

**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**