



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

CIN: L15421TN1995PLC033198

**Twenty Fifth Annual Report
2019 – 2020**

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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
Chairman Mr.M.S.V.M.Rao	Chairman Dr.Vithal Rajan	Chairman Mr.K.R.Adivarahan	Chairman Ms.Irmgard Velagapudi
Members Mr.Vinod R.Sethi Dr.Vithal Rajan Mr.Pratap K.Moturi Mr.K.R.Adivarahan	Members Mr.Vinod R.Sethi Mr.K.R.Adivarahan	Members Ms.Irmgard Velagapudi Ms.Kiran Velagapudi	Members 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 Locations**

- Vuyyuru, Krishna District, Andhra Pradesh**
Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilizers, CO2 and Calcium Lactate
- Lakshmpuram, Krishna District, Andhra Pradesh**
Sugar and Incidental Cogeneration Power

Subsidiaries

- The Eimco – K.C.P. Limited**
- KCP Sugars Agricultural Research Farms Limited**

Bankers

State Bank of India
 ICICI Bank Ltd.
 Axis Bank Ltd.
 HDFC Bank Ltd
 Kotak Mahindra Bank Ltd

Chief Financial Officer**Mr.R.Ganesan****Company Secretary and Compliance Officer****Mr.S.Chidambaram, B.Sc., ACMA., ACS.,****Statutory Auditor****M/s.Suri & Siva (FRN: 004284S)**

Chartered Accountants,
 C – 8, 3rd Floor, Shanti Apartments,
 New No.18, 1st Cross Street,
 T.T.K.Road, Alwarpet, Chennai - 600 018.

Cost Auditor**M/s.SRR & Associates (FRN: 000992)**

Cost Accountants,
 No.20, Valluvar Street, 2nd Floor,
 Thiru Nagar, Jafferkhanpet, Chennai - 600 083.

Secretarial Auditor**Ms.Jayashree S Iyer (M.No.: 10394)**

Practising Company Secretary,
 New No.10, Old No.41, Kirupasankari Street,
 West Mambalam, Chennai - 600 033.

Internal Auditor**Mr.S.Manisekaran (M.No.: 026400)**

Chartered Accountant,
 'Venkatesam', No.20/22, Ramanujam Street,
 Nungambakkam, Chennai - 600 034.

Registrars to Deposits

Being handled In-House at the Registered Office of the
 Company

Share Transfer Agent and Depository Registrar**Integrated Registry Management Services Private Limited**

2nd 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))									
	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
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	24054.55	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08	18239.51	16519.46
Net Worth	25188.40	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93	19373.36	17653.31
Fixed Assets (Net)	8598.51	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94	12243.89	13102.44
Gross Income	36577.37	33060.10	8771.27	46290.34	39917.43	41645.59	35716.56	43460.93	34760.85	22109.35
Gross Profit / (Loss)	1159.50	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30	4892.15	2924.04
Depreciation	739.49	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40	1082.87	1095.44
Finance Cost	2148.91	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58	*634.16	*500.57
Profit / (Loss) before Tax	(1728.90)	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32	3175.12	1328.03
Profit / (Loss) after Tax	(1115.07)	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13	2642.50	1183.23
Other Comprehensive Income	16.29	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind AS) was adopted for the first time from the F.Y. 2017 - 2018					
Total Comprehensive Income	(1098.78)	1054.51	830.87	5487.03						
Earnings per Share (Rs.)	(0.97)	0.93	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33	1.04
Cash Earnings per Share (Rs.)	(0.32)	1.66	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29	2.01
Book Value per Share (Rs.)	22.21	23.30	22.50	21.08	19.36	19.01	20.78	19.33	17.09	15.57
Dividend on Equity %	10.00	10.00	10.00	90.00	25.00	10.00	85.00	100.00	70.00	45.00
Debt Equity Ratio	0.31	0.18	0.16	0.19	0.21	0.26	0.21	0.09	0.26	0.26

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
Aggregate Cane Crushed (in MTS)	705446	1182414	891450	647190	1183340	1103513	1088782	996740	1153421	1061615
Aggregate Sugar Bagged (in QTLS)	641239	1126728	844273	587981	1107133	1024720	1095938	984988	1101387	1056120
Average Recovery (%)	9.09	9.53	9.47	9.09	9.36	9.29	10.07	9.88	9.55	9.95



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.

July 23, 2020

Dear Member,

On account of pandemic caused by Covid-19 and corresponding guidance notification of Ministry of Corporate Affairs (MCA) and in thought of consequential impact, your Company is holding the ensuing Annual General Meeting through Video Conferencing.

You are cordially invited to attend the 25th Annual General Meeting of the Company to be held through Video Conferencing on Friday, the 25th Day of September, 2020 at 10.00 AM.

