel : 044 - 28555171 to 76  
e-mail : secretarial@kcpsugar.com  
Website: www.kcpsugar.com

### Date of Incorporation

11/10/1995

### Plant Location

Vuyyuru, Krishna District, Andhra Pradesh

Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilizers, Carbon dioxide and Calcium Lactate

### Subsidiaries

1. The Eimco – K.C.P. Limited
2. KCP Sugars Agricultural Research Farms Limited

<b>Bankers</b>	State Bank of India ICICI Bank Limited Axis Bank Limited HDFC Bank Limited Kotak Mahindra Bank Limited CTBC Bank Co., Ltd.,
<b>Chief Financial Officer</b>	<b>Mr.R.Ganesan</b>
<b>Company Secretary and Compliance Officer</b>	<b>Mr.S.Chidambaram (till 16/11/2020)</b> <b>Ms.S.Jeba Elavarasi (from 10/02/2021)</b>
<b>Statutory Auditor</b>	<b>M/s.Suri &amp; Siva (FRN: 004284S)</b> Chartered Accountants, C – 8, 3 <sup>rd</sup> Floor, Shanti Apartments, New No.18, 1 <sup>st</sup> Cross Street, T.T.K.Road, Alwarpet, Chennai - 600 018.
<b>Cost Auditor</b>	<b>M/s.SRR &amp; Associates (FRN: 000992)</b> Cost Accountants, No.20, Valluvar Street, 2 <sup>nd</sup> Floor, Thiru Nagar, Jafferkhanpet, Chennai - 600 083.
<b>Secretarial Auditor</b>	<b>Ms.Jayashree S Iyer (M.No.: F10394)</b> Practising Company Secretary, No.23, Lake Area, 3 <sup>rd</sup> Cross Street, Nungambakkam, Chennai – 600 034.
<b>Internal Auditor</b>	<b>Mr.S.Manisekaran (M.No.: 026400)</b> Chartered Accountant, 'Venkatesam', No.20/22, Ramanujam Street, Nungambakkam, Chennai - 600 034.
<b>Registrar to Deposits</b>	Being handled In-House at the Registered Office of the Company
<b>Share Transfer Agent and Depository Registrar</b>	<b>Integrated Registry Management Services Private Limited</b> 2 <sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017.  Tel : 044 - 28140801 to 03 Fax : 044 - 28142479 e-mail: corpserv@integratedindia.in

Particulars	Year Ended									
	Rs. in Lakhs (except Ratios)									
	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Share Capital	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
Reserves and Surplus	25902.58	24054.55	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08	18239.51
Net Worth	27036.43	25188.40	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93	19373.36
Fixed Assets (Net)	8723.69	8598.51	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94	12243.89
Gross Income	34415.40	36577.37	33060.10	38771.27	46290.34	39917.43	41645.59	35716.56	43460.93	34760.85
Gross Profit / (Loss)	4132.21	1159.50	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30	4892.15
Depreciation	588.50	739.49	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40	1082.87
Finance Cost	2387.32	2148.91	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58	634.16
Profit / (Loss) before Tax	1156.39	(1728.90)	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32	3175.12
Profit / (Loss) after Tax	1916.36	(1115.07)	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13	2642.50
Other Comprehensive Income	45.04	16.29	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind AS) was adopted from the F.Y. 2017 - 2018				
Total Comprehensive Income	1961.41	(1098.78)	1054.51	830.87	5487.03					
Earnings per Share (Rs.)	1.73	(0.97)	0.90	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33
Cash Earnings per Share (Rs.)	2.25	(0.32)	1.63	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29
Book Value per Share (Rs.)	23.84	22.21	23.30	22.50	21.08	19.36	19.01	20.78	19.33	17.09
Dividend on Equity %	10.00	10.00	10.00	10.00	90.00	25.00	10.00	85.00	100.00	70.00
Debt Equity Ratio	0.36	0.31	0.18	0.16	0.19	0.21	0.26	0.21	0.09	0.26

### SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12
Aggregate Cane Crushed (in MTS)	411324	705446	1182414	891450	647190	1183340	1103513	1088782	996740	1153421
Aggregate Sugar Bagged (in QTLS)	380990	641239	1126728	844273	587981	1107133	1024720	1095938	984988	1101387
Average Recovery (%)	9.27	9.09	9.53	9.47	9.09	9.36	9.29	10.07	9.88	9.55

secretarial@kcpsugar.com  
www.kcpsugar.com

**K.C.P.Sugar and Industries Corporation Limited**  
CIN: L15421TN1995PLC033198  
'Ramakrishna Buildings',  
No.239, Anna Salai,  
Chennai - 600 006.

June 28, 2021

Dear Member,

We trust that you are keeping safe and healthy during these tough times. We will hope for better in the near future.

Owing to the second wave of Covid Pandemic and lockdowns and physical meetings not being advisable and enabling notifications of Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Annual General Meeting will be held through Video Conferencing. In this scenario, we pledge to ensure that the rights of shareholders are duly protected.

You are cordially invited to attend the 26<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 27<sup>th</sup> Day of September, 2021 at 10 AM through Video Conferencing.

Annual Report for the Financial Year 2020 - 2021, inter-alia, containing Notice of Annual General Meeting and Audited Financial Statements, Directors' Report and Auditor's Report, is attached hereto.

Detailed instructions for attending the Annual General Meeting through Video Conferencing and casting of vote by e-Voting is also attached herewith.

Stay Safe. Stay Healthy.

Wish you a healthy way ahead.

Very truly yours,

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

**NOTICE** is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of K.C.P.Sugar and Industries Corporation Limited will be held through Video Conferencing on Monday, the 27<sup>th</sup> Day of September, 2021 at the Registered Office of the Company at No.239, Anna Salai, Chennai – 600 006 at 10AM to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Audited Consolidated Financial Statements of the Company and its Subsidiaries for the Financial Year ended 31/03/2021 together with the Reports of Auditor and Board of Directors thereon;
2. To declare Dividend at the rate of 10% on the face value of the Equity Shares of the Company;
3. To appoint a Director, in the place of Ms.Kiran Velagapudi (DIN:00091466) who retires by rotation and being eligible, offers herself for reappointment.

**SPECIAL BUSINESS:**

4. **Borrowing Powers:**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

“**RESOLVED THAT** in supersession of earlier resolutions, passed in this regard and pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, the approval of the Members of the Company, be and is hereby accorded to borrow, from time to time, any sum of money which together with the money already borrowed by the Company (excluding temporary loans, in terms of the said Act, if any, obtained or to be obtained by the Company from the Company's Bankers in the ordinary course of business) shall not exceed Rs.300 Crores (Rupees Three Hundred Crores Only), over and above the aggregate of the paid-up share capital, free reserves and securities premium account, at any time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to exercise the powers vested in the above resolution, at the time and in the manner, as it considers prudent in the best interest of the Company and do such acts and deeds, as may be necessary in furtherance of the same.”

5. **Minimum Remuneration paid to Managerial Personnel:**

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

“**RESOLVED THAT** in terms of Section 197 (10) of the Companies Act, 2013, the Minimum Remuneration of a sum of Rs.27,69,647/- (Rupees Twenty Seven Lakhs Sixty Nine Thousand Six Hundred and Forty Seven Only) paid to Ms.Kiran Velagapudi, Executive Director of the Company for the period 29/07/2020 to 31/03/2021 during the financial year 2020 – 2021, the fourth year of inadequate profits, during her tenure covering 29/07/2017 to 28/07/2022, be and is hereby ratified.”

6. **Acceptance of Deposits:**

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

“**RESOLVED THAT** pursuant to and subject to the provisions of Section 76 of the Companies Act, 2013 read with Section 73 of the Companies Act, 2013 and applicable provisions of the Companies (Acceptance of Deposits) Rules, 2014, the approval of the Members of the Company, be and is hereby accorded to invite, accept and renew, from time to time, Unsecured Deposits from Shareholders and Public on such terms and conditions as set forth in the Circular in the form of Advertisement in Form DPT-1, annexed hereto.”

7. **Remuneration to Cost Auditor:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of a sum of Rs.1,64,500/- (Rupees One Lakh Sixty Four Thousand and Five Hundred Only), exclusive of applicable GST and reimbursement of travel and out of pocket expenses, payable to M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992), for conducting Cost Audit for the financial year ending 31/03/2022, as approved by the Board of Directors based on the recommendation of Audit Committee, be and is hereby ratified.”

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI  
EXECUTIVE CHAIRMAN  
DIN: 00106598**



**NOTES:**

1. The Statement setting out the material facts concerning each item of special business to be transacted at the Annual General Meeting, in terms of Section 102 of the Companies Act, 2013, is enclosed hereto. Relevant documents as referred to in the Notice of Annual General Meeting and the said Statement will be available for online inspection at the Website of the Company till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
2. M/s.Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017 is the Share Transfer Agent and Depository Registrar of the Company (hereinafter referred to as “Registrar of the Company”).
3. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides facility to Members to exercise their voting rights by Remote e-voting in respect of businesses set out in the Notice of Annual General Meeting. The manner in which the Members shall cast their vote by Remote e-Voting is provided in 'Instructions for e-Voting and attending the AGM through Video Conferencing' at Page No.245 of this Annual Report.
4. The Ministry of Corporate Affairs vide their General Circular No.02/2021 dated 13/01/2021 had continued to allow the Companies to conduct their Annual General Meeting through Video Conferencing due to the pandemic caused by Covid-19.
5. Detailed instructions for attending the Annual General Meeting held through Video Conferencing and casting of vote by e-Voting are provided at Page No. 245 of this Annual Report.
6. Members may post their questions by email addressed to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com), not less than 2 days before the date of Annual General Meeting by providing relevant Membership details for the purpose of identification including Name, Folio Number / Client ID / DP ID and the same will be addressed by the Company in the Annual General Meeting, suitably.
7. The facility to join the Annual General Meeting held through Video Conferencing will be open, 15 minutes before the time scheduled for Annual General Meeting till the expiry of 15 minutes after the time scheduled for Annual General Meeting.
8. Members may please note that Annual General Meeting held through Video Conferencing can accommodate only 1000 Members. Hence, Members will be allowed to participate in the Annual General Meeting on first come, first served basis.
9. Proxies are not allowed to join and participate in the Annual General Meeting held through Video Conferencing as per the Guidelines of Ministry of Corporate Affairs.
10. Institutional Shareholders are required to send scanned copy of relevant Board Resolution / Authority Letter with attested specimen signature of Authorised Signatory(ies), authorising persons to vote on behalf of the respective Institutional Shareholder, to the Scrutiniser by email to [jayashree2505@gmail.com](mailto:jayashree2505@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

11. All the Members who have joined the Annual General Meeting through Video Conferencing will be counted for the purpose of Quorum.
12. Members who have cast their vote by Remote e-Voting may attend the Annual General Meeting through Video Conferencing but cannot vote during the Annual General Meeting.
13. Only those Members who have joined the Annual General Meeting through Video Conferencing and have not casted their vote by Remote e-Voting can cast their vote by e-Voting at the Annual General Meeting during such time as informed by the Chairman of the Annual General Meeting.
14. Members shall be entitled to one vote for every one share held by him / her / it in the Company.
15. Register of Directors and Key Managerial Personnel and their Shareholding as maintained in terms of Section 170 of the Companies Act, 2013 and relevant Rules made thereunder will be available for online inspection in the Website of the Company, one day before the date of Annual General Meeting till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
16. Register of Contracts or Arrangements in which Directors are interested as maintained in terms of Section 189 of the Companies Act, 2013 and relevant Rules made thereunder will be available for online inspection in the Website of the Company, one day before the date of Annual General Meeting till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
17. Separate Audited Accounts of Subsidiaries of the Company will be available in the Website of the Company not less than 21 days before the date of Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
18. Annual Report will be available in the Website of the Company not less than 21 days before the date of Annual General Meeting. To view / download the Annual Report, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
19. Register of Members / Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 21/09/2021 to 27/09/2021, both days inclusive for the purpose of Annual General Meeting and payment of dividend for the financial year ended 31/03/2021.
20. Dividend on Equity Shares of the Company, as recommended by the Board, if approved by the Shareholders at the Annual General Meeting will be paid within 30 days from the date of declaration of dividend to those Members whose names appear in the Register of Members / Register of Beneficial Owners, as the case may be, on 20/09/2021, the Cut-off Date.
21. Dividend will be paid by issuance of Demand Drafts (or ECS, if opted by the Member) to the Members holding shares in physical form. Members may opt for ECS (direct credit to the Bank Account of the Member) for receipt of dividend by sending the duly filled ECS Mandate Form attached to this Annual Report.
22. Dividend will be paid to those Members who hold shares in demat form through National Electronic Clearing System (NECS), if complete core banking details are available with the Company. If not, Demand Drafts will be issued to those Members.

23. Members are requested to register / update their bank account details (Use ECS Mandate Form annexed to this Annual Report) with the Registrar of the Company (if shares are held in physical form) or their respective Depository Participant (if shares are held in demat form) for the purpose of payment of dividend through NECS. Members may note that NECS system provides instantaneous credit to the Members' bank account, protects against fraudulent interception and encashment of dividend warrants and provides relief against loss or damage of dividend warrants in transit.
24. Tax will be deducted at source as per applicable law on payment of Dividend. Taxability of dividend in the hands of recipients is as per extant applicable law.
25. As per mandate of SEBI, any transfer of shares can be done only if shares are held in demat form. Hence, Members are hereby requested to dematerialise their shares by opening a demat account with a Depository Participant, if not done so far.
26. Any correspondence or concern in respect of transfer of shares, etc., may be addressed to the Registrar of the Company directly.
27. Members who are holding shares in more than one folio, identically, are requested to consolidate their shareholdings in a single folio by sending requisite details along with Share Certificates to the Registrar of the Company.
28. As provided by Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members may nominate a person to whom the shares shall vest in the event of his / her death. In case of Joint Shareholders, all the Joint Shareholders together shall nominate a person to whom the shares shall vest in the event of death of all the Joint Shareholders.  
  
Members holding shares in physical form / demat form desirous of making nomination can send their request in Form SH-13 to the Registrar of the Company / Depository Participant, respectively.
29. Members who have not lodged their old share certificates of 'The KCP Limited' for exchange of new share certificate of the Company in terms of the approved Scheme of Arrangement are requested to surrender the same to The KCP Limited, No.2, Dr.P.V.Chерian Crescent, Egmore, Chennai – 600 008 at the earliest with a copy marked to the Registrar of the Company. New share certificates of the Company will be despatched after receipt of confirmation from The KCP Limited.
30. Due to difficulties caused by Covid-19, Ministry of Corporate Affairs have instructed the companies to send the Annual Report only by email. The soft copy of Annual Report is being sent by email to all the Members whose email IDs are registered with the Registrar of the Company. The soft copy of Annual Report is also placed in the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).
31. Members are requested to register / update their email addresses with the Registrar of the Company to enable service of documents through electronic mode.
32. Distribution of gift, gift coupons or cash in lieu of gifts in any mode to the Members at or in connection with the Annual General Meeting is not permitted as per Clause 14 of Secretarial Standard on General Meetings and the Company adheres to the same.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:****Item No.4 – Borrowing Powers:**

Section 180 of the Companies Act, 2013 mandates the approval of Members of the Company for borrowing money exceeding the aggregate of paid-up share capital, free reserves and securities premium account, if any. Your Company is in the verge of diversification of business so as to augment the business and revenues of the Company. For this purpose, the Company may require prompt financial assistance. As on date, the borrowings of the Company have not exceeded the aggregate of paid-up share capital, free reserves and securities premium account. If situation warrants, to support new business, the Company may require additional borrowings and hence this enabling resolution.

The Board recommends the resolutions to be passed as Special Resolutions.

**Memorandum of Interest:**

None of the Directors and Key Managerial Personnel of the Company is deemed to be concerned or interested in the said Item No.4.

**Item No.5 - Minimum Remuneration paid to Managerial Personnel:**

Ms.Kiran Velagapudi, Executive Director has been paid Minimum Remuneration by way of Salary and Perquisites for the period 29/07/2020 to 31/03/2021 during the Financial Year 2020 - 2021, being the fourth financial year of inadequate profits during her tenure covering 29/07/2017 to 28/07/2022. On finalisation of Accounts, for the Financial Year 2020 – 2021, it was ascertained that the Company has sustained loss for the said Financial Year. As per Schedule V of the Companies Act, 2013, Minimum Remuneration can be paid for a period not exceeding three years, during the years of inadequate profits falling under the tenure of the director.

However, in terms of Section 197 (10) of the Companies Act, 2013, the Minimum Remuneration paid to Managerial Personnel beyond the said period of three years may be ratified by the Shareholders by passing a special resolution.

The Nomination and Remuneration Committee of the Board of Directors of the Company has recommended the ratification of the payment of the Minimum Remuneration paid for the Financial Year 2020 - 2021 to the Executive Director and the said recommendation of Nomination and Remuneration Committee is approved by the Board at its Meeting held on 28/06/2021. Now the matter is placed before the Shareholders for ratification of payment of Minimum Remuneration to the Executive Director for the period 29/07/2020 to 31/03/2021 during the Financial Year 2020 – 2021.

Though the Company is a stand-alone Sugar Industry, the Company has achieved an excellent track record by following strict financial discipline and has built up excellent rapport with the agrarian community at large in the command area and employees, in particular. The industrial relations are absolutely cordial. In spite of the cyclical nature of the Sugar Industry which is facing down trend, the Company is able to withstand the difficult times and maintain liquidity at good standards under the able guidance of the Management.

The loss sustained by the Company for five years was on account of the sectoral problems including 'supply exceeding the demands'. The Company per se performed excellently well by duly discharging all the financial commitments including the settlement of sugarcane dues.

The Board recommends the resolution to be passed as a Special Resolution.

**Memorandum of Interest:**

Ms.Kiran Velagapudi is interested in the resolution set out in Item No.5 of the Notice of Annual General Meeting. None of the other Directors and Key Managerial Personnel of the Company except Ms.Irmgard Velagapudi, Managing Director and Mr.Vinod R.Sethi, Executive Chairman being relatives, is deemed to be concerned or interested in the said Item No.5.

**Item No.6 – Acceptance of Deposits:**

The Board of Directors of the Company have accorded its approval to invite, accept and renew, from time to time, Unsecured Deposits from Shareholders and Public on such terms and conditions, as provided in the Circular in the form of Advertisement, as annexed hereto.

The Company has not made any default either in payment of interest or repayment of principal of deposits accepted by the Company till date. The Company duly maintains Deposit Repayment Reserve as prescribed by the Companies Act, 2013 and relevant Rules made thereunder. The CARE Ratings Limited has given the rating of 'CARE A- (FD); Outlook: Negative' for Fixed Deposits.

The Circular in the form of advertisement in Form DPT- 1 containing terms and conditions of acceptance of deposits is annexed hereto.

The Board recommends the resolution to be passed as a Special Resolution.

**Memorandum of Interest:**

None of the Directors and Key Managerial Personnel of the Company is deemed to be concerned or interested in Item No.6 of the Notice of the Annual General Meeting except to the extent of deposit, if any held by them.

**Item No.7 – Remuneration to Cost Auditor:**

The Board of Directors of the Company based on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditor of the Company for conducting Cost Audit for the financial year ending 31/03/2022.

In terms of Section 148 read with Section 141 of the Companies Act, 2013, the said Cost Accountants Firm has confirmed that the Firm satisfies the eligibility conditions, prescribed therein and not disqualified in any way for appointment as Cost Auditor of the Company. The said Firm has also given a Certificate on its independence and arms length relationship with the Company.

The Products which are subject to Cost Audit at the Unit of the Company at Vuyyuru, Krishna District, Andhra Pradesh is as given below:

- (i) Sugar
- (ii) Electricity
- (iii) Industrial Alcohol
- (iv) Bio-Fertilisers
- (v) Calcium Lactate
- (vi) Carbon dioxide

Pursuant to Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of a sum of Rs.1,64,500/- (Rupees One Lakh Sixty Four Thousand and Five Hundred Only), exclusive of applicable GST and reimbursement of travel and out of pocket expenses payable to Cost Auditor for conducting Cost Audit for the financial year ending 31/03/2022, as approved by the Board of Directors of the Company based on the recommendation of the Audit Committee, is placed before the Members of the Company for ratification.

The Board recommends the resolution to be passed as an Ordinary Resolution.

**Memorandum of Interest:**

None of the Directors and Key Managerial Personnel of the Company is deemed to be concerned or interested in Item No.7 of the Notice of the Annual General Meeting.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI  
EXECUTIVE CHAIRMAN  
DIN: 00106598**

## DEPOSIT SCHEMES

(Unsecured Deposits)

For Public and Shareholders w.e.f. 29/10/2021

### Form DPT - 1

**Circular in the form of advertisement inviting Deposits from Public / Shareholders**

*[Pursuant to Section 73 (2) (a) and Section 76 of the Companies Act, 2013 and Rule 4 (2) of the Companies (Acceptance of Deposits) Rules, 2014]*

The Company invites and accepts deposits on the following terms:

Scheme - I (Fixed Deposit)				Scheme - II (Cumulative Deposit)			
Period	Rate of Interest p.a.	Minimum amount of Deposit	Interest payable	Period	Rate of Interest p.a.	Minimum amount of Deposit	Interest payable (compounded quarterly)
2 Years	7.50%	Rs.25,000/-	Quarterly	3 Years only	8.00%	Rs.25,000/-	On maturity
3 Years	8.00%	Rs.25,000/-	Quarterly				

#### 1. GENERAL INFORMATION

a.	Name of the Company	K.C.P.Sugar and Industries Corporation Limited
	Address, Website and other contact details of the Company	Registered Office: 'Ramakrishna Buildings' , No.239, Anna Salai, Chennai – 600006. Phone No. : 044-28555171 - 176 Fax : 044-28546617 email Id : <a href="mailto:finance@kcpsugar.com">finance@kcpsugar.com</a> Website : <a href="http://www.kcpsugar.com">www.kcpsugar.com</a>
b.	Date of incorporation of the Company	11/10/1995
c.	Business carried on by the Company and its Subsidiaries with the details of branches or units, if any	Manufacturers of Sugar, Industrial Alcohol, Ethanol, Bio-Fertilisers, Carbon dioxide, Calcium Lactate and Incidental Cogeneration Power.  Unit at Vuyyuru, Krishna District, Andhra Pradesh.



		<p><u>Wholly Owned Subsidiaries:</u></p> <p><b>(i) The Eimco - K.C.P. Limited</b></p> <p>Manufactures of solid liquid separation equipments.</p> <p>Works at 11 - A, 3rd Main Road, Industrial Estate, Ambattur, Chennai - 600 058.</p> <p><b>(ii) KCP Sugars Agricultural Research Farms Limited</b></p> <p>Engaged in research and development activities in agricultural sector.</p> <p>Farms at Thirupukuzhi and Melambi Villages, Kanchipuram District, Tamil Nadu.</p>	
d.	Brief Particulars of Management of the Company	The Company is managed by the Managing Director of the Company under the supervision, control and direction of the Board of Directors of the Company.	
e.	Names, Addresses, DIN and Occupations of the Directors		
Name of the Director	DIN	Address (Residential)	Occupation
Ms.Irmgard Velagapudi	00091370	No.15, Damodarapuram Main Road, Adyar, Chennai – 600 020	Managing Director
Mr.Vinod R. Sethi	00106598	No.2, 3 <sup>rd</sup> Street, Poes Garden, Gopalapuram, Chennai– 600 086	Executive Chairman
Ms.Kiran Velagapudi	00091466	No.11, 3 <sup>rd</sup> Street, Kasturi Estate, Gopalapuram, Chennai – 600 086	Executive Director
Mr.K.R.Adivarahan	00019844	No.12, Krishnapuri II Street, R.A.Puram, Chennai –600 028	Independent Director
Dr.Vithal Rajan	00021571	No.1-2-16/11, Block B, 1 <sup>st</sup> Street, Habsiguda, Hyderabad –500 007	Independent Director
Mr.M.S.V.M.Rao	00432640	Flat No. 202, Sri Nilaya Asia Manor Apartments, C Block, Road No.2, Khairatabad, Banjara Hills, Hyderabad – 500 034	Independent Director
Mr.Pratap K.Moturi	00020630	No.25C, Ranjith Road, Kotturpuram, Chennai –600 085	Independent Director



f.	Management's perception of risk factors	<p>The Company has two Deposit Schemes viz., Fixed Deposits and Cumulative Deposits and both are unsecured. The Company has unblemished track record of servicing the depositors till date without any default either in repayment of deposits or in payment of interest.</p> <p>The Company has deposited 20% of the amount of deposits maturing in the financial year 2021 - 2022 in a separate Bank Account with ICICI Bank Limited, Nungambakkam Branch, Chennai, in pursuance of Section 73 (2) (c) of the Companies Act, 2013.</p> <p>The CARE Ratings Limited has revised the rating as 'CARE A - (FD); Outlook: Negative' for Fixed Deposits.</p>
g.	<p>Details of default, including the amount involved, duration of default and present status, in repayment of</p> <p>i. Statutory dues</p> <p>ii. Debentures and Interest thereon</p> <p>iii. Loan from any bank or financial institution and interest thereon</p>	<p>Nil</p> <p>Not Applicable</p> <p>Nil</p>

## 2. PARTICULARS OF THE DEPOSIT SCHEME

a.	Date of passing of Board Resolution	28.06.2021
b.	Date of passing resolution in the General Meeting authorising the invitation of such deposits	27.09.2021
c.	Type of deposits, i.e., whether secured or unsecured	Unsecured
d.	Amount which the Company can raise by way of deposits as per the Act and the Rules made there under	<p><b>Rs.94,62,74,966/-</b></p> <p><b>Rs.67,59,10,690/- from Public</b> (25% of the aggregate of the paid-up share capital and free reserves)</p> <p><b>Rs.27,03,64,276/- from Shareholders</b> (10% of the aggregate of the paid-up share capital and free reserves)</p>
	a) The aggregate of deposits actually held on the last day of the immediately preceding financial year (31.03.2021)	Rs.68,79,38,000/-
	b) The aggregate of deposits actually held on the date of issue of Circular / Advertisement (29.10.2021)	Rs._____-/-

	c) Amount of deposits proposed to be raised	Rs. 94,62,74,966/- including Deposits outstanding as on such date
	d) Amount of deposits repayable within the next twelve months	Rs.18,48,56,000/-
e.	<b>Terms of raising deposits</b>	
	Minimum amount	Rs.25,000/- and thereafter in multiples of Rs.1,000/- only
	<b>Scheme I: Fixed Deposit</b>	
	Term of Deposit	Two / Three years. Interest payable quarterly
	Rate of Interest	7.50% p.a. for 2 Years Deposit and 8.00% p.a. for 3 Years Deposit
	Interest payable	Interest on Deposit under Scheme I will be payable every quarter on 30 <sup>th</sup> June, 30 <sup>th</sup> September, 31 <sup>st</sup> December and 31 <sup>st</sup> March
	<b>Scheme II: Cumulative Deposit</b>	
	Term of deposit	Three years only. Interest payable on maturity; compounded quarterly
	Rate of interest	8.00% p.a.
	Interest payable	Interest on Deposit under Scheme II will be payable on maturity, interest compounded quarterly.
	<b>Scheme I (Fixed Deposit) and Scheme II (Cumulative Deposit)</b>	
	Mode of payment of interest	Interest will be payable by way of ECS / Demand Drafts.
	Repayment of principal amount	<p>Deposits will be repayable on maturity and on surrender of duly discharged deposit receipt, by way of account payee cheques payable at par.</p> <p>In case of premature repayment of deposits after the expiry of a period of six months from the date of such deposit but before the expiry of the period for which such deposit was accepted, the rate of interest payable on such deposit shall be reduced by one percent from the rate which the Company would have paid had the deposit been accepted for the period for which such deposit had actually run and subject to compliance of the extant provisions of the Companies (Acceptance of Deposits) Rules, 2014.</p> <p>Premature closure of a Cumulative Deposit is not permitted.</p>
	Mode of receipt of Deposit	Deposits will be accepted only through account payee cheques / demand drafts drawn on Chennai banks favouring K.C.P.Sugar and Industries Corporation Limited. No deposits will be accepted by way of cash and out station cheques. Duly filled Deposit Application Form has to be submitted.
	Renewal of deposits	Renewal of deposits will be considered on submission of fresh Application accompanied by the duly discharged Deposit Receipt. Renewal will be accepted for the principal amount only

f.	Proposed time schedule mentioning the date of opening of the Scheme and time period for which the Circular or Advertisement is valid	This new Circular has been approved by the Board of Directors on 28.06.2021. <b>The Deposit Scheme will be open from 29.10.2021.</b>  This Circular in the form of advertisement shall be valid until the expiry of six months from the date of closure of Financial Year 2021 - 2022 or until the date on which the Financial Statements is laid before the Company in Annual General Meeting for the said Financial Year or the latest day on which that Annual General Meeting should have been held in accordance with the Companies Act, 2013, whichever is earlier.
g.	Reasons or objects of raising the deposits	To support business operations
h.	<b>Credit Rating obtained</b>	
	a) Name of Credit Rating Agencies	CARE Ratings Limited
	b) Rating obtained	CARE A - (FD); Negative [Single A Minus (Fixed Deposits); Outlook: Negative]
	c) Meaning of the rating obtained and date of which rating was obtained	Adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk with 'Modifier Minus' reflecting the comparative standing within the category 'A'. Negative Outlook indicates expected downgrade in the credit rating in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term and the date on which credit rating obtained is 17.08.2021.
i.	Short particulars of the charge created or to be created for securing such deposits, if any	Not applicable
j.	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons	None of the directors, promoters, key managerial personnel and their relatives are concerned or interested except to the extent of deposit if any held by them in the Company

**3. DETAILS OF ANY OUTSTANDING DEPOSITS**

a.	Amount outstanding as on 31.03.2021	<b>Rs.68,79,38,000/-</b>
b.	Date of acceptance	Accepted on different dates
c.	Total amount accepted during the Financial Year 2020 – 2021	<b>Rs.10,63,55,000/-</b>
d.	Rate of interest	8.50% / 8.00% for 2 Years and 9.00% / 8.50% for 3 Years
e.	Total number of Depositors	3289
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any including number of depositors, amount and duration of default involved	Nil
g.	Any waiver by the depositors, of interest accrued on deposit.	Nil

#### 4. FINANCIAL POSITION OF THE COMPANY

a.	Profits of Company, before and after making provisions for tax, for the three financial years immediately preceding the date of issue of circular or advertisement	Profit (Amount in Rs.)					
		31.03.2019		31.03.2020		31.03.2021	
		Before taxation	After taxation	Before taxation	After taxation	Before taxation	After taxation
		255607402	101994148	(172889802)	(111507293)	115639428	191636479
b.	Dividends declared by the Company in respect of the said three financial years, interest coverage ratio for last three years (cash profit after tax plus interest paid or interest paid)	For the Year ended	Dividend declared	Dividend (%)	Interest Coverage Ratio		
		31.03.2019	1,13,38,505	10	2.82		
		31.03.2020	1,13,38,505	10	0.54		
		31.03.2021	1,13,38,505	10	1.73		

c. A summary of the financial position of the Company as in the three Audited Balance Sheets immediately preceding the date of issue of circular or advertisement.

Balance Sheet		Amount in Rupees		
Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	845242935	847894313	912193700	
(b) Capital work-in-progress	26473489	10826431	-	
(c) Intangible Assets	652328	1130504	4919769	
<b>(d) Financial Assets</b>				
(i) Investments	1015359763	699544862	815369202	
(ii) Loans	3761279	4052564	3992829	
(e) Deferred Tax Assets	43017491	-	-	
(f) Other Non-Current Assets	41527870	43364680	41294009	

<b>Balance Sheet</b>			
<i>Amount in Rupees</i>			
<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Current Assets</b>			
(a) Inventories	2472675877	3364346137	3691299607
(b) Financial Assets			
(i) Investments	594457669	569555191	550304789
(ii) Trade Receivables	284680362	239757942	205378591
(iii) Cash and Cash Equivalents	13757393	53561793	22394977
(iv) Bank Balances other than (iii) above	73633372	77877612	90911410
(v) Other Financial Assets	192241210	204302576	54161958
(c) Other Current Assets	83097408	104274252	95551964
<b>Assets held for Sale</b>	78579550	-	-
<b>Total Assets</b>	<b>5769157996</b>	<b>6220488857</b>	<b>6487772805</b>

<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	113385050	113385050	113385050
(b) Other Equity	2590257711	2405455258	2529002504
<b>Liabilities</b>			
<b>Non- Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	926454850	743197000	413413000
(ii) Other Financial Liabilities	9793613	7464513	11336192
(b) Provisions	34745709	49183624	50099446
(c) Deferred Tax Liabilities	-	31128959	70889349
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1473328538	1518039308	1522766450
(ii) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	84118483	609833157	1322168873
(iii) Other Financial Liabilities	520095416	703985040	363082602
(b) Other Current Liabilities	8292199	26521042	38463658
(c) Provisions	8686427	12295906	12524886
(d) Current Tax Liabilities	-	-	40640795
<b>Total Equity and Liabilities</b>	<b>5769157996</b>	<b>6220488857</b>	<b>6487772805</b>

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of Circular or Advertisement

<b>Statement of Cash Flow</b>				<i>Amount in Rupees</i>
Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019	
<b>Cash flows from Operating Activities</b>				
Total Income for the Period (PBT)	115639428	(172889802)	255607402	
<u>Adjustments:</u>				
- Interest Income	(9398606)	(11895096)	(10570381)	
- Loss / (Profit) on Sale of Fixed Assets	(6708745)	(6306)	(7949918)	
- Loss / (Gain) on Sale of Investments	-	(829871)	756578	
- Adjustment for OCI	6355079	2298554	5313780	
- Interest Expense	238731506	214890585	9872256	
-Dividend Income	(35501249)	(38652185)	(38959806)	
- Fair Value Adjustment	(315929208)	119459890	81784273	
- Depreciation and Amortization	58850171	73949035	82738443	
Operating Cash Flow before Working Capital changes	52038376	186324803	378592628	
<i>Changes in</i>				
- (Increase) / Decrease in Trade Receivables	(44922420)	(34379351)	20561729	
- (Increase) / Decrease in Inventory	891670261	326953470	(1615917547)	
- (Increase) / Decrease in Other Current Financial Asset(s)	12175670	(150140618)	(41649302)	
- (Increase) / Decrease in Other Current Asset(s)	18641982	25219773	54261820	
- Asset held for Sale	(78579550)	-	-	
- (Increase) / Decrease in Long Term Loans	291285	(59735)	2456984	
- (Increase) / Decrease in Other Non-Current Asset	1836810	(2070670)	(1855070)	
- Increase / (Decrease) in Long Term Provisions	(14437915)	(915821)	(2193878)	
- Increase / (Decrease) in Other Financial Liabilities Non - Current	2329100	(3871679)	(21)	
- Increase / (Decrease) in Trade Payables Current	(525714674)	(712335718)	774682658	
- Increase / (Decrease) in Other Current Liabilities	(18228843)	(11942616)	5730332	
- (Increase) / Decrease in Other Financial Liabilities Current	(183889622)	340902438	(85979532)	
- Increase / (Decrease) in Short Term Provisions Current	(3609478)	(228980)	(548445)	
Income Taxes paid	2534863	(53630077)	1883653	
<b>Net Cash generated from / (used in) Operations</b>	<b>60097469</b>	<b>(276499582)</b>	<b>(888566618)</b>	
<b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(88166626)	(16688527)	(67449016)	
Proceeds from Sale of Fixed Assets	23507695	8018	13967071	
Investment made in Current and Non-Current Investments	(24902478)	(26860557)	354490782	
Dividend Income	35501249	38652185	38959806	
Proceeds from Sale of Investments	-	4804477	3706736	
Changes in Margin Money Deposits	4244240	13033798	(18859298)	
Interest received	9398606	11895096	10570381	
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(40417314)</b>	<b>24844490</b>	<b>335386461</b>	

Statement of Cash Flow		Amount in Rupees		
Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019	
<b>Cash flows from Financing Activities</b>				
Proceeds from / (repayment of) Long Term and Short Term Borrowings	138547081	325056857	197464999	
Dividend paid	(11338505)	(13669168)	(13669698)	
Interest paid	(238731506)	(214890584)	(9872256)	
<b>Net Cash used in Financing Activities</b>	<b>(111522930)</b>	<b>96497105</b>	<b>173923045</b>	
(Increase) / Decrease in Cash and Cash Equivalents	(39804400)	31166817	(664484)	
Cash and Cash Equivalents at the beginning of the year	53561793	22394977	23059461	
Cash and Cash Equivalents at the end of the year	13757393	53561793	22394977	
<b>Components of Cash and Cash Equivalents</b>				
Cash on hand	651689	939691	1392781	
Balances with Banks	13105704	52622102	21002196	
<b>Total Cash and Cash Equivalents</b>	<b>13757393</b>	<b>53561793</b>	<b>22394977</b>	

e. There is no change in Accounting Policies during the last three years.