The Notice of the Annual General Meeting, containing the business to be transacted thereat along with all Supporting Documents, is enclosed herewith. The instructions for joining and participating in the Annual General Meeting to be held through Video Conferencing are provided therein.

Members can cast their votes by electronic means on all the resolutions set forth in the Notice of the Annual General Meeting. The Instructions for e-Voting is enclosed herewith.

Wish you a healthy way ahead.

Stay Safe. Stay Healthy.

Very truly yours,

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of K.C.P.Sugar and Industries Corporation Limited will be held through Video Conferencing on Friday, the 25th Day of September, 2020 at the Registered Office of the Company at No.239, Anna Salai, Chennai – 600 006 at 10 AM 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 31/03/2020 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 Mr.Vinod R.Sethi (DIN:00106598) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **Reappointment of Ms.Irmgard Velagapudi (DIN:00091370) as the Managing Director of the Company:**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and applicable Rules notified there under and other applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and further in accordance with Articles 147 and 148 of the Articles of Association of the Company, Ms.Irmgard Velagapudi (DIN:00091370), be and is hereby reappointed as the Managing Director of the Company for a period of 5 years commencing from 29/03/2020 to 28/03/2025 on the terms and conditions set forth herein below:

(i)	Salary	Rs.4,00,000/- (Rupees Four Lakhs Only) per month
(ii)	Perquisites	<ul style="list-style-type: none"> · Provision of Car(s) with driver(s) for official purpose (Cost incurred on usage of Car for personal purpose shall be charged to the Appointee Managing Director); · Provision of Landline Phone at the residence and Mobile including long distance calls made for official purpose. (Cost of long distance calls made for personal purpose shall be charged to the Appointee Managing Director).

(iii)	Commission	<p>In addition to Salary and Perquisites as mentioned above, Appointee Managing Director shall be entitled to Commission of such amount derived in the manner given below:</p> <p><i>“Commission = 3% of net profits of the Company for that financial year minus [Salary + Perquisites, as specified above]”</i></p>
(iv)	Minimum Remuneration	<p>In any financial year, when there is no profit or the profit is inadequate in terms of applicable provisions of the Companies Act, 2013, Minimum Remuneration of Salary and Perquisites as given above shall be paid subject to a maximum permissible limits set out in Item (A) of Section II of Part II of Schedule V of the Companies Act, 2013. In such case, Appointee Managing Director shall not be entitled to any commission. Such Minimum Remuneration shall be paid for a period not exceeding 3 (Three) years, as may be applicable during the said tenure of appointment.”</p>

“RESOLVED FURTHER THAT the term of office of Ms.Irmgard Velagapudi as Managing Director of the Company is not subject to retirement by rotation.”

“RESOLVED FURTHER THAT Ms.Irmgard Velagapudi, be and is hereby authorized to exercise such powers of management, as may be delegated to a Managing Director under the Companies Act, 2013 and / or by the Board of Directors of the Company, from time to time subject to the overall superintendence, control and direction of the Board of Directors of the Company.”

5. Reappointment of Mr.Vinod R.Sethi (DIN: 00106598) as Whole-Time Director of the Company:

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 read with Schedule V of the Companies Act, 2013 and applicable Rules notified there under and other applicable provisions of the Companies Act, 2013 and Regulation 17 (6) (e) and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and further in accordance with Articles 147 and 148 of the Articles of Association of the Company, Mr.Vinod R.Sethi (DIN: 00106598), be and is hereby reappointed as Whole-Time Director of the Company, designated as Executive Chairman, for a period of 5 years commencing from 08/04/2020 to 07/04/2025 whose term of office is subject to retirement by rotation, on the terms and conditions set forth herein below:

(i)	Salary	Rs.1,00,000/- (Rupees One Lakh Only) per month
(ii)	Perquisites	<ul style="list-style-type: none"> · Contribution to Provident Fund; · Gratuity as per the Payment of Gratuity Act; · Mediclaim Insurance; · Personal Accident Insurance; · Provision of Car(s) with driver(s) for official purpose (Cost incurred on usage of Car for personal purpose shall be charged to the Appointee Whole Time Director); · Provision of Landline Phone at the residence and Mobile including long distance calls made for official purpose. (Cost of long distance calls made for personal purpose shall be charged to the Appointee Whole Time Director).
(iii)	Commission	<p>In addition to Salary and Perquisites as mentioned above, Appointee Whole Time Director shall be entitled to Commission of such amount derived in the manner given below:</p> <p><i>"Commission = 3% of net profits of the Company for that financial year minus [Salary + Perquisites, as specified above]"</i></p>
(iv)	Minimum Remuneration	<p>In any financial year, when there is no profit or the profit is inadequate in terms of applicable provisions of the Companies Act, 2013, Minimum Remuneration of Salary and Perquisites as given above shall be paid subject to a maximum permissible limits set out in Item (A) of Section II of Part II of Schedule V of the Companies Act, 2013. In such case, Appointee Whole Time Director shall not be entitled to any commission. Such Minimum Remuneration shall be paid for a period not exceeding 3 (Three) years, as may be applicable during the said tenure of appointment.</p> <p>In this connection, for the purpose of calculation of Minimum Remuneration, Contribution to Provident Fund and Gratuity within such limits as provided in Section IV of Schedule V of the Companies Act, 2013 shall not be included."</p>