#### 5. DECLARATION BY THE DIRECTORS THAT

- a) the Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013 ('Act') or payment of interest thereon. Auditors certificate in this connection will be filed along with DPT-1;
- b) the Board of Directors has satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that Company will not become insolvent within a period of one year from the date of issue of the Circular or Advertisement;
- c) the Company has complied with the provisions of the Act and the Rules made thereunder;
- d) the compliance with the Act and the Rules does not imply that repayment of deposits is guaranteed by the Central Government;
- e) the deposits accepted by the Company before the commencement of the Act have either been repaid or renewed under the Act at the applicable due dates;
- f) in case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;
- g) the deposits shall be used only for the purposes indicated in the Circular or Circular in the form of Advertisement;
- h) the deposits accepted by the Company are unsecured and rank pari-passu with other unsecured liabilities of the Company.

All the Directors of the Company have unanimously approved the Circular in the form of Advertisement (Form DPT-1) inviting Deposits from Public / Shareholders, in the Board Meeting held on 28.06.2021.

**// BY ORDER OF THE BOARD//**

Place : Chennai  
Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.

**1. FINANCIAL RESULTS:**

Performance		For the Financial Year ended 31/03/2021	For the Financial Year ended 31/03/2020
Operational Performance	Cane Crushed (in Metric Tonnes)	4,11,324	7,84,964
	Sugar Bagged (in Quintals)	3,80,990	7,23,651
Financial Performance (Rs. in Crores)	Turnover	299.39	354.54
	Other Income	44.76	11.24
	Profit before Tax	11.56	(17.29)
	Profit after Tax	19.16	(11.15)
	Other Comprehensive Income	0.45	(0.16)
	Total Profit / Loss	19.61	(10.99)
	Earnings per Share (in Rs.)	1.73	(0.97)

**2. PERFORMANCE:**

During the Financial Year under review your Company has recorded a **Turnover of Rs.299.39 Crores** (Previous Year - Rs.354.54 Crores). The Profit before Finance Cost and Depreciation is Rs.41.32 Crores. Profit before Tax is Rs.11.56 Crores. After reversal of Deferred Tax, the **Profit after Tax is Rs.19.16 Crores**.

**3. DIVIDEND:**

The Board of Directors recommends a dividend of Re.0.10/- per Equity Share of Face Value of Re.1/- each in the Paid-up Share Capital of the Company for the year ended 31/03/2021 same as the previous year. The dividend recommended, if approved by the Shareholders at the ensuing Annual General Meeting will be paid by the Company within the stipulated time.



4. **SHARE CAPITAL AND RESERVES:**

The Share Capital of the Company is Rs.11.34 Crores. The total **Reserves and Surplus** stood at **Rs.259.03 Crores** as on 31/03/2021 as against Rs.240.55 Crores as on 31/03/2020.

5. **SUBSIDIARY COMPANIES:**

Your Company has two Wholly-Owned Subsidiaries, viz, The Eimco - K.C.P. Limited and KCP Sugars Agricultural Research Farms Limited. Both the Wholly-Owned Subsidiaries are Unlisted Companies. The Eimco-K.C.P. Limited is a Material Subsidiary of the Company, in terms of Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no Associate Company in relation to the Company. There has been no material change in the nature of business of the Subsidiaries. A Statement containing Salient Features of the Financial Statements of the Subsidiary Companies in Form – AOC – 1 is annexed hereto as '**Schedule - I**'.

6. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A comprehensive discussion and analysis of the outlook of Industry and the financial and operational performance of the Company is contained in the Management Discussion and Analysis Report, annexed hereto as '**Schedule - II**'.

7. **CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance along with the Compliance Certificate confirming the compliance of conditions of Corporate Governance given by the Statutory Auditor of the Company is annexed hereto as '**Schedule - III**'.

8. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed hereto as '**Schedule – IV**'.

9. **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The details of CSR Policy of the Company and the measures / activities taken by the Company on CSR during the Financial Year under review, as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed hereto as '**Schedule – V**'.

10. **DISCLOSURE ON REMUNERATION OF DIRECTORS AND EMPLOYEES:**

Disclosure as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to details of remuneration of directors and certain employees, is annexed hereto as '**Schedule – VI**'. The remuneration paid to the Directors and Key Managerial Personnel is as per the Remuneration Policy of the Company.

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014, Disclosure of Particulars of Contracts / Arrangements entered into by the Company with the related parties in terms of Section 188 (1) of the Companies Act, 2013 in Form AOC - 2, is annexed hereto as '**Schedule – VII**'.

**12. SECRETARIAL AUDIT:**

The Board of Directors of the Company in its Meeting held on 10/02/2021, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2020 – 2021.

In pursuance of Section 204 of the Companies Act, 2013, the Secretarial Audit Report of the Company, is annexed hereto as '**Schedule VIII**'.

As regards the remarks of Secretarial Auditor, the Directors state that the requirement to appoint Independent Woman director became applicable to the Company only on 01/04/2020, during the period when the entire Country was under lock down. Due to continuous lock downs and technical issues relating to statutory requirements under the Companies Act, 2013 and practical difficulties, Independent Woman Director was appointed on 04/11/2020. The Company has strongly represented to the National Stock Exchange for waiver of fine levied for delay in appointment of Independent Woman Director. The Company has paid the fine for delayed intimation to Stock Exchanges on 'recommendation of dividend' as dealt in the rescheduled Board Meeting.

**13. SECRETARIAL STANDARDS:**

Pursuant to Section 118 (10) of the Companies Act, 2013, the Company observes Secretarial Standards with respect to General and Board Meetings, prescribed by the Institute of Company Secretaries of India.

**14. ACCOUNTING STANDARDS:**

The Company adheres to the Accounting Standards as applicable to it and there are no deviations, in this respect.

**15. ANNUAL RETURN:**

Pursuant to Section 92 (3) of the Companies Act, 2013, the Annual Return is placed in the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).

**16. UNCLAIMED SUSPENSE ACCOUNT:**

Particulars of Unclaimed Shares	No. of Shareholders	*No. of Shares
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on 01/04/2020	22	18890
Number of Shareholders who approached the Company for transfer of Shares from Suspense Account during the period.	Nil	Nil
Number of Shares transferred from Unclaimed Securities Suspense Account to Investor Education and Protection Fund during the period	14	12220
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on 31/03/2021	8	6670

\*The voting rights on these shares (mentioned above) remain frozen till the rightful owner of such shares claims the shares.

**17. DIVIDEND DISTRIBUTION POLICY:**

The objective of the Dividend Distribution Policy is to ensure right balance between the quantum of dividend paid and amount of profits to be retained in the business for various purposes. Towards this objective, the following key parameters are considered for declaration of dividend:

**(i) Internal Factors (Financial Parameters):**

- Net Operating Profit after Tax;
- Working Capital Requirements;
- Capital Expenditure Requirements;
- Cash required to meet contingencies;
- Outstanding Borrowings; and
- Past Dividend Trends.

**(ii) External factors:**

- Statutory requirements under applicable law for the time being in force; and
- Dividend Payout Ratios of companies in the same Industry.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS AS REQUIRED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2020 – 2021.

**19. MATERIAL CHANGES AND COMMITMENT:**

There is no change in the nature of business of the Company during the Financial Year under review. There are no material changes or commitments affecting the financial position of the Company occurred between the end of the financial year (31/03/2021) and the date of Directors' Report.

**20. DIRECTOR RETIRING BY ROTATION:**

Ms.Kiran Velagapudi, Whole Time Director (DIN: 00091466), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers herself for reappointment. Ms.Kiran Velagapudi, is being a Whole Time Director of the Company ever since 2002 duly performing her duties in the best interest of the Company and its stakeholders. She is a German National, an Anthropologist, Historian and a Graduate from the University of London. She is been instrumental in maintaining cordial relationship with the cane growers and ensuring their continued support to the Company. She is a relative of the other two Promoter Whole Time Directors of the Company.

The Board of Directors of the Company recommends her reappointment.

**21. INDEPENDENT WOMAN DIRECTOR:**

Ms.Renuka Jaypal was appointed as an Additional Director (under the category of Independent Director) by the Board of Directors of the Company on 04/11/2020. Thereafter, due to personal reasons, Ms.Renuka Jaypal has resigned from the office of Independent Director on 20/04/2021. She has confirmed that there are no material reasons for her resignation other than the specified reason of 'personal reasons'.

**22. STATUTORY AUDITOR:**

M/s.Suri & Siva, Chartered Accountants (FRN: 004284S) is the Statutory Auditor of the Company for the Financial Year under review and holds office upto the conclusion of 27<sup>th</sup> Annual General Meeting of the Company.

The Statutory Auditor was originally appointed at the 22<sup>nd</sup> Annual General Meeting of the Company held on 15/09/2017 for a period of five years from the conclusion of 22<sup>nd</sup> Annual General Meeting upto the conclusion of 27<sup>th</sup> Annual General Meeting subject to ratification by Members at every Annual General Meeting. However, as the provision relating to annual ratification of the appointment of Statutory Auditor at every Annual General Meeting has been omitted with effect from 07/05/2018 vide gazetted notification, the Company has not placed the matter relating to the Appointment of Statutory Auditor for ratification by the Members at the ensuing Annual General Meeting.

The Report of the Statutory Auditor on the Financial Statements of the Company is annexed to this Annual Report. There are no qualifications or reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor's Report.

**23. COST AUDIT :**

The Company is required to maintain Cost Records, in terms of Section 148 (1) of the Companies Act, 2013 and the Company maintains such Cost Records, in terms of applicable law. The Cost Auditor, M/s.SRR & Associates for the Financial Year 2020 - 2021, had conducted Cost Audit of Products of the Company such as Sugar, Electricity, Industrial Alcohol, Bio-Fertilisers, Calcium Lactate, Carbon dioxide at Vuyyuru, Krishna District, Andhra Pradesh. The Cost Audit Reports are duly filed with the Ministry of Corporate Affairs.

The Board of Directors of the Company based on the recommendation of Audit Committee, has appointed M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditor of the Company for conducting Cost Audit for the Financial Year ending 31/03/2022.

In terms of Section 148 read with Section 141 of the Companies Act, 2013, M/s.SRR & Associates has confirmed that the Firm satisfies the eligibility conditions, prescribed therein and not disqualified in any way for appointment as Cost Auditor of the Company. The said Firm has also given a Certificate on its independence and arms length relationship with the Company.

**24. INTERNAL AUDIT :**

Pursuant to Section 138 (1) of the Companies Act, 2013, the Company had appointed Mr.S.Manisekaran, Chartered Accountant (Membership No.:026400) as Internal Auditor of the Company to conduct internal audit for the Financial Year 2020 - 2021. The Internal Auditor has submitted his reports to the Audit Committee and Board of Directors of the Company, periodically.

**25. CREDIT RATINGS:**

CARE Ratings Limited has revised the Credit Ratings of your Company as '**CARE A -; Negative' for Long Term Bank Facilities, 'CARE A2+' for Short Term Bank Facilities and 'CARE A -; Negative' for Fixed Deposit Programme.**

**26. ISO CERTIFICATION:**

Your Company continued to be certified with ISO 14001:2015, ISO 9001:2015 and OHSAS 18001:2007 for manufacture of sugar and derivatives thereof, distillery products, calcium lactate, bio-fertilizers, solid and liquid carbon dioxide, mycorrhiza, cogeneration of electricity and associated activities by Lloyd's Register Quality Assurance Limited.

**27. FIXED DEPOSITS :**

As on 31/03/2021, the amount of Deposits held by the Company stands at Rs.68.79 Crores (including Unclaimed Deposits) as against Rs.67.18 Crores as on 31/03/2020. Deposits accepted during the Financial Year under review is Rs.10.63 Crores. As at 31/03/2021, the Matured and Unclaimed Deposits stands at Rs.1.28 Crores in respect of 92 Deposits. As on the date of this Directors' Report, amount of Matured and Unclaimed Deposits is Rs.0.78 Crores.

The Company has transferred a sum of Rs.10,35,000/- in respect of 14 Matured Deposits standing unclaimed for a period of seven years from the due date of payment to Investor Education and Protection Fund, in compliance with Section 125 (2) of the Companies Act, 2013 and applicable Rules made thereunder.

**28. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Directors of your Company state as follows:

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;

- (b) that 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 state of affairs of the Company at the end of the financial year, 31/03/2021 and of the Profit of the Company for that period;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the Annual Accounts on a going concern basis;
- (e) that 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;
- (f) that 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.

### 30. **ACKNOWLEDGEMENT :**

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Shareholders, Cane Growers, Sugar Dealers, Business Associates, Depositors, Bankers, Institutions, Central and State Governments and also other Regulatory Authorities for their continued support and cooperation.

Your Directors place on record their sincere appreciation for the commitment, dedication and hard work of all the employees of the Company more particularly during difficult times.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

**FORM AOC – 1 - STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES OF THE COMPANY**

*[Pursuant to first proviso to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]*

**Part – A - Subsidiaries**

(Rs. in Lakhs)

S. No.	Particulars	Name of the Subsidiaries	
		The Eimco - K.C.P. Limited	KCP Sugars Agricultural Research Farms Limited
1.	Date since when Subsidiary was acquired	01/04/1996	30/11/1998
2.	Reporting Period of the Subsidiary	April to March	April to March
3.	Reporting Currency	Indian Rupees	Indian Rupees
4.	Share Capital	60.00	225.00
5.	Reserves and Surplus	3958.68	334.26
6.	Total Assets	6352.13	559.41
7.	Total Liabilities	6352.13	559.41
8.	Investments	1570.61	443.64
9.	Total Income (Turnover and Other Income)	3194.23	15.87
10.	Profit before Taxation	555.17	(0.19)
11.	Provision for Taxation	141.16	0
12.	Profit after Taxation	414.01	(0.19)
13.	Total Comprehensive Income	414.49	144.79
14.	Proposed Dividend	0	0
15.	Extent of Shareholding (in %)	100.00	100.00

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

*[Pursuant to Regulation 34 (3) read with Schedule V of SEBI (LODR) Regulations, 2015]*

### **1. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Sugar Industry is agro based in nature and highly regulated by the Central and State Governments since the raw material for manufacturing sugar namely sugarcane is cultivated by the farming community at large attached to its command area. It is cyclical in nature as the availability of sugarcane is decided by God, Government and Growers. The cultivation of sugarcane is highly labour oriented. The sugarcane crop is highly sensitive to the nature such as humidity level, irrigation facilities, soil fertility and best and advanced scientific cultivation methods. Sugar Industry is seasonal in nature. The sugar season in India spreads from October to September. The peak season is considered as January to March wherein the production curve reaches its peak as the structure of the same is like a rainbow.

In India, the production of sugar was started in a slow phase as the Country was dependent on imported machineries, initially. India is second in sugar consumption globally next to Brazil. Therefore, to meet its domestic requirements, the Country had to import sugar and manage with domestic production which was minimal. Over a period of time, the cultivation of sugarcane in India has picked up in a big way coupled with increase in number of sugar mills with indigenous machinery except for some sophisticated equipment. The sustainability of Sugar Industry in India is largely dependent on supply and demand which often used to mismatch on account of its cyclicity.

A number of downstream products are being manufactured from the by-products / waste while manufacturing sugar besides co-generation of power which is considered as a 'Green Energy'. The invention of manufacturing of anhydrous alcohol (ethanol) from molasses, a by-product obtained in the process of manufacturing of sugar is gaining momentum in large scale as the same is considered as 'Green Fuel'. Looking at the potential of manufacturing of Green Fuel, Government of India has mandated blending of ethanol with petrol in order to conserve foreign currency and reduce dependency on imported fuel. The Sugar Industry is like a banyan tree and operates from rural areas of India employing several crores of people across the Country both directly and indirectly. The Industry has also invented manufacturing of 'Green Manure' for application in agricultural fields in order to improve soil fertility and soil health management by partially removing the application of inorganic fertilisers. This Green Manure called bio compost is obtained from a waste product while manufacturing sugar namely, 'press mud'. Several micro nutrients and treated bio waste obtained from distillery effluent are applied on the said press mud to convert the same as Green Manure. This is gaining more importance in India as the said Green Manure has proven the improvement of soil fertility and development of eco-friendly atmosphere

### **2. OPPORTUNITIES AND THREATS:**

#### **(i) Opportunities:**

The long term outlook for Sugar Industry remains positive and promising on account of :

- Mandatory blending of ethanol with petrol will boost the revenue and profitability of Sugar Mills;
- Growing energy consumption in India allows the Sugar Industry to play a vital role;



- Environmental friendly method of power generation adopted by Cogeneration Units equipped with high-pressure boilers and turbines intelligently uses the fuel to get optimum energy output;
- Emphasize on bio-composting process by converting distillery discharge into organic matter combining with press mud for application in agriculture to enhance the fertility of the soil.

**(ii) Threats:**

The Sugar industry is at present confronted by the following threats:

- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar;
- The spurt in cane procurement prices is expected to remain volatile;
- Cyclical nature of Sugar Industry and local climatic conditions will have an effect on the quantity and quality of sugarcane;
- Sugar weightage in WPI;
- Short crushing season;
- Shrinkage of sugarcane cultivation area due to growing urbanisation and availability of many alternate cash crops.

**3. PRODUCT WISE PERFORMANCE:**

**(i) Sugar :**

**SEASON WISE PARTICULARS**

Nature of Particulars	2020 – 2021	2019 - 2020
Crushing commenced on	10/12/2020	08/12/2019
Crushing completed on	10/03/2021	24/03/2020
No. of Days	91	107
Cane Crushed (in MT)	411324.117	705445.693
Sugar Bagged (in Qtls)	380990	641239
Recovery (in %)	9.27	9.09
Cane Price Paid (besides incentives and developmental activities) (in Rs.)	2,850	2,750

## FINANCIAL YEAR WISE PARTICULARS

Nature of Particulars	For the Financial Year ending	
	31/03/2021	31/03/2020
Season (From / To)	10/12/2020 to 10/03/2021	01/04/2019 to 26/04/2019 and 08/12/2019 to 24/03/2020
No. of Days	91	133
Cane Crushed (in MT)	411324.117	784963.622
Sugar Bagged (in Qtls)	380990	723651
Recovery (%)	9.27	9.22

**(ii) Other Products:**

Distillery Unit produced 64.82 Lakh Litres of Industrial / Anhydrous Alcohol for the year ended 31/03/2021 as against 119.29 Lakh Litres during the previous financial year. The said Unit sold 61.17 Lakh Litres of Industrial / Anhydrous Alcohol valued at Rs.32.36 Crores during the year under review as against 105.62 Lakh Litres valued at Rs.50.08 Crores during the previous year.

Cogeneration Unit produced 19,276 MW of Power during the year under review as against 32,130 MW of Power in the previous year. Total Export of Electrical Energy is 5,910 MW resulting in Turnover of Rs.2.83 Crores during the year under review as against 8,400 MW at a Turnover of Rs.3.75 Crores during the previous year.

Calcium Lactate Plant contributed Rs.3.77 Crores towards the Turnover of the Company during the year under review as against the contribution to Turnover of Rs.2.97 Crores during the previous year.

Bio-Fertiliser Plant contributed Rs.6.71 Crores towards the Turnover of the Company during the year under review as against the contribution to turnover of Rs.5.49 Crores during the previous year.

**(iii) Lakshmipuram Unit :**

Lakshmipuram Unit has been closed as the availability and supply of raw material (sugarcane) is proportionately inadequate to run the Unit financially viable. In order, to improve the financial and operational efficiency of cane crushing, the crushing operation of Lakshmipuram Unit is merged into Vuyyuru Unit. The employees have been settled duly, in accordance with applicable law.

**(iv) Purchase of Engineering Industrial Unit:**

The Company has purchased an Engineering Industrial Shed, Stores and Administrative Building admeasuring to an extent of 5 Acres in SIDCO Industrial Estate, Thuvakudy, Trichy through e-Auction under Insolvency and Bankruptcy Code, 2016. The Company is in the process of setting up an Engineering Division in the said property for manufacturing of engineering goods such as equipment, general fabrication of mild and stainless steel structures and machining activities.

**4. FUTURE OUTLOOK:**

The future outlook of Sugar Industry would depend on the following:

- To develop high breed varieties of sugarcane suitable for Indian climatic conditions and focus on vertical growth in sugarcane productivity;
- Invention of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings;
- Swift adaptation of new cultivation method suitable for mechanised harvesting;
- Agro-climatic conditions in major sugar-producing States;
- Permitting Green Energy producers to market directly to third parties.

**5. RISK MANAGEMENT:**

The Company has an effective Risk Management System under which all probable risks are periodically identified, assessed and acted upon to minimize and mitigate their impact. These processes are subject to periodical review by the Management. Some of the risks identified are enumerated below:

**(i) Raw Material Risk:**

Sugarcane being the main raw material for sugar, any disturbance in its timely availability will have a substantial impact on the operational cost. This in turn will have a significant adverse effect since the market value does not factor the variable cost determined by the climatic conditions and the cane economics.

**Mitigation Measure:**

The Company always maintains a healthy relationship with its farmers. It is one among very few companies in Sugar Industry, paying its farmers within the stipulated time. The risk of short supply of raw material is mitigated to a larger extent by the goodwill and reputation for ethical dealings earned by the Company since inception. The experiments in farm mechanisation, drip irrigation, improved cane varieties, carefully monitored scheduling of cane planting and harvesting boost the confidence of the Company in mitigation of the risk.

**(ii) Policy Risk:**

The Sugar Industry is highly regulated by the Government of India by retaining the respective State Governments as monitoring agencies. Therefore, the performance of the Sugar Mills will depend on the policy decisions taken by such authorities from time to time.

**Mitigation Measure:**

The Company is a member of South India Sugar Mills Association (SISMA). The Company works closely with SISMA in the matter of developing appropriate policy recommendations to the Government in line with the Industry needs. Formulation of policy on ethanol doping, review of cogeneration policy and review of sugar weightage in WPI are some of the issues addressed in close liaison with SISMA.

**(iii) Cyclicity / Commodity Risk:**

The sugar price mainly depends on the cyclicity of the sugar business which in turn affects the profitability. Sugar being a commodity traded across the world, its price is influenced by the various factors including the normal supply and demand.

**Mitigation Measure:**

The Company focuses on value-added downstream products and integrates sugar with electricity and alcohol thereby insulating itself against price risk.

**6. INTERNAL FINANCIAL CONTROL SYSTEMS:**

Internal financial controls laid down by the Board of Directors of the Company are adequate and operating effectively. The Company has a well-established internal control system in place to ensure smooth functioning of operations. The control mechanism involves well-documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures. The Internal Auditor periodically reviews and makes continuous assessments of the adequacy and effectiveness of the internal control systems. The Board of the Company, Audit Committee and the Management review the findings and recommendations of the Internal Auditor and take corrective action wherever necessary. The Company is committed in its endeavour to ensure an effective internal control environment that provides assurance on the effectiveness of operations, statutory compliances and reliability of financial reporting and security of assets.

**7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

As on 31/03/2021, the number of Employees on roll including Seasonal Employees is 466.

The relationship with employees of the Company continued to be harmonious and congenial during the Financial Year under review. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company has been awarded with PRASHANSA PATRA, Safety Award in recognition for developing and implementing effective Management Systems and Procedures and achieving good performance in OSH for the Assessment Period of three years, 2017 to 2019 by National Safety Council of India. The Company believes that Employees are the key to success and hence the Company proactively develops innovative and business focussed methods to attract, motivate, develop and retain talented and competitive manpower.

**8. FINANCIAL PERFORMANCE vis-a-vis OPERATIONAL PERFORMANCE:**

All relevant information with regard to financial and operational performance of the Company is as provided in Page No. 3 of this Annual Report.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

## **REPORT ON CORPORATE GOVERNANCE**

*(Pursuant to Regulation 34 (3) read with Schedule V of SEBI (LODR) Regulations, 2015)*

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company firmly believes in high standards of corporate governance and adheres to sound corporate practices, constantly striving to keep in place evolving system to cope up with the core standards of transparency, accountability and disclosure in true letter and spirit. The Company is deeply committed to effect and uphold the core values of corporate governance by adhering to law and ethical standards for sustainable development.

### **2. BOARD OF DIRECTORS:**

#### **2.1. Composition and Other Disclosure of Compliances :**

- In pursuance of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company maintains an optimum combination of Executive and Non-Executive Directors. The Board of the Company consists of seven members, with three Promoter Directors (Executive) and four Independent Directors. Two of the Whole-Time Directors are women.
- The day-to-day management of the Company rests with the Managing Director.
- The Independent Directors on the Board of the Company are experienced and competent persons from their respective fields. They take part actively at the Board Meetings and Committee Meetings of the Company which add value to the Board Process.
- None of the Directors on the Board of the Company is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he / she is a Director and thus in compliance of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Directors on the Board of the Company are appointed as director in more than seven listed companies.
- None of the Directors on the Board of the Company serve as an independent director in more than seven listed companies.
- None of the Whole Time Directors of the Company serve as an independent director in more than three listed companies.
- No Independent Director of the Company is a relative of any other Director of the Company.
- Independent Directors of the Company do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are in compliance with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- All the Independent Directors have duly registered their names with the Databank of Independent Directors, in pursuance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- None of the Directors of the Company received any loans / advances from the Company during the year under review, in terms of Section 185 of the Companies Act, 2013.

## 2.2. Category of Directors of the Company and Directorships and Committee Memberships of Directors in other Companies:

S. No.	Name of the Director*	Category of Director	No. of Positions in other Companies		
			*Directorship	Chairmanship in Committees	Membership in Committees
1.	Mr.Vinod R.Sethi DIN:00106598	Promoter Executive	5	-	-
2.	Ms.Irmgard Velagapudi DIN:00091370	Promoter Executive	4	-	-
3.	Ms.Kiran Velagapudi DIN:00091466	Promoter Executive	4	-	-
4.	Dr.Vithal Rajan DIN:00021571	Independent Director	-	-	-
5.	Mr.M.S.V.M.Rao DIN:00432640	Independent Director	5	-	-
6.	Mr.Pratap K. Moturi DIN:00020630	Independent Director	4	-	-
7.	Mr.K.R.Adivarahan DIN:00019844	Independent Director	2	-	-

\* None of the Directors are director in any listed companies.

\* Mr.Vinod R.Sethi, Ms.Irmgard Velagapudi and Ms.Kiran Velagapudi are relatives. Ms.Kiran Velagapudi and Mr.Vinod R.Sethi are the daughter and son in law, respectively, of Ms.Irmgard Velagapudi

## 2.3. Board Meetings:

- Totally five Board Meetings were held during the Financial Year 2020 - 2021 in compliance with Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Dates on which such Board Meetings held were 23/07/2020, 10/08/2020, 25/09/2020, 04/11/2020 and 10/02/2021.

- There was no gap of more than 120 days between any two Board Meetings of the Company except that due to pandemic caused by Covid-19 and consequent extension granted by the Ministry of Corporate Affairs, the first Board Meeting in the Financial Year was held on 23/07/2020.
- All the Board Meetings of the Company were held through Video Conferencing.
- Annual General Meeting of the Company for the Financial Year 2019 – 2020 was held on 25/09/2020 through Video Conferencing.
- All the Directors were present in all the Board Meetings and Annual General Meeting.

#### **2.4. Board Procedures:**

Adequate Notice of every Board Meeting of the Company was given to every Director by email, in terms of Section 173 (3) of the Companies Act, 2013. The Board Meetings are governed by well-structured Agenda containing necessary information and details, which is circulated well in advance. Issues emerging on exigencies are at times placed at the Board Meeting with prior approval of the Chairman of the Board Meeting and with the consent all Directors present at the Meeting.

Review of Compliance Report relating to all laws applicable to the Company, is being done periodically by the Board of Directors. Instances of non-compliances, if any, are noted by the Board and appropriate remedial measures are taken. The information which are required to be placed before the Board of Directors in pursuance of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are placed before the Board at regular intervals. An Action Taken Report on the resolutions passed / decisions taken at a Board Meeting of the Company is being placed before the Board of the Company in its next meeting.

The Board of Directors of the Company has laid down procedures to inform Board Members about risk assessment and minimization procedures.

#### **2.5. Board Evaluation:**

A structured evaluation process covering various aspects of the functioning of the Directors on the Board of the Company including governance, performance of specific duties and obligations, attendance at Board Meetings and Committee Meetings, active participation, experience and competencies were drawn up and carried out. Performance of each individual Directors of the Company including the Chairman of the Board was evaluated.

A separate meeting of Independent Directors of the Company was convened on 10/02/2021 which reviewed the performance of the Board of the Company as a whole, the Non-Independent Directors and the Chairman of the Board.

The Performance Evaluation of each Independent Director of the Company was done by the Board of Directors of the Company as a whole, excluding the Independent Director being evaluated.

The performance evaluation of the Board of the Company was carried out based on the following parameters:

- Board's Structure and Composition;



- Establishment and Delineation of responsibilities to Committees;
- Efficacy of communication between Management and the Board of Directors of the Company;
- Effectiveness of Board Process, information dissemination and handling of the same and functioning of the Board of the Company.

#### 2.6. Induction and Training of Board Members:

On induction to the Board, the concerned Director is been issued a Letter of Appointment which spells out in detail, the terms of appointment, duties, responsibilities and other commitments of such Director. Each newly appointed Director is taken through a formal induction programme which includes interactive sessions with Committee Members, Functional Heads and a visit to the manufacturing site. The Managing Director and the Chairman of the Board of the Company apprise the Appointee Director regarding the subtle aspects of Company's manufacturing, marketing, finance and other activities. The CFO and the Company Secretary brief the Appointee Director regarding financial, legal and compliance related responsibilities.

Ms.Renuka Jaypal, Independent Woman Director was appointed on 04/11/2020 and due to personal reasons, she had resigned from the position of Independent Director on 20/04/2021.

#### 2.7. Code of Conduct:

The Board of Directors of the Company has laid down a Code of Conduct for the Members of the Board and Senior Management in pursuance of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been placed in the Company's Website at [www.kcpsugar.com](http://www.kcpsugar.com). All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the Financial Year 2020 - 2021. The declaration to this effect signed by the Managing Director of the Company is annexed herewith as '**Annexure – A**'.

#### 2.8. Shareholdings of Non – Executive Directors (Independent Directors):

The Non – Executive Directors (Independent Directors) of the Company holds the shares of the Company in the manner given below:

S. No.	Name of the Non – Executive Director (Independent Director)	No. of Shares held in the Company as on 31/03/2021
1.	Dr.Vithal Rajan	-
2.	Mr.M.S.V.M.Rao	10
3.	Mr.Pratap K.Moturi	-
4.	Mr.K.R.Adivarahan	1060



**3. REMUNERATION OF DIRECTORS:**

**3.1. Remuneration paid to Whole Time Directors:**

The remuneration paid to Whole Time Directors are well within the limits and in compliance of the Companies Act, 2013.

The remuneration paid to the Whole Time Directors during the Financial Year 2020 - 2021 is as below:

Nature of Remuneration (Rs. in Lakhs)	Mr.Vinod R.Sethi	Ms.Irmgard Velagapudi	Ms.Kiran Velagapudi
Salary	12.00	48.00	36.00
Contribution to PF	1.44	-	4.32
Perquisites	0.39	-	6.36
Commission	-	-	-
<b>Total</b>	<b>13.83</b>	<b>48.00</b>	<b>46.68</b>

**3.2. Remuneration paid to Non – Executive Directors (Independent Directors):**

The Non – Executive Directors (Independent Directors) of the Company are paid a sitting fees of Rs.30,000/- per Meeting of the Board of Directors of the Company and Rs.20,000/- per Meeting of the Committee of the Board of Directors of the Company attended by them apart from out of pocket expenses.

In addition, in terms of Section 197 of the Companies Act, 2013 and as approved by the Shareholders of the Company in the Twenty Fourth Annual General Meeting of the Company held on 12/09/2019, Non – Executive Directors (Independent Directors) of the Company are entitled to a remuneration by way of Commission not exceeding in aggregate, 1% of the net profits of the Company, subject to a maximum limit of Rs.1,75,000/- (Rupees One Lakh and Seventy Five Thousand Only) per Non – Executive Director, for each of the five Financial Years commencing from 2019 – 2020 to 2023 - 2024.

The remuneration paid to the Non – Executive Directors (Independent Directors) during Financial Year 2020 - 2021 is as below:

Name of the Non - Executive Director (Independent Director)	Commission (Rs. in Lakhs)	Sitting Fees (Rs. in Lakhs)	Total (Rs. in Lakhs)
Dr.Vithal Rajan	-	2.90	<b>2.90</b>
Mr.M.S.V.M.Rao	-	2.50	<b>2.50</b>
Mr.Pratap K.Moturi	-	2.30	<b>2.30</b>
Mr.K.R.Adivarahan	-	3.30	<b>3.30</b>
Ms.Renuka Jaypal (resigned on 20/04/2021)	-	0.60	<b>0.60</b>

#### 4. AUDIT COMMITTEE:

##### 4.1. **Composition :**

The Audit Committee of the Board of Directors of the Company presently comprises of five members with four Independent Directors and one Whole Time Director in the manner as follows,

- (i) Mr.M.S.V.M.Rao, Chairman (Independent Director)
- (ii) Mr.Vinod R.Sethi, Member (Whole Time Director)
- (iii) Dr.Vithal Rajan, Member (Independent Director)
- (iv) Mr.Pratap K.Moturi, Member (Independent Director)
- (v) Mr.K.R.Adivarahan, Member (Independent Director)

The composition of Audit Committee of the Board of Directors of the Company is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Audit Committee, Mr.M.S.V.M.Rao was present through Video Conferencing at the Annual General Meeting held on 25/09/2020.

##### 4.2. **Terms of reference of Audit Committee:**

- (i) The Committee to have an oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) To recommend for appointment, remuneration and terms of appointment of Auditors of the Company;
- (iii) To approve payment to statutory auditor for any other services rendered by the Statutory Auditor of the Company;
- (iv) To review with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board of the Company for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement being a part of the Board's Report in terms of Section 134 (5) of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by Management;
  - Significant adjustments made in the financial statement arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the Audit Report;
- (v) To review with the Management, the quarterly financial statements before submission to the Board of the Company for approval;

- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board of Directors of the Company to take steps in the matter;
- (vii) To review and monitor the Auditor's independence and performance and effectiveness of audit process;
- (viii) To approve any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing the performance of Statutory and Internal Auditors and adequacy of internal control systems with the Management;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with Internal Auditors of any significant findings and follow up thereon;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board of Directors of the Company;
- (xvi) Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Vigil Mechanism / Whistle Blower Policy;
- (xix) To approve appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.

**4.3. Meetings of Audit Committee and Attendance of Members at such Meetings during the year:**

Four Audit Committee Meetings were held during the Financial Year 2020 -2021 on 23/07/2020, 10/08/2020, 04/11/2020 and 10/02/2021 through Video Conferencing.

All the Members of Audit Committee were present for all the four Audit Committee Meetings mentioned above.

Chief Financial Officer was present at the Audit Committee Meetings.

## 5. **NOMINATION AND REMUNERATION COMMITTEE:**

### 5.1. **Composition:**

The Nomination and Remuneration Committee of the Board of Directors of the Company presently comprises of three members with two Independent Directors and one Whole Time Director in the manner as follows,

- (i) Dr.Vithal Rajan, Chairman (Independent Director)
- (ii) Mr.Vinod R.Sethi, Member (Whole Time Director)
- (iii) Mr.K.R.Adivarahan, Member (Independent Director)

The composition of Nomination and Remuneration Committee of the Board of Directors of the Company is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 5.2. **Terms of reference of Nomination and Remuneration Committee:**

- (i) Committee to formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- (ii) Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors of the Company their appointment / removal and shall carry out evaluation of every Director's performance;
- (iii) Committee while formulating the policy to ensure:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance and to fix appropriate performance bench-marks;
  - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
  - Diversity on the Board of Directors of the Company so as to cater the needs of the Company;
- (iv) Evaluation of Independent Directors and the Board of the Company.

### 5.3. **Meetings of Nomination and Remuneration Committee and Attendance of Members at such Meetings during the year:**

Nomination and Remuneration Committee met on 23/07/2020, 04/11/2020 and 10/02/2021 during the Financial Year 2020 - 2021 through Video Conferencing.

All the Members of the Nomination and Remuneration Committee were present for all the three Nomination and Remuneration Committee Meetings, mentioned above.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**6.1. Composition:**

The Stakeholders Relationship Committee of the Board of Directors of the Company presently comprises of three members with one Independent Director and two Whole Time Directors in the manner as follows,

- (i) Mr.K.R.Adivarahan, Chairman (Independent Director)
- (ii) Ms.Irmgard Velagapudi, Member (Managing Director)
- (iii) Ms.Kiran Velagapudi, Member (Whole Time Director)

The composition of Stakeholders Relationship Committee of the Board of Directors of the Company is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**6.2. Terms of reference of Stakeholders Relationship Committee:**

- To consider and approve requests for share transfers, transmissions, transpositions, name change, rematerialisation / dematerialisation, split, consolidation and issue of duplicate share certificates;
- To review and take all necessary steps for redressal of investor's grievances and complaints as may be required in the interests of the investors.

**6.3. Meeting of Stakeholders Relationship Committee and Attendance of Members at such Meeting during the year:**

The Stakeholders Relationship Committee meets based on the requests for transfers, transmissions, investor complaints, etc.,

Stakeholders Relationship Committee met once on 24/08/2020 during the Financial Year 2020 - 2021.

All the Members of Stakeholders Relationship Committee were present at the said Stakeholders Relationship Committee Meeting.

**6.4. Redressal of Investor Complaints:**

Mr.S.Chidambaram, Company Secretary was being the Compliance Officer of the Company till 16/11/2020 and thereafter Ms.S.Jeba Elavarasi is being appointed as the Company Secretary and Compliance Officer with effect from 10/02/2021. M/s.Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017 is the Share Transfer Agent and Depository Registrar of the Company. The request for transmission of shares received by the Company / Registrar of the Company during the year has been duly processed.

In compliance of Regulation 13 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company ensures that adequate steps are being taken for expeditious redressal of investor complaints. The Company is registered with the SCORES platform in order to handle investor complaints electronically. The Company also files a statement giving status of investor complaints with NSE and BSE on a quarterly basis. There were no complaints received during the Financial Year under review.

During the year, 60 queries were received from the shareholders, all of which have been attended.

Nature of Query	01/04/2020 to 31/03/2021		
	Received	Attended	Pending
Correction in Dividend Warrant	6	6	Nil
Revalidation of Dividend Warrants	10	10	Nil
Issue of Duplicate Dividend Warrants	9	9	Nil
Split Share Certificate	5	5	Nil
Procedure for loss of Share Certificate	5	5	Nil
Procedure for Transmission	13	13	Nil
Other Categories (General Queries, IEPF 5 Certificate and Dividend, Unclaimed Dividend Warrant)	12	12	Nil
<b>GRAND TOTAL</b>	<b>60</b>	<b>60</b>	<b>Nil</b>

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### 7.1. **Composition and Meeting of CSR Committee:**

The Corporate Social Responsibility Committee of the Board of Directors of the Company presently comprises of four members with two Independent Directors and two Whole Time Directors in the manner as follows,

- (i) Ms.Irmgard Velagapudi, Chairperson (Managing Director)
- (ii) Mr.Vinod R.Sethi, Member (Whole Time Director)
- (iii) Mr.M.S.V.M.Rao, Member (Independent Director)
- (iv) Mr.K.R.Adivarahan, Member (Independent Director)

The composition of Corporate Social Responsibility Committee of the Board of Directors of the Company is in compliance with Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee met on 10/02/2021 and all the Members of the Committee were present and reviewed the CSR activities of the Company.

### 7.2. **Corporate Social Responsibility Activities:**

The Company, ever since its incorporation, is involving in many social welfare activities in and around the places of Company's operations.

The Company's CSR Policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development.

The Company's CSR activities broadly relate to:

- Promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education and employment, enhancing vocational skills;
- Eradication of poverty and ensuring better living conditions;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;
- Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund.

The Company has spent a sum of Rs.11,28,918/- towards CSR Activities. The Company has also donated to Andhra Pradesh Chief Minister's Relief Fund of a sum of Rs.35,59,598/- towards Corona Pandemic.

Report on CSR Activities as per Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Schedule V to the Directors' Report.**

## 8. GENERAL MEETINGS

### 8.1. Details of last Three Annual General Meetings:

AGM for the Financial Year ended	Date of AGM	Venue of AGM	Time of AGM	No. of Special Resolutions passed in the AGM
31/03/2020	25/09/2020	Held through Video Conferencing at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006.	10 AM	3
31/03/2019	12/09/2019	'Sathguru Gnanananda Hall' Narada Gana Sabha, 314, T.T.K. Road, Alwarpet, Chennai - 600 018.	10 AM	4
31/03/2018	14/09/2018	'Sathguru Gnanananda Hall' Narada Gana Sabha, 314, T.T.K. Road, Alwarpet, Chennai - 600 018.	10 AM	Nil



**8.2. Postal Ballot:**

- No Special Resolution was passed / was required to be passed through Postal Ballot during the year.
- No Special Resolution is proposed / is required to be taken up through Postal Ballot at the ensuing Annual General Meeting.

**9. MEANS OF COMMUNICATION:**➤ **Quarterly Financial Results:**

In pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, quarterly financial results of the Company as approved by the Board of Directors of the Company on the recommendation of Audit Committee, are submitted with the Stock Exchanges through NEAPS / BSE Listing Centre after conclusion of the Board Meeting. The results are also published in the prescribed format in English Newspaper and Regional Newspaper, having wide circulation. The results are also immediately placed in the Company's Website at [www.kcpsugar.com](http://www.kcpsugar.com).

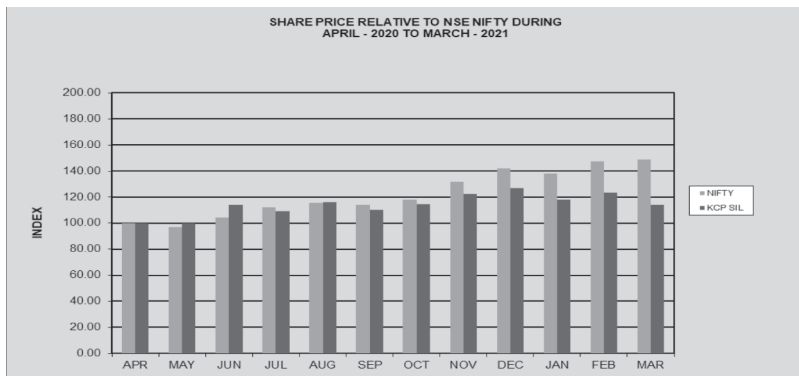
- The quarterly, half yearly and annual results of the Company are generally published in widely circulating National and Regional Newspapers such as 'The Financial Express' (in English) and 'Makkal Kural' (in Tamil).
- All information / news relating to the Company including financial results and those which are mandatorily required to be placed in the Website are placed in the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).

**10. GENERAL SHAREHOLDER INFORMATION:****10.1. Market Price Data:**

High / Low of Market Price of the Company's Shares (Face Value Re.1/-) traded on National Stock Exchange and Bombay Stock Exchange during each month in the Financial Year 2020 - 2021 is given below:

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
<b>Apr '20</b>	15.50	15.30	11.50	11.60	<b>Oct '20</b>	16.40	16.44	13.95	14.00
<b>May '20</b>	14.40	14.49	11.90	11.90	<b>Nov '20</b>	17.80	17.65	13.85	13.55
<b>June '20</b>	16.90	16.90	12.90	13.10	<b>Dec '20</b>	17.90	17.86	14.70	14.66
<b>July '20</b>	19.50	19.40	13.35	14.00	<b>Jan '21</b>	18.45	18.40	15.10	15.20
<b>Aug '20</b>	16.95	17.00	14.00	13.97	<b>Feb '21</b>	16.85	17.00	14.95	15.00
<b>Sep '20</b>	16.25	16.35	13.50	13.50	<b>Mar '21</b>	18.00	18.00	14.60	14.65





### 10.2. Dematerialisation of Shares and Liquidity:

As SEBI has mandated transfer of shares only in Demat Form, the Members are requested to dematerialize their shares before effecting any transfer. Even otherwise, Dematerialisation facilitates easy transfer and accounting of shares and improves the liquidity of shares.

#### Shares in Physical and Electronic Form as on 31/03/2021:

Form	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Physical Mode	2002	6.24	4716198	4.16
<b>Sub Total</b>	<b>2002</b>	<b>6.24</b>	<b>4716198</b>	<b>4.16</b>
Electronic Mode				
- NSDL	16098	50.21	89727159	79.13
- CDSL	13962	43.55	18941693	16.71
<b>Sub Total</b>	<b>30060</b>	<b>93.76</b>	<b>108668852</b>	<b>95.84</b>
<b>Grand Total</b>	<b>32062</b>	<b>100.00</b>	<b>113385050</b>	<b>100.00</b>

### 10.3. Distribution of Shareholding as on 31/03/2021 :

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
Upto 5000	30466	95.03	17643287	15.57
5001 - 10000	804	2.51	6037743	5.33
10001- 20000	370	1.15	5345681	4.71
20001 - 30000	131	0.41	3223515	2.84
30001 - 40000	88	0.27	3097718	2.73
40001 - 50000	52	0.16	2315312	2.04
50001 - 100000	74	0.23	5423424	4.78
100001 and above	77	0.24	70298370	62.00
<b>Total</b>	<b>32062</b>	<b>100.00</b>	<b>113385050</b>	<b>100.00</b>

**10.4. Other Information:**

S. No.	Nature of Particulars	Particulars	
1.	Annual General Meeting for the Financial Year ended 31/03/2021	Annual General Meeting will be held through <b>Video Conferencing</b> at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006 on <b>Monday, the 27<sup>th</sup> Day of September, 2021 at 10 AM</b>	
2.	Financial Year of the Company	1 <sup>st</sup> April to 31 <sup>st</sup> March	
3.	Dividend Payment Date	Within 30 days from the date of declaration of Dividend by the Company	
4.	Name and Address of Stock Exchange at which the shares of the Company are listed	<p><b>1. National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051</p> <p><b>2. BSE Limited (Bombay Stock Exchange)</b> PJ Towers, Dalal Street, Mumbai - 400 001</p>	
5.	Whether Listing Fees paid to the Stock Exchanges	Yes	
6.	Stock Code	<p><b>NSE : KCPSUGIND</b></p> <p><b>BSE : 533192</b></p>	
7.	Share Transfer Agent and Depository Registrar of the Company ( <b>Registrar of the Company</b> )	<p><b>Integrated Registry Management Services Private Limited</b> 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai - 600 017. Tel : 044 - 28140801 to 03 Fax : 044 - 28142479 email : corpserve@integratedindia.in</p>	
8.	Plant Location	<p><b>Unit at Vuyyuru, Krishna District, Andhra Pradesh:</b> Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilisers, Carbon dioxide and Calcium Lactate</p>	
9.	Address for Correspondence	Shareholders correspondence should be addressed to the Registrar of the Company at their address mentioned hereinabove. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Ms.S.Jeba Elavarasi, Company Secretary and Compliance Officer, K.C.P.Sugar and Industries Corporation Limited, 'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006	
10.	Credit Ratings during the Financial Year 2020 - 2021 (Revised)	Long Term Bank Facilities	CARE A -; Negative
		Short Term Bank Facilities	CARE A2+
		Fixed Deposit Programme	CARE A - (FD); Negative

**11. OTHER DISCLOSURES:**

**11.1. Vigil Mechanism / Whistle Blower Policy:** The Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and Employees and other Stakeholders to report their genuine concerns, in pursuance of Section 177 (9) of the Companies Act, 2013 and applicable Rules made thereunder and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Vigil Mechanism Policy has been uploaded in the Company's Website at [www.kcpsugar.com](http://www.kcpsugar.com). The said Vigil Mechanism Policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. It is affirmed that no personnel has been denied access to the Audit Committee.

**11.2. Details of compliance of Corporate Governance Requirements in terms of Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Particulars	*Regulation No.	Compliance Status (Yes / No / NA)
Independent Director(s) have been appointed in compliance of 'independence criteria' and 'other eligibility criteria'	16 (1) (b)	Yes
	25 (6)	Not Applicable (NA)
Board Composition	17 (1)	Yes
Meeting of Board of Directors	17 (2)	Yes
Review of Compliance Reports	17 (3)	Yes
Plans for orderly succession for appointments to Board of Directors and Senior Management	17 (4)	Yes
Code of Conduct for Directors and Senior Management	17 (5)	Yes
Fees / Compensation to Non - Executive Directors	17 (6)	Yes
Minimum Information to be placed before Board of Directors	17 (7)	Yes
Compliance Certificate of CEO and CFO	17 (8)	Yes
Risk Assessment and Management	17 (9)	Yes
Performance Evaluation of Independent Directors	17 (10)	Yes
Composition of Audit Committee	18 (1)	Yes
Meeting of Audit Committee	18 (2)	Yes

Composition of Nomination and Remuneration Committee	19 (1) and (2)	Yes
Composition of Stakeholders Relationship Committee	20 (2) and (2A)	Yes
Composition and Role of Risk Management Committee	21 (1), (2), (3) and (4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transactions	23 (1), (5), (6) and (7) 23 (8)	Yes NA as there are no Material Related Party Transactions
Prior or Omnibus Approval of Audit Committee for all Related Party Transactions	23 (2) 23 (3)	Yes NA as Audit Committee has not granted any omnibus approval
Approval for Material Related Party Transactions	23 (4)	NA as there are no Material Related Party Transactions
Composition of Board of Directors of Unlisted Material Subsidiary	24 (1)	NA
Other Corporate Governance requirements with respect to Subsidiary of the Company	24 (2), (3), (4), (5) and (6)	Yes
Maximum Directorship and Tenure	25 (1) and (2)	Yes
Meeting of Independent Directors	25 (3) and (4)	Yes
Familiarization of Independent Directors	25 (7)	Yes
Memberships in Committees	26 (1)	Yes
Affirmation of compliance to code of conduct from Members of Board of Directors and Senior Management Personnel	26 (3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26 (4)	Yes
Obligations of Directors and Senior Management	26 (2) and (5)	Yes

- 11.3.** The Company had duly filed with the Stock Exchanges, Quarterly Compliance Report on Corporate Governance in the prescribed format in terms of Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters ended 30/06/2020, 30/09/2020, 31/12/2020 and 31/03/2021.
- 11.4.** The Statutory Auditor of the Company has given a Certificate on Compliance of Conditions of Corporate Governance as required under Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been annexed herewith as '**Annexure – B**'.
- 11.5.** There are no compliance requirements in respect of discretionary items in terms of Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 11.6.** The Certificate from the Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI / Ministry of Corporate Affairs or any statutory authority is annexed herewith as '**Annexure – C**'.
- 11.7.** No recommendation of any Committee of the Board of Directors of the Company has been disregarded / unaccepted by the Board of Directors of the Company.
- 11.8.** Total fees for all services paid to the Statutory Auditor of the Company by the Company and its Subsidiaries for the Financial Year 2020 - 2021 is Rs.7,93,900/- (Rupees Seven Lakhs and Ninety Three Thousand and Nine Hundred Only)
- 11.9. Disclosures in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has been at the forefront in ensuring a safe and secure work place for all its women employees. The Company has adopted zero tolerance for sexual harassment of women at workplace. The Company has an Internal Complaints Committee to deal with.

No. of Complaints filed during the Financial Year	Nil
No. of Complaints disposed of during the Financial Year	Nil
No. of Complaints pending as on end of the Financial Year	Nil

**11.10. Details of compliance as per Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

In terms of Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has placed all the relevant information, as applicable at the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).

The Company ensures that the contents of the Website of the Company are correct and changes, if any, are updated, periodically.

- 11.11. Share Transfer System:** As per mandate of SEBI, a Member can transfer the Shares only if such shares are in Demat Form. Any transfer of shares is routed through depository system. All documents received for transmission / consolidation / name change of shares, if any, are processed by the Registrar of the Company and are approved by the Stakeholders Relationship Committee which meets at such times as required, depending on the volume of transactions. Transactions are registered and returned within a maximum of 15 days from the date of lodgement, if documents are complete in all respects. There is no request pending action as on 31/03/2021.
- 11.12. Reconciliation of Share Capital Audit:** As stipulated by SEBI, Practising Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the Total Issued Capital and Total Listed Capital and Shares held in Demat Form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Physical Shares. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors of the Company and placed at the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).
- 11.13. Prohibition of Insider Trading:** The Company has framed a Code of Conduct for Prohibition of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all the Directors, Officers and Employees of the Company. The Code aims to prohibit dealing in the Shares of the Company by persons having access to unpublished price sensitive information. The Trading Window shall remain closed during the period when 'Insider' in terms of Regulations can reasonably be expected to have possession of unpublished price sensitive information which in any event shall commence from the end of every quarter and lasts till 48 hours after the declaration of financial results. The Company Secretary is designated as the Compliance Officer for this purpose.
- 11.14. Preservation of Documents:** The Company preserves the documents in line with Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013 and applicable Rules made thereunder for preservation of documents maintained in electronic / physical form.
- 11.15. Peer Review of Statutory Auditor:** Pursuant to Regulation 33 (1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditor of the Company has confirmed that they have subjected themselves to Peer Review Process of the Institute of Chartered Accountants of India and they hold the valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
- 11.16.** Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate of the Managing Director and the Chief Financial Officer of the Company, in the format provided in Part B of Schedule II of the said Regulations, have been placed before the Board of Directors of the Company and the same is annexed herewith as '**Annexure – D**'.

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

VINOD R.SETHI  
EXECUTIVE CHAIRMAN  
DIN: 00106598

**ANNEXURE – A**

**DECLARATION**

*[Pursuant to Regulation 34 (3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

I, Irmgard Velagapudi, Managing Director of K.C.P.Sugar and Industries Corporation Limited, hereby declare and confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, as laid down by the Company for the financial year 2020 - 2021.

Place : Chennai

For **K.C.P.Sugar and Industries Corporation Limited**

Date : 28/06/2021

**Irmgard Velagapudi**  
**Managing Director**  
**DIN: 00091370**

**COMPLIANCE CERTIFICATE**

**To**  
**THE MEMBERS OF K.C.P. SUGAR AND INDUSTRIES CORPORATION LTD,**

We have examined the compliance of conditions of Corporate Governance by **K.C.P. Sugar and Industries Corporation Ltd**, (the company) for the year ended 31<sup>st</sup> March, 2021 as per regulations 17-27, and regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015 (Listing regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the 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 the opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of Code of Ethics issued by Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) – 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, during the aforesaid year, complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Regulations.

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.

Restrictions on use:

This certificate is issued solely for the purpose of Complying with the aforesaid Regulations and may not be suitable for any other purposes.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership Number: 022379**  
**UDIN: 21022379AAABNH7313**

Place : Chennai  
Date : 28.06.2021



**ANNEXURE – C**

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

*[Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**UDIN Number: F010394C000535072**

The Members,  
**K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED**  
Ramakrishna Building, New No.239 (old No.183)  
Anna Salai, Chennai- 600 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED (CIN: L15421TN1995PLC033198)** having its Registered Office at Ramakrishna Building, New No.239 (old No.183) Anna Salai, Chennai- 600 006 (hereinafter referred to as "The Company") as produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Part-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and according to the verifications (including Director Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO.	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPT.
1	00019844	Karaikurichi Rangaswamy Adivarahan	Director	21/09/2016
2	00020630	Pratap Moturi Kumar	Director	21/06/2013
3	00021571	Vithal Rajan	Director	26/10/2005
4	00091370	Irmgard Velagapudi	Managing Director	11/09/2000
5	00091466	Kiran Velagapudi	Whole-time Director	29/07/2002
6	00106598	Vinod Rajindranath Sethi	Whole-time Director	26/10/2005
7	00432640	Manikyarao Siddarth Venkata Markandeya Rao	Director	17/12/2005
8	08942842	Ms Renuka Jaypal	Director	04/11/2020 Resigned on 20/04/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 28.06.2021

Place: Chennai

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No. 21403**

**ANNEXURE – D****COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 17 (8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**To**  
**The Board of Directors**  
**K.C.P.Sugar and Industries Corporation Limited**

Pursuant to Regulation 17 (8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- A. we have reviewed financial statements and the cash flow statement for the year ended 31/03/2021 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year under review which are fraudulent, illegal or violative of the Company's code of conduct.
- C. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. we have indicated to the Auditors and the Audit Committee
- (i) significant changes, if any, in internal control over financial reporting during the year under review;
  - (ii) significant changes in accounting policies, if any, during the year under review and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai  
Date : 28/06/2021

**Irmgard Velagapudi**  
**Managing Director**  
**DIN: 00091370**

**R.Ganesan**  
**Chief Financial Officer**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE  
EARNINGS AND OUTGO**

*[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]*

**A. CONSERVATION OF ENERGY :**

**(i) Measures taken for Conservation of Energy:**

- Installation of new TRPF system for 5<sup>th</sup> mill in NKCP milling tandem to reduce Pol% Bagasse by about 0.2% and Moisture% by about 1 %.
- Installation of Auto PH control system for syrup sulphitation to stabilize the syrup PH during the sulphitation process. Optimization of syrup PH minimizes the sulphur consumption by about 0.005% on cane and reduced the unknown sugar losses due to inversion by about 0.004%.
- Increase of heating surface of vapor line juice heater for the utilization of maximum quantity of waste heat generated from the NMS evaporator set, which saved about 0.8% in steam% cane.
- Installation of LED lights in place of MV and SV lamps, which saved about 29,450 KWH per annum.
- Arrangement of separate breaker for Positive Head Injection Water Pump Motor, which saved about 20,000 KWH during the season.
- Installation of multi function energy meters to monitor the motor performance of the motor during the overhauling and test trails.
- Installation of Auto ON/OFF system for Air Conditioners at Administrative office, which saved about 8500 KWH per annum.
- Addition of 150 KVAR Capacitor Banks for the power system to improve power factor and reduce the losses.
- Replacement of 12 MW generator protection relay to avoid nuisance tripping and thereby to minimize the energy losses.

**(ii) Additional Proposals and Impact on Conservation of Energy:**

- Installation of new TRPF system for 2<sup>nd</sup> mill in NKCP milling tandem to reduce Pol% and Moisture% Bagasse.
- Installation of condensate polishing system for excess condensate cooling for its utilization in place of cold water.
- Arrangement of external catchall system at primary juice tanks of Fluidized Bed and Drier Control System to reduce the load on ID fans.
- Installation of LED lights in place of MV lamps to reduce Power consumption.
- Installation of solar power plant of 500 KW at factory to minimize the utilization of conventional power.

(iii) **Power and Fuel:**

Particulars	31/03/2021	31/03/2020
<b>A. Electricity</b>		
<b>(i) Purchased</b>		
Units KWH	9,39,065	9,19,472
Total Amount (in Rs.)	90,94,974	76,83,757
Rate / Unit (in Rs.)	9.69	8.36
<b>(ii) Own Generation</b>		
<b>a) Through Diesel Generation</b>		
Units KWH	2,232	6,440
Unit per Litre of Diesel	2.77	3.40
Cost / Unit (in Rs.)	24.32	19.83
<b>b) Through Steam Turbine / Generator</b>		
Units KWH	1,92,93,100	3,21,75,400
KWH per tonne of Bagasse	255.28	259.88
Cost / Unit (in Rs.)	2.99	2.99
<b>B. Consumption per Unit of Production</b>		
Electricity consumed per Tonne of Sugar produced (in KWH)	225.93	247.92

**B. TECHNOLOGY ABSORPTION:**

(i) **Efforts made towards Technology Absorption:**

- Upgradation of continuous vacuum pan operating system from PLC to DCS.

(ii) **Research and Development:**

- Two new varieties K.C.P-13 and K.C.P-15 have been selected and given to the cane growers for evaluation of yield and quality.
- A tractor drawn sugarcane harvester has been trailed through farmers' fields further modifications are needed.
- **Expenditure on Research and Development (Rs. in Lakhs):**

Capital	Nil
Recurring	1.86
Staff Cost	47.50
<b>Total</b>	<b>49.36</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Earnings	Rs. 12,97,01,536	Export of Sugar
Outgo	Rs. 4,47,812	Spare Parts consumed

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

### ANNUAL REPORT ON CSR ACTIVITIES

*[Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]*

S.No.	Nature of Particulars	Particulars			
1.	Brief outline on CSR Policy of the Company	<p>The Company's CSR Policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development. The Company's CSR activities broadly relate to:</p> <ul style="list-style-type: none"> <li>(i) Promoting health care including preventive health care and sanitation and making available safe drinking water;</li> <li>(ii) Promoting education and employment enhancing vocational skills;</li> <li>(iii) Eradication of poverty and ensuring better living conditions;</li> <li>(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;</li> <li>(v) Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund.</li> </ul>			
2.	Composition of the CSR Committee				
	S.No.	Name of Director	Designation in Committee / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
	(i)	Ms.Irmgard Velagapudi	Chairperson / Managing Director	1	1
	(ii)	Mr.Vinod R.Sethi	Member / Whole Time Director	1	1
	(iii)	Mr.M.S.V.M.Rao	Member / Independent Director	1	1
	(iv)	Mr.K.R.Adivarahan	Member / Independent Director	1	1

3.	Web Link where Composition of CSR Committee, CSR Policy and CSR Projects of the Company are disclosed	<a href="http://www.kcpsugar.com">www.kcpsugar.com</a>		
4.	Details of Impact Assessment of CSR Projects	Not Applicable		
5.	Details of amount available for set off as per Rule 7 (3) of the Companies (CSR Policy) Rules, 2014	Nil		
6.	Average Net Profit of the Company for last three Financial Years	Nil		
7.	a)	Two percent of the Average Net Profit of the Company as given in Item 6 above	Nil	
	b)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years	Nil	
	c)	Amount required to be set off for the Financial Year, if any	Nil	
	d)	Total CSR obligation for the Financial Year (7a+7b-7c)	Nil	
8.	a)	CSR Amount spent or unspent for the Financial Year	Total Amount spent for the Financial Year (in Rs.)	Rs.11,28,918/-
			Amount Unspent (in Rs.)	Nil
	b)	Details of CSR Amount spent against Ongoing Projects for the Financial Year	Nil	
	c)	Details of CSR Amount spent against other than Ongoing Projects for the Financial Year	Rs.11,28,918/-	
	d)	Amount spent in Administrative Overheads	Nil	
	e)	Amount spent on impact assessment, if applicable	Nil	
	f)	Total Amount spent for the Financial Year (8b+8c+8d+8e)	Rs.11,28,918/-	
	g)	Excess Amount for set off, if any	Rs.11,28,918/-	
9.	a)	Details of Unspent CSR Amount for the preceding three Financial Years	Nil	
	b)	Details of CSR Amount spent in the Financial Year for Ongoing Projects of the preceding financial years	Nil	
10.	In case of creation or acquisition of capital asset, furnish the details relating to asset so created or acquired through CSR Spent in the Financial Year	Nil		
11.	Specify the reason(s), if the Company has failed to spend two percent of the Average Net Profit as per Section 135 (5) of the Companies Act, 2013	Not Applicable		

## 8 (c) Details of CSRAmount spent against other than Ongoing Projects

S. No.	Nature of Particulars	Particulars
1.	Name of the Project	Promotion of Education
2.	Item from the list of activities in Schedule VII to the Companies Act, 2013	Item No. (ii)
3.	Location of the Project (i) Local Area (Yes / No) (ii) District and State	Yes Vuyyuru, Krishna District, Andhra Pradesh
4.	Amount spent for the Project (in Rs.)	Rs.11,28,918/-
5.	Mode of implementation – Direct (Yes / No)	Yes
6.	Mode of Implementation – Through Implementing Agency	Not Applicable

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI**  
**Managing Director and Chairperson of**  
**CSR Committee**  
**DIN: 00091370**



**DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013**  
**READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF**  
**MANAGERIAL PERSONNEL) RULES, 2014**

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020 - 2021:

S. No.	Name of the Director	Ratio
1.	Ms.Irmgard Velagapudi, Managing Director	8:1
2.	Mr.Vinod R.Sethi, Whole Time Director	2:1
3.	Ms.Kiran Velagapudi, Whole Time Director	6:1

2. Remuneration of Managerial Personnel, Chief Financial Officer and Company Secretary:

S. No.	Name of the Director / KMP	(Rs. in Lakhs)	
		Remuneration paid for the Financial Year 2020 - 2021	Remuneration paid for the Financial Year 2019 - 2020
1.	Ms.Irmgard Velagapudi Managing Director	48.00	48.00
2.	Mr.Vinod R.Sethi Whole Time Director	13.83	14.55
3.	Ms.Kiran Velagapudi Whole Time Director	46.67	47.78
4.	Mr.R.Ganesan Chief Financial Officer	24.74	18.93
5.	Mr.S.Chidambaram Company Secretary (till 16/11/2020)	9.61	13.54
	Ms.S.Jeba Elavarasi Company Secretary (from 10/02/2021)	1.30	Not Applicable

3. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2020 – 2021: 33% increase in the remuneration of Chief Financial Officer
4. Percentage increase in the median remuneration of employees in the Financial Year 2020 – 2021: Nil
5. No. of permanent employees on the Rolls of the Company: 466

6. **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:** No increase in remuneration of the employees as well as the Managerial Remuneration.
7. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is affirmed that the remuneration paid to the Directors and Key Managerial Personnel is as per the Remuneration Policy of the Company.
8. No employee of the Company receives, for the Financial Year 2020 – 2021, remuneration of Rupees One Crore and Two Lakhs, in aggregate for that Financial Year or Rupees Eight Lakhs and Fifty Thousand per month or in excess of remuneration of Managing Director or Whole Time Director and holds along with his / her spouse and dependent children not less than 2% of Equity Shares of the Company, in terms of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI  
EXECUTIVE CHAIRMAN  
DIN: 00106598**

**FORM No. AOC – 2 - DISCLOSURE OF PARTICULARS OF CONTRACTS /  
ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES  
REFERRED TO SECTION 188 (1) OF THE COMPANIES ACT, 2013**

*[Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and  
Rule 8 (2) of the Companies (Accounts) Rules, 2014]*

1. Details of Contracts or Arrangements or Transactions not at arm's length basis: NIL
2. Details of Contracts or Arrangements or Transactions at arm's length basis:

(a)	<b>Name of Related Party and (Nature of Relationship)</b>	<b>The Eimco - K.C.P.Limited</b> <i>(Wholly - Owned Subsidiary)</i>	<b>Amethyst Cafe Private Limited</b> <i>(Entity in which Director of the Company is interested)</i>	<b>M/s. Outhouse</b> <i>(Entity in which Director of the Company is interested)</i>
(b)	<b>Nature of Contract / Arrangement / Transaction</b>	Leasing of Property	Leasing of Property	Leasing of Property
(c)	<b>Duration of Contract / Arrangement / Transaction</b>	11 Months	3 Years	11 Months
(d)	<b>Salient Terms of the Contract / Arrangement / Transaction</b>	Leasing of Property of the Company on rental basis	Leasing of Property of the Company on rental basis	Leasing of Property of the Company on rental basis
(e)	<b>Date of approval by the Board</b>	<b>11/11/2019</b> <i>(period covered: 01/06/2019 to 30/04/2020)</i>  <b>07/02/2020</b> <i>(period covered: 01/05/2020 to 31/03/2021)</i>	<b>09/02/2018</b> <i>(period covered: 01/04/2018 to 31/03/2021)</i>	<b>07/02/2020</b> <i>(period covered: 01/04/2020 to 28/02/2021)</i>
(f)	<b>Amount paid as Advances, if any</b>	NIL	Rs.3 Lakhs	Rs.1.25 Lakhs

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**

**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]*

To,  
 The Members,  
**K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED**  
 CIN: L15421TN1995PLC033198  
 Ramakrishna Building, New No.239 (old No.183)  
 Anna Salai, Chennai- 600 006

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information furnished by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder subject to the exception specified in page 3 and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of the following list of laws and regulations. These documents were examined on computer using audio visual means because of the lock down. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lock down condition in Tamil Nadu during the Audit period.