6. **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 paid to Ms.Irmgard Velagapudi, Managing Director and Mr.Vinod R.Sethi, Executive Chairman for the financial year 2019 – 2020, fourth year of inadequate profits, during their term covering 2015 – 2020, be and is hereby ratified.”

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 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, 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 to M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992), for conducting Cost Audit for the financial year ending 31/03/2021, 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 : 23/07/2020

**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.
2. M/s.Integrated Registry Management Services Private Limited, 2nd 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 right by Remote e-voting in respect of businesses set out in the Notice of Annual General Meeting. The manner in which Members shall cast their vote by Remote e-Voting is provided in Instructions for e-Voting at Page No.263 of this Annual Report;
4. The Ministry of Corporate Affairs vide their General Circular No.20/2020 dated 05/05/2020 allowed the Companies to conduct their Annual General Meeting through Video Conferencing due to the pandemic caused by Covid-19.
5. How to join and participate in the Annual General Meeting held through Video Conferencing?
 - (i) **Prerequisite:** Computer or Laptop or Smart Phone with internet connection;
 - (ii) By using the same Credentials given for Remote e-Voting, Members have to log into www.evoting.nsdl.com. 'Procedure for logging in', is provided at Page No. 263 of this Annual Report;
 - (iii) After logging in, Members can join the Annual General Meeting by clicking on the link available for Annual General Meeting through Video Conferencing under **EVEN (113251)** of the Company;
 - (iv) Members may post their questions by email addressed to 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;
 - (v) Those Members who have joined the Annual General Meeting held through Video Conferencing and who have not cast their vote by Remote e-Voting may cast their vote by e-Voting during the Annual General Meeting from 10 AM to 1 PM in the same manner provided for Remote e-Voting;
 - (vi) For better experience, Members are advised to use their Computer or Laptop rather than Smart Phone;
 - (vii) For better connectivity, stable Wi-Fi or LAN connection is suggested;
 - (viii) For any assistance, in respect of joining or participating in the Annual General Meeting or e-Voting, Members may contact at 022 24994545 / 1800 222 990 (Toll Free Number) (or) email to evoting@nsdl.co.in / pallavid@nsdl.co.in before or during the Annual General Meeting.

6. 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.
7. 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.
8. 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.
9. Institutional Shareholders are required to send scanned copy of relevant Board Resolution / Authority Letter with attested specimen signature of duly Authorised Signatory(ies) authorising persons to vote, to the Scrutiniser by email to jayashree2505@gmail.com, with a copy marked to evoting@nsdl.co.in
10. All the Members who have joined the Annual General Meeting through Video Conferencing will be counted for the purpose of Quorum.
11. Members 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.
12. 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 during the Annual General Meeting from 10 AM to 1 PM.
13. Members shall be entitled to one vote for every one share held by him / her / it in the Company.
14. 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.
15. 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.
16. 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.
17. Annual Report will be available in the Website of the Company not less than 21 days before the date of Annual General Meeting.
18. Register of Members / Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 17/09/2020 to 25/09/2020 both days inclusive for the purpose of Annual General Meeting and payment of dividend for the financial year ended 31/03/2020.

19. Dividend on Equity Shares of the Company, as recommended by the Board and 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 18/09/2020, the Cut-off Date.
20. Dividend will be paid by issuance of Dividend Warrants (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 in ECS Mandate Form enclosed to this Annual Report.
21. 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, dividend warrants will be issued to those Members, mentioning their bank account details as available with the Company.
22. Members are requested to register / update their bank account details (*Use ECS Mandate Form enclosed to this Annual Report*) with the Registrar of the Company (if shares are held in physical form) or their respective Depository Participants (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.
23. Dividend Warrants to be issued by the Company will be payable at par with a validity period of 3 months. Hence, Members are advised to encash the dividend warrants within the said period.
24. Dividend will be paid without deduction of tax to the Members. 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 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 K.C.P. 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 K.C.P. 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 K.C.P. Limited.