1. The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings (Not applicable for the period under review);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, to the extent applicable:-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. 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;
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable for the period under review);
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review);
  - h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable for the period under review);
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable for the period under review);
6. Laws specifically applicable to the industry to which the Company belongs, as identified and the compliance whereof is confirmed by the management of the Company, that is to say:
- a. The Sugar Development Fund Act, 1982 and Rules;
  - b. The Sugar (Control) Order, 1966
  - c. The Sugarcane (Control) Order, 1966;
  - d. The Food Safety and Standards Act, 2006 and Rules;
  - e. Food Safety and Standards Regulations;
  - f. The Essential Commodities Act, 1955;
  - g. Boiler Act, 1923;
  - h. Electricity Act, 2003 and Rules;
  - i. The Legal Metrology Act, 2009

I have also examined compliance with applicable clauses pertaining to the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except the following:

1. NSE has levied a fine of Rs.7,43,400/- for the quarter ended 30.09.2020 and part of December quarter for delayed appointment of Independent Woman Director. According to the Management, Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to appointment of Independent Woman Director became applicable to the Company only from 01.04.2020. Due to continuous lock downs and technical difficulties, the Company could identify and appoint the Independent Woman Director on 04.11.2020. The Company has represented to the Stock Exchange for waiver of fine explaining the reasons for delay.
2. NSE and BSE had levied a fine of Rs.11,800/- each for delay in prior intimation of declaration of dividend for the rescheduled Board Meeting under Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has paid the same.

Reliance has been put on compliance system prevailing in the company and legal compliance certificates received from various Unit heads as regards compliance of Laws specifically applicable to the industry to which the company specifically belongs.

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.

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.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

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.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. except that the Company had closed one of the Manufacturing Unit of the Company located in Lakshmipuram, Krishna District, Andhra Pradesh – 521 131 manufacturing Sugar and Incidental Cogeneration Power due to inadequate supply of sugarcane.

Place : Chennai

Date : 18/06/2021

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No.21403**  
**UDIN:F010394C000485418**

**ANNEXURE – A**

To,  
The Members,  
**K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED**  
CIN: L15421TN1995PLC033198  
Ramakrishna Building, New No.239 (old No.183)  
Anna Salai, Chennai- 600 006

My Secretarial Audit report dated 18th June 2021 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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 processes and practices, I followed provide a reasonable basis of my 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 procedures 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.

Place : Chennai

Date : 18/06/2021

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No.21403**  
**UDIN:F010394C000485418**

## INDEPENDENT AUDITOR'S REPORT

To the members of K.C.P Sugar and Industries Corporation Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **K.C.P Sugar and Industries Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report:



SL No	Key Audit Matters	Substantive Audit Procedures
1	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021 As on March 31, 2021, the Company has inventory of sugar with the carrying value Rs.210.71 crore. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value. For details: - Refer Note No 41 to the Financial Statements.	<ol style="list-style-type: none"> <li>1. We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li> <li>2. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li> <li>3. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li> <li>4. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions.</li> <li>5. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable</li> </ol>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
  - (b) In our opinion, proper books of accounts 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, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The managerial remuneration of Rs 27,69,647/- paid to the Executive Director for the period 29<sup>th</sup> July, 2020 to 31<sup>st</sup> March, 2021 during the financial year 2020-2021 is the minimum remuneration paid for the fourth year of inadequate profits during her tenure covering 29<sup>th</sup> July, 2017 to 28th July, 2022. The schedule V of the Companies Act and terms of appointment restricts the payment of minimum remuneration to a period of 3 years in the absence of adequate profits. However, the company has stated that the managerial remuneration is in compliance with schedule V of the companies Act 2013, subject to approval by the shareholders in its general meeting under Section 197 (10) of the Companies Act, 2013. (Refer note 53 to the financial statements.)

- (h) 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 does not have any pending litigations which would impact its financial position in its financial position. Refer Note no 44b to the financial statements.
- (j) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (k) There were no delay in transferring the amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNF9311**

Place: Chennai  
Date: 28.06.2021

#### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED** of even date)

- (i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
  - (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of certain immovable properties (land and buildings), which have been transferred to the Company as per a scheme of demerger are in the name of the erstwhile demerged company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax,, goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute, except the following amounts:

Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	37,93,799	April 2009 to June 2017	Sales Tax Appellate Tribunal, Vizag

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans have been applied to the purpose which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, The managerial remuneration of Rs 27,69,647/- paid to the Executive Director for the period 29<sup>th</sup> July, 2020 to 31<sup>st</sup> March, 2021 during the financial year 2020-2021 is the minimum remuneration paid for the fourth year of inadequate profits during her tenure covering 29<sup>th</sup> July, 2017 to 28<sup>th</sup> July, 2022. The schedule V of the Companies Act and terms of appointment restricts the payment of minimum remuneration to a period of 3 years in the absence of adequate profits. However, the company has stated that the managerial remuneration is in compliance with schedule V of the companies Act 2013, subject to approval by the shareholders in its general meeting under Section 197 (10) of the Companies Act, 2013. (Refer note 53 to the financial statements.)
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNF9311**

Place: Chennai  
Date: 28.06.2021



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNF9311**

Place: Chennai  
Date: 28.06.2021

Amount in Rupees

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	845242935	847894313
(b) Capital Work-in-progress		26473489	10826431
(c) Intangible Assets	4	652328	1130504
(d) Financial Assets			
(i) Investments	5	1015359763	699544862
(ii) Loans	6	3761279	4052564
(e) Deferred tax assets	21	43017491	-
(f) Other Non Current Assets	7	41527870	43364680
<b>Current Assets</b>			
(a) Inventories	8	2472675877	3364346137
(b) Financial Assets			
(i) Investments	9	594457669	569555191
(ii) Trade Receivables	10	284680362	239757942
(iii) Cash and Cash Equivalents	11	13757393	53561793
(iv) Bank Balances other than (iii) above	12	73633372	77877612
(v) Other Financial Assets	13	192241210	204302576
(c) Other Current Assets	14	83097408	104274252
<b>Assets held for sale</b>	15	78579550	-
<b>Total Assets</b>		<b>5769157996</b>	<b>6220488857</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	16	113385050	113385050
(b) Other Equity	17	2590257711	2405455258
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	926454850	743197000
(ii) Other Financial Liabilities	19	9793613	7464513
(b) Provisions	20	34745709	49183624
(c) Deferred Tax Liabilities	21	-	31128959
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	1473328538	1518039308
(ii) Trade Payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		84118483	609833157
(iii) Other Financial Liabilities	24	520095416	703985040
(b) Other Current Liabilities	25	8292199	26521042
(c) Provisions	26	8686427	12295906
<b>Total Equity and Liabilities</b>		<b>5769157996</b>	<b>6220488857</b>

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

Place: Chennai

Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**  
Company Secretary  
M.No.: 30963

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from Operations	27	2993915695	3545362224
II Other Income	28	447624028	112374986
<b>III Total Income (I+II)</b>		<b>3441539723</b>	<b>3657737210</b>
<b>IV Expenses</b>			
Cost of materials consumed	29	1485360040	2540422170
Purchase of Stock-in-trade		121592531	7794677
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	887482247	320927599
Employee benefits expense	31	319913842	305419412
Finance costs	32	238731506	214890585
Depreciation and Amortisation	33	58850171	73949035
Other expenses	34	213969958	367223534
<b>Total Expenses (IV)</b>		<b>3325900295</b>	<b>3830627012</b>
<b>V Profit / (loss) before exceptional items and tax</b>		<b>115639428</b>	<b>(172889802)</b>
VI Exceptional items		-	-
<b>VII Profit / (loss) before tax</b>		<b>115639428</b>	<b>(172889802)</b>
<b>VIII Tax expense</b>			
- Current Tax		-	-
- Deferred Tax		(75997051)	(40429729)
- Excess provision towards taxation relating to earlier years		-	(20952780)
<b>IX Profit / (loss) for the period</b>		<b>191636479</b>	<b>(111507293)</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plan actuarial gains/ (losses)		6355079	2298554
Income tax expense on above		(1850599)	(669338)
		<b>4504480</b>	<b>1629215</b>
<b>XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)</b>		196140959	(109878078)
<b>XII Earnings per Equity Share</b>			
(1) Basic		1.73	(0.97)
(2) Diluted		1.73	(0.97)

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached  
For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S

For and on behalf of the Board of Directors

**V.SIVAKUMAR**  
Partner  
Membership No.022379

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

Place: Chennai  
Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**  
Company Secretary  
M.No.: 30963

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466

Amount in Rupees

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
<b>Cash flows from operating activities</b>		
Total Income for the Period (PBT)	115639428	(172889802)
<b>Adjustments:</b>		
- Interest Income	(9398606)	(11895096)
- Loss / (Profit) on Sale of Fixed Assets	(6708745)	(6306)
- Loss / (Gain) on Sale of Investments	-	(829871)
- Adjustment for OCI	6355079	2298554
- Interest Expense	238731506	214890585
- Dividend Income	(35501249)	(38652185)
- Fair Value Adjustment	(315929208)	119459890
- Depreciation and Amortization	58850171	73949035
<b>Operating Cash flow before Working Capital changes</b>	<b>52038376</b>	<b>186324803</b>
<b>Changes in</b>		
- Increase in Trade Receivables	(44922420)	(34379351)
- (Decrease) in Inventory	891670260	326953470
- Increase in Other Current Financial Asset(s)	12175670	(150140618)
- Increase in Other Current Asset(s)	18641982	25219773
- Asset held for sale	(78579550)	-
- Increase in Long term Loans	291285	(59735)
- Increase in Other Non - Current Asset	1836810	(2070670)
- (Decrease)/Increase In Long Term Provisions	(14437915)	(915821)
- (Decrease) in Other Financial Liabilities Non Current	2329100	(3871679)
- (Decrease) in Trade Payables Current	(525714674)	(712335718)
- (Decrease) in Other Current Liabilities	(18228843)	(11942616)
- Increase in Other Financial Liabilities Current	(183889622)	340902438
- (Decrease) in Short Term Provisions Current	(3609478)	(228980)
Income Taxes paid	2534863	(53630077)
<b>Net Cash generated from / (used in) operations</b>	<b>60097469</b>	<b>(276499582)</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(88166626)	(16688527)
Proceeds from Sale of Fixed Assets	23507695	8018
Investment made in Current and Non Current Investments	(24902478)	(26860557)
Dividend Income	35501249	38652185
Proceeds from Sale of Investments	-	4804477
Changes in Margin Money Deposits	4244240	13033798
Interest received	9398606	11895096
<b>Net Cash generated from/(used in) investing activities</b>	<b>(40417314)</b>	<b>24844490</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayment of) Long Term and Short Term Borrowings	138547081	325056857
Dividend paid	(11338505)	(13669168)
Interest paid	(238731506)	(214890584)
<b>Net Cash used in financing activities</b>	<b>(111522930)</b>	<b>96497105</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>(39804400)</b>	<b>31166817</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>53561793</b>	<b>22394977</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>13757393</b>	<b>53561793</b>
<b>Components of Cash and Cash Equivalents (Refer Note 11)</b>		
Cash on hand	651689	939691
Balances with Banks	13105704	52622102
<b>Total Cash and Cash Equivalents</b>	<b>13757393</b>	<b>53561793</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

Place: Chennai  
Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**  
Company Secretary  
M.No.: 30963

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466

## 1 - Corporate Information

K.C.P. Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India . Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and Co2. Company has two sugar factories located in Krishna District Andhra Pradesh having an aggregate crushing capacity of 11,500 tons per day. It has its Registered Office at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006, Tamil Nadu, India.

The financial statements were approved by the Board of Directors and authorised for issued on 28/06/2021

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013. The Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policies hitherto in use.

### (b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and net defined benefit liability that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

### (c) Critical accounting estimates and judgments:

The preparation of financial statements in conformity with IndAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgments to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments that are traded in active market is determined from market prices as reduced by estimated cost of trading.
- **Litigation:** From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

**(d) Functional currency :**

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currencies.

**(e) Revenue recognition :**

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprise of sale of sugar, and other sugar auxiliary products. Revenue is recognised when following conditions are satisfied:

- the company transfers to the buyer the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliable
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

**Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**Dividend**

Dividend income is recognized on cash basis.

**(f) Employee Benefits (other than for persons engaged through contractors):**

**(i) Provident Fund:**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

**(ii) Gratuity Fund:**

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company for employees and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India. However, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation. The unfunded liability is recognized on the basis of report submitted by a private actuarial valuer.

**(iii) Compensated Absences:**

Entitlement to annual leave is recognised when it accrues to employees. The Company determines the liability for such accumulated leave at each Balance Sheet date and the same is charged to revenue accordingly

**(iv) Other Employee Benefits:**

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an un discounted basis and recognised based on the entitlement thereof.



**(g) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method except for asset situated at Registered Office, which are depreciated by written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the depreciable assets is in accordance with rules prescribed under part "C" of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

**(h) Intangible Assets:**

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- (i) the technical feasibility and Company's intention and ability of completing the project;
- (ii) the probability that the project will generate future economic benefits;
- (iii) the availability of adequate technical financial and other resources to complete the project; and
- (iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.



Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Software and Licences	5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**(i) Impairment of assets:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

**(j) Foreign Currency Translation :**

**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

**(k) Assets taken on lease:**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

**(l) Inventories:**

- Finished goods are valued as follows :
  - ♦ All finished goods are valued at lower of weighted average cost or net realizable value.
  - ♦ Molasses, a by product is valued at estimated net realizable value.
- Crops under cultivation are valued at cost.
- Work in progress is valued at lower of weighted average cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.
- Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

**(m) Government Grants:**

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

**(n) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(i) Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**(ii) Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credit and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

**(o) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.43.

Contingent assets are not recognized in the financial statements.

**(p) Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

**(q) Cash and Cash Equivalent (for the purpose of cash flow statements):**

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

**(r) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**(s) Earnings Per Share :**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(t) Segment Reporting :**

The Company identifies operating segments based on the internal reporting provided to the Managing Director.

The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

All operating segments, operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

**(u) Financial Instruments:**

**Financial Assets:**

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments are classified as FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any.

#### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

### **Financial Liabilities**

#### Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

#### Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.



## 3 - Property Plant and Equipment

Amount in Rupees

Description	Land	Buildings	Plant and Equipment	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 31 March 2019 (At Cost)	169446985	25555806	685266807	9983592	23208674	2902748	1146364612
Additions during the year	-	-	5368595	359775	43725	90000	5862095
Deletions during the year	-	-	-	(60000)	-	-	(60000)
As at 31 March 2020 (At Cost)	169446985	25555806	690635402	10283367	23252399	2992748	1152166707
Additions during the year	116925100	2006684	13818304	1406926	87775	82799	134327588
Deletions during the year	-	-	(9476839)	(1144135)	(5737844)	(204422)	(16563240)
<b>As at 31 March 2021 (At Cost)</b>	<b>286372085</b>	<b>257562490</b>	<b>694976867</b>	<b>10546158</b>	<b>17602330</b>	<b>2871125</b>	<b>1269931055</b>
<b>Depreciation and Amortization</b>							
Opening Depreciation as on 01.04.2019	-	36852967	180224433	7317453	8619409	1156650	234170912
Charge for the year	-	9999367	55245363	1311229	3325524	278287	70159770
Deletions during the year	-	-	-	(58288)	-	-	(58288)
As at 31 March 2020	-	46852334	235469796	8570394	11944933	1434937	304272394
Charge for the year	-	9713789	44755500	649253	2371523	281930	57771995
Deletions during the year	-	-	(9264014)	(1134793)	(5337990)	(199022)	(15935819)
<b>As at 31 March 2021</b>	<b>-</b>	<b>56566123</b>	<b>270961282</b>	<b>8084854</b>	<b>8978466</b>	<b>1517845</b>	<b>346108570</b>
Balance	286372085	200996367	424015585	2461304	8623864	1353280	923822485
Less : Assets held for sale	-	-	78579550	-	-	-	78579550
<b>Net Book Value</b>							
<b>As at 31 March 2021</b>	<b>286372085</b>	<b>200996367</b>	<b>345436035</b>	<b>2461304</b>	<b>8623864</b>	<b>1353280</b>	<b>845242935</b>
As at 31 March 2020	169446985	208703472	455165607	1712973	11307466	1557811	847894313

3.1. Cost of Freehold Land includes Land in respect of which the transfer of title deeds in the name of K.C.P. Sugar and Industries Corporation Ltd is pending.



**4 - Other Intangible Assets**

*Amount in Rupees*

Description	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 March 2019 (At Cost)	16215127	16215127
Additions during the year	-	-
Deletions during the year	-	-
As at 31 March 2020 (At Cost)	16215127	16215127
Additions during the year	600000	600000
Deletions during the year	-	-
<b>As at 31 March 2021 (At Cost)</b>	<b>16815127</b>	<b>16815127</b>
<b>Amortization and Impairment</b>		
Depreciation as at 31 March 2019	11295358	11295358
Amortization for the year ended 31 March 2020	3789265	3789265
As at 31 March 2020	15084623	15084623
Amortization for the year	1078176	1078176
<b>As at 31 March 2021</b>	<b>16162799</b>	<b>16162799</b>
<b>Net Book Value</b>		
<b>As at 31 March 2021</b>	<b>652328</b>	<b>652328</b>
As at 31 March 2020	1130504	1130504

## 5 - Investments

Particulars	Amount in Rupees			
	As at March 31, 2021		As at March 31, 2020	
List of (Quoted Shares Fair value through Profit and Loss account)	No. of Shares	Value	No. of Shares	Value
Kobo Biotech Ltd (Formerly known as Avon Lifescience Ltd)	100	740	100	289
Axys Healthtech Ltd	50000	500000	50000	500000
Bajaj Hindustan Ltd.	1000	6200	1000	2650
Balrampur Chini Mills Ltd.	1000	214500	1000	104050
Bannari Amman Sugars Ltd.	50	79218	50	43385
Coromandel International Ltd.	330	255602	330	180246
Eid Parry (I) Ltd.	1000	318350	1000	139050
GAIL India Ltd	18800	2547400	18800	1439140
Indian Sucrose Ltd. (formerly known as Lactose (I) Ltd.)	100	2265	100	1590
IRB Invit Fund IRG invit Fund	215000	11513250	215000	5506150
The Jeypore Sugar Company Ltd.	16580	165800	16580	165800
Jubilant Industries Ltd	80	14976	80	6872
Jubilant Pharmova Ltd (Formerly known as Jubilant Life Science Ltd.)	1600	1089760	1600	398720
Jubilant Ingrevia Ltd (Free allotment of one equity shares against every equity shares in Jubilant Life Science Ltd)	1600	415520	0	0
Kothari Sugars And Chemicals Ltd.	5	137	5	43
Krishna Industrial Corporation Ltd.	52501	525010	52501	525010
Mahanagar Gas Ltd	8000	9351600	8000	6547600
Nava Bharat Ventures Ltd.	80	5560	80	2736
NTPC Limited	2300	245065	2300	193660
Precision Wires India Ltd.	352048	68174095	352048	24044878
Sakthi Sugars Ltd.	50	470	50	368
Savita Oil Technologies Ltd.	93942	91781334	93942	57360985
Simbhaoli Sugars Ltd.	117	831	117	497
Sri Sarvaraya Sugars Ltd.	450000	4500000	450000	4500000
The Andhra Sugars Ltd	100	29085	100	17705
The Dhampur Sugar Mills Ltd.	100	18270	100	8235
Thiru Arooran Sugars Ltd.	100	620	100	310
Yuken India Ltd.	188864	86849110	188864	61380981
Mishra Dhattu Nigam Ltd	11500	2033775	11500	2056775
CL Educate Ltd	2950	269925	2950	91893
Rites Ltd	27040	6511232	27040	6654544
Supreme Engineering Ltd	88000	2367200	88000	1289200
<b>Total</b>		<b>289786900</b>		<b>173163361</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.,)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Value	No. of Shares	Value
<b>Investments in Quoted Equity Instruments (Fair valued through PL), Pledged with Kotak Mahindar Bank to avail Working Capital Term Loan of Rs.20 crores. ( Refer Note No.18)</b>				
Blue Star Ltd.	95768	89466466	95768	44000608
Container Corporation of India Ltd. Face value Rs.5/-	52270	31257460	52270	17335346
Engineers India Ltd . Face value Rs.5/-	8000	616000	8000	480400
GAIL India Ltd Face value Rs.2/-	18800	2547400	18800	1439140
Indraprastha Gas Ltd.	1110950	569195233	1110950	430993053
NLC India Ltd	60200	3034080	60200	2642780
Coal India Ltd	3500	456225	3500	490175
<b>Total</b>		<b>696572864</b>		<b>497381501</b>
<b>List of UnQuoted Shares (At Cost)</b>				
Agri Business Finance Ltd.	50000	500000	50000	500000
<b>Investment in Subsidiaries (At Cost)</b>				
The Eimco KCP Ltd	600000	6000000	600000	6000000
KCP Sugar Agricultural Research Farms Ltd	2250000	225000000	2250000	22500000
<b>Total</b>		<b>28500000</b>		<b>28500000</b>
<b>Grand Total</b>		<b>1015359763</b>		<b>699544862</b>
5.1 Aggregate amount of quoted investments				
- Cost		<b>535733527</b>		<b>535733527</b>
- Market Value		<b>986359763</b>		<b>670544862</b>
5.2 Aggregate amount of unquoted investments				
- Cost		<b>290000000</b>		<b>290000000</b>

Amount in Rupees

**6 - Loans**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits (Unsecured considered good)	3761279	4052564

**7 - Other Non Current Assets**

Long Term Security Deposits (Unsecured and considered good)	41527870	43364680
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**8 - Inventories**

Raw Materials	633656	798106
Work in progress	9252410	8726944
Finished Goods	2434217360	3321611750
Stores and Spares	28179708	32203271
Crops under cultivation	392743	1006066
<b>Total</b>	<b>2472675877</b>	<b>3364346137</b>

**9 - Investments**

Investments in Mutual Funds (Fair valued through Profit and Loss Account)	594457669	569555191
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**10 - Trade Receivables**

Unsecured Considered good	284680362	239757942
Considered Doubtful	2753857	2753857
	287434219	242511799
<b>Less:</b>		
Allowances for Doubtful debts	(2753857)	(2753857)
<b>Total</b>	<b>284680362</b>	<b>239757942</b>

**11 - Cash and Cash Equivalents**

i) Balances with Banks:		
- In current accounts	13105704	52622102
ii) Cash on hand	651689	939691
<b>Total</b>	<b>13757393</b>	<b>53561793</b>

**12 - Bank Balances other than Note 11 above**

Bank Balances held as Margin Money	60810297	63498726
Unpaid Dividend Account	12823075	14378886
<b>Total</b>	<b>73633372</b>	<b>77877612</b>

**13 - Other Current Financial Assets**

<b>Unsecured, considered good;</b>		
- Claims receivable	183962074	193973433
- Advance to Employees	8279136	10329143
<b>Total</b>	<b>192241210</b>	<b>204302576</b>

**14 - Other Current Assets**

Prepaid expenses	7934837	8996686
Balance with government authorities	26899221	47955018
Advances to Supplier	48263350	47322548
<b>Total</b>	<b>83097408</b>	<b>104274252</b>

**15 - Assets held for sale**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Plant and Machinery (Refer Note 43)</b>		
Sugar	54299400	-
Cogen	24280150	-
<b>Total</b>	<b>78579550</b>	-

**16 - Equity Share Capital**

<b>Authorised Share Capital</b> 25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000
<b>Total</b>	<b>250000000</b>	250000000
<b>Issued, Subscribed and Paid Up</b> 11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050
<b>Total</b>	<b>113385050</b>	113385050

**16.1. Movement in respect of Equity Shares is given below:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>113385050</b>	<b>113385050</b>	113385050	113385050

**16.2. Terms / Rights attached to Equity Shares:**

The Company has only one class of Equity Shares having a face value of Re.1/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

**16.3. Details of Shareholders holding more than 5% shares in the Company:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% of holding	Nos.	% of holding
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%
<b>Total</b>	<b>43742656</b>	<b>38.58%</b>	43742656	38.58%

**17 - Other Equity**

Amount in Rupees

Particulars	Surplus				Other Components of Equity	Total
	General Reserve	Investment Allowance Reserve	Capital Profit Capital Redemption Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 1,2020	1120941895	4505000	15545110	1260115037	4348216	<b>2405455258</b>
Provision For Dividend and Taxes	-	-	-	(11338505)	-	<b>(11338505)</b>
Profit / (Loss) for the period	-	-	-	191636478	-	<b>191636478</b>
Other Comprehensive Income for the Year	-	-	-	-	4504480	<b>4504480</b>
<b>Balance as at March 31, 2021</b>	<b>1120941895</b>	<b>4505000</b>	<b>15545110</b>	<b>1440413010</b>	<b>8852696</b>	<b>2590257711</b>

**Non Current Liabilities**
**18 - Borrowings**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans</b>		
<b>a) Working Capital Term Loan from HDFC Bank Ltd</b>	67500000	270000000
Less: Current Maturity classified in Note 24	67500000	135000000
<b>Net</b>	-	<b>135000000</b>
<small>(The above loan is secured by first pari passu charge on the current assets and movable fixed assets of the company and further secured by Corporate Guarantee issued by subsidiary company The Eimco - K.C.P. Ltd. This loan is availed in May 2019 and repayable in 4 Quarterly instalments after a moratorium period of one year. The rate of interest on the loan is variable.)</small>		
<b>b) Working Capital Term Loan from Kotak Mahindra Bank Ltd</b>	192625959	200000000
Less: Current Maturity classified in Note 24	51366924	25000000
<b>Net</b>	<b>141259035</b>	<b>175000000</b>
<small>(The above loan is secured by second pari passu charge on the current assets of the Company and further secured by a pledge over selected quoted Equity shares held by the Company with other listed entities. This loan is availed in August 2019 and repayable in 16 quarterly instalments after a moratorium period of one year. The rate of interest on the loan is variable.)</small>		
<b>c) Working Capital Term Loan from Banks</b>	294999815	-
<small>This loan was availed under Guaranteed Emergency credit line (GECL 2.0) notified by the Govt. of India with 100% Guarantee. It is further secured by second pari passu charge by way of hypothecation of the stock of raw materials, semi finished and finished goods, consumable store and spares and such other movables including book debts both present and future and also secured by Second Pari passu charge on movable fixed assets at Vuyyuru and Lakshampuram units. The loan is repayable in five years with one year moratorium and 48 monthly instalments. The rate of interest on the loan is variable subject to maximum of 9.25% pa.</small>		
<b>d) Unsecured Borrowings</b>		
Fixed Deposits from Public	490196000	433197000
<b>(a) + (b) + (c) + (d)</b>	<b>926454850</b>	<b>743197000</b>

**19 - Other Financial Liabilities**

Interest accrued but not due on Fixed Deposits	7260980	5959513
Security Deposit	2532633	1505000
<b>Total</b>	<b>9793613</b>	<b>7464513</b>

**20 - Provisions**

Provision for Employee Benefits	<b>34745709</b>	49183624
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**21 - Deferred Tax Assets / Liabilities**  
**Recognised Deferred Tax Assets and Liabilities**

Deferred Tax Assets and Liabilities are attributable to the following:

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	81671047	106637453
<b>Total</b>	<b>81671047</b>	106637453
<b>Deferred Tax Assets</b>		
Current year business losses	111239177	56803732
On account of timing differences in recognition of expenditure between books of accounts and Taxation	13449361	18704762
<b>Total</b>	<b>124688538</b>	75508494
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>43017491</b>	(31128959)

**Current Liabilities**

**22 - Borrowings**

Secured Demand Loans from Banks* (Refer note below)	1473328538	1518039308
<b>Total</b>	<b>1473328538</b>	1518039308

\*Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a first /second charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmipuram.

**23 - Trade Payables**

- Dues to Micro and Small Enterprises*	-	-
- Others	84118483	609833157
<b>Total</b>	<b>84118483</b>	609833157

\* The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

**24 - Other Financial Liabilities**

Current Maturities of Long Term Debt	303722924	391162000
Unclaimed Dividends	10423177	12864393
Interest accrued but not due on borrowings	14281165	16330428
Unpaid matured deposits and interest accrued thereon	15285898	10163745
Outstanding Liabilities for Expenses	168609924	269126164
Earnest Money and Other Deposits	7772328	4338310
<b>Total</b>	<b>520095416</b>	703985040

**25 - Other Current Liabilities**

Statutory Liabilities	5680522	23544994
Advance from customers	2611677	2976048
<b>Total</b>	<b>8292199</b>	26521042

**26 - Provisions**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits	<b>8686427</b>	12295906

**27 - Revenue from Operations**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products - Domestic	<b>2853765159</b>	3545362224
Export Sale of Sugar - Trading	<b>129701536</b>	-
Sale of Sugar - Trading	<b>10449000</b>	-
<b>Total</b>	<b>2993915695</b>	3545362224

**28 - Other Income**

Interest income from financial asset measured at amortised cost	531872	545380
Profit on sale of Investments	-	829871
Interest Received	9398606	11349716
Dividend Income	35501249	38652185
Rent Received	3568038	3829189
Miscellaneous Receipts	9736638	13273622
Change in fair value of financial asset	315814900	-
Gain in Foreign Exchanges Transaction	2273647	-
Profit on sale of fixed assets (Net)	6708745	6306
Unclaimed Balance credited back	41597	2031842
Claims Received	54980802	41734729
Provision no longer required withdrawn	9067934	122146
<b>Total</b>	<b>447624028</b>	112374986

**29 - Cost of Materials consumed**

Consumption of raw materials	1437181014	2464195150
Consumption of stores and spares	48179026	76227020
<b>Total</b>	<b>1485360040</b>	2540422170
<b>Consumption of Sugarcane included in the above</b>	<b>1366572311</b>	2453710340

**30 - Changes in Inventories of Finished Goods, Work-in-Progress and stock in trade**

<b>Opening Balance</b>		
Work in Progress	8726944	47251719
Finished goods	3321611750	3603575340
Crops under cultivation	1006066	1445300
<b>Sub Total</b>	<b>3331344760</b>	3652272359
<b>Less Closing Balance</b>		
Work in Progress	9252410	8726944
Finished goods	2434217360	3321611750
Crops under cultivation	392743	1006066
<b>Sub Total</b>	<b>2443862513</b>	3331344760
<b>Net</b>	<b>887482247</b>	320927599



**31 - Employee Benefits Expense**

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	239123451	244794548
Contribution to provident and other funds	37282466	29019852
Remuneration to wholetime directors	10292764	10473974
Staff welfare expenses	33215161	21131038
<b>Total</b>	<b>319913842</b>	305419412

**32 - Finance Costs**

Interest cost on financial liabilities measured at amortized cost	<b>238731506</b>	214890585
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**33 - Depreciation and Amortisation**

Depreciation / Amortisation for the year		
- Tangible Assets	57771995	70159770
- Intangible Assets	1078176	3789265
<b>Total</b>	<b>58850171</b>	73949035

**34 - Other Expenses**

Power and Fuel	23701442	25351312
Rental charges	318000	309788
Repairs and maintenance:		
- Buildings	5177400	6279740
- Machinery	60869693	83745282
- Others	6281730	7868175
Insurance	7074931	3900331
Payment made to auditors (Refer note below)	805847	738500
Legal and Professional Charges	6027264	7042264
Selling expenses	35581231	23981412
Director's Sitting Fees	1160000	1250000
Donations	3559598	-
Corporate Social Responsibility Expenditure (CSR)	1128918	1822213
Security Charges	13201477	14524981
Miscellaneous expenses	49082427	70949646
Change in fair value of financial asset	-	119459890
<b>Total</b>	<b>213969958</b>	367223534

Payment made to statutory auditors :		
i. As Audit fees	450000	463500
ii. For other services	343900	275000
iii. For reimbursement of expenses	11947	-
<b>Total</b>	<b>805847</b>	738500

**35 - Value of Imports made by the Company during the financial year calculated on C.I.F.**

Amount in Rupees

Sl. No.	Particulars	2020 – 2021 Rs.	2019 – 2020 Rs.
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare parts	4,47,812	Nil
(iii)	Capital Goods	Nil	Nil

**36 - Comparison between consumption of Imported and Indigenous raw materials, spare parts and components during the financial year:**

Sl. No.	Particulars	2020 – 2021 Rs.	%	2019 – 2020 Rs.	%
<b>(a)</b>	<b>Raw Materials:</b>				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	143,71,81,014	100.00	246,41,95,150	100.00
	<b>Total</b>	143,71,81,014	<b>100 00</b>	246,41,95,150	100.00
<b>(b)</b>	<b>Spare parts and Components: (debited to respective heads)</b>				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	3,45,42,013	100.00	5,33,00,923	100.00
	<b>Total</b>	3,45,42,013	<b>100.00</b>	5,33,00,923	100.00

37- Under Section 135 of The Companies Act, 2013 the company is required to spend Rs.Nil/- (P.Y.Rs.Nil) during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company has spent Rs.11,28,918/-, (P.Y.Rs.18,22,213/-)

**38 - Sale of Products and Services**

Products / Services	Units	2020-2021		2019-2020	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	669404	2246079320	820647	2718800545
Molasses	MTs	9499	115619019	7692	66893939
Bagasse	MTs	11327	19381116	68888	122169951
Industrial / Anhydrous Alcohol	BLs	6117219	323611075	10561930	500775635
Bio Fertiliser	Qtls	163790	67120243	143884	54862041
Electrical Energy	Kwh	5909652	28297834	8399986	37505499
Calcium Lactate	Kgs	343825	37656275	294365	29739650
Others	-	-	16000277	-	14614964
<b>TOTAL</b>			<b>2853765159</b>		3545362224

**Sale of Products - Trading**

Products / Services	Units	2020-2021		2019-2020	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Export of Bought out Sugar	Qtls	40500	129701536	-	-
Molasses	Qtls	4050	10449000	-	-
<b>TOTAL</b>		44550	<b>140150536</b>	-	-

**Note: Sale of Products does not include the following inter unit transfers:**

Amount in Rupees

Products / Services	Units	2020-2021		2019-2020	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	2465	7641020	2294	7111400
Molasses	MTs.	16672	179323140	44610	381980487
Bagasse	MTs.	105886	180005928	171868	292174903
Electrical energy	KWH	10901752	64429356	18957795	112040568
Steam	MTs.	172955	147160232	280601	231126329
Filter Cake	MTs.	16580	165800	46325	920208
Sugarcane - Agricultural Produce	MTs.	760	2457736	533	1465434
Bio Gas	M <sup>3</sup>	1420953	568381	928397	371359
Others	-	-	-	-	4690086
<b>TOTAL</b>	-	-	<b>581751593</b>	-	1031880774

#### 39 - Raw Materials Consumed

Sugar – Sugarcane	MTs	411324	1369030048	784964	2460056859
Molasses	MTs	24187	243416034	44610	384980487
Others	-	-	14322628	-	15325419
<b>Total</b>	-	-	<b>1626768710</b>	-	2860362765
Less: Inter Divisional Transfers	-	-	189587696	-	396167615
<b>Net Consumption</b>	-	-	<b>1437181014</b>	-	2464195150

#### 40 - Opening Stock of Finished Goods

Particulars	Units	As at 01.04.2020		As at 01.04.2019	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	941624	2957952368	1040914	3359068869
Molasses	MTs	23997	287049998	33628	225304317
Industrial / Anhydrous Alcohol	BLs	1641268	64655344	274097	8585813
Bio Fertiliser	Qtls	23538	9163258	15176	10110831
Others	-	-	2790782	-	505510
<b>Total</b>	-	-	<b>3321611750</b>	-	3603575340

#### 41 - Closing Stock of Finished Goods

Particulars	Units	As at 31.03.2021		As at 31.03.2020	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	650745	2107065663	941624	2957952368
Molasses	MTs	20358.75	230786790	23997	287049998
Industrial / Anhydrous Alcohol	BLs	2006209	90949987	1641268	64655344
Bio Fertiliser	Qtls	22665	4870028	23538	9163258
Others	-	-	544892	-	2790782
<b>Total</b>	-	-	<b>2434217360</b>	-	3321611750

**42 - Particulars regarding Capacity and Production**

Class of Goods	Capacity			Actual Production	
	Licenced	Installed		2020-21	2019-20
	(as certified by the management)				
			Units		
<b>a. Sugar</b>					
(i) Vuyyuru Unit	7500 (Tonnes of Cane crushed per day)	7500	Qtls	380990	723651
<b>b. Molasses (By-Product)</b>	-	-	MT's	22533	42671
<b>c. Industrial / Anhydrous Alcohol</b>	50000	50000	BL per day	6482160	11929101
<b>d. Bio Fertiliser</b>	-	-	Qtls	162918	152246
<b>e. Electrical Power</b>					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	19275653	32129526

**43 - Lakshmipuram Unit :**

The Sugarcane crushing operations at Lakshmipuram unit has been suspended since sugar season 2019-20 on account of inadequate supply of sugarcane.

The company has taken exhaustive measures to improve the sugarcane availability by providing both financial and physical support over the period continuously, but the efforts were not successful.

An extensive study showed that there are no scope for improving the availability of sugarcane to revive the crushing operations.

Since, the company has another sugar plant at Vuyyuru in contiguous zones, it was decided to divert the sugarcane cultivated in Lakshmipuram area to Vuyyuru to achieve enhanced capacity utilisation and improve financial efficiency.

Therefore, the company has settled the dues of employees of Lakshmipuram unit and planning to sell the movable fixed assets.

**44 - Contingent Liabilities :**

a. Outstanding Guarantees issued by banks on behalf of the company is Rs.2,50,09,738/- (PY Rs. 2,46,69,438/-)

b. Demands raised on the company by the respective authorities are as under:

*Amount in Rupees*

Particulars	As at March 31,2021	As at March 31,2020
Share transmission	11,05,851	11,05,851
Labour cases	7,597,954	72,41,115
Non enrolment of contract labour for the purpose of contribution to Provided Fund	72,63,050	72,63,050
Case on Duty relating to Captive Power Generation and sale to grid	5,78,87,181	5,78,87,181
Value Added Tax case	37,93,799	37,93,799
<b>Total</b>	<b>7,76,47,835</b>	<b>7,72,90,996</b>

Based on the expert opinions obtained, the Company had been advised not to make any provision in the Accounts.

**45 - Additional information pursuant to Schedule III of the Companies Act, 2013**

*Amount in Rupees*

	<b>Particulars</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
	<b>Expenditure in Foreign currency on:</b>		
	(i) Salary and allowance	Nil	Nil
	(ii) Tours and Travels	Nil	Nil
	(iii) Others	Nil	Nil
	<b>Earnings in Foreign Exchange</b>		
	(i) Export (FOB)	12,39,66,436	Nil

**46 - Information in respect of Micro, Small and Medium Enterprises as at March 31, 2020:**

<b>S. No</b>	<b>Particulars</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil Nil	Nil Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the Act have not been given.

**Disclosure requirements of Indian Accounting Standards****47 - Disclosures in respect of Ind AS 107 - Financial Instruments:****a. Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories were as follows:

Amount in Rupees  
March 31,2021

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>			
Loans	3761279		
Other Non current assets	41527870		
Non-Current Investments		1015359763	
Current Trade Receivables	284680362		
Cash & Cash Equivalents	13757393		
Other Bank Balances	73633372		
Current Investments		594457669	
Other Financial Assets	192241210		
<b>Liabilities:</b>			
Borrowings (Non Current)	926454850		
Other Long term financial liabilities	9793613		
Other Financial Liabilities	520095416		
Borrowings	1473328538		
Trade Payables	84118483		

March 31,2020

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>			
Loans	4052564		
Other Non current assets	43364679		
Non-Current Investments		699544862	
Current Trade Receivables	239757942		
Cash & Cash Equivalents	53561793		
Other Bank Balances	77877612		
Current Investments		569555191	
Other Financial Assets	204302576		
<b>Liabilities:</b>			
Borrowings (Non Current)	743197000		
Other Long term financial liabilities	7464513		
Other Financial Liabilities	703985040		
Borrowings	1518039308		
Trade Payables	609833157		

**b. Fair Value Hierarchy**

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**c. Valuation Technique used to determine Fair Value:**

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

**d. The following tables present fair value hierarchy of assets and liabilities measured at fair value:**

*Amount in Rupees*

Particulars	For the year 31.03.2021				For the year 31.03.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Equity Instruments	101,53,59,763	-	-	101,53,59,763	69,95,44,862	-	-	69,95,44,862
Investments in Quoted Mutual Funds	59,44,57,669	-	-	59,44,57,669	56,95,55,191	-	-	56,95,55,191

**48 - Financial risk management**

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Market risk**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

**Securities Prices Risk:**

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet as Fair Value through P&L. The company has investment in the form of Mutual funds and Equity shares. The company monitors the movement in the value of the Investments by observing the NAV.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. It principally arises from the Company's Trade Receivables, Advances and deposit(s) made

**Trade receivables**

The company has outstanding trade receivables amounting to Rs.28,74,34,219/ and Rs. 24,25,11,799/ as of March 31, 2021 and March 31, 2020, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

**Credit risk exposure:**

An analysis of age of trade receivables at each reporting date is summarized as follows:

*Amount in Rupees*

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
0 to 180 days	212308736	-	172986786	-
More than 180 days	75125483	2753857	69525013	2753857

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

**Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loans, deposits from public and short term borrowings from Bank.

The company manages liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, repayment of loans and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include non-convertible debentures, optionally convertible debentures, Unsecured Loans from Promoters, Term Loans from Banks, Retentions & deposits.

The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

**The table include both principal cash flows.**

*Amount in Rupees*

Particulars	31.03.2021		31.03.2020	
	Payable within 1 year	More than 1 year	Payable within 1 year	More than 1 year
Loan from Bank	11,88,66,924	43,62,58,850	16,00,00,000	31,00,00,000
Deposits from Public	19,77,42,000	49,01,96,000	23,85,86,000	43,31,97,000

**Interest Rate Risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest-bearing liabilities being short term borrowings .

The following table represents the contractual obligation and receivables to/from financial liabilities and financial assets respectively.



Amount in Rupees

Particulars	31.03.2021	31.03.2020
Fixed Rate Instruments		
Financial Asset		
Margin Money with Bank	60810297	63498726
Financial Liabilities		
Variable Rate Instruments		
Term Loan from Bank	555125774	470000000
Demand Loan from bank	1473328538	1518039308

The Company's variable interest rate exposure is mainly related to debt obligations arising from Long term and Short debt borrowings

The interest expenses and impact on it on account of Increase/decrease of 100 basis points in interest rates at the balance sheet is provided in table below:

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Expenses arising on account of variable rate of interest on Bank borrowings	163501722	144156855
<b>Impact on :</b>		
Increase in 100 basis point	20284543	19880398
Decrease in 100 basis points	(20284543)	(19880398)

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

The period end balances are not necessarily representative of the average debt outstanding during the period.

#### Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets or by adequate funding by the shareholders to absorb the losses of the Company.

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The capital gearing ratio is provided in table below:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Non Current liabilities	970994174	799845137
Total Equity	2660625270	2549969267
Net debt to equity ratio	0.36	0.31

\*Debt represents long term liabilities. Equity represents Share capital, other Equity and Deferred Tax.

**49 - Disclosure in respect of Indian Accounting Standard (Ind AS)-19 “Employee Benefits”**

General description of various defined employee's benefits schemes are as under:

**a) Provident Fund:**

The company's Provident Fund is managed by its own Trust in respect of Vuyyuru and Registered Office, and by Regional Provident Fund Commissioner relating to Lakshmipuram unit. The company pays fixed contribution to provident fund at pre-determined rate.

**b) Gratuity:**

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company for certain employees and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India. However, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation. For certain employees the same has not been funded. The unfunded liability is recognized on the basis of report submitted by a private actuarial valuer.

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

**Movement in defined benefit obligation:***Amount in Rupees*

Particulars	31.03.2021	31.03.2020
Defined benefit obligation - Beginning of the year	154290397	147797682
Current service cost	4653384	7060932
Interest Cost	7936547	10987522
Benefits Paid	(50762159)	(11423611)
Re-measurements-actuarial loss / (gain)	6355079	(132128)
Defined benefit obligation - End of the year	122473248	154290397

**Movement in plan asset:**

Fair value of plan assets at beginning of year	128461996	122360286
Employer contributions	24906008	7863283
Benefits paid	(50762159)	(11423611)
Re-measurements – Return on plan assets	9185033	9662037
Fair value of plan assets at end of year	111790878	128461996

**Amount Recognized in Statement of Profit and Loss**

Amount in Rupees

Particulars	31.03.2021	31.03.2020
Current service cost	4653384	7060932
Expected return on Plan Assets	-	(9662037)
Net Interest on Net Defined Benefit Liability/(assets)	7936547	10987522
Cost Recognized in P&L	12589931	8386417

**Amount recognized in Other Comprehensive Income (OCI)**

Actuarial (gain) / loss due to assumption changes	<b>(6355079)</b>	(2298554)
Difference between Actual Return and Interest Income on Plan Assets- (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	<b>(6355079)</b>	(2298554)

**Actuarial Assumption**

Discount rate	6.143%	7.37%
Rate of salary increase	7.50%	6.00%
Attrition Rate	6.50%	5.00%
Retirement Age	60	60
Average Future Service	8.80	8.80

**50 - Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"**

**March 31, 2021**

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment	35249525	12552785	15593138	32209172
Provision for gratuity	26230005	11222965	26230005	11222965

**March 31, 2020**

Provision for leave encashment	37186939	7224601	9162015	35249525
Provision for gratuity	25437395	4994262	4201652	26230005
Provision for Income Tax	238500000	-	238500000	-

**51 - Disclosure required by Clause 32 of the Listing Agreement:***Amount in Rupees*

Loans and Advances to Subsidiary Companies	Outstanding as at		Maximum amount outstanding during the year ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
The Eimco-K.C.P.Ltd.	Nil	Nil	Nil	Nil
KCP Sugars Agricultural Research Farms Ltd.	Nil	Nil	Nil	Nil

**52 - Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

(A) Names of related parties and description of relationship:

**1.Subsidiaries**

- a) The Eimco-K.C.P.Ltd., Chennai, India.  
b) KCP Sugars Agricultural Research Farms Ltd. Chennai, India.

**2.Key Managerial Personnel**

- a) Mr.Vinod R. Sethi, Executive Chairman  
b) Ms.Irmgard Velagapudi Managing Director.  
c) Ms.Kiran Velagapudi, Executive Director.  
d) Mr.R.Ganesan, Chief Financial Officer.  
e) Mr.S.Chidambaram, Company Secretary (till 16/11/2020)  
f) Ms.S.Jeba Elavarasi, Company Secretary (from 10/02/2021)

**3.Entity in which Directors of the Company are interested**

- a) Amethyst Cafe P Ltd.  
b) V M Rao Consultants P Ltd.  
c) Durgamba Investment P Ltd.  
d) Anibrain Digital Technologies P Ltd.  
e) Sethi Funds Management P Ltd.

(B). Transactions During the year

Particulars	Subsidiaries		Key Management Personnel	
	2020 - 2021	2019 - 2020	2020 - 2021	2019 - 2020
Rent Received from The Eimco KCP Ltd	360000	360000		
Rent Received from Amethyst café P Ltd			1500000	1500000
<b>Remuneration paid to Key Management Personnel :-</b>				
Shri. Vinod R. Sethi			1383330	1454974
Smt. Irmgard Velagapudi, Managing Director			4800000	4800000
Ms.V. Kiran Rao, Executive Director *			4109434	4219000
Shri R. Ganesan , CFO			2159681	1645833
Shri. S Chidambaram, Company Secretary			961394	1354000
Ms.S.Jeba Elavarasi, Company Secretary			130551	0
<b>Interest on fixed deposit paid to Key Management Personnel :-</b>				
Smt. Irmgard Velagapudi, Managing Director			2680256	2700000
Shri R. Ganesan , CFO			74659	183355

(C). Closing balances as on 31/03/2021

Particulars	Subsidiaries		Key Management Personnel	
	2020 - 2021	2019 - 2020	2020 – 2021	2019 - 2020
(a) The Eimco KCP Ltd.	-	-	-	-
(b) KCP Sugars Agricultural Research Farms Ltd.	-	-	-	-
(c) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(d) Share Capital held by key Management Personnel : -	-	-		
Shri. Vinod R. Sethi			183610	183610
Smt. Irmgard Velagapudi, Managing Director			1805280	1805280
Ms.V. Kiran Rao, Executive Director			288820	288820
Shri R. Ganesan , CFO			1500	1500
(e) Fixed deposit held by key Management Personnel.				
Smt. Irmgard Velagapudi, Managing Director			30000000	30000000
Shri R. Ganesan , CFO			-	2740000

\* excluding the perquisites considered for the purpose of Income tax

### 53 - Minimum Remuneration paid to Managerial Personnel:

In terms of Section 197 read with Schedule V of the Companies Act,2013, the Financial Year 2020 - 2021 being the fourth year of inadequate profits during the tenure ( 2017 – 22) of Ms.Kiran Velagapudi, Executive Director the minimum remuneration of Rs.27,69,647/ paid to her for the Financial Year 2020-2021 during the period 29.07.2020 to 31.03.2021 is ratified by the Board of Directors in its Meeting held on 28.06.2021 based on the recommendation of Nomination and Remuneration Committee. In pursuance of Section 197(10), a special resolution will be placed before the shareholders for their approval in the ensuing Annual General Meeting.

### 54 - Impact of COVID-19 on our Business Operations:

As per the directions of Government of India, the Government of Tamil Nadu / Andhra Pradesh had imposed Partial / Complete Lockdown due to COVID-19, on account of which the business was partially affected.

### 55 - Purchase of Engineering Industrial unit :

The company has purchased 5.00 acres of land with Engineering industrial shed, stores and administrative building in Plot No.A1, A – F situated in SIDCO industrial Estate, Thuvakudi, Trichy, through E auction held by Official Liquidator, appointed by NCLT at a cost of Rs.10,32,67,500/-

The said property has been registered with sub registrar Thiruverumbur, Trichy vide document No.1136 of 2020-21 by paying registration and stamp duty of Rs.1,36,57,600/- in the name of the Company.

The company proposed to setup an Engineering Division at the above location for manufacturing Engineering goods such as equipment manufacturing, general fabrication of mild steel and stainless steel structures, machining activities etc. In this direction, the company has also purchased some equipment from the official liquidator and sourcing of further equipment's for the unit.



(ii) Geographical Segment:

Amount in Rupees

Particulars	Current Reporting Period 2020-2021	Previous Reporting Period 2019-2020
Sales within India	2864214158	3545362224
Sales outside India	129701536	-
<b>Total</b>	<b>2993915695</b>	<b>3545362224</b>

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

Particulars	Carrying amounts of		Additions to fixed	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Located in India	5769157996	6220488857	151720763	16688526
Located outside India	-	-	-	-
<b>Total</b>	<b>5769157996</b>	<b>6220488857</b>	<b>151720763</b>	<b>16688526</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**  
Partner  
Membership No.022379

Place: Chennai  
Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**  
Company Secretary  
M.No.: 30963

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466



# **THE EIMCO - K.C.P. LIMITED**

## **CIN: U27209TN1967PLC005550**

# **Fifty Third Annual Report**

## **2020 – 2021**

### **Board of Directors**

		<b>DIN</b>
Ms.Irmgard Velagapudi	Chairperson	00091370
Ms.Kiran Velagapudi	Vice Chairperson	00091466
Mr.R.Ganesan	Director	00020597
Mr.P.Manohar	Director	08389896

### **Registered Office**

'Ramakrishna Buildings',  
No. 239, Anna Salai, Chennai - 600 006.

### **Works**

11 – A, 3<sup>rd</sup> Main Road,  
Industrial Estate, Ambattur,  
Chennai – 600 058.

### **Banker**

Axis Bank Limited  
Union Bank of India

### **Statutory Auditor**

**M/s.Suri & Siva ( FRN: 004284S )**  
Chartered Accountants,  
C – 8, 3<sup>rd</sup> Floor, Shanti Apartments,  
New No.18, 1<sup>st</sup> Cross Street,  
T.T.K.Road, Alwarpet, Chennai- 600 018.

### **Secretarial Auditor**

**Ms.Jayashree S Iyer (M.No.:10394)**  
Practising Company Secretary  
No.23, Lake Area, 3<sup>rd</sup> Cross Street,  
Nungambakkam, Chennai – 600 034.





**NOTICE** is hereby given that the **FIFTY THIRD ANNUAL GENERAL MEETING** of The Eimco - K.C.P. Limited will be held on Monday, the 27<sup>th</sup> Day of September, 2021 at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006 at 12 Noon to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31/03/2021 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Ms.Kiran Velagapudi (DIN:00091466) who retires by rotation and being eligible, offers herself for reappointment.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI  
CHAIRPERSON  
DIN: 00091370**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ALSO ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. **PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED AND SUBMITTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI  
CHAIRPERSON  
DIN: 00091370**

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 53<sup>rd</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.

**1. REVIEW OF OPERATIONS:**

(Rs. in Crores)

Performance		For the Financial Year ended 31/03/2021	For the Financial Year ended 31/03/2020
Operational Performance	Orders (valued in Rs.)	99.15	45.32
Financial Performance	Turnover and Other Income	31.94	40.51
	Profit before Tax	5.55	6.49
	Profit after Tax	4.14	4.84
	Total Comprehensive Income	4.14	4.81

**2. DIVIDEND:**

Your Directors have not recommended any Dividend for the Financial Year under review with a view to conserve profits.

**3. SHARE CAPITAL AND RESERVES :**

The Share Capital of the Company is Rs.60 Lakhs. The total Reserves and Surplus has increased to Rs.39.58 Crores as on 31/03/2021 as against Rs.35.44 Crores as on 31/03/2020.

**4. FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits during the year under review.

**5. MATERIAL SUBSIDIARY:**

The Company is a 'Material Subsidiary' of its Holding Company, the K.C.P.Sugar and Industries Corporation Limited, in terms of Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the financials for the year ended 31/03/2020.

**6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :****Electricity:**

The Company strives to utilise energy efficiently at its manufacturing plants. Towards this, part of the lighting systems were replaced to LED from CFL lamps. Further, motors are provided with inverter (VFD) which results in 20% power saving.

**Technology Absorption:**

The Company has in-house developed machineries (horizontal belt filters) towards import substitution for flue gas desulphurisation projects which were hitherto imported from China.

In respect of further integration of allied products, in the forthcoming year, the Company plans to absorb technology related to cyclones to work towards Self Reliant India.

**7. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Our Export earnings during the Financial Year 2020 – 2021 is Rs.6.24 Crores as against Rs.12.67 Crores for the previous year. During the Financial Year 2020 – 2021, the Company has incurred expenditure in foreign currency amounting to Rs.0.34 Crores towards import of components / spares.

**8. PARTICULARS OF EMPLOYEES:**

Disclosure as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company as there is no employee falling under any of those categories mentioned therein.

**9. BOARD MEETINGS:**

Five Board Meetings were held during the Financial Year 2020 – 2021 on 23/07/2020, 10/08/2020, 07/10/2020, 04/11/2020 and 10/02/2021.

**10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014, Particulars of Contracts / Arrangements entered into by the Company with the related parties in terms of Section 188 (1) of the Companies Act, 2013 in Form AOC - 2, is annexed hereto as '**Annexure – 1**'.

**11. CORPORATE SOCIAL RESPONSIBILITY:**

The details of CSR Policy of the Company and the measures / activities taken by the Company on CSR during the Financial Year under review, as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed hereto as '**Annexure - 2**'.

**12. SECRETARIAL AUDIT:**

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company being a 'Material Subsidiary' is subject to Secretarial Audit, in terms of Section 204 of the Companies Act, 2013.

The Board of Directors of the Company in its Meeting held on 10/02/2021, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2020 – 2021.

The Secretarial Audit Report of the Company, in terms of Section 204 of the Companies Act, 2013, is annexed herewith as '**Annexure – 3**'. There are no qualifications, reservations or observations or adverse remarks or disclaimers in the said Secretarial Audit Report.

**13. SECRETARIAL STANDARDS :**

Pursuant to Section 118(10) of the Companies Act, 2013, the Company observes Secretarial Standards with respect to General and Board Meetings, prescribed by the Institute of Company Secretaries of India.

**14. ACCOUNTING STANDARDS :**

The Company adheres to the Accounting Standards as applicable to it and there are no deviations, in this respect.

**15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 :**

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2020 – 2021.

**16. DIRECTOR RETIRING BY ROTATION:**

Ms. Kiran Velagapudi, Director (DIN: 00091466), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers herself for reappointment.

**17. STATUTORY AUDITOR :**

M/s. Suri & Siva, Chartered Accountants (FRN: 004284S) is the Statutory Auditor of the Company for the Financial Year under review. The Report of the Statutory Auditor on the Financial Statements of the Company is annexed to this Annual Report. There are no qualifications or reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor's Report.

**18. INTERNAL AUDIT:**

Pursuant to Section 138 (1) of the Companies Act, 2013, the Company had appointed Mr. S. Manisekaran, Chartered Accountant (Membership No.: 026400) as Internal Auditor of the Company to conduct internal audit for the Financial Year 2020 - 2021. The Internal Auditor has submitted his reports to the Board of Directors of the Company, periodically.

**19. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Directors of your Company state as follows:

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;



- (b) that 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 state of affairs of the Company at the end of the financial year, 31/03/2021 and of the Profit of the Company for that period;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the Annual Accounts on a going concern basis;
- (e) that 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;
- (f) that 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.

**20. ACKNOWLEDGEMENT:**

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Stakeholders of the Company.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI  
CHAIRPERSON  
DIN: 00091370**

**ANNEXURE - 1****FORM No. AOC – 2 - DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS  
ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN  
SECTION 188 (1) OF THE COMPANIES ACT, 2013**

*[Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and  
Rule 8 (2) of the Companies (Accounts) Rules, 2014]*

1. **Details of Contracts or Arrangements or Transactions not at arm's length basis: NIL**
2. **Details of Contracts or Arrangements or Transactions at arm's length basis:**

<b>(a)</b>	<b>Name of Related Party and (Nature of Relationship)</b>	<b>K.C.P.Sugar and Industries Corporation Limited</b> <i>(Holding Company)</i>
<b>(b)</b>	<b>Nature of Contract / Arrangement / Transaction</b>	Lease
<b>(c)</b>	<b>Duration of Contract / Arrangement / Transaction</b>	11 Months
<b>(d)</b>	<b>Salient Terms of the Contract / Arrangement / Transaction</b>	Taking on lease of a building of the Holding Company on rental basis for Registered Office of the Company
<b>(e)</b>	<b>Date of approval by the Board</b>	<b>11/11/2019</b> <i>(period covered: 01/06/2019 to 30/04/2020)</i>  <b>07/02/2020</b> <i>(period covered: 01/05/2020 to 31/03/2021)</i>
<b>(f)</b>	<b>Amount paid as Advances, if any</b>	NIL

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI**  
**CHAIRPERSON**  
**DIN: 00091370**



**ANNUAL REPORT ON CSR ACTIVITIES**

*[Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]*

S.No.	Nature of Particulars	Particulars			
1.	Brief outline on CSR Policy of the Company	<p>The Company's CSR activities broadly relate to:</p> <ul style="list-style-type: none"> <li>(i) Promoting health care including preventive health care and sanitation;</li> <li>(ii) Promoting education and employment enhancing vocational skills;</li> <li>(iii) Eradication of poverty and ensuring better living conditions;</li> <li>(iv) Ensuring environmental sustainability;</li> <li>(v) Rural Development Projects; and</li> <li>(v) Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund.</li> </ul>			
2.	Composition of the CSR Committee				
	<b>S.No.</b>	<b>Name of Director</b>	<b>Designation in Committee / Nature of Directorship</b>	<b>Number of Meetings of CSR Committee held during the year</b>	<b>Number of Meetings of CSR Committee attended during the year</b>
	(i)	Ms.Irmgard Velagapudi	Chairperson / Director	2	2
	(ii)	Mr.R.Ganesan	Member / Director	2	2
	(iii)	Mr.P.Manohar	Member / Director	2	2
3.	Web Link where Composition of CSR Committee, CSR Policy and CSR Projects of the Company are disclosed	<a href="http://www.ekcp.com">www.ekcp.com</a>			
4.	Details of Impact Assessment of CSR Projects	Not Applicable			
5.	Details of amount available for set off as per Rule 7 (3) of the Companies (CSR Policy) Rules, 2014	Nil			

6.	Average Net Profit of the Company for last three Financial Years		Rs.6,00,54,297/ -	
7.	a)	Two per cent of the Average Net Profit of the Company as given in Item 6 above	Rs.12,01,086/ -	
	b)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years	Nil	
	c)	Amount required to be set off for the Financial Year, if any	Nil	
	d)	Total CSR obligation for the Financial Year (7a+7b - 7c)	Rs.12,01,086/-	
8.	a)	CSR Amount spent or unspent for the Financial Year	Total Amount spent for the Financial Year (in Rs.)	Rs.12,02,744/-
			Amount Unspent (in Rs.)	Nil
	b)	Details of CSR Amount spent against Ongoing Projects for the Financial Year	Nil	
	c)	Details of CSR Amount spent against other than Ongoing Projects for the Financial Year	Rs.12,02,744/-	
	d)	Amount spent in Administrative Overheads	Nil	
	e)	Amount spent on impact assessment, if applicable	Nil	
	f)	Total Amount spent for the Financial Year (8b+8c+8d+8e)	Rs.12,02,744/-	
	g)	Excess Amount for set off, if any	Rs.1,658/-	
	9.	a)	Details of Unspent CSR Amount for the preceding three Financial Years	Nil
b)		Details of CSR Amount spent in the Financial Year for Ongoing Projects of the preceding Financial Years	Nil	





10.	In case of creation or acquisition of capital asset, furnish the details relating to asset so created or acquired through CSR Spent in the Financial Year	Nil
11.	Specify the reason(s), if the Company has failed to spend two percent of the Average Net Profit as per Section 135 (5) of the Companies Act, 2013	Not Applicable

**8 (c) Details of CSRAmount spent against other than Ongoing Projects**

S. No.	Nature of Particulars	Particulars
1.	Name of the Project	Donation to Orphanage / Old Age Homes
2.	Item from the list of activities in Schedule VII to the Companies Act, 2013	Item No.(i)
3.	Location of the Project (i) Local Area (Yes / No) (ii) District and State	Yes Chennai, Tamil Nadu
4.	Amount spent for the Project (in Rs.)	Rs.12,02,744/-
5.	Mode of implementation– Direct (Yes / No)	Yes
6.	Mode of Implementation – Through Implementing Agency	Not Applicable

Place : Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI**  
Director and Chairperson of CSR Committee  
DIN: 00091370

ANNEXURE - 3

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

*[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]*

To,  
The Members,  
**M/s The Eimco-K.C.P. Limited**  
**CIN No.: U27209TN1967PLC005550**  
Ramakrishna Buildings, New No.239 (old No.183)  
Anna Salai, Chennai- 600 006.

Dear Members,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s The Eimco-K.C.P. Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of the following list of laws and regulations. These documents were examined on computer using audio visual means because of the lockdown. The documents provided to us through E-mail were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lockdown condition in India during the Audit period.

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable for the period under review);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent applicable to the Company;
- (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to material unlisted subsidiary companies;

I have also checked the compliance with the applicable clauses pertaining to Secretarial Standards issued by The Institute of Company Secretaries of India.



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

I further report that

- i) The Board of Directors of the Company is duly constituted in accordance with the provisions of the Companies Act, 2013.
- ii) 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.
- iii) All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

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.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

Place : Chennai

Date : 18.06.2021

**Jayashree S Iyer**  
**Practising Company Secretary**  
**Membership No.: 10394**  
**CP No.:21403**  
**UDIN: F010394C000485462**

## ANNEXURE – A

To,  
**M/s The Eimco - K.C.P. Limited**  
**CIN No.: U27209TN1967PLC005550**  
183, New No 239, Anna Salai  
'Ramakrishna Buildings', Chennai - 600 006

Our Secretarial Audit report dated June 18, 2021 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 processes 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 processes and practices, I followed provide a reasonable basis of 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. Our examination was limited to the verification of procedures 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.

Place : Chennai

Date : 18.06.2021

**Jayashree S Iyer**  
**Practising Company Secretary**  
**Membership No.: 10394**  
**CP No.:21403**  
**UDIN: F010394C000485462**



## **INDEPENDENT AUDITOR'S REPORT**

**To the members of THE EIMCO – K.C.P. Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of **THE EIMCO – K.C.P. Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;.
  - (b) In our opinion, proper books of accounts 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, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided for managerial remuneration to its directors during the year.

- (h) 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 no.33.1** 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNC4345**

Place : Chennai

Date : 28.06.2021.



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **THE EIMCO-K.C.P. LTD** of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)
  - a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.
  - b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the year end for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence, reporting under section 197 read with Schedule V to the Act is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNC4345**

Place: Chennai

Date: 28.06.2021



## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **THE EIMCO - K.C.P. LTD** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **THE EIMCO - K.C.P. LTD** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: : 21022379AAABNC4345**

Place: Chennai

Date: 28.06.2021



				<i>Amount in Rupees</i>	
Particulars	Note	As at March 31, 2021	As at March 31, 2020		
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
(a) Property, Plant and Equipment	3	60876013	64759073		
(b) Capital Work-in-progress		-	-		
(c) Other Intangible Assets	4	-	20049		
(d) Intangible Assets under development		4666902	4666902		
(e) Financial Assets					
(i) Investments	5	58791679	48469191		
(ii) Loans	6	575131	585131		
(f) Deferred tax Assets (Net)	7	2713049	4345391		
(g) Other Non - Current Assets	8	3031589	3031589		
<b>Current Assets</b>					
(a) Inventories	9	142651482	81627749		
(b) Financial Assets					
(i) Investments	10	98269013	94752617		
(ii) Trade Receivables	11	178314660	131438104		
(iii) Cash and Cash Equivalents	12	23199166	29783274		
(iv) Bank Balances other than (iii) above	13	18712079	25723799		
(v) Other Financial Assets	14	267503	78418		
(c) Other Current Assets	15	43144475	40790302		
<b>Total Assets</b>		<b>635212741</b>	<b>530071589</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	16	6000000	6000000		
(b) Other Equity	17	395868489	354419053		
<b>Liabilities</b>					
<b>Non - Current Liabilities</b>					
(a) Provisions	18	62770885	46899230		
<b>Current Liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Trade Payables		-	-		
a) Total outstanding dues of micro enterprises and small enterprises					
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	63995816	57358645		
(ii) Other Financial Liabilities	20	4208491	3509038		
(b) Other Current Liabilities	21	81429804	39913581		
(c) Provisions	22	12607718	12841769		
(d) Current Tax Liabilities (Net)	23	8331538	9130273		
<b>Total Equity and Liabilities</b>		<b>635212741</b>	<b>530071589</b>		

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

**Partner**

Membership No.022379

Place: Chennai

Date : 28/06/2021

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from Operations	24	290513567	379487869
II Other income	25	28909087	25645231
<b>III Total Income (I+II)</b>		<b>319422654</b>	<b>405133100</b>
<b>IV Expenses</b>			
Cost of material consumed	26	127765081	169329836
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(16266668)	15226999
Employee benefits expense	28	62524424	58384050
Finance costs	29	4899738	3697569
Depreciation and Amortisation	30	4751071	6378787
Other expenses	31	80232004	87231132
<b>Total expenses (IV)</b>		<b>263905650</b>	<b>340248373</b>
<b>V Profit / (loss) before exceptional items and tax</b>		<b>55517004</b>	<b>64884727</b>
VI Exceptional items		-	-
<b>VII Profit / (loss) before tax</b>		<b>55517004</b>	<b>64884727</b>
<b>VIII Tax expense</b>			
- Current Tax		12500000	18500000
- Deferred Tax		1616485	(1430242)
- Provision for taxation relating to earlier years (Net)		-	(619251)
<b>IX Profit / (loss) for the period</b>		<b>41400520</b>	<b>48434220</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plan actuarial gains/ (losses)		64774	(479268)
Income tax expense on above		(15858)	120622
		<b>48916</b>	<b>(358646)</b>
<b>XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)</b>		<b>41449436</b>	<b>48075574</b>
<b>XII Earnings per equity share</b>			
(1) Basic		69.08	80.13
(2) Diluted		69.08	80.13

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached  
For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S**V.SIVAKUMAR**  
Partner  
Membership No.022379Place: Chennai  
Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370**KIRAN VELAGAPUDI**  
Vice Chairperson  
DIN: 00091466



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rupees

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
<b>Cash Flows From Operating Activities</b>		
Profit / (Loss) before Tax	55517004	64884727
Adjustments:		
- Interest income	(2057045)	(3150800)
- Profit on sale of assets	(88901)	(6786)
- Loss on sale of assets	-	2536
- Excess Provision credited back	(6812557)	(1459709)
- Credit Balances written back	(19726)	(793975)
- Loss from Partnership firm	(10322488)	1330809
- ECL on Trade Receivables	-	5678035
- Adjustment for OCI	64774	(479268)
- Dividend Income	(4584788)	(3649735)
- Depreciation and amortization	4751071	6378787
<b>Operating cash flow before working capital changes</b>	<b>36447344</b>	<b>68734621</b>
Changes in		
- Decrease/(Increase) In Trade Receivables	(46876556)	(58166861)
- Decrease/(Increase) In Inventory	(61023734)	13434195
- Decrease/(Increase) In Other current Financial Asset(s)	(189085)	22197
- Decrease/(Increase) In Other current Asset(s)	(2354173)	12855089
- Decrease/(Increase) In Current investments	(3516396)	(29649735)
- Decrease/(Increase) In non-current financial assets-Loans	10000	2500
- Decrease/(Increase) In Other non-current asset	-	(231440)
- Decrease/(Increase) In Long term Provisions	22684212	14391797
- Decrease/(Increase) In Trade Payables current	6656897	27263816
- Decrease/(Increase) In other current liabilities	41516223	(15947579)
- Decrease/(Increase) In Other financial liabilities current	699453	(7435989)
- Decrease/(Increase) In Short Term provisions current	(234051)	(107413)
Income taxes paid	(13298735)	(24329359)
<b>Cash generated from / (used in) operations</b>	<b>(19478601)</b>	<b>835839</b>
<b>Cash flows from investing activities</b>		
Investment in Patnership firm	-	(4000000)
Purchase of fixed assets	(1109060)	(6395469)
Proceeds from sale of fixed assets	350000	15664
Dividend Income	4584788	3649735
Decrease / (Increase) in margin money deposit	7011720	(3600451)
Interest received	2057045	3150800
<b>Net cash generated from/(used in) investing activities [B]</b>	<b>12894493</b>	<b>(7179721)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	-
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>

<b>Increase in cash and cash equivalents</b>	<b>(6584108)</b>	<b>(6343882)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>29783274</b>	<b>36127157</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>23199166</b>	<b>29783274</b>
<b>Components of cash and cash equivalents (refer note 12)</b>		
Cash on hand & Balances with Bank	23199166	29783274
<b>Total cash and cash equivalents</b>	<b>23199166</b>	<b>29783274</b>

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR****Partner**

Membership No.022379

Place: Chennai

Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466





## 1 - Corporate Information

The EIMCO-K.C.P. Ltd is a Process Technology Company and leading manufacturer of Liquid – Solid Separation equipment for Industrial and Environmental Applications: Thickening, Clarification, Classification, Vacuum Filtration, Aeration Systems etc.