30. Due to difficulties caused by Covid-19, Ministry of Corporate Affairs have instructed the Company 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.
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 Standards on General Meeting and the Company adheres to the same.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item No.4 – Reappointment of Ms.Irmgard Velagapudi as Managing Director of the Company:

Ms.Irmgard Velagapudi was originally appointed as Managing Director of the Company for a period of three years from 29/03/2002 to 28/03/2005 in the Seventh Annual General Meeting of the Company held on 11/09/2002. Subsequently, she was reappointed for the second term for a period of five years from 29/03/2005 to 28/03/2010 at the Tenth Annual General Meeting of the Company held on 31/08/2005. For a further period of five years from 29/03/2010 to 28/03/2015, she was reappointed at the Fifteenth Annual General Meeting of the Company held on 19/08/2010. Her reappointment as Managing Director of the Company, for the fourth term for a period of five years from 29/03/2015 to 28/03/2020, was made at the Twentieth Annual General Meeting of the Company held on 20/08/2015.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee, had unanimously approved the appointment of Ms.Irmgard Velagapudi as Managing Director of the Company for a further period of 5 years from 29/03/2020 to 28/03/2025, in its Board Meeting held on 07/02/2020, subject to the approval of Shareholders of the Company in the ensuing Annual General Meeting.

The terms and conditions of appointment of Ms.Irmgard Velagapudi as Managing Director of the Company are as set out in the resolutions in Item No.4. Her term of office is not subject to retirement by rotation. The terms of appointment of Ms.Irmgard Velagapudi as Managing Director of the Company are in compliance with the applicable provisions of the Companies Act, 2013 and applicable Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms.Irmgard Velagapudi is of 83 years old and a German National. She holds a German Diploma in Commerce. She is the wife of Mr.Velagapudi M.Rao, the late Chairman and Managing Director of the Company. The Company with Ms.Irmgard Velagapudi at the helm of affairs as Managing Director had went from strength to strength, nevertheless the cyclic nature of Sugar Industry, in which the Company is into. With sustained growth, consistent dividend policy and prompt payment of cane dues with excellent track record even during tough times, the Company had carved a niche in the industry. Her leadership was exemplary even during difficult times on account of dwindling cane availability coupled with farm labour

problems attributable to the cyclic nature of the Sugar Industry. Owing to her dynamic and remarkable managerial skills, cordial relationship is being maintained with all stakeholders including farmers which repose unflinching confidence in the Company.

Ms.Irmgard Velagapudi has been the Managing Director of the Company ever since 2002. Her compassionate leadership qualities coupled with her vast experience and her conventional approach to cyclic nature of Sugar Industry had played a vital role in keeping up the Company despite various external factors. She had been instrumental in streamlining the factors operating the Industry and thus owing to the sustained growth of the Company and thereby justifying her reappointment as Managing Director of the Company.

She has been paid a minimal remuneration ever since her appointment. The same remuneration is proposed for the proposed term of reappointment also. Apart from holding shares in the Company and remuneration payable to her as Managing Director, she has no other pecuniary relationship with the Company.

Additional information as required to be provided as per Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Ms.Irmgard Velagapudi is an expert in managing the corporate affairs of the Company.
- She is not a director in any listed company other than this Company.
- She is a member of Stakeholder Relationship Committee and Chairman of CSR Committee of the Board of Directors of the Company.
- Ms.Irmgard Velagapudi, Ms.Kiran Velagapudi and Mr.Vinod R.Sethi are relatives.

Directorships of proposed Managing Director in other Companies:

1. The Eimco – K.C.P. Limited - Chairperson cum Director
2. KCP Sugars Agricultural Research Farms Limited - Chairperson cum Director
3. V M Rao Consultants Private Limited - Director
4. Energy Device Technology (India) Private Limited - Director
5. Durgamba Investment Private Limited - Director

The Board of Directors of the Company proposes the appointment of Ms.Irmgard Velagapudi as Managing Director of the Company on such terms and conditions, as prescribed in the resolutions set out in Item No.4. Approval of Shareholders by way of Special Resolution is required as per Section 196 read with Schedule V of the Companies Act, 2013, for appointment of a person who is above 70 years of age, as a Managing Director of the Company. With this note, the Board recommends the said resolutions to be passed as **Special Resolution** in the Annual General Meeting to be held on 25/09/2020.

Memorandum of Interest:

Ms.Irmgard Velagapudi is interested in the resolutions set out in Item No.4 of the Notice of Annual General Meeting. None of the other Directors and Key Managerial Personnel of the Company except Ms.Kiran Velagapudi and Mr.Vinod R.Sethi, being relatives, is deemed to be concerned or interested in the said Item No.4.