The EIMCO-K.C.P. Ltd was established in 1967 and has more than 25,000 installations worldwide. The EIMCO-K.C.P. Ltd is a wholly owned subsidiary of K.C.P.SUGAR AND INDUSTRIES CORP LTD.

The financial statements were approved by the Board of Directors and authorised for issue on 28<sup>th</sup> June 2021.

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting requires a change in the accounting policy hitherto in use.

### (b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

### (c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

**(d) Revenue recognition :**

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer being the point of despatch. Revenue is measured at the fair value of the consideration received or receivable. Sales are net of discount and rebates.

Revenue on rendering of the service, is recognised on completion of services on pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain.

**Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**Dividend**

Dividend income is recognized when the Company's right to receive the amount is established.



(e) **Employee Benefits (other than for persons engaged through contractors):**

i. **Provident Fund :**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. **Gratuity Fund :**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. **Compensated Absences :**

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an scheme operated in the company using the projected unit credit method, carried out at the Balance Sheet date.

iv. **Other Employee Benefits:**

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an un discounted basis and recognised based on entitlement thereof.

(f) **Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

**Intangible assets:**

Intangible assets include cost of acquired software and designs, and cost incurred for development of the company's firewall and other firewall support services. Intangible assets are initially measured at acquisition cost including any directly attributable costs for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluation are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

<b>Class of Assets</b>	<b>Estimated useful life</b>
Software & allied equipment	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**(g) Impairment of assets:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.



Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

**(h) Foreign Currency Translation :**

**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

**(i) Assets taken on lease:**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

**(j) Inventories:**

Inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**(k) Government Grants**

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

**(l) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(i) Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**(ii) Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.





Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

**(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

**(n) Cash and Cash Equivalent (for the purpose of cash flow statements):**

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

**(o) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**(p) Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(q) Segment Reporting :**

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

**(r) Financial Instruments:****Financial Assets:**Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.





#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

#### **Financial Liabilities**

##### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



3 - Property, Plant and Equipment	Amount in Rupees							
	Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures
As at 01st April 2019	42776981	11965910	15703856	4727716	885261	1824435	577266	78461425
Additions during the year	-	-	2319856	1010591	243797	840000	290908	4705152
Deletions during the year	-	-	-	60456	-	140000	-	200456
As at 31st March 2020	42776981	11965910	18023712	5677851	5677851	2524435	868174	82966121
Additions during the year	-	-	336586	345000	426144	-	1330	1109060
Deletions during the year	-	-	310189	-	-	-	-	310189
<b>As at 31 March 2021 (At Cost)</b>	<b>42776981</b>	<b>11965910</b>	<b>18050109</b>	<b>6022851</b>	<b>1555202</b>	<b>2524435</b>	<b>869504</b>	<b>83764992</b>
<b>Depreciation and amortization</b>								
As at 01st April 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Additions during the year	-	908252	2474057	2013921	183755	561297	168447	6309729
Deletions during the year	-	-	-	56042	-	133000	-	189042
As at 31st March 2020	-	3610629	8483195	4124218	757268	883643	348098	18207051
Charge for the year	-	818543	2292617	977447	232648	280237	129530	4731022
Deletions during the year	-	-	49090	-	-	-	-	49090
<b>As at 31st March 2021</b>	<b>-</b>	<b>4429172</b>	<b>10726722</b>	<b>5101665</b>	<b>989916</b>	<b>1163880</b>	<b>477628</b>	<b>22888983</b>
<b>Net Book Value</b>								
<b>As at 31 March 2021</b>	<b>42776981</b>	<b>7536738</b>	<b>7323387</b>	<b>921186</b>	<b>565286</b>	<b>1360555</b>	<b>391876</b>	<b>60876013</b>
As at 31 March 2020	42776981	8769772	9126026	1553633	371790	1640792	520076	64759073

**4 - Other Intangible Assets**

Amount in Rupees

Particulars	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 March 2019 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2020 (At Cost)	237234	237234
Additions during the year	-	-
<b>As at 31 March 2021 (At Cost)</b>	<b>237234</b>	<b>237234</b>
<b>Amortization and Impairment</b>		
Amortization for the year ended March 31, 2019	148127	148127
Amortization for the year	69058	69058
As at 31 March 2020	217185	217185
Amortization for the year	20049	20049
<b>As at 31 March 2021</b>	<b>237234</b>	<b>237234</b>
<b>Net Book Value</b>		
<b>As at 31 March 2021</b>	-	-
As at 31 March 2020	20049	20049

**Intangible Assets under Development**

Particulars	Computer Software	Total
As at 01st April 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletions during the year	-	-
As at 31st March 2020	4666902	4666902
Additions during the year	-	-
Deletions during the year	-	-
<b>As at 31st March 2021 (At Cost)</b>	<b>4666902</b>	<b>4666902</b>



**5 - Non-Current Investments**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Partnership Firm (Quality Engineering Works)	58791679	48469191

Additional Information:

**Name of the partners, their share and their capital in Quality Engineering Works (Firm)**

As at 31.03.2021

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	58791679
KCP Sugars Agricultural Research Farms Limited	0.40%	185842
<b>Total</b>	<b>100.00%</b>	<b>58977521</b>

**6 - Loans (Non-Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Long Term Security Deposit	575131	585131

**7 - Deferred Tax Assets / (Liabilities)**

**Tax recognised in Statement of Profit and Loss**

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
<b>Current income tax</b>		
Current year	12500000	18500000
<b>Sub Total (A)</b>	<b>12500000</b>	<b>18500000</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	1616486	(1430242)
Change in accounting policy		
<b>Sub Total (B)</b>	<b>1616486</b>	<b>(1430242)</b>
<b>Total (A+B)</b>	<b>14116486</b>	<b>17069758</b>

**Tax recognised in other comprehensive income**

Defined benefit plan actuarial gains (losses)	(15858)	120622
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**Recognised Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
<b>Deferred Tax Liability</b>		
Others	271434	299392
<b>Sub Total</b>	<b>271434</b>	<b>299392</b>
<b>Deferred tax Assets</b>		
Property, Plant & Equipment	1228752	1158930
On account of timing differences in recognition of expenditure	1755731	3485854
<b>Sub Total</b>	<b>2984483</b>	<b>4644784</b>
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>2713049</b>	<b>4345392</b>

**8 - Other Non Current Assets***Amount in Rupees*

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax refund receivable	3031589	3031589

**9 - Inventories**

Raw materials and components	82069567	37364468
Work in Progress	48315831	26339695
Finished goods	12076675	17786143
Loose tools	189409	137442
<b>Total</b>	<b>142651482</b>	<b>81627749</b>

**10 - Investments (Current)**

Investments in Mutual funds	98269013	94752617
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**11 - Trade Receivables**

Secured Considered Good		
Unsecured Considered good	178314660	131438104
Considered Doubtful	6877360	6877360
	185192020	138315464
<b>Less:</b>		
Impairment for Trade receivable under expected credit loss model	(6877360)	(6877360)
<b>Total</b>	<b>178314660</b>	<b>131438104</b>

**12 - Cash and cash equivalents**

i) Balances with banks:		
-In Current Accounts	7052972	14024461
-In Fixed Deposits	16079627	15637105
ii) Cash on hand	66567	121708
<b>Total</b>	<b>23199166</b>	<b>29783274</b>

**13 - Bank Balances other than Schedule 12 above**

Bank Balances held as Margin Money Deposits	18712079	25723799
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**14 - Other Financial Assets (Current)**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
<b>i) Unsecured, considered good;</b>		
- Loans and Advances to Employees	218669	-
- Interest accrued on Fixed Deposit	48834	78418
<b>Total</b>	<b>267503</b>	<b>78418</b>

**15 - Other Current Assets**

<b>Unsecured considered good</b>		
Balance with government authorities	28229334	37525612
Prepaid Expenses	413173	76800
Advances to Supplier	14418721	3187890
Travel Advance	83247	-
<b>Total</b>	<b>43144475</b>	<b>40790302</b>

**16 - Equity Share Capital**

<b><u>Authorised Share Capital</u></b>		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
<b>Total</b>	<b>10000000</b>	<b>10000000</b>
<b><u>Issued, Subscribed And Paid Up</u></b>		
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000
<b>Total</b>	<b>6000000</b>	<b>6000000</b>

**16.1. Movement in respect of Equity Shares is given below :**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	600000	6000000	600000	6000000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>600000</b>	<b>6000000</b>	<b>600000</b>	<b>6000000</b>

**16.2. Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the 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.

**16.3. Details of Shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD	600000	1	600000	100.00%

**17 - Other Equity**

Amount in Rupees

For the year ended March 31, 2021

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2020	11301382	344774158	(1656487)	354419053
Total Comprehensive Income for the Year	-	41400520	-	41400520
Other Comprehensive Income for the Year			48916	48916
<b>Balance as at March 31, 2021</b>	<b>11301382</b>	<b>386174678</b>	<b>(1607571)</b>	<b>395868489</b>

**18 - Provisions (Non Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits :-		
- Leave Encashment	5247515	5247515
- Provisions for Liquidated Damages	57523370	40954284
<b>Total</b>	<b>62770885</b>	<b>46899230</b>

**19 - Trade Payables**

- Dues to Micro and Small Enterprises ( Refer Note 35)	-	-
- Others	63995816	57358645
<b>Total</b>	<b>63995816</b>	<b>57358645</b>

Based on the information available with the company, there are NIL number of suppliers are registered as Micro, Small or Medium enterprises under 'The micro, small or medium enterprises development Act, 2006' as at 31st March 2021.

**20 - Other Financial Liabilities**

Payable to Employees	<b>4208491</b>	3509038
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**21 - Other Current Liabilities**

Statutory Liabilities	3495400	552757
Advance from customers	77934404	39360824
<b>Total</b>	<b>81429804</b>	<b>39913581</b>





**22 - Provision(Short Term)**

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Employee benefits	2470145	2704196
Provision for Defect Liability period	10137573	10137573
<b>Total</b>	<b>12607718</b>	<b>12841769</b>

**23 - Current Tax Liabilities**

Provision for Income tax (Net)	<b>8331538</b>	9130273
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**24 - Revenue from Operations**

Sale of Products	286151289	375067678
Sale of Services	3119098	3249377
Other operating revenue	1243180	1170814
<b>Total</b>	<b>290513567</b>	<b>379487869</b>

**25 - Other Income**

Interest income from financial asset	2057045	3150800
Miscellaneous Receipts	30000	2008912
Duty Drawback Incentive	1111318	5097539
Packing & Forwarding Charges	1227494	1240029
Difference in Foreign Exchange	641941	972031
Provision no longer required withdrawn	6812557	1459709
Credit Balance Written Back	19726	793975
Dividend Income from Mutual Funds	4584788	3649735
Profit or loss from partnership firm	10322488	-
MEIS Licence Incentive	1713090	7265715
Fair value gain on Value of Mutual Fund Investment	299739	-
Profit on Sale of Assets	88901	6786
<b>Total</b>	<b>28909087</b>	<b>25645231</b>

**26 - Cost of materials Consumed**

Opening Balance		
Raw Materials and Components	37364468	35199338
Add: Cost of		
Raw Materials and Components	172470180	171494966
Less Closing Stock		
Raw Materials and Components	82069567	37364468
<b>Total</b>	<b>127765081</b>	<b>169329836</b>

**27 - Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade**

Opening Balance		
Work in Progress	26339695	39990485
Finished goods	17786143	19362353
Less Closing Balance		
Work in Progress	(48315831)	(26339695)
Finished Goods	(12076675)	(17786143)
<b>Total</b>	<b>(16266668)</b>	<b>15226999</b>

**28 - Employee benefits expense**

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	52787342	50831359
Contribution to provident and other funds	4008472	3905645
Staff welfare expenses	5728610	3647046
<b>Total</b>	<b>62524424</b>	<b>58384050</b>

**29 - Finance Cost**

Bank Guarantee Commission and other charges	4899738	3697569
Forward Cover Cancellation Charges	-	-
<b>Total</b>	<b>4899738</b>	<b>3697569</b>

**30 - Depreciation and Amortisation**

Depreciation / Amortisation for the year		
- Tangible Assets	4731022	6309729
- Intangible Assets	20049	69058
<b>Total</b>	<b>4751071</b>	<b>6378787</b>

**31 - Other expenses**

Labour Charges	26695051	23392443
Contract Labour Charges	1647343	3457153
Power and Fuel	1906427	2210864
Rental charges	360000	360000
Repairs and maintenance		
- Workshop	2064261	3359466
- Machinery	301791	536169
- Office	588613	853624
- Others	144182	207789
Insurance	363042	399327
Rates and taxes	1393569	1242685
Travel and conveyance	1445625	1521797
Research, inspection and testing charges	140701	78315
Payment made to auditors (Refer note below)	55000	59047
Legal and Professional Charges	3909264	1440594
Sales expenses	8331975	16970379
Short Provision made during earlier years	187375	-
Performance and delivery guarantee claims	23678615	12556694
Security Charges	2224083	2194202
Telephone Charges	735211	857803
Irrecoverable loans and advances written off	-	18151
Import of Services (Sales Commission & Other Services)	-	4603279
Corporate Social Responsibility Expenses	2305000	-
Miscellaneous expenses	1754876	10911351
<b>Total</b>	<b>80232004</b>	<b>87231132</b>

Payment made to statutory auditors :		
i. As auditors	50000	50000
ii. For taxation matters		
iii. For other services	5000	5000
iv. For reimbursement of expenses	-	4047



**32 - Sale of Products and Rendering of Services:**

*Amount in Rupees*

Particulars	2020-2021	2019-20
<b>Sales:</b>		
Filters		
Numbers	3 Nos	8 Nos
Value	69000000	71990584
Thickeners Components Spares Bar screens etc.(Unit quantification not possible	217151289	2303077064
Scrap	1243180	1170814
<b>Total</b>	<b>287394469</b>	376238462
<b>Services:</b>		
Service Charges	3119098	3249377
Design Erection & Fabrication	-	-
<b>Total</b>	<b>3119098</b>	3249377
<b>Total (Sales and Services)</b>	<b>290513567</b>	379487869

**32.1. Raw Materials consumed**

Particulars	2020-2021		2019-20	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	40.54	8899499	31.87	6162391
Iron and Steel	280.20	12593196	509.92	26296287
<b>Total</b>	<b>320.74</b>	<b>21492695</b>	541.79	32458678

**32.2. Particulars regarding Capacity and Production:**

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified. Actual Production: **3 Nos.**(PY. 8Nos.) Filters besides Washers Classifiers Clarifiers Components Spares etc.

**33 - Contingent Liabilities:**

- a) The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.182489421 (P.Y.Rs.130246861) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.
- b) Corporate Guarantee for Rs.27 Crores (P.Y. Rs.27 Crores) furnished to HDFC BANK LTD as security for Working Capital Term Loan availed by holding company – K.C.P.SUGAR AND INDUSTRIES CORPORATION LTD.

**33.1. Demands raised on the company by the respective authorities are as under:***Amount in Rupees*

Nature of Statute	As at March 31, 2021	As at March 31, 2020
E S I Cases	174489	174489
VAT / Sales Tax	-	-
CST Cases	-	-
<b>Total</b>	<b>174489</b>	<b>174489</b>

**34 - Additional information pursuant to Schedule III of the Companies Act 2013***Amount in Rs.*

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>Expenditure in Foreign currency on:</b>		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	-	3148028
	(iii) Commission paid on Export sales	-	2257776
	(iv) Reimbursement of Expenses on Product Representation in abroad	-	2086883
	(v) Repair Works	-	258620
	(vi) Seminar and Conference	-	593417
	(vii) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods		
	b. Components and spares	3443740	7450862
	c. Finished goods/Semi Finished goods		
	d. Raw Materials		
<b>B</b>	<b>Earnings in Foreign Exchange:</b>		
	(i) Exports	<b>62497043</b>	126682184

**35 - Information in respect of Micro Small and Medium Enterprises as at March 31, 2021:**

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro Small and Medium Enterprises Development Act 2006 along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act 2006.	Nil	Nil



**Disclosure requirements of Indian Accounting Standards**

**36 - Disclosures in respect of Ind AS 107 - Financial Instruments**

**36.1. Financial Instruments by Categories(attached in excel)**

The carrying value and fair value of financial instruments by categories were as follows:

*Amount in Rupees*

**March 31, 2021**

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>			
Current Investment		98269013	
Current Trade Receivables	<b>178314660</b>		
Cash & Cash Equivalents	<b>23199166</b>		
Other Bank Balances	<b>18712079</b>		
Loans(Security Deposit)	<b>575131</b>		
<b>Liabilities:</b>			
Other Financial Liabilities	<b>4133047</b>		
Working Capital Loans	-		
Trade Payables	<b>63995816</b>		

**March 31, 2020**

<b>Assets:</b>			
Current Investment		94752617	
Current Trade Receivables	131438104		
Cash & Cash Equivalents	29783274		
Other Bank Balances	25723799		
Loans(Security Deposit)	585131		
<b>Liabilities:</b>			
Other Financial Liabilities	3480496		
Working Capital Loans	-		
Trade Payables	57358645		

**36.2. Fair Value Hierarchy**

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**36.3. Valuation Technique used to determine Fair Value:**

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

**36.4.** The following tables present fair value hierarchy of assets and liabilities measured at fair value:

Particulars	31.03.2021				31.03.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Quoted Mutual Funds	98269013			<b>98269013</b>	94752617			94752617

**37 - Financial Risk Management**

The Company's activities expose to limited financial risks: market risk credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Market risk**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) Interest rate risk and the market value of its investments.

**Securities Prices Risk:**

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet either Fair Value through P&L. the company has only one investment in a form of Mutual funds. The company monitors the movement in the value of the mutual fund by observing the NAV.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. It principally arises from the Company's Trade Receivables Retention Receivables Advances and deposit(s) made

**Trade Receivables**

The company has outstanding trade receivables amounting to Rs.185192020/- and Rs.138315464/- as of March 31, 2021 and March 31, 2020 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

**Credit risk exposure:**

An analysis of age of trade receivables at each reporting date is summarized as follows: *Amount in Rupees*

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
0 to 180 days	126359702	-	69541888	-
180 days and more	58832318	6877360	68773576	6877360

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

**Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents cash generated from operations and Contribution in the form of share capital.

The company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors expense payable employee dues and deposits arising during the normal course of business as of each reporting date. The company maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include Retentions & deposits



### Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company.

The following table sets forth information relating to foreign currency exposure as of March 31 2020:

Particulars	Assets	
	As at March 31, 2021	As at March 31, 2020
USD	104544.19	122790.18
SGD	44021.98	128594.42
CAD	-	-

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD & SGD sensitivity at year end	As at March 31, 2021	As at March 31, 2020
<b>Receivables:</b>		
If INR rate over Other currency increases by 5%	(493768)	(791692)
If INR rate over Other currency decrease by 5%	493768	791692

### 38 - Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

38.1. General description of various defined employee's benefits schemes are as under:

a) **Provident Fund:**

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) **Gratuity:**

Gratuity is a defined benefit plan provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer i.e. the Life Insurance Corporation of India however the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

38.2. The summarized position of various defined benefits recognized in the Statement of Profit & Loss Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under :

**Movement in defined benefit obligation:**

*Amount in Rupees*

Particulars	31.03.2021	31.03.2020
Defined benefit obligation - Beginning of the year	13208269	11538328
Current service cost	898424	828594
Interest Cost	957600	865375
Past Service Cost	-	-
Benefits Paid	(1601298)	(503292)
Re-measurements actuarial loss / (gain)	(64774)	479264
Defined benefit obligation - End of the year	13398221	13208269

**Movement in plan asset:**

Fair value of plan assets at beginning of year	14397845	12604950
Employer contributions	692220	1305791
Benefits paid	(1601298)	(503292)
Re-measurements - Return on plan assets	1018183	990396
Re-measurements- actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	14506949	14397845

**Amount Recognized in Statement of Profit and Loss**

Current service cost	898424	828594
Net Interest on Net Defined Benefit Liability / (assets) (B)	957600	865375
Expected return on plan assets	(1018183)	(990396)
<b>Cost Recognized in P&amp;L</b>	<b>837841</b>	<b>703573</b>



**Amount recognized in Other Comprehensive Income (OCI)***Amount in Rupees*

Particulars	31.03.2021	31.03.2020
Actuarial (gain) / loss due to assumption changes	(64774)	479264
Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	-	-
<b>Actuarial (gain)/loss recognized in OCI</b>	<b>(64774)</b>	<b>479264</b>

**Actuarial Assumption**

Discount Rate	7.25%	7.25%
Rate of Salary increase	5%	5%

**Category of investment in Plan assets**

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

**39 - Operating Leases**

Operating Lease Disclosures – As per AS-19 :

Rent expenses of Rs. 360000/- (PY Rs.360000/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

**40 - Disclosure in respect of Indian Accounting standard (Ind AS)-108: “Operating Segments”**

Since the company primarily operates in one segment being manufacture of Filters. The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

**41 - Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”****41.1. Managerial Remuneration: NIL****Key Managerial Personnel**

Smt. Irmgard Velagapudi M. Rao

Smt. Kiran V. Rao

**41.2. Related Parties:**

Holding Company: KCP Sugar and Industries Corporation Ltd.

Partnership Firm : Quality Engineering Works- Thuvakudi -Trichy

**a. Transactions during the year:**

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Amount in Rupees

Sl. No.	Particulars	31.03.2021	31.03.2020
1	Rent paid to Holding Company: KCP Sugar and Industries Corporation Ltd.	360000	360000
2	Purchases/Services received from Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	34902363	40666355
3	Sales/Services Provided to Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	472000	

**b. Cumulative balances outstanding at the year 31st March 2021:  
In Partnership firm: Quality Engineering Works-Thuvakudi –Trichy**

Particulars	31.03.2021	31.03.2020
Balance in Partner Capital Account – Receivable	58791679	48469191
Trade Payable	6233778	13493363
Trade Receivable	413000	

**The Eimco - K.C.P. Limited is having control over the affairs of Quality Engineering Works  
Quality Engineering Works- Thuvakudi- Trichy – Financial Information**

S.no	Particulars	2020 - 2021 (Un-Audited)	2019 - 2020 (Audited)
1.	Reporting period for the related party	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	58791679	58791679
4.	Reserves & Surplus	-	-
5.	Total Assets	72714583	63029045
6.	Total Liabilities	72714583	63029045
7.	Investments	-	-
8.	Turnover	34331975	49057223
9.	Profit/Loss before Taxation	9111828	10363944
10.	Provision for Taxation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.60%	99.60%

**42 - Impact of COVID - 19 on our Business Operations:**

As per the directions of Government of India the Government of Tamil Nadu had imposed Partial/Complete lockdown due to COVID - 19 on account of which the business and regular operations of business were completely affected.

Since the COVID - 19 PANDEMIC is continuing and the second phase of total lockdown has been announced the operations of the company is likely to be affected to some extent.

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

Place: Chennai

Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466

# **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED**

**CIN: U73100TN1998PLC041501**

## **Twenty Second Annual Report 2020 – 2021**

### **Board of Directors**

		<b>DIN</b>
Ms.Irmgard Velagapudi	Chairperson	00091370
Mr.Vinod R.Sethi	Director	00106598
Mr.R.Ganesan	Director	00020597

### **Registered Office**

'Ramakrishna Buildings',  
No.239, Anna Salai, Chennai - 600 006.

### **Statutory Auditor**

**M/s.Suri & Siva (FRN: 004284S)**  
Chartered Accountants,  
C – 8, 3<sup>rd</sup> Floor, Shanti Apartments,  
New No.18, 1<sup>st</sup> Cross Street,  
T.T.K. Road, Alwarpet, Chennai - 600 018.

### **Farm**

Thirupukuzhi and Melambi Villages,  
Kanchipuram District, Tamil Nadu.

**NOTICE** is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of KCP Sugars Agricultural Research Farms Limited will be held on Monday, the 27<sup>th</sup> Day of September, 2021 at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006 at 12.30 PM to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31/03/2021 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Mr.Vinod R.Sethi (DIN:00106598) who retires by rotation and being eligible, offers himself for reappointment.

**// BY ORDER OF THE BOARD//**

Place : Chennai  
Date : 28/06/2021

**IRMGARD VELAGAPUDI**  
**CHAIRPERSON**  
**DIN: 00091370**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ALSO ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. **PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED AND SUBMITTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

**// BY ORDER OF THE BOARD//**

Place : Chennai  
Date : 28/06/2021

**IRMGARD VELAGAPUDI**  
**CHAIRPERSON**  
**DIN: 00091370**

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.

1. **REVIEW OF OPERATIONS:**

During the Financial Year ended 31/03/2021, the turnover and other income is Rs.15.87 Lakhs as against Rs.22.44 Lakhs for the previous financial year. The Company has incurred a loss of Rs.19,032/- for the Financial Year ended 31/03/2021 as against the profit of Rs.4.64 Lakhs in the previous financial year.

2. **DIVIDEND:**

Your Directors have not recommended any Dividend for the Financial Year under review.

3. **SHARE CAPITAL AND RESERVES:**

The Share Capital of the Company is Rs.225.00 Lakhs. The Reserves and Surplus as on 31/03/2021 is Rs.334.26 Lakhs (Previous Year: Rs.189.47 Lakhs), after adjusting the loss of Rs.19,032/- and Other Comprehensive Income of Rs.1.44 Crores.

4. **FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits during the year under review.

5. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As the Company is involved in agricultural activities, there is no relevant disclosure under Conservation of Energy and Technology Absorption. There are no Foreign Exchange Earnings and Outgo.

6. **PARTICULARS OF EMPLOYEES:**

Disclosure as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company as there is no employee falling under any of those categories mentioned therein.

7. **BOARD MEETINGS:**

Four Board Meetings were held during the Financial Year 2020 – 2021 on 23/07/2020, 10/08/2020, 04/11/2020 and 10/02/2021.

8. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There are no contracts or arrangements with related parties, in terms of Section 188 (1) of the Companies Act, 2013.

**9. SECRETARIAL STANDARDS:**

Pursuant to Section 118 (10) of the Companies Act, 2013, the Company observes Secretarial Standards with respect to General and Board Meetings, prescribed by the Institute of Company Secretaries of India.

**10. ACCOUNTING STANDARDS:**

The Company adheres to the Accounting Standards as applicable to it and there are no deviations, in this respect.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2020 – 2021.

**12. DIRECTOR RETIRING BY ROTATION:**

Mr. Vinod R. Sethi, Director (DIN: 00106598), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers himself for reappointment.

**13. STATUTORY AUDITOR:**

M/s. Suri & Siva, Chartered Accountants (FRN: 004284S) is the Statutory Auditor of the Company for the Financial Year under review. The Report of the Statutory Auditor on the Financial Statements of the Company is annexed to this Annual Report. There are no qualifications or reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor's Report.

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, the Directors of your Company state as follows:

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;
- (b) that 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 state of affairs of the Company at the end of the financial year, 31/03/2021 and of the Loss of the Company for that period;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the Annual Accounts on a going concern basis;
- (e) that 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;
- (f) that 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.

15. **ACKNOWLEDGEMENT :**

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Stakeholders of the Company.

**// BY ORDER OF THE BOARD//**

Place : Chennai  
Date : 28/06/2021

**IRMGARD VELAGAPUDI  
CHAIRPERSON  
DIN: 00091370**

## INDEPENDENT AUDITOR'S REPORT

To the members of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Management's Responsibility for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
  - (b) In our opinion, proper books of accounts 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, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided for managerial remuneration to its directors during the year.

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

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNI6482**

Place: Chennai  
Date: 28.06.2021

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD** of even date)

- (i)
  - (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
  - (b) the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
  - (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence we have no comments to offer.
- (vii)
  - a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it have been regularly deposited during the year by the Company with appropriate authorities.
  - b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNI6482**

Place: Chennai  
Date: 28.06.2021

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABNI6482**

Place: Chennai  
Date: 28.06.2021



Amount in Rupees

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	4574483	4599517
(b) Financial assets			
(i) Investments	4	44363980	29865626
<b>Current assets</b>			
(a) Inventories	5	500168	691744
(b) Financial Assets			
(i) Cash and cash equivalents	6	6135061	5941353
(c) Other Current Assets	7	367548	363679
<b>Total Assets</b>		<b>55941240</b>	<b>41461919</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	8	22500000	22500000
(b) Other Equity	9	33426490	18947169
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
		-	-
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	10	14750	14750
<b>Total Equity and Liabilities</b>		<b>55941240</b>	<b>41461919</b>

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached  
For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**  
Partner  
Membership No.022379  
Place: Chennai  
Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370

**R.GANESAN**  
Director  
DIN: 00020597



		<i>Amount in Rupees</i>	
Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from operations	11	1075097	1380945
II Other income	12	512062	862555
III <b>Total Income (I+II)</b>		<b>1587159</b>	<b>2243500</b>
IV <b>Expenses</b>			
Cost of material consumed	13	873598	1358444
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	191576	(175198)
Employee benefits expense	15	271397	232792
Depreciation and Amortisation	16	25034	31308
Other expenses	17	244586	331800
<b>Total expenses (IV)</b>		<b>1606191</b>	<b>1779146</b>
V <b>Profit/(loss) before exceptional items and tax</b>		<b>(19032)</b>	<b>464354</b>
VI Exceptional items		-	-
VII <b>Profit / (loss) before tax</b>		<b>(19032)</b>	<b>464354</b>
VIII <b>Tax expense</b>			
- Current Tax		-	-
- Deferred Tax		-	-
IX <b>Profit / (loss) after tax for the period</b>		<b>(19032)</b>	<b>464354</b>
X <b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Equity instruments through other comprehensive income		14498354	(3766784)
Remeasurements of defined benefit plan actuarial gains/ (losses)		-	-
Income tax expense on above		-	-
XI <b>Total Other Comprehensive Income</b>		<b>14498354</b>	<b>(3766784)</b>
XII <b>Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)</b>		<b>14479321</b>	<b>(3302430)</b>
XIII <b>Earnings per equity share</b>			
(1) Basic		6.44	-1.47
(2) Diluted		6.44	-1.47

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

Place: Chennai

Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**R.GANESAN**

Director

DIN: 00020597

Particulars	Amount in Rupees	
	For Year Ended March 31, 2021	For Year Ended March 31, 2020
<b>Cash flows from operating activities</b>		
Total Income for the Period (PBT)	(19032)	464354
Adjustments:		
- Dividends Received	(196489)	(507854)
- OCI Adjustments	(14498354)	3766784
- Interest received	(315573)	(297631)
- Fair Value Adjustment	14498354	(3766784)
- Depreciation and amortization	25034	31308
Operating cash flow before working capital changes	<b>(506060)</b>	<b>(309823)</b>
<i>Changes in</i>		
- Decrease / (Increase) In Inventory	191576	(175198)
<b>Cash generated from / (used in) operations</b>	<b>(314485)</b>	<b>(485021)</b>
Less: Income tax paid	(3870)	31393
<b>Cash generated from / (used in) operations (Net)</b>	<b>(318354)</b>	<b>(453628)</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed assets	-	-
Investment made	-	163004
Interest received	315573	297631
Dividend received	196489	507854
<b>Net cash generated from/(used in) investing activities [B]</b>	<b>512062</b>	<b>968489</b>
<b>Cash flows from financing activities</b>	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Increase in cash and cash equivalents</b>	<b>193708</b>	<b>514861</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5941353</b>	<b>5426494</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6135061</b>	<b>5941355</b>
<b>Components of cash and cash equivalents (refer note 6)</b>		
Cash on hand	<b>40979</b>	94674
Balances with banks	<b>6094082</b>	5846680
<b>Total cash and cash equivalents</b>	<b>6135061</b>	<b>5941354</b>

As per our report of even date attached  
For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**  
Partner  
Membership No.022379

Place: Chennai  
Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370

**R.GANESAN**  
Director  
DIN: 00020597

## 1 - Company Information

KCP Sugars Agricultural Research Farms Ltd is a wholly owned subsidiary of KCP Sugar and Industries Corporation Ltd. The core activity of the company is research relating to Agriculture.

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

### (b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

### (c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

**d) Revenue recognition :**

Revenue is measured at fair value of consideration received or receivable. Revenue comprise of sale of agricultural products and bricks. Revenue from sale of goods is net of Indirect taxes, returns and discounts.

Revenue is recognised when following conditions are satisfied:

- The company transfers to the buyer the significant risks and rewards of ownership of the goods
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliable
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**Dividend**

Dividend income is recognized on cash basis.

**(e) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the depreciable assets are in line with the Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

**(f) Impairment of assets:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

**(g) Inventories:**

Standing crops are valued at cost. Other inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

**(h) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

**(i) Deferred Tax:**

Since the company is having no taxable income, it has not recognized any deferred tax asset in the books of accounts considering the concept of Prudence.

**(j) Cash and Cash Equivalent (for the purpose of cash flow statements):**

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

**(k) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**(l) Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(m) Financial Instruments:**

**Financial Assets:**

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



### **Financial Liabilities**

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.