Item No.5 – Reappointment of Mr.Vinod R.Sethi as Whole-Time Director of the Company:

Mr.Vinod R.Sethi was co-opted as an Additional Director in the Board of Directors of the Company on 26/10/2005 and was elected as Chairman of the Board of Directors of the Company for a period of five years. Subsequently, he was appointed as Director of the Company at the Eleventh Annual General Meeting of the Company held on 12/10/2006. Thereafter, he was appointed as Whole Time Director of the Company, designated as Executive Chairman, for a period of five years from 08/04/2010 to 07/04/2015 at the Fifteenth Annual General Meeting of the Company held on 19/08/2010. He was further appointed as Whole Time Director of the Company, designated as Executive Chairman, for a period of 5 years from 08/04/2015 to 07/04/2020 at the Twentieth Annual General Meeting of the Company held on 20/08/2015.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee, had unanimously approved the appointment of Mr.Vinod R.Sethi as Whole Time Director of the Company, designated as Executive Chairman, for a further period of 5 years from 08/04/2020 to 07/04/2025, in its Board Meeting held on 07/02/2020, subject to the approval of Shareholders of the Company in the ensuing Annual General Meeting.

The terms and conditions of appointment of Mr.Vinod R.Sethi as Whole Time Director of the Company are as set out in the resolutions in Item No.5. His term of office is subject to retirement by rotation. The terms of appointment of Mr.Vinod R.Sethi as Whole Time Director of the Company are in compliance with the applicable provisions of the Companies Act, 2013 and applicable Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr.Vinod R.Sethi is 58 years old. He is an Indian National. He is a Chemical Engineer from IIT, Mumbai and a Graduate of MBA (Finance) and a Beta Gamma Sigma Graduate from New York University with rich experience in investment banking for more than a decade, heading the Indian business of Morgan Stanley Investment Management, Inc, New York. He has been on the Board of several leading Companies.

Mr.Vinod R.Sethi, by rendering valuable and significant services to the Company for 15 years, has positioned himself to be a pillar of the Company and wherever situation warrants, his keen observance of various factors cushioned on his rich experience had helped the Company to take investment decisions at the right time.

Ever since his appointment as Whole Time Director of the Company, he is being paid a minimal remuneration. The same remuneration is proposed for the proposed term of reappointment also. Apart from holding shares in the Company and remuneration payable to him as Whole Time Director, he has no other pecuniary relationship with the Company.

Additional information as required to be provided as per Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Mr.Vinod R.Sethi is a technical savvy and he has been in the Board of several leading companies and thereby inculcating financial discipline in investment decisions of the Company.
- He is not a director in any listed company other than this Company.
- He is a member of Audit Committee, Nomination and Remuneration Committee and CSR Committee of the Board of Directors of the Company.
- Mr.Vinod R.Sethi, Ms.Kiran Velagapudi and Ms.Irmgard Velagapudi are relatives.

Directorships of proposed Whole Time Director in other Companies:

1. Amethyst Cafe Private Limited - Director
2. KCP Sugars Agricultural Research Farms Limited - Director
3. Durgamba Investment Private Limited - Director
4. Sethi Funds Management Private Limited - Director
5. Anibrain Digital Technologies Private Limited - Director

The Board of Directors of the Company proposes the appointment of Mr.Vinod R.Sethi as Whole Time Director of the Company on such terms and conditions, as prescribed in the resolutions set out in Item No.5. As per Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, remuneration payable to executive director who is a promoter requires approval of Shareholders by way of Special Resolution, if the aggregate annual remuneration payable to all the executive directors who are promoters exceeds 5% of net profits of the Company. With this note, the Board recommends the said resolutions to be passed as **Special Resolution** in the Annual General Meeting to be held on 25/09/2020.

Memorandum of Interest:

Mr.Vinod R.Sethi is interested in the resolutions 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 and Ms.Kiran Velagapudi, being relatives, is deemed to be concerned or interested in the said Item No.5.

Item No.6 - Minimum Remuneration paid to Managerial Personnel:

Ms.Irmgard Velagapudi, Managing Director and Mr.Vinod R.Sethi, Executive Chairman were paid Minimum Remuneration by way of Salary and Perquisites for the Financial Year 2019 -2020, being the fourth financial year of inadequate profits during their tenure. On finalisation of Accounts, for the Financial Year 2019 – 2020, it was ascertained that the Company has sustained loss for the said Financial Year. As per Schedule V of the Companies Act, 2013 and terms of appointment, Minimum Remuneration to be paid not exceeding three years, during the years of inadequate profits falling under the tenure of the respective 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 has recommended the ratification of the payment of the Minimum Remuneration paid for the Financial Year 2019 - 2020 to the Managing Director and Executive Chairman at its Meeting held on 23/07/2020 and the said recommendation of Nomination and Remuneration Committee is approved by the Board at its Meeting held on 23/07/2020. Now the matter is placed before the Shareholders for ratification of payment of Minimum Remuneration to the Managing Director and Executive Chairman for the Financial Year 2019 - 2020.

Though the Company is a Standalone 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 Managerial Personnel.