## 3 - Property Plant and Equipment

Description	Amount in Rupees					
	Land	Buildings	Plant and equipment	Fencing	Vehicles	Total
As at 31 March 2019 (At Cost)	3686503	835179	852263	15321	9784	5394250
Additions during the year	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-
As at 31 March 2020 (At Cost)	3686503	835179	852263	15321	9784	5399050
Additions during the year	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-
<b>As at 31 March 2021 (At Cost)</b>	<b>3686503</b>	<b>835179</b>	<b>852263</b>	<b>15321</b>	<b>9784</b>	<b>5399050</b>
<b>Depreciation and amortization</b>						
Opening depreciation as on 01.04.2019	-	49674	713414	-	5137	768225
Charge for the year ended March 31, 2020	-	16592	14716	-	-	31308
Deletions during the year	-	-	-	-	-	-
As at 31 March 2020	-	66266	728130	-	5137	799533
Charge for the year	-	16548	8486	-	-	25034
Deletions during the year	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>82814</b>	<b>736616</b>	<b>-</b>	<b>5137</b>	<b>824567</b>
<b>Net Book Value</b>						
<b>As at 31 March 2021</b>	<b>3686503</b>	<b>752365</b>	<b>115647</b>	<b>15321</b>	<b>4647</b>	<b>4574483</b>
As at 31 March 2020	3686503	768913	124133	15321	4647	4599517

**4 - Investments (Non- Current)**

Amount in Rupees

Particulars	As at March 31, 2021		As at March 31, 2020	
<b>Investments in Quoted Equity Instruments (Fair valued through OCI)</b>				
	<b>No. of Shares</b>	<b>Value</b>	<b>No. of Shares</b>	<b>Value</b>
Asian Paints Ltd (Face value of Re.1/- each )	2000	5074800	2000	3333000
Blue Star Ltd. (Face value of Rs.2/- each )	5800	5418360	5800	2664810
Container Corporation of India Ltd. (Face value split to Rs.5/- each during 2018-19 )	3280	1961440	3280	1087812
Geodesic Information Systems Ltd (Face value of Rs.2/- each )	400	800	400	596
Indraprastha Gas Ltd.	40000	20494000	40000	15518000
Kaya Ltd (Formerly Marico Kaya Enterprises Ltd)	70	20737	70	8162
Marico Limited (Face value of Re.1/- each )	7000	2879100	7000	1923950
Nucleus Soft	200	96230	200	35930
Yuken India Ltd.	400	183940	400	130000
Savita Oil Technologies Ltd	8040	7855080	8040	4909224
Precision Wire India Ltd (Face value Rs.5/- each)	1000	193650	1000	68300
<b>Sub Total</b>		<b>44178137</b>		<b>29679784</b>
<u>Investments in Partnership Firm</u> Quality Engineering Company, Trichy		185842		185842
<b>Total</b>		<b>44363980</b>		<b>29865626</b>

**Additional Information :**

**4.1. Name of the partners, their share and their capital in Quality Engineering Works (Firm)**

As at 31.03.2021

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	48469191
KCP Sugars Agricultural Researchs Farms Limited	0.40%	185842
<b>Total</b>	<b>100.00%</b>	<b>48655033</b>

**4.2. Aggregate amount of quoted investments**

- Cost	12342382	12342382
- Market Value	44178137	29679784

**5 - Inventories**

Particulars	As at March 31, 2021	As at March 31, 2020
Standing Crops & Others	500168	691744
<b>Total</b>	<b>500168</b>	<b>691744</b>

**6 - Cash and cash equivalents**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
i) Balances with banks:		
-In current accounts	926923	971269
-In Fixed Deposits	5167159	4875410
ii) Cash on hand	40979	94674
<b>Total</b>	<b>6135061</b>	<b>5941353</b>

**7 - Other current assets**

Income tax Refund receivable	367548	363679
<b>Total</b>	<b>367548</b>	<b>363679</b>

**8 - Equity Share Capital**

<b><u>Authorised Share Capital</u></b> 50,00,000 Equity Shares of Rs.10/- each	50000000	50000000
<b>Total</b>	<b>50000000</b>	<b>50000000</b>
<b><u>Issued, Subscribed And Paid Up</u></b> 22,50,000 Equity Shares of Rs.10/- each	22500000	22500000
<b>Total</b>	<b>22500000</b>	<b>22500000</b>

**8.1. Movement in respect of Equity Shares is given below :**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	2250000	22500000	2250000	22500000
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2250000</b>	<b>22500000</b>	<b>2250000</b>	<b>22500000</b>

**8.2. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the 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.

**8.3. Details of Shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	% of Holding	Nos.	% of Holding
K.C.P Sugar and Industries Corporation Ltd	2250000	100%	2250000	100%
<b>Total</b>	<b>2250000</b>	<b>100%</b>	<b>2250000</b>	<b>100%</b>

**9 - Other Equity**

*Amount in Rs.*  
**For the year ended March 31, 2021**

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01,2020	4835209	14111960	18947169
Profit / Loss for the period	(19032)		(19032)
Other Comprehensive Income for the Year		14498354	14498354
<b>Balance as at March 31, 2021</b>	<b>4816177</b>	<b>28610314</b>	<b>33426490</b>

**10 - Other Financial Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding Liabilities for Expenses	14750	14750
<b>Total</b>	<b>14750</b>	<b>14750</b>

**11 - Revenue from Operations**

*Amount in Rupees*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	1075097	1380945
<b>Total</b>	<b>1075097</b>	1380945

**12 - Other Income**

Interest income from financial asset measured at amortised cost	315573	297631
Dividend Income	196489	507854
Profit on sale of Investments	-	50370
Miscellaneous Receipts	-	6700
<b>Total</b>	<b>512062</b>	862555

**13 - Cost of material consumed**

Cultivation Charges	83310	38350
Labour charges	238500	328355
Brick work expenses	551788	991739
<b>Total</b>	<b>873598</b>	1358444

**14 - Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade**

<b>Opening Balance</b>		
Standing Crops	691744	516546
<b>Less Closing Balance</b>		
Standing Crops	500168	691744
<b>Total</b>	<b>191576</b>	(175198)

**15 - Employee benefits expense**

Salaries, wages and bonus	250000	215500
Staff welfare expenses	21397	17292
<b>Total</b>	<b>271397</b>	232792

**16 - Depreciation and Amortisation**

Depreciation / Amortisation for the year		
- Tangible Assets	25034	31308
<b>Total</b>	<b>25034</b>	31308

**17 - Other expenses**

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Pesticides / Fertilizers	52975	95665
Repairs and maintenance:		
- Tractor	61096	64089
- Others	71593	105258
Payment made to auditors (Refer note below)	14750	14750
Legal and Professional Charges	22240	22470
Loss on Investment made in Quality Engineering	-	14158
Miscellaneous expenses	21932	15410
<b>Total</b>	<b>244586</b>	<b>331800</b>

Payment made to statutory auditors :		
i. As Audit fee	14750	14750
ii. For taxation matters	-	-
iii. For other services	-	-
iv. For reimbursement of expenses	-	-

**Disclosure requirements of Indian Accounting Standards**

**18 - Disclosures in respect of Ind AS 107 - Financial Instruments**

**18.1. Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories were as follows:

March 31,2021

Particulars	Note No.	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI
<b>Assets:</b>				
Investment		185842		44178137
Cash & Cash Equivalents		6135061		
<b>Liabilities:</b>				
Other Financial Liabilities		14750		

March 31,2020

Particulars	Note No.	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>				
Investment		185842		29679784
Cash & Cash Equivalents		5941353		
<b>Liabilities:</b>				
Other Financial Liabilities		14750		

**19 - Fair Value Hierarchy**

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**19.1. Valuation Technique used to determine Fair Value:**

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

**19.2.** The following tables present fair value hierarchy of assets and liabilities measured at fair value:

Particulars	For the year 31.03.2021				For the year 31.03.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Quoted Securities	44178137			<b>44178137</b>	29679784			29679784

**20 - Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”**

(A) Names of related parties and description of relationship:

**1. Holding Company** K.C.P Sugar and Industries Corporation Ltd

(B) Transactions During the year - Holding Company - **NIL**

**21 - Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share(EPS)”  
Basic and Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit (loss) for the year, attributable to the owners of the company	-	-
<b>Earnings used in calculation of basic earnings per share(A)</b>	<b>14479321</b>	(3302430)
Weighted average <b>number</b> of ordinary shares for the purpose of basic earnings per share(B)	2250000	2250000
<b>Basic and Diluted EPS(A/B) – Rs.</b>	<b>6.44</b>	(1.47)

As per our report of even date attached  
For **Suri & Siva**  
Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**  
**Partner**  
Membership No.022379  
Place: Chennai  
Date : 28/06/2021

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370

**R.GANESAN**  
Director  
DIN: 00020597



**CONSOLIDATED  
FINANCIAL STATEMENTS  
OF  
K.C.P.SUGAR AND INDUSTRIES  
CORPORATION LIMITED  
AND ITS SUBSIDIARIES**

**FOR THE FINANCIAL YEAR  
2020 - 2021**

**INDEPENDENT AUDITOR'S REPORT****To the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED****Report on the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED ( the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including Other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act , 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated Profit , consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended .

**Basis for Opinion**

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing ("SA's) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**CONSOLIDATED FINANCIAL STATEMENTS**

SL No	Key Audit Matters	Substantive Audit Procedures
1	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021 As on March 31, 2021, the Company has inventory of sugar with the carrying value Rs.210.71 crore. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.	<ol style="list-style-type: none"> <li>1. We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li> <li>2. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li> <li>3. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li> <li>4. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions.</li> <li>5. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</li> </ol>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibilities for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

**CONSOLIDATED FINANCIAL STATEMENTS**

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiaries incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The managerial remuneration of Rs 27,69,647/- paid to the Executive Director for the period 29<sup>th</sup> July, 2020 to 31<sup>st</sup> March, 2021 during the financial year 2020-2021 is the minimum remuneration paid for the fourth year of inadequate profits during her tenure covering 29<sup>th</sup> July, 2017 to 28<sup>th</sup> July, 2022. The schedule V of the Companies Act and terms of appointment restricts the payment of minimum remuneration to a period of 3 years in the absence of adequate profits. However, the company has stated that the managerial remuneration is in compliance with schedule V of the companies Act 2013, subject to approval by the shareholders in its general meeting under Section 197 (10) of the Companies Act, 2013. (Refer note 43 to the financial statements.)

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no 36.1 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Subsidiary Companies incorporated in India.

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABND8150**

Place: Chennai  
 Date: 28.06.2021



**CONSOLIDATED FINANCIAL STATEMENTS****ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED** of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For Suri & Siva**  
**Chartered Accountants**  
**Firm Registration Number: 004284S**

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 21022379AAABND8150**

Place: Chennai  
Date: 28.06.2021



**CONSOLIDATED FINANCIAL STATEMENTS**

Amount in Rupees

BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>Assests</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	910693432	917252901
(b) Capital work-in-progress		26473489	10826431
(c) Other Intangible assets	4	652328	1150553
(d) Intangible Asset under Development		4666902	4666902
(e) Financial assets			
(i) Investments	5	1090015421	749379679
(ii) Loans	6	4336410	4637695
(f) Deferred tax assets, (net)	21	45730541	-
(g) Other non-current assets	7	44559459	46396268
<b>Current assets</b>			
(a) Inventories	8	2615827528	3446665630
(b) Financial Assets			
(i) Investments	9	692726681	664307808
(ii) Trade receivables	10	462995022	371196046
(iii) Cash and cash equivalents	11	43091620	89286421
(iv) Bank Balances other than (ii) above	12	92345452	103601411
(v) Other financial assets	13	192508714	204380994
(c) Other current assets	14	126609432	145428236
<b>Asset held for sale</b>	15	78579550	-
<b>Total Assets</b>		<b>6431811981</b>	<b>6759176975</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	113385050	113385050
(b) Other equity	17	3019552691	2778821480
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	926454850	743197000
(i) Other Financial liabilities	19	9793613	7464513
(b) Provisions	20	97516594	96082853
(c) Deferred tax liabilities (net)	21	-	26783567
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	1473328537	1518039308
(ii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises		148114299	667191802
(iii) Other financial liabilities	24	524318659	707480289
(b) Other current liabilities	25	89722004	66463165
(c) Short Term provisions	26	21294146	25137675
(d) Current Tax Liabilities (Net)	27	8331538	9130273
<b>Total Equity and Liabilities</b>		<b>6431811981</b>	<b>6759176975</b>

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR**

Partner

Membership No.022379

**S.JEBA ELAVARASI**

Company Secretary

M.No.: 30963

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Place: Chennai

Date : 28/06/2021

**R.GANESAN**

Chief Financial Officer

## CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

*Amount in Rupees*

Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from operations	28	3285504358	3926231038
II Other income	29	476685178	138522773
<b>III Total Income (I+II)</b>		<b>3762189536</b>	<b>4064753811</b>
<b>IV Expenses</b>			
Cost of material consumed	30	1613998719	2711110450
Purchase of Stock-in-trade		121592531	7794677
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	871407155	335979400
Employee benefits expense	32	382709663	364036254
Finance costs	33	243631244	218588154
Depreciation and Amortisation	34	63626277	80359130
Other expenses	35	294086547	454426468
<b>Total expenses (IV)</b>		<b>3591052136</b>	<b>4172294533</b>
<b>V Profit/(loss) before exceptional items and tax</b>		<b>171137401</b>	<b>(107540722)</b>
VI Exceptional items		-	-
<b>VII Profit/(loss) before tax</b>		<b>171137401</b>	<b>(107540722)</b>
<b>VIII Tax expense</b>			
- Current Tax		12500000	18500000
- Deferred Tax		(74380565)	(41859971)
- Reversal of excess provision for taxation relating to earlier years		-	(21572031)
<b>IX Profit / (loss) after tax for the period</b>		<b>233017966</b>	<b>(62608720)</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Equity instruments through other comprehensive income		14498354	(3766784)
Remeasurements of defined benefit plan actuarial gains/ (losses)		6419853	1819287
Income tax expense on above		(1866457)	(548717)
		<b>19051750</b>	<b>(2496214)</b>
<b>XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)</b>		<b>252069715</b>	<b>(65104934)</b>
<b>XII Earnings per equity share</b>			
(1) Basic		2.22	-0.57
(2) Diluted		2.22	-0.57

The significant accounting policies and accompanying Notes form an integral part of these Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants  
Firm Regn No.: 004284S

**V.SIVAKUMAR**  
Partner  
Membership No.022379

Place: Chennai  
Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**  
Company Secretary  
M.No.: 30963

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466

**CONSOLIDATED FINANCIAL STATEMENTS**

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash flows from operating activities</b>		
Total Income for the Period(PBT)	171137401	(107540721)
Adjustments:		
- Interest income	(11771224)	(15343527)
- Loss/(Profit) on sale of fixed assets	(6797646)	(13093)
- Loss/(Profit) on sale of Investment	-	(827335)
- Balance Written off	(19726)	(793975)
- Excess Provision Credited Back	(6812557)	(1459709)
- ECL from Trade Receivables	-	5678035
- Adjustment for OCI	(8078501)	5586070
- Interest expense	238731506	214890585
- Dividend Income	(40282526)	(42809774)
- Loss from Partnership firm	(10322488)	1330809
- Fair Value Adjustment	(301430855)	115693106
- Depreciation and amortization	63626277	80359129
Operating cash flow before working capital changes	<b>87979662</b>	<b>254749600</b>
Changes in		
- Decrease/(Increase) In Trade Receivables	(91798976)	(92546212)
- Decrease/(Increase) In Inventory	830838103	340212467
- Decrease/(Increase) In Other current Financial Asset(s)	11986585	(150118421)
- Decrease/(Increase) In Other current Asset(s)	16287808	38074862
- Decrease/(Increase) Loans - Non current	301285	(57235)
- Decrease/(Increase) In Other non-current asset	1836809	(2302110)
(Decrease)/Increase In Long term Provisions	8246297	13475975
(Decrease)/Increase In non-current liabilities	2329100	(3871679)
(Decrease)/Increase In Trade Payables current	(519057778)	(685071898)
(Decrease)/Increase In other current liabilities	23287380	(27861653)
(Decrease)/Increase In Other financial liabilities current	(183190171)	333437909
(Decrease)/Increase In Short Term provisions current	(3843530)	(336393)
(Decrease)/Increase In Other Non Current Liabilities	-	329784000
Income taxes paid	(10767742)	(77928043)
<b>Net Cash generated from / (used in) operations</b>	<b>86455171</b>	<b>14891569</b>
<b>Cash flows from investing activities</b>		
Investment in Partnership firm	-	-4000000
Purchase of fixed assets	(167855236)	(23083996)
Proceeds from sale of fixed assets	23857695	23682
Dividend Income	40282526	42809774
Investment made in current and Non Current Investments	(28418874)	(56347289)
Decrease / (Increase) in Margin Money Deposits	11255961	9433346
Proceeds from sale of Investments	-	4804476
Interest received	11771224	15343527
<b>Net cash generated from/(used in) investing activities</b>	<b>(109106704)</b>	<b>(11016480)</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayment of) long term and short term borrowings	138547081	(4727142)
Interest paid	(238731506)	(214890585)
Dividend paid	(11338505)	(13669168)
<b>Net cash used in financing activities</b>	<b>(111522930)</b>	<b>(233286895)</b>
<b>Increase in cash and cash equivalents</b>	<b>(46194801)</b>	<b>25337794</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>89286421</b>	<b>63948627</b>
Cash and cash equivalents at the end of the year	<b>43091620</b>	<b>89286421</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

## CONSOLIDATED FINANCIAL STATEMENTS

*Amount in Rupees*

Particulars	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents (refer note 10)		
Cash on hand	107546	1156073
Balances with banks	42984074	88130348
<b>Total cash and cash equivalents</b>	<b>43091620</b>	<b>89286421</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR**

**Partner**

Membership No.022379

Place: Chennai

Date : 28/06/2021

**R.GANESAN**

Chief Financial Officer

**S.JEBA ELAVARASI**

Company Secretary

M.No.: 30963

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

**CONSOLIDATED FINANCIAL STATEMENTS****1 - Corporate Information**

K.C.P Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India . Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and CO2. Company has two sugar factories located in Krishna District Andra Pradesh having an aggregate crushing capacity of 11,500 tons per day. It has its registered office at 239/183, Rama krishna Building, Anna Salai, Chennai, Tamil Nadu 600006, India.

The financial statements were approved by the Board of Directors and authorised for issued on 28.06.2021

**2 - Significant Accounting Policies****(a) Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

**(b) Basis of preparation and presentation:**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and net defined benefit liability, that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

**(c) Critical accounting estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate share revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes :** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- **Fair value measurement financial instruments:**The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by estimated cost of trading.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

**CONSOLIDATED FINANCIAL STATEMENTS****(d) Functional currency :**

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currencies.

**(e) Revenue recognition :**

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprise of sale of sugar, and other sugar auxiliary products. Revenue is recognised when following conditions are satisfied:

- the company transfers to the buyer the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliable
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

**Interest**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**Dividend**

Dividend income is recognised on cash basis.

**(f) Employee Benefits (other than for persons engaged through contractors):****i. Provident Fund:**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

**ii. Gratuity Fund:**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

**iii. Compensated Absences**

Entitlement to annual leave is recognised when it accrues to employees. The Company determines the liability for such accumulated leave at each Balance Sheet date and the same is charged to revenue accordingly



**iv. Other Employee Benefits**

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an un discounted basis and recognised based on the entitlement thereof.

**(g) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method except for asset situated at Registered Office, which are depreciated by written down value method .The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the depreciable assets is in accordance with rules prescribed under part " C "of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipments are not yet ready for their intended use and are carried at cost determined as aforesaid.

**(h) Intangible Assets:**

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.



**CONSOLIDATED FINANCIAL STATEMENTS**

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Software and Licences	5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**(i) Impairment of assets:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

**(j) Foreign Currency Translation :****Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

**(k) Assets taken on lease:**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

**(l) Inventories:**

- Finished goods are valued as follows and increased by Excise Duty thereon as applicable.
  - All finished goods are valued at lower of weighted average cost or net realizable value.
  - Molasses, a byproduct is valued at estimated net realizable value.
- Crops under cultivation are valued at cost.
- Work in progress is valued at lower of weighted average cost or net realizable value of the finished goods duly adjusted according to the percentage of progress.
- Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

**(m) Government Grants**

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

**CONSOLIDATED FINANCIAL STATEMENTS****(n) Income Taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**(i) Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**(ii) Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

**(o) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.45.

Contingent assets are not recognized in the financial statements.

**(p) Borrowing Costs :**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

**(q) Cash and Cash Equivalent (for the purpose of cash flow statements):**

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

**(r) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

**(s) Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**CONSOLIDATED FINANCIAL STATEMENTS****(t) Segment Reporting:**

The Company identifies operating segments based on the internal reporting provided to the Managing Director.

The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

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

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

All operating segments, operating results are reviewed regularly by the Companies Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

**(u) Financial Instruments:****Financial Assets:**Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments are classified as FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.



**CONSOLIDATED FINANCIAL STATEMENTS****Financial Liabilities**Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

## 3 - Property Plant and Equipments

Amount in Rupees

Description	Land	Buildings	Plant and equipment	Fencing	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 31 March 2019 (At Cost)	215910469	268356895	701822926	15321	15596569	25042893	3480014	1230225087
Additions during the year	-	-	7688451	-	1614163	883725	380908	10567247
Deletions during the year	-	-	-	-	(120456)	(140000)	-	(260456)
As at 31 March 2020 (At Cost)	215910469	268356895	709511376	15321	17090276	25786618	3860922	1240531877
Additions during the year	116925100	2006684	14154890	-	2178070	87775	84129	135436648
Deletions during the year	-	-	(9787028)	-	(1144135)	(5737844)	(204422)	(16873429)
<b>As at 31 March 2021 (At Cost)</b>	<b>332835569</b>	<b>270363579</b>	<b>713879238</b>	<b>15321</b>	<b>18124211</b>	<b>20136549</b>	<b>3740629</b>	<b>1359095096</b>
<b>Depreciation and amortization</b>								
Opening depreciation as on 01.04.2019	-	39605018	186946984	-	10057305	9079892	1336301	247025501
Charge for the year	-	10924211	57734136	-	3508905	3886821	446734	76500806
Deletions during the year	-	-	-	-	(114330)	(133000)	-	(247330)
As at 31 March 2020	-	50529229	244681120	-	13451880	12833713	1783035	<b>323278977</b>
Charge for the year	-	10548880	470566603	-	1859348	2651760	411460	62528052
Deletions during the year	-	-	(9313108)	-	(1134793)	(5337990)	(199022)	(15984914)
<b>As at 31 March 2021</b>	<b>-</b>	<b>61078109</b>	<b>282424616</b>	<b>-</b>	<b>14176435</b>	<b>10147483</b>	<b>1995473</b>	<b>369822115</b>
Balance	332835569	209285471	431454622	15321	3947776	9989066	1745157	989272982
Less : Assets held for sale	-	-	78579550	-	-	-	-	78579550
<b>Net Book Value</b>								
<b>As at 31 March 2021</b>	<b>332835569</b>	<b>209285471</b>	<b>352875073</b>	<b>15321</b>	<b>3947776</b>	<b>9989066</b>	<b>1745157</b>	<b>910693432</b>
As at 31 March 2020	215910469	217827666	464830256	15321	3638396	12952905	2077887	917252901



**CONSOLIDATED FINANCIAL STATEMENTS****4 - Other Intangible Asset**

Amount in Rupees

Description	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 March 2019 (At Cost)	16452361	16452361
Additions during the year	-	-
Deletions during the year	-	-
As at 31 March 2020 (At Cost)	16452361	16452361
Additions during the year	600000	600000
Deletions during the year	-	-
<b>As at 31 March 2021 (At Cost)</b>	<b>17052361</b>	<b>17052361</b>
<b>Amortization and Impairment</b>		
Depreciation as at 31.03.2019	11443485	11443485
Amortization for the year ended March 31, 2020	3858323	3858323
As at 31 March 2020	15301808	15301808
Amortization for the year	1098225	1098225
<b>As at 31 March 2021</b>	<b>16400033</b>	<b>16400033</b>
<b>Net Book Value</b>		
<b>As at 31 March 2021</b>	<b>652328</b>	<b>652328</b>
As at 31 March 2020	1150553	1150553

**Intangible Assets under Development**

Description	Computer software	Total
As at 1st April 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletion during the year	-	-
As at 31st March 2020	4666902	4666902
Additions during the year	-	-
Deletion during the year	-	-
<b>As at 31 st March 2021</b>	<b>4666902</b>	<b>4666902</b>

**5 - Non Current Investments**

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Quoted Equity Instruments (Fair valued through PL)	333965037	202843145
Investments in Quoted Equity Instruments (Fair valued through PL), Pledged with Kotak Mahindar Bank to avail Working Capital Term Loan of Rs.20 crores.	696572863	497381501
Investments in an associate and Joint Venture/Subsidiary (Valued at Cost)	-	-
Investments in Unquoted Equity Instruments (Valued at cost)	500000	500000
Investment in Partnership firm	58977521	48655033
<b>Total</b>	<b>1090015421</b>	<b>749379679</b>

## CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
5.1. Aggregate amount of quoted investments		
- Cost	548075909	548075909
- Market Value	1030537900	700224646
5.2. Aggregate amount of unquoted investments		
- Cost	500000	500000

**Additional Information :****5.1. Name of the partners, their share and their capital in Quality Engineering Works (Firm)**

As at March 31, 2021

Name of the Partners	% Share	Capital Share
The EIMCO KCP Ltd	99.60%	48469191
KCP Sugars Agricultural Researchs Farms Limited	0.40%	185842
<b>Total</b>	<b>100.00%</b>	<b>48655033</b>

**6 - Loans**

Security Deposits (unsecured considered good)	4336410	4637695
<b>Total</b>	<b>4336410</b>	<b>4637695</b>

**7 - Other Non Current Assets**

Long term security Deposit (Unsecured and considered good)	44559459	46396268
<b>Total</b>	<b>44559459</b>	<b>46396268</b>

**8 - Inventories**

Raw materials	82703224	38162574
Work in progress	58146047	35078828
Finished goods	2446294035	3339397894
Stores and spares	28369117	32340713
Crops under cultivation	315105	1685621
<b>Total</b>	<b>2615827528</b>	<b>3446665630</b>

**9 - Investments**

Investments in Mutual Funds (Fair valued through PL)	692726681	664307808
<b>Total</b>	<b>692726681</b>	<b>664307808</b>

**10 - Trade Receivables**

Secured Considered Good	-	-
Unsecured Considered good	462995022	371196046
Considered Doubtful	9631217	9631217
<b>Less:</b>		
Impairment for Trade receivable under expected credit loss model	(9631217)	(9631217)
<b>Total</b>	<b>462995022</b>	<b>371196046</b>

**CONSOLIDATED FINANCIAL STATEMENTS****11 - Cash and cash equivalents***Amount in Rupees*

Particulars	As at March 31, 2021	As at March 31, 2020
i) Balances with banks:		
-In current accounts	21085599	67617832
-In Fixed Deposits	21898475	20512516
ii) Cash on hand	107546	1156073
<b>Total</b>	<b>43091620</b>	<b>89286421</b>

**12 - Bank Balances other than 10 above**

Bank Balances held as Margin Money	79522376	89222525
Unpaid Dividend account	12823076	14378886
<b>Total</b>	<b>92345452</b>	<b>103601411</b>

**13 - Other Current Financial Assets**

<b>Unsecured, considered good;</b>		
- Advance to Employees	8497806	10329143
- Claims receivable	183962074	193973433
Dividend Receivable	-	-
Other Deposits	-	-
Interest accrued on Fixed Deposit	48834	78418
<b>Total</b>	<b>192508714</b>	<b>204380994</b>

**14 - Other Current Assets**

<b>Unsecured considered good</b>		
Balance with government authorities	55496103	85844311
Advances to Supplier	62765318	50510438
Prepaid Expenses	8348010	9073487
<b>Total</b>	<b>126609432</b>	<b>145428236</b>

**15 - Assets held for sale**

<b>Plant and Machinery</b>		
Sugar	54299400	-
Cogen	24280150	-
<b>Total</b>	<b>78579550</b>	<b>-</b>

**16 - Equity Share Capital**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised Share Capital</b>		
25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000
<b>Total</b>	<b>250000000</b>	<b>250000000</b>
<b>Issued, Subscribed And Paid Up</b>		
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050
<b>Total</b>	<b>113385050</b>	<b>113385050</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 16.1. Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>113385050</b>	<b>113385050</b>	113385050	113385050

### 16.2. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 1/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the 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.

### 16.3. Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%
<b>Total</b>	<b>43742656</b>	<b>38.58%</b>	43742656	38.58%

## 17 - Other Equity

Amount in Rupees

Particulars	Reserves and Surplus				Other Components of Equity		Total
	General Reserve	Capital Profit		Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	
		Investment allowance reserve utilised	Capital redemption reserve				
Balance as at April 01, 2020	1132243277	4505000	15545110	1609724403	2691730	14111960	2778821480
Provision For Dividend and taxes Profit / (Loss) for the period	-	-	-	(11338505)	-	-	-11338505
Other Comprehensive Income for the Year	-	-	-	233017966	-	-	233017967
<b>Balance as at March 31, 2021</b>	<b>1132243277</b>	<b>4505000</b>	<b>15545110</b>	<b>1831403864</b>	<b>7245127</b>	<b>28610314</b>	<b>3019552691</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## 18 - Borrowings

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non Current Secured Loans</b>		
(i) Secured loans from Bank		-
a) Workign capital Term Loan from HDFC Bank Ltd	67500000	270000000
Less: Current Maturity classified in Note No.23	67500000	135000000
Net	-	<b>135000000</b>

Note : The above loan is secured by first paripassu charge on the current assets and movable fixed assets of the holding company and further secured by Corporate Guarantee issued by subsidiary company, The Eimco - K.C.P. Ltd. This loan is availed in May 2019 and repayable in 4 quarterly instalments after a moratorium period of one year. The rate of interest on the loan is variable.

b) Workign capital Term Loan from Kotak Mahindra Bank Ltd	192625959	200000000
Less: Current Maturity classified in Note No.23	51366924	25000000
Net	<b>141259035</b>	<b>175000000</b>

Note : The above loan is secured by second paripassu charge on the current assets of the Holding Company and further secured by a pledge over selected quoted Equity shares held by the Holding Company with other listed entities . This loan is availed on September 2019 and repayable in 16 quarterly instalments after a moratorium period of one year. The rate of interest on the loan is variable.

c) Workign capital Term Loan from Banks	294999815	-
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This loan was availed under Guaranteed Emergency credit line (GECL 2.0) notified by the Govt. of India with 100% Guarantee. It is further secured by second paripassu charge by way of hypothication of the stock of raw materials, semi finished and finished goods, consumables store and spares and such other movables including book debts both present and future and also secured by Second Paripassu charge on movable fixed assets at Vuyyuru and Lakshmpuram units. The loan is repayable in five years with one year moratorium and 48 monthly instalments. The rate of interest on the loan is variable subject to maximum of 9.25% pa.

<b>Unsecured Loans</b>		
Fixed Deposits from Public	490196000	433197000
<b>Total</b>	<b>926454850</b>	<b>743197000</b>

**CONSOLIDATED FINANCIAL STATEMENTS****19 - Other Financial liabilities***Amount in Rupees*

Interest accrued but not due on fixed deposits	7260980	5959513
Security Deposit	2532633	1505000
<b>Total</b>	<b>9793613</b>	<b>7464513</b>

**20 - Provisions**

Provision for Employee Benefits :-		
- Gratuity / Leave Encashment	39993224	55128569
- Provisions for Liquidated Damages	57523370	40954284
<b>Total</b>	<b>97516594</b>	<b>96082853</b>

**21 - Deferred Tax Assets / Liabilities****Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	80442294	106637453
Others	-	299392
<b>Sub Total</b>	<b>80442294</b>	<b>106936845</b>
<b>Deferred tax Assets</b>		
Current year business losses	111239176	56803732
Property, Plant & Equipment	-	1158930
On account of timing differences in recognition of expenditure between books of accounts and Taxation	14933658	22190616
<b>Sub Total</b>	<b>126172835</b>	<b>80153278</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>45730541</b>	<b>(26783567)</b>

**22 - Borrowings**

Secured Demand Loans from Banks (Refer note below)	1473328537	1518039308
<b>Total</b>	<b>1473328537</b>	<b>1518039308</b>

Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a second charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmipuram.

**23 - Trade Payables**

Trade payables		
- Dues to Micro and Small Enterprises	-	-
- Others	148114299	667191802
<b>Total</b>	<b>148114299</b>	<b>667191802</b>

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

## CONSOLIDATED FINANCIAL STATEMENTS

**24 - Other Financial Liabilities***Amount in Rupees*

Current Maturities of long term debt	303722924	391162000
Unclaimed Dividends	10423178	12864394
Interest accrued but not due on borrowings	14281165	16330428
Unpaid matured deposits and interest accrued thereon	15285898	10163745
Outstanding Liabilities for Expenses	168624676	269140916
Earnest Money and Other Deposits	7772328	4338310
Payable to Employees	4208491	3480496
<b>Total</b>	<b>524318659</b>	<b>707480289</b>

**25 - Other Current Liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Liabilities	9175922	24126293
Advance from customers	80546082	42336872
<b>Total</b>	<b>89722004</b>	<b>66463165</b>

**26 - Short term provision**

Provision for Employee benefits	11156573	15000102
Provision for Defeat Liability period	10137573	10137573
<b>Total</b>	<b>21294146</b>	<b>25137675</b>

**27 - Current Tax Liabilities**

Provision for Income Tax	8331538	9130273
Less: Advance Tax and TDS Credits	-	-
Previous Year Income Tax Provision	-	-
<b>Total</b>	<b>8331538</b>	<b>9130273</b>



**CONSOLIDATED FINANCIAL STATEMENTS****28 - Revenue from Operations***Amount in Rupees*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products	3140991544	3921810847
Export of Sale of Sugar - Trading	129701536	-
Sale of Sugar - Trading	10449000	-
Sale of Services	3119098	3249377
Other operating revenue	1243180	1170814
<b>Total</b>	<b>3285504358</b>	3926231038

**29 - Other Income**

Interest income from financial asset measured at amortised cost	531872	3993811
Change in fair value of financial asset	315814900	-
Profit on sale of Investments	-	880241
Interest Received	11771224	11349716
Dividend Income	40282526	42809774
Packing & Forwarding Charges	1227494	1240029
Rent Received	3208038	3469189
Difference in Foreign Exchanges	2915588	972031
Miscellaneous Receipts	9766639	15289234
Profit on sale of fixed assets (Net)	6797646	13092
Notional Increase value of Mutual Fund-In Growth Scheme	299739	-
Duty Drawback Incentive	1111318	5097539
Unclaimed Balance credited back	9063281	2031842
Credit Balances written back	19726	793975
Claims Received	54980802	41734730
MEIS Licence Incentive	1713090	7265715
Provision no longer required withdrawn	6858807	1581855
Profit or loss from partnership firm	10322488	-
<b>Total</b>	<b>476685178</b>	138522773

**30 - Cost of materials Consumed**

Raw Materials and Components	1565819693	2634883430
Consumption of stores and spare parts	48179026	76227020
<b>Total</b>	<b>1613998719</b>	2711110450
Consumption of Sugar Cane included in the above	<b>1366572311</b>	2453710340

## CONSOLIDATED FINANCIAL STATEMENTS

## 31 - Changes in Inventories of Finished Goods , Work-in-Progress and stock in trade

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Balance</b>		
Work in Progress	35746223	35746223
Finished goods	3339397893	3622937693
Crops under cultivation	1018226	1445300
<b>Less Closing Balance</b>		
Work in Progress	58146047	35746223
Finished goods	2446294035	3339397894
Crops under cultivation	315105	1018226
<b>Total</b>	<b>871407155</b>	335979400

## 32 - Employee benefits expense

Salaries, wages and bonus	292160793	295841407
Contribution to provident and other funds	41290938	32925497
Remuneration to whole time directors	10281200	10473974
Staff welfare expenses	38976733	24795376
<b>Total</b>	<b>382709663</b>	364036254

## 33 - Finance Cost

Interest cost on financial liabilities measured at amortized cost	243631244	218588154
<b>Total</b>	<b>243631244</b>	218588154

## 34 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	62528052	76500807
- Intangible Assets	1098225	3858323
<b>Total</b>	<b>63626277</b>	80359130

**CONSOLIDATED FINANCIAL STATEMENTS**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

**35 - Other expenses***Amount in Rupees*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Labour Charges	28342394	26849596
Power and Fuel	25607869	27562176
Rental charges	318000	309788
<u>Repairs and maintenance</u>		
- Buildings	5177400	6279740
- Machinery	61171484	84281451
- Workshop	2064261	3359466
- Office	588613	853624
- Tractor	-	64089
- Others	6558601	8181222
Insurance	7437973	4299658
Payment made to auditors (Refer note below)	875597	812297
Legal and Professional Charges	9958768	8505328
Selling expenses	43913206	40951791
Director's Sitting Fees	1160000	1250000
Donations	3559598	-
Corporate Social Responsibility Expenditure (CSR)	3433918	1822213
Security Charges	15425560	16719183
Miscellaneous expenses	50859234	81876409
Rates and taxes	1393569	1242685
Travel and conveyance	1445625	1521797
Research , inspection and testing charges	140701	78315
Short Provision made during earlier years	187375	-
Performance and delivery guarantee claims	23678615	12556694
Loss on Investment in Quality Engineering	-	14158
Telephone Charges	735211	857803
Irrecoverable loans and advances written off	-	18151
Cultivation Charges	-	95665
Pesticides / Fertilizers	52975	-
Change in fair value of financial asset	-	119459890
Import of Service (Sales commision & other services)	-	4603279
<b>Total</b>	<b>294086547</b>	<b>454426468</b>

Payment made to statutory auditors :		
i. As Audit Fees	514750	528250
ii. For other services	348900	280000
iii. For reimbursement of expenses	11947	4047
<b>Total</b>	<b>875597</b>	<b>812297</b>

**CONSOLIDATED FINANCIAL STATEMENTS**

**36 - Contingent Liabilities in respect of the group:**

Bank Guarantees - Rs.207499159/- (PY Rs. 154916299/-)

**36.1. Demands raised by the respective authorities are as under:**

*Amount in Rupees*

Particulars	As at March 31,2021	As at March 31,2020
Share transmission	1105851	1105851
Labour cases	7597954	7241115
E.S.I Case	174489	174489
Nonenrolment of contract labour for contribution to Provided Fund	7263050	7263050
Case on Duty relating to Captive Power Generation and sale to grid	57887181	57887181
Value Added Tax case	3793779	3793799
<b>Total</b>	<b>77822324</b>	<b>77465465</b>

**37 - Information in respect of Micro, Small and Medium Enterprises as at March 31, 2021:**

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil Nil	Nil Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the Act have not been given.

**CONSOLIDATED FINANCIAL STATEMENTS****Disclosure requirements of Indian Accounting Standards****38 - Disclosures in respect of Ind AS 107 - Financial Instruments****38.1. Financial Instruments by Categories**

The carrying value and fair value of financial instruments by categories were as follows:

*Amount in Rupees*

**(March 31, 2021)**

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>			
Loans (Non Current Financial Assets)	4336410		
NonCurrent Investments		1045651441	44363980
Current Trade Receivables	462995022		
Cash & Cash Equivalents	43091620		
Other Bank Balances	92345452		
Current Investments		692726681	
Other Current Financial Assets	192508714		
<b>Liabilities:</b>			
Borrowings (Non - Current)	926454850		
Other Long term financial liabilities	9793613		
Other Financial Liabilities	524318659		
Short Term Borrowings	1473328537		
Trade Payables	148114299		

**(March 31, 2020)**

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
<b>Assets:</b>			
Loans (Non Current Financial Assets)	4637695		
Non-Current Investments		719514053	29865626
Current Trade Receivables	371196046		
Cash & Cash Equivalents	89286421		
Other Bank Balances	103601411		
Current Investments		664307808	
Other Current Financial Assets	204302576		
<b>Liabilities:</b>			
Borrowings (Non - Current)	743197000		
Other Non Term financial liabilities	7464513		
Other Financial Liabilities	707480289		
Short Term Borrowings	1518039308		
Trade Payables	667191802		

**38.2. Fair Value Hierarchy**

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**38.3. Valuation Technique used to determine Fair Value:**

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

**38.4.** The following tables present fair value hierarchy of assets and liabilities measured at fair value:

*Amount in Rupees*

Particulars	31.03.2021				31.03.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Equity Instruments	1031037900			<b>1031037900</b>	700724646			700724646
Investments in Quoted Mutual Funds	692726681			<b>692726681</b>	664307808			664307808

**39 - Financial risk management**

The group's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Market risk**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

**Securities Prices Risk:**

The group's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet as Fair Value through P&L. the group has investment in a form of Mutual funds and Equity shares. The group monitors the movement in the value of the Investments by observing the NAV.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. It principally arises from the group's Trade Receivables, Advances and deposit(s) made

*Trade receivables*

The group has outstanding trade receivables amounting to Rs.472626239/- and Rs. 380827263/- as of March 31, 2021 and March 31, 2020, respectively. Trade receivables are typically unsecured and derived from revenue earned from customers. Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

**CONSOLIDATED FINANCIAL STATEMENTS****Credit risk exposure:**

An analysis of age of trade receivables at each reporting date is summarized as follows:

*Amount in Rupees*

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
0 to 180 days	338668438		242528674	-
More than 180 days	133957801	9631217	138298589	9631217

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the group for individual trade receivables. The group considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

**Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The group's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loans, deposits from public and short-term borrowings from Bank.

The group manages liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, repayment of loans and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include non-convertible debentures, optionally convertible debentures, Unsecured Loans from Promoters, Term Loans from Banks, Retentions & deposits.

The table have been drawn up based on the un discounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

**The table include both principal cash flows.**

*Amount in Rupees*

Particulars	31.03.2021		31.03.2020	
	Payable with in 1 year	More than 1 year	Payable with in 1 year	More than 1 year
Loan from Bank	118866924	436258850	160000000	310000000
Deposits from Public	197742000	490196000	238586000	433197000

**Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

## CONSOLIDATED FINANCIAL STATEMENTS

The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the group as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the group.

The following table sets forth information relating to foreign currency exposure as of March 31, 2021:

Particulars	Assets	
	As at March 31, 2021	As at March 31, 2020
USD	104544.19	122790.18
SGD	44021.98	128594.42

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the group's profit before tax as detailed in table below:

USD sensitivity at year end	As at March 31, 2021	As at March 31, 2020
<b>Receivables:</b>		
If INR rate over Other currency increases by 5%	(493768)	(399203)
If INR rate over Other currency decrease by 5%	493768	791692

#### Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest-bearing liabilities being short term borrowings.

The following table represents the contractual obligation and receivables to/from financial liabilities and financial assets respectively.

Particulars	Amount in Rupees	
	31.03.2021	31.03.2020
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	79522376	89222525
Financial Liabilities		
Variable Rate Instruments		
- Term Loan from Bank	555125774	470000000
- Demand Loan from bank	1473328538	1518039308

The Group's variable interest rate exposure is mainly related to debt obligations arising from short debt borrowings. The interest expenses and impact on it on account of Increase/decrease of 100 basis points in interest rates at the balance sheet is provided in table below:

Particulars	Amount in Rupees	
	As at March 31, 2021	As at March 31, 2020
Interest Expenses arising on account of variable rate of interest on Bank borrowings	163501722	144156855
<b>Impact on :</b>		
Increase in 100 basis point	20284543	19880398
Decrease in 100 basis points	(20284543)	(19880398)



**CONSOLIDATED FINANCIAL STATEMENTS**

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

The period end balances are not necessarily representative of the average debt outstanding during the period.

**Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets or by adequate funding by the shareholders to absorb the losses of the Group.

The Group's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Group's capital management is to maximize shareholders value. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The capital gearing ratio is provided in table below:

*Amount in Rupees*

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current liabilities	1033765057	846744366
Total Equity	3087207200	2918990097
Net debt to equity ratio	0.33	0.29

\*Debt represents long term liabilities. Equity represents Share capital, other Equity and Deferred Tax.

**40 - Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"**

**40.1.** General description of various defined employee's benefits schemes are as under:

**a) Provident Fund:**

The group's Provident Fund is managed by Regional Provident Fund Commissioner. The group pays fixed contribution to provident fund at pre-determined rate.

**b) Gratuity:**

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the group and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

## CONSOLIDATED FINANCIAL STATEMENTS

40.2. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

**Movement in defined benefit obligation:***Amount in Rupees*

Particulars	31.03.2021	31.03.2020
Defined benefit obligation - Beginning of the year	167498666	159336010
Current service cost	5551808	7889526
Interest Cost	8894147	11852897
Past Service Cost	-	-
Benefits Paid	(52363457)	(11926903)
Re-measurements - actuarial loss/(gain)	6290305	(347136)
Defined benefit obligation – End of the year	135871469	167498666

**Movement in plan asset:**

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at beginning of year	14285841	134965236
Employer contributions	25598228	9169074
Benefits paid	(52363457)	(11926903)
Re-measurements – Return on plan assets	10203216	10652433
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	126297828	142859841

**Amount Recognized in Statement of Profit and Loss**

Particulars	31.03.2021	31.03.2020
Current service cost	5551808	7889526
Curtailement cost/(credit)	-	-
Expected return on Plan Assets	(1018183)	(10652433)
Net Interest on Net Defined Benefit Liability/(assets) (B)	8894147	11852897
Past service cost	-	-
Cost Recognized in P&L	13427772	9089990

**Amount recognized in Other Comprehensive Income (OCI)**

Particulars	31.03.2021	31.03.2020
Actuarial (gain)/loss due to assumption changes	(6419853)	(1819287)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	(6419853)	(1819287)

**CONSOLIDATED FINANCIAL STATEMENTS****Actuarial Assumption***Amount in Rupees*

Particulars	31.03.2021	31.03.2020
Discount rate	7.87%	7.37%
Rate of salary increase	6.50%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.80	8.80

**41 - Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

(A) Names of related parties and description of relationship:

**1.Key Managerial Personnel**

- a) Mr.Vinod R. Sethi, Executive Chairman.
- b) Ms.Irmgard Velagapudi, Managing Director.
- c) Ms.Kiran Velagapudi, Executive Director.
- d) Mr.R.Ganesan, Chief Financial Officer.
- e) Mr.S.Chidambaram, Company Secretary. (Till 16/11/20)
- f) Ms.Jeba Elavarasi, Company Secretary. (From 10/02/21)

(B) Transactions During the year

Particulars	Key Managerial Personnel	
	2020 - 21	2019 - 20
Rent Received	1500000	1500000
Remuneration paid to Key Management Personnel	13544390	13473807
Interest on fixed deposit paid to Key Management Personnel	2754915	2883355

(C) Closing balances as on 31/03/2021

Particulars	Key Managerial Personnel	
	2020 - 21	2019 - 20
Share Capital held by key Management Personnel.	2279210	2279210
Fixed deposit held by key Management Personnel.	30000000	32740000

**42 - Lakshmpuram Unit :**

The Sugarcane crushing operations at Lakshipuram unit has been suspended since sugar season 2019-20 on account of inadequate supply of sugarcane.

The company has taken exhaustive measures to improve the sugarcane availability by providing both financial and physical support over the period continuously, but the efforts were not successful.

An extensive study showed that there are no scope for improving the availability of sugarcane to revive the crushing operations.

Since, the company has another sugar plant at Vuyyuru in contiguous zones, it was decided to divert the sugarcane cultivated in Lakshmipuram area to Vuyyuru to achieve enhanced capacity utilisation and improve financial efficiency.

Therefore, the company has settled the dues of employees of Lakshmipuram unit and planning to sell the movable fixed assets.

#### **43 - Minimum Remuneration paid to Managerial Personal:**

In terms of Section 197 read with Schedule V of the Companies Act, 2013, the Financial Year 2020 - 2021 being the fourth year of inadequate profits during the tenure ( 2017 – 22) of Ms.Kiran Velagapudi, Executive Director the minimum remuneration of Rs.27,69,647/ paid to her for the Financial Year 2020-2021 during the period 29.07.2020 to 31.03.2021 is ratified by the Board of Directors in its Meeting held on 28.06.2021 based on the recommendation of Nomination and Remuneration Committee. In pursuance of Section 197(10), a special resolution will be placed before the shareholders for their approval in the ensuing Annual General Meeting.

#### **44 - Impact of COVID-19 on our Business Operations:**

As per the directions of Government of India, the Government of Tamil Nadu / Andhra Pradesh had imposed Partial / Complete LOCKDOWN due to COVID-19, on account of which the business during the year was partially affected.

#### **45 - Purchase of Engineering Industrial unit :**

The company has purchased 5.00 acres of land with Engineering industrial shed, stores and administrative building in Plot No.A1, A – F situated in SIDCO industrial Estate, Thuvakudi, Trichy, through E auction held by Official Liquidator, appointed by NCLT at a cost of Rs.10,32,67,500/-

The said property has been registered with sub registrar Thiruverumbur, Trichy vide document No.1136 of 2020-21 by paying registration and stamp duty of Rs.1,36,57,600/- in the name of the Company.

The company proposed to setup an Engineering Division at the above location for manufacturing Engineering goods such as equipment manufacturing, general fabrication of mild steel and stainless steel structures, machining activities etc. In this direction, the company has also purchased some equipment from the official liquidator and sourcing of further equipments for the unit.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.,)

## 46 - SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2021 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

*Amount in Rupees*

PARTICULARS	PRIMARY SEGMENT					TOTAL
	SUGAR	CHEMICALS	POWER & FUEL	ENGINEERING	OTHERS	
<b>1 Segment Revenue</b>						
External Revenue	2391122973	367122858	28297834	290513567	208447126	3285504359
Inter Segment Revenue	369593624	6102112	206055857	-	-	581751593
<b>Total Revenues</b>	<b>2760716597</b>	<b>373224970</b>	<b>234353691</b>	<b>290513567</b>	<b>208447126</b>	<b>3867255952</b>
<b>2 Segment Results</b>						
Profit before depreciation, finance cost and taxation	(57984138)	50952719	42901155	65527813	39879203	141276752
Less : Finance Cost	177424689	110	-	4899738	7	182324544
Less : Unallocable Finance Cost						61306700
Less: Depreciation and Amortizations	27116851	10997869	17221587	4751071	1075533	61162911
Less: Depreciation and Amortizations						2463365
Less: Impairment on Capital Assets						
Unallocable Expenditure						337118170
Less : Tax						(61880565)
<b>Total Profit</b>						<b>233017967</b>
<b>3 Capital Employed</b>						
Segment Assets	3204116091	238461059	180913739	635212741	78953092	4337656722
Unallocable Assets						2199033202
Segment Liabilities	2308217172	24976644	5723339	233344252	3700313	2575961720
Unallocable Liabilities						827790463
Capital Employed	<b>5911841</b>	<b>3460663</b>	<b>250000</b>	<b>1109060</b>	<b>142098259</b>	<b>3132937741</b>
<b>4 Capital Expenditure</b>						<b>152829823</b>

- The operations of the company predominantly relate to manufacture of Sugar, Electrical Energy, Engineering, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate
- The Business segments that are disclosed under "Others" comprise Bio Fertilizers .
- Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

**CONSOLIDATED FINANCIAL STATEMENTS**

**ii) Geographical Segment:**

*Amount in Rupees*

Particulars	Current Reporting Period 2020-2021	Previous Reporting Period 2019-2020
Sales within India	3093305780	3799548854
Sales outside India	192198578	126682184
<b>Total</b>	<b>3285504358</b>	3926231038

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

	Carrying amounts of segment assets	Additions to fixed assets & Intangible assets
	Current reporting period	Current reporting period
Located in India	6431811981	152829823
Located outside India	-	-
<b>Total</b>	<b>6431811981</b>	<b>152829823</b>

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

Place: Chennai

Date : 28/06/2021

**R.GANESAN**  
Chief Financial Officer

**S.JEBA ELAVARASI**

Company Secretary

M.No.: 30963

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

## **Instructions for e-voting and attending the AGM through Video Conferencing**

This is in pursuance of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and with reference to and in compliance of MCA Circular Nos.14/2020 dated 08/04/2020, 17/2020 dated 13/04/2020, 20/2020 dated 05/05/2020 and 02/2021 dated 13/01/2021 and other relevant Circulars issued from time to time with respect to e-Voting and convening of Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

### **e-VOTING:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-Voting facility for the Shareholders to cast their votes by e-Voting before or at the Annual General Meeting, in the manner provided herein, on all resolutions set forth in the Notice of the 26<sup>th</sup> Annual General Meeting to be held on Monday, the 27<sup>th</sup> Day of September, 2021 at 10 AM through Video Conferencing.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-Voting Facility.

**Shareholders may please note that, due to pandemic caused by Covid-19, the 26<sup>th</sup> Annual General Meeting of the Company will be held through Video Conferencing, thereby Shareholders shall be entitled to cast their vote only by e-Voting.**

The e-Voting facility will be open for the Shareholders to cast their vote during 2 Sessions (**e-Voting Period**) in the manner given below:

<b>e-Voting Facility</b>	<b>Commencement of e-Voting</b>	<b>End of e-Voting</b>
Remote e-Voting	24/09/2021 at 9 AM	26/09/2021 at 5 PM
e-Voting at the Annual General Meeting (AGM)	27/09/2021 after conclusion of AGM	27/09/2021 at the expiry of half an hour after conclusion of AGM

**The Cut-off Date for e-Voting is 20/09/2021.** Shareholders / Members holding Shares as on this Cut-off Date can cast their vote by e-Voting.

Please read the instructions given herein for casting your vote by e-Voting and attending the Annual General Meeting through Video Conferencing.

### **I. Remote e-Voting:**





The way to vote electronically on NSDL e-Voting System consists of "Two Steps" which are mentioned below:

#### **Step 1: Access to NSDL e-Voting System (Login Method)**

##### **A. Individual Shareholders holding Shares in Demat Mode:**

In terms of SEBI Circular dated 09/12/2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding Shares in Demat Mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat Accounts in order to access e-Voting Facility.



Type of Shareholders	Login Method
<p><b>Individual Shareholders holding Shares in Demat Mode with NSDL</b></p>	<p><b><u>Method 1: Through IDeAS e-Services Website</u></b></p> <p>Existing IDeAS User can visit the e-Services Website of NSDL viz., <a href="http://eservices.nsd.com">http://eservices.nsd.com</a>, either on a Personal Computer or on a Mobile. On the e-Services Home Page click on the '<b>Beneficial Owner</b>' icon under '<b>Login</b>' which is available under '<b>IDeAS Section</b>', this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting Services under Value Added Services. Click on '<b>Access to e-Voting</b>' under e-Voting services and you will be able to see e-Voting page. Click on Company name or <b>e-Voting Service Provider i.e., NSDL</b> and you will be re-directed to e-Voting Website of NSDL for casting your vote during the e-Voting Period.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select '<b>Register Online for IDeAS Portal</b>' or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p><b><u>Method 2: Through e-Voting Website of NSDL</u></b></p> <p>Visit the e-Voting Website of NSDL. Open web browser by typing the following URL: <a href="http://www.evoting.nsd.com">http://www.evoting.nsd.com</a> either on a Personal Computer or on a Mobile. Once the Home Page of e-Voting system is launched, click on the icon '<b>Login</b>' which is available under '<b>Shareholder / Member Section</b>'. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat Account Number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name and cast your vote during e-Voting Period.</p> <p><b><u>Method 3: Through NSDL Mobile App</u></b></p> <p>Shareholders can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>       <b>Google Play</b></div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>



Type of Shareholders	Login Method
	<p><b><u>Method 4: Through Depository Participant:</u></b></p> <p>You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository Site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting Service Provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the e-Voting Period.</p>
<p><b>Individual Shareholders holding Shares in Demat Mode with CDSL</b></p>	<p><b><u>Method 1: Through Myeasi:</u></b></p> <p>Existing users who have opted for Easi / Easiest, they can login through their User Id and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for Users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi / Easiest the User will be able to see the e-Voting Menu. The Menu will have links of <b>e-Voting Service Provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the User is not registered with Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p><b><u>Method 2: Through CDSL Website:</u></b></p> <p>The User can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> Home Page. The system will authenticate the user by sending OTP on registered Mobile and email as recorded in the Demat Account. After successful authentication, user will be provided link for the e-Voting Service Provider i.e., <b>NSDL</b> where the e-Voting is in progress.</p> <p><b><u>Method 3: Through Depository Participant:</u></b></p> <p>You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository Site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting Service Provider i.e., NSDL and you will be redirected to e-Voting Website of NSDL for casting your vote during the e-Voting Period.</p>

Important Note:

Shareholders who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned Website.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting Website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the '**Forgot User Details / Password?**' or '**Physical User Reset Password?**' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Helpdesk for Individual Shareholders holding Shares in Demat Mode for any technical issues related to Login through Depository i.e., NSDL and CDSL:

Login Type	Helpdesk Details
Individual Shareholders holding Shares in Demat Mode with NSDL	Shareholders facing any technical issue in login can contact NSDL Helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No. 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding Shares in Demat Mode with CDSL	Shareholders facing any technical issue in login can contact CDSL Helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 23058738 or 022 - 23058542-43

**B. Shareholders other than Individual Shareholders holding Shares in Demat Mode and Shareholders holding Shares in Physical Mode:**

1. Visit the e-Voting Website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a Mobile.
2. Once the home page of e-Voting System is launched, click on the icon '**Login**' which is available under '**Shareholder / Member Section**'.
3. A new screen will open. You will have to enter your User ID and Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e., IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., 'Cast your vote electronically'.

4. Your User ID details are given below :

S. No.	Manner of holding Shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID
(i)	For Shareholders who hold shares in Demat Account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(ii)	For Shareholders who hold shares in Demat Account with CDSL.	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
(iii)	For Shareholders holding shares in Physical Form.	EVEN Number (117162) followed by Folio Number registered with the Company  For example, if Folio Number is 001*** then user ID is 117162001***

5. Password details for Shareholders other than Individual Shareholders are given below:

- (i) If you are already registered for e-Voting, then you can use your existing Password to login and cast your vote;
- (ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the System will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your email Id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a '.pdf file'. Open the '.pdf file'. The password to open the '.pdf file' is your 8 digit Client ID for NSDL Account, last 8 digits of Client ID for CDSL Account or Folio Number for Shares held in physical form. The '.pdf file' contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow the steps mentioned below under '**Process for those Shareholders whose email Ids are not registered**'.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- (i) If you are holding Shares in your Demat Account with NSDL or CDSL, click on '**Forgot User Details / Password?**' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- (ii) If you are holding shares in physical mode, '**Physical User Reset Password?**' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat Account Number / Folio Number, PAN, Name and Registered Address etc.,
  - (iv) Shareholders can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your Password, tick on Agree to '**Terms and Conditions**' by selecting on the check box, after reading the Terms and Conditions.
  8. Now, you will have to click on '**Login**' button.
  9. After you click on the 'Login' button, Home Page of e-Voting will open.

**Process for those Shareholders whose email Ids are not registered with the Depositories for procuring User Id and Password and registration of email Ids for e-Voting:**

1. In case Shares are held in Physical Mode, please provide Folio No., Name of the Shareholder, scanned copy of the Share Certificate (front and back), PAN (self attested scanned copy of PAN Card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com) or to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in), the Share Transfer Agent of the Company.
2. In case shares are held in Demat Mode, please provide DPID-CLID (16 digit DPID + CLID or 16 Digit Beneficiary ID), Name, Client Master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN Card), AADHAAR (self attested scanned copy of Aadhaar Card) to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com) or to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in), the Share Transfer Agent of the Company.
3. Alternatively, Shareholder may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User Id and Password for e-Voting by providing above mentioned documents.

Upon procuring User ID and Password, Shareholders may Login through any of the methods mentioned above, as applicable to the respective Shareholder.

**Step 2: Cast your Vote electronically (e-Voting)**

To cast your vote electronically on NSDL e-Voting system, follow the steps given below:

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding Shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' (117162) of K.C.P.Sugar and Industries Corporation Limited for casting of vote during the e-Voting Period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on '**Submit**' and also '**Confirm**' when prompted.

5. Upon confirmation, the message '**Vote cast successfully**' will be displayed.
6. You can also take the printout of the Votes Cast by you by clicking on the print option on the Confirmation Page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **II. e-VOTING AT THE ANNUAL GENERAL MEETING:**

1. Only those Shareholders who have joined the Annual General Meeting through Video Conferencing and have not casted their vote by Remote e-Voting can cast their vote by e-Voting at the Annual General Meeting after the conclusion of Annual General Meeting till the expiry of half an hour after the conclusion of Annual General Meeting.
2. Shareholders who have cast their vote by Remote e-Voting may attend the Annual General Meeting through Video Conferencing but cannot vote at the said Annual General Meeting.
3. Please follow the same procedure as provided for Remote e-Voting with regard to Login Method (User ID and Password) and Casting of Vote electronically for voting at the Annual General Meeting to be held on 27/09/2021 at the scheduled time, as mentioned above and Help Desk, in case of any grievances.

## **III. ATTENDING THE 26<sup>th</sup> ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING:**

1. Shareholders will be provided with a facility to attend the 26<sup>th</sup> Annual General Meeting of the Company through Video Conferencing through the NSDL e-Voting System.
2. Shareholders have to Login by following the procedure, as applicable to them, as provided in '**Step – 1 - Access to NSDL e-Voting System**'. After successful login, you can see link of '**VC / OAVM Link**' placed under '**Join General Meeting Menu**' against name of the Company, viz., K.C.P.Sugar and Industries Corporation Limited. You are requested to click on 'VC / OAVM Link' placed under 'Join General Meeting Menu'. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN (117162) of the Company will be displayed.

Please note that the Shareholders who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the procedure as provided in the Remote e-Voting Section above to avoid last minute rush.

3. Shareholders are encouraged to join the Annual General Meeting through Laptop for better experience.
4. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Annual General Meeting.
5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders may post their questions by email addressed to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com) not less than 2 days before the date of Annual General Meeting by providing relevant Membership details for the purpose of identification including Name, Folio Number / Client ID / DP ID and the same will be addressed by the Company in the Annual General Meeting, suitably.

**General Instructions for Shareholders:**

- ▶ Notice of 26<sup>th</sup> Annual General Meeting of the Company containing resolutions put forth for voting of Shareholders is available at the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com) and Websites of Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) and Website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ▶ Shareholders who have cast their vote by Remote e-Voting may attend the Annual General Meeting through Video Conferencing but cannot vote at the said Annual General Meeting.
- ▶ Proxies are not allowed to join and participate and vote in the Annual General Meeting held through Video Conferencing as per the Guidelines of Ministry of Corporate Affairs.
- ▶ Institutional Shareholders are required to send scanned copy of the relevant Board Resolution / Authority Letter with attested specimen signature of Authorised Signatory(ies), authorising persons to vote on behalf of the respective Institutional Shareholder, to the Scrutiniser by email to [jayashree2505@gmail.com](mailto:jayashree2505@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ▶ The e-Voting facility will be open only during the e-Voting Period, as mentioned hereinabove. During this e-Voting Period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off Date can cast their vote by e-Voting. The e-Voting facility will be disabled by NSDL for voting thereafter.
- ▶ Voting rights of Shareholders shall be in proportion to their shareholding in the Company as on the Cut-off Date, 20/09/2021.
- ▶ Once the vote on a resolution is cast by a Shareholder, he / she shall not be allowed to change it subsequently.
- ▶ Any person who acquires shares of the Company and becomes a Shareholder / Member of the Company after dispatch of Notice of Annual General Meeting and holding shares as on the Cut-off Date, 20/09/2021, may obtain the User Id and Password for e-Voting and attending 26<sup>th</sup> Annual General Meeting through Video Conferencing, by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if such person is already registered with NSDL for Remote e-Voting, then existing User Id and Password can be used.
- ▶ Ms. Jayashree S Iyer, Practising Company Secretary, Chennai, have been appointed as Scrutinizer for Remote e-Voting and e-Voting at the 26<sup>th</sup> Annual General Meeting of the Company.
- ▶ The Scrutiniser upon conclusion of the Annual General Meeting will count the votes cast by Remote e-Voting and e-Voting at the Annual General Meeting in the presence of two witnesses who are not in the employment of the Company.
- ▶ The Scrutinizer will make a Consolidated Report (integrating the votes cast through Remote e-Voting and e-Voting at the Annual General Meeting) of the total votes cast in favour of and against the respective resolutions and submit the same to the Chairman of the Annual General Meeting, not later than 48 hours from the conclusion of the Annual General Meeting.
- ▶ The Chairman or a person authorised by him in writing shall declare the result of the e-Voting based on the Scrutinizer's Report.
- ▶ The results declared along with the Scrutinizer's Report will be placed on the Company's Website at [www.kcpsugar.com](http://www.kcpsugar.com) and on the Website of NSDL immediately upon declaration of result and the same will also be communicated to NSE and BSE.

- ▶ If number of votes cast in favour of the resolutions is as required by the Companies Act, 2013, the resolution shall be deemed to have been passed on the date of Annual General Meeting.
- ▶ In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and 'e-Voting User Manual for Shareholders' available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No. 1800 1020 990 and 1800 22 44 30 or send a request to Ms.Sarita Mote at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

These details and instructions form an integral part of the Notice of the Annual General Meeting of the Company to be held on 27/09/2021.

**// BY ORDER OF THE BOARD//**

Place : Chennai

Date : 28/06/2021

**VINOD R.SETHI**  
**EXECUTIVE CHAIRMAN**  
**DIN: 00106598**



## 1. UPDATION OF PARTICULARS OF MEMBERS:

The Company is required to maintain the Register of Members in Form MGT – 1 in terms of Section 88 (1) (a) of the Companies Act, 2013 read with Rule 3 (1) of the Companies (Management and Administration) Rules, 2014.

In this regard, the Members are hereby requested to provide / update the following information, if not done earlier by sending the details to the Depository Registrar of the Company, **Integrated Registry Management Services Private Limited**, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017:

1. Name of the Member
2. Name of Joint Holder(s), if any
3. Address ( Registered Address, in case of Body Corporate)
4. e-mail Id
5. CIN / Registration No.
6. Unique Identification No.
7. Father's / Mother's / Spouse's Name
8. Status
9. Occupation
10. PAN
11. Nationality
12. Date of birth of Minor and Name of Guardian (in case of Minor)

## 2. UNCLAIMED DIVIDEND:

Pursuant to Section 124 (5) of the Companies Act, 2013, the dividend unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account shall be transferred along with interest accrued thereon, if any, to the Investor Education and Protection Fund (IEPF). Upon such transfer, the concerned Member may get refund from IEPF by making an application to IEPF.

Members may please note that unpaid or unclaimed dividend which was declared for the Financial Year ended 31/03/2014 is liable to be transferred to IEPF on or before 14/11/2021 and given below are the information for the respective and subsequent years:

Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid dividend from the Company	Due date of transfer to IEPF by the Company
31/03/2014	11/09/2014	16/10/2021	17/10/2021
31/03/2015	20/08/2015	24/09/2022	25/09/2022
31/03/2016	21/09/2016	26/10/2023	27/10/2023
31/03/2017	15/09/2017	20/10/2024	21/10/2024
31/03/2018	14/09/2018	19/10/2025	20/10/2025
31/03/2019	12/09/2019	17/10/2026	18/10/2026
31/03/2020	25/09/2020	30/10/2027	31/10/2027

Members are hereby advised to claim the dividend, if not claimed earlier with the Company / Depository Registrar of the Company, **Integrated Registry Management Services Private Limited**, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017 on or before the 'Last Date for claiming Unpaid Dividend from the Company', as mentioned above. Reminders have already been sent to the respective Members, in this regard. Details of Unclaimed Dividend are available in the Website of the Company @ [www.kcpsugar.com](http://www.kcpsugar.com).



**ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM**

From (Please fill Name and Address of First Shareholder)

Date:

.....  
.....  
.....  
.....  
.....

**FOLIO No.:**

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Dear Sir,

**Sub:** Payment of Dividend through Electronic Clearing Service (ECS)

I hereby give my mandate to credit my dividend in respect of Equity Shares held by me in K.C.P.Sugar and Industries Corporation Limited, directly to my Bank Account through the Electronic Clearing Service (ECS). As desired, I give below the particulars of my Bank account:

<b>1.</b>	<b>NAME OF THE BANK</b>											
<b>2.</b>	<b>BRANCH NAME AND ADDRESS</b>											
<b>3.</b>	<b>ACCOUNT No.</b> (as appearing on Cheque Book)											
<b>4.</b>	<b>ACCOUNT TYPE</b> (please tick)	<input type="radio"/> Savings <input type="radio"/> Current Account <input type="radio"/> Cash Credit										
<b>5.</b>	<b>LEDGER FOLIO No. OF THE BANK ACCOUNT</b> (if appearing in the Cheque Book)											
<b>6.</b>	<b>9 DIGIT CODE NUMBER OF THE BANK &amp; BRANCH APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK</b> <small>(please attach photocopy of a Cheque duly cancelled for ensuring the accuracy of the Bank's Name, Branch Name and Code Number)</small>	<table border="1" style="width: 100%; text-align: center;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>										

I hereby declare that the particulars given above are correct and complete. I understand that, if any transactions are delayed or not effected at all for reasons of incompleteness or incorrect information, provided herein above, the Company will not be held responsible.

I further undertake to inform the Company about any change in the information, furnished above.

DATE: .....

.....  
**(Signature of First Shareholder)**

<b>**** FOR OFFICE USE ONLY ****</b>	
<b>ECS REF No.</b>	

<b>K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED</b> No. 239, Anna Salai, Chennai - 600 006.
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(Details overleaf)

### **PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all listed companies to offer ECS facilities. This facility has several benefits including:

- Instant credit of the dividend amount directly to the designated Bank Account of the shareholders, electronically;
- Prevents in-transit interception of the dividend warrant or its fraudulent encashment;
- Eliminates the scope for loss / delay in receipt of the dividend warrant; and
- No extra cost to the payee.

Instead of the earlier practice of printed dividend warrants being sent to the Shareholders, this mode of payment provides for direct credit of dividend to the Bank Account of the Shareholders by electronic mode. The concerned Bank Branch will credit your Bank Account and indicate the entry as 'ECS' in your Pass Book / Bank Statement.

This mode of payment is optional and you have a right to withdraw the instructions or change them by giving us an advance notice of at least eight weeks before the date of payment. The information furnished by you will be kept confidential and utilised only for the purpose of effecting the payment of dividend, as may be applicable. The Company will not be liable for any credits made to any other account other than the Shareholder's Account on account of incorrect information given by the Shareholder.

We would request you to avail this facility by filling the relevant details in the ECS Mandate Form, provided herein above and returning to us at the earliest along with a photocopy of a Cancelled Cheque pertaining to your Bank Account to which the dividend amount is to be credited.

In case you are holding Shares in Demat Form, kindly advise your Depository Participant directly to take note of your Bank Account particulars / ECS mandate.