Information as required to be provided under Schedule V of the Companies Act, 2013:

I. General Information

- | | |
|--|--|
| 1. Nature of Industry | Manufacture of Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilisers, CO2 and Calcium Lactate. |
| 2. Date of Commencement of Commercial Production | The Company has been vested with the core manufacturing activities by virtue of duly approved Scheme of Arrangement for Demerger from The K.C.P. Limited with effect from 01/04/1996. |
| 3. Financial Performance based on given indicators | The loss sustained by the Company for 4 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 full settlement of sugarcane dues. |
| 4. Foreign Investments or Collaborations, if any | Nil |

II. Information about the Appointee

- | | |
|--------------------------------------|---|
| 1. Background Details | Please refer to Item No.4 and 5 of this Explanatory Statement. |
| 2. Past Remuneration | <p>a) <u>Ms.Irmgard Velagapudi, Managing Director:</u>
Salary of Rs.Four Lakhs per month + Perquisites + Commission on Net Profits, in such a way that aggregate remuneration does not exceed 3% of Net Profits (In case of inadequate profits / no profits, Minimum Remuneration consisting of Salary and Perquisites only be paid);</p> <p>b) <u>Mr.Vinod R.Sethi, Executive Chairman:</u>
Salary of Rs.One Lakh per month + Perquisites + Commission on Net Profits, in such a way that aggregate remuneration does not exceed 3% of Net Profits (In case of inadequate profits / no profits, Minimum Remuneration consisting of Salary and Perquisites only be paid).</p> |
| 3. Recognition or Awards | Nil |
| 4. Job Profile and their Suitability | Please refer to Note No.4 and 5 of this Explanatory Statement. |
| 5. Remuneration Proposed | Same as Past Remuneration. |

- | | |
|---|---|
| 6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person | Since, the Company is a Standalone Sugar Industry, such comparison may not be appropriate, as many of the Sugar Industries are having multiple products in Sugar Complex. |
| 7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any | Ms.Irmgard Velagapudi and Mr.Vinod R.Sethi holds equity shares in the Company and they drew remuneration as such Managing Director and Executive Chairman. Ms.Irmgard Velagapudi, Mr.Vinod R.Sethi and Ms.Kiran Velagapudi are relatives. |

III. Other Information

- | | |
|--|---|
| 1. Reasons of loss or inadequate profits | <p>Bumper production of Sugar for the last four years in Uttar Pradesh, Maharashtra and a part of Karnataka far exceeding the domestic requirements, resulted in glut in the Sugar Market.</p> <p>Consequently, Sugar Prices are continue to be under pressure. This is a Sectoral problem and therefore, the Company per se cannot do anything.</p> |
| 2. Steps taken or proposed to be taken for improvement | <p>With a view to mitigate the financial sufferings of Sugar Mills, the Government of India has taken a number of measures such as:</p> <ul style="list-style-type: none"> (a) creation of buffer stock and reimbursement of interest and other charges on holding the buffer stock; (b) mandatory export of Sugar to release the surplus under a Subsidy Scheme (c) extending long term financial assistance through Commercial Banks with interest subvention, etc., |
| 3. Expected increase in productivity and profits in measurable terms | Increase in productivity is not appropriate as the Country is already flooded with Sugar. Government of India has reintroduced release mechanism to control excess supply, thereby to firm up the Sugar Price. A Minimum Support Price for Sugar has also been brought in place to avoid falling of prices to uneconomical levels. |

Memorandum of Interest:

Ms.Irmgard Velagapudi and Mr.Vinod R.Sethi are interested in the resolutions set out in Item No.6 of the Notice of Annual General Meeting. None of the other Directors and Key Managerial Personnel of the Company except Ms.Kiran Velagapudi, being a relative, is deemed to be concerned or interested in the said Item No.6.



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 31/03/2021.

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 and place of such Audit is as given below:

Product	Location of Factory
Sugar	Vuyyuru at Krishna District, Andhra Pradesh
Electricity	Vuyyuru at Krishna District, Andhra Pradesh
Industrial Alcohol	Vuyyuru at Krishna District, Andhra Pradesh
Bio-Fertilizers	Vuyyuru at Krishna District, Andhra Pradesh
Calcium Lactate	Vuyyuru at Krishna District, Andhra Pradesh
Carbon dioxide	Vuyyuru at Krishna District, Andhra Pradesh

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, as approved by the Board of Directors of the Company based on the recommendation of 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 : 23/07/2020

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 25th Annual Report containing the Audited Financial Statements for the Financial Year ended 31st March 2020.

1. FINANCIAL RESULTS:

Performance		For the Financial Year ended 31/03/2020	For the Financial Year ended 31/03/2019
Operational Performance	Cane Crushed (in Tonnes)	7,84,964	11,25,795
	Sugar Bagged (in Quintals)	7,23,651	10,69,448
Financial Performance (Rs. in Crores)	Turnover	354.54	317.83
	Other Income	11.24	12.77
	Profit before Tax	(17.29)	25.56
	Profit after Tax	(11.15)	10.20
	Other Comprehensive Income	(0.16)	0.35
	Total Profit / Loss	(10.99)	10.55
	Earnings per Share (in Rs.)	(0.97)	0.93

2. PERFORMANCE:

During the Financial Year under review your Company has recorded a Turnover of **Rs.354.54 Crores** (Previous Year - Rs.317.83 Crores). The Profit before Finance Cost and Depreciation is Rs.11.60 Crores. Loss before Tax is Rs.17.29 Crores. After reversal of excess provision for taxation relating to earlier years and Deferred Tax, the Loss after Tax is **Rs.11.15 Crores**.

3. DIVIDEND:

The Board of Directors recommends a dividend of Re.0.10/- per Equity Share of Face Value of Re.1/- each on the Paid-up Share Capital of the Company for the year ended 31/03/2020, same as the previous year. The dividend recommended by your Directors, 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 General Reserve as at 31/03/2020 is Rs.112.09 Crores. The total Reserves and Surplus stood at Rs.240.55 Crores as on 31/03/2020 as against Rs.252.90 Crores as on 31/03/2019.

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 falls under the category of 'Material Subsidiary' of the Company, in terms of Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the financial statements of the Company and its Subsidiaries as at 31/03/2019, in view of amendment to the said Regulations with effect from 01/04/2019. There is no Associate Company in relation to the Company. There has been no material change in the nature of business of the Subsidiary Companies. 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 on 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. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return is annexed hereto as '**Schedule - IV**'.

9. BUSINESS RESPONSIBILITY REPORT:

Business Responsibility Report in terms of Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as '**Schedule - V**'.

10. 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 - VI**'.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

12. 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 – VIII**'. The remuneration paid to the Directors and Key Managerial Personnel is as per the Remuneration Policy of the Company.

13. 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 – IX**'.

14. SECRETARIAL AUDIT:

The Board of Directors of the Company in its Meeting held on 07/02/2020, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2019–2020.

In pursuance of Section 204 of the Companies Act, 2013, the Secretarial Audit Report of the Company, is annexed hereto as '**Schedule X**'. As regards the remarks of Secretarial Auditor, the Standalone Financial Statements for the quarter ended 30/06/2019 were filed with the Stock Exchanges before the due date. The Consolidated Financial Statements for the said quarter were inadvertently omitted to be filed. However, the said Consolidated Financial Statements were subsequently filed with the Stock Exchange on 07/10/2019 and the fine levied was also paid on which the Stock Exchanges reversed their action of freezing the promoters' holdings. Fine levied by the Stock Exchanges for inadvertent delay in filing of Annual Report was refunded by NSE and the same is awaited from BSE.

15. SECRETARIAL STANDARDS:

Pursuant to Section 118 (10) of the Companies Act, 2013, the Company observes Secretarial Standards, prescribed by the Institute of Company Secretaries of India.

16. ACCOUNTING STANDARDS:

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

17. 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 01/04/2019	35	36960
Number of Shareholders who approached the Company for transfer of shares from Suspense Account during the period	1	5620
Number of Shares transferred from Unclaimed Securities Suspense Account to Investor Education and Protection Fund during the period	12	12450
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying as on 31/03/2020	22	18890

18. 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.

19. 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 2019 – 2020.

20. 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 (31/03/2020) and the date of Directors' Report.

21. DIRECTOR RETIRING BY ROTATION:

Mr.Vinod R.Sethi, Whole Time Director (DIN: 00106598), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers himself for reappointment. His brief Profile and other relevant details are provided in the Explanatory Statement attached to the Notice of Annual General Meeting. The Board of the Company recommends his reappointment.

22. REAPPOINTMENT OF MANAGERIAL PERSONNEL:

Reappointment of Ms.Irmgard Velagapudi as Managing Director of the Company and Mr.Vinod R.Sethi as Whole Time Director of the Company, designated as Executive Chairman, for a term of five years each, is placed for the approval of Shareholders by way of Special Resolutions. Brief Profile and other relevant details are provided in the Explanatory Statement attached to the Notice of Annual General Meeting. The Board of the Company recommends their reappointment. The said Directors have given Form DIR - 8 intimating that they are not disqualified to be reappointed, in terms of Section 164 (2) of the Companies Act, 2013 read with Rule 14 (1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

23. 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 27th Annual General Meeting of the Company.

The Statutory Auditor was originally appointed at the 22nd Annual General Meeting of the Company held on 15/09/2017 for a period of five years from the conclusion of 22nd Annual General Meeting upto the conclusion of 27th 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, reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor's Report.

24. 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 2019 - 2020, 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 31/03/2021.

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.

25. 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 to conduct internal audit of the Company for the Financial Year 2019 - 2020. The Internal Auditor has submitted his reports to the Audit Committee and Board of Directors of the Company, periodically.

26. CREDIT RATING:

CARE Ratings Limited has reaffirmed the Credit Ratings of your Company as '**CARE A; Stable' for Long Term Bank Facilities, 'CARE A1' for Short Term Bank Facilities** and '**CARE A (FD); Stable' for Fixed Deposit Programme**. These ratings denote adequate degree of safety regarding timely servicing of financial obligations.

27. 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.

28. FIXED DEPOSITS :

As on 31/03/2020, the amount of Deposits held by the Company stands at Rs.67.18 Crores (including Unclaimed Deposits) as against Rs.68.83 Crores as on 31/03/2019. Deposits accepted during the Financial Year under review is Rs.7.89 Crores. As at 31/03/2020, the Matured and Unclaimed Deposits stands at Rs.0.74 Crores in respect of 95 Deposits. As on the date of this Directors' Report, amount of Matured and Unclaimed Deposits is Rs.0.70 Crores.

The Company has transferred a sum of Rs.3,93,000/- in respect of 7 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.

29. 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, 31/03/2020 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.

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, Banks, 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 : 23/07/2020

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	3544.19	189.47
6.	Total Assets	5300.72	414.62
7.	Total Liabilities	5300.72	414.62
8.	Investments	1432.22	298.66
9.	Total Income (Turnover and other Income)	4051.33	22.44
10.	Profit before taxation	648.85	4.64
11.	Provision for taxation	164.51	0
12.	Profit after taxation	484.34	4.64
13.	Total Comprehensive Income	480.76	(33.02)
14.	Proposed Dividend	0	0
15.	% of Shareholding	100.00	100.00

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

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 also invented manufacturing of 'Green Manure' for application in agricultural field 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	2019 – 2020	2018 - 2019
Crushing commenced on	08/12/2019	22/11/2018
Crushing completed on	24/03/2020	26/04/2019
No. of Days	107	156
Cane Crushed (in MT)	705445.693	902474.348
Sugar Bagged (in Qtls)	641239	860905
Recovery (in %)	9.09	9.52
Cane Price Paid (besides incentives and developmental activities)	2,750	2,750

FINANCIAL YEAR WISE PARTICULARS

Nature of Particulars	For the Financial Year ending	
	31/03/2020	31/03/2019
Season (From / To)	01/04/2019 to 26/04/2019 and 08/12/2019 to 24/03/2020	01/04/2018 to 08/04/2018 and 22/11/2018 to 31/03/2019
No. of Days	133	138
Cane Crushed (in MT)	784963.622	845854.692
Sugar Bagged (in Qtls)	723651	803625
Recovery (%)	9.22	9.50

(ii) Other Products:

Distillery Unit produced 119.29 Lakh Litres of Industrial / Anhydrous Alcohol for the year ended 31/03/2020 as against 120.31 Lakh Litres during the previous financial year. The said Unit sold 105.62 Lakh Litres valued at Rs.50.08 Crores during the year under review as against 135.00 Lakh Litres valued at Rs.58.14 Crores during the previous year.

Cogeneration Unit produced 321.30 MW of Power during the year under review as against 409.52 MW in the previous year. Total Export of Electrical Energy is 84.00 MW resulting in turnover of Rs.3.75 Crores during the year under review as against 96.11 MW at a turnover of Rs.4.20 Crores during the previous year.

Calcium Lactate Plant contributed Rs.2.97 Crores towards the turnover of the Company during the year under review as against the contribution to turnover of Rs.3.29 Crores during the previous year.

Bio Fertiliser Plant contributed Rs.5.49 Crores towards the turnover of the Company during the year under review as against the contribution to turnover of Rs.5.73 Crores during the previous year.

(iii) Lakshmipuram Unit :

Due to inadequate supply of Sugarcane, the operation of Sugar Unit at Lakshmipuram has been suspended as a temporary measure during the Sugarcane Crushing Season, 2019 - 2020. The Sugarcane cultivated in the Sugar Unit, Lakshmipuram area has been diverted to Sugar Unit, Vuyyuru during the said Season in order to improve the financial and operational efficiency.

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 compliance and reliability of financial reporting and security of assets.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

As on 31/03/2020, the Number of Employees on roll including Seasonal Employees is 715.

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 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 : 23/07/2020

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 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.
- Independent Directors of the Company have declared that they satisfy the criteria of independence as required under Section 149 (7) of the Companies Act, 2013 and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 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 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 Data Bank of Independent Directors in pursuance of Rule 6 of 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	5	-	-
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	1	-	-
6.	Mr.Pratap K. Moturi DIN:00020630	Independent Director	2	-	-
7.	Mr.K.R.Adivarahan DIN:00019844	Independent Director	4	-	-

* 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 2019 - 2020, thus, 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 29/05/2019, 07/08/2019, 12/09/2019, 11/11/2019, 07/02/2020.
- There was no gap of more than 120 days between any two Board Meetings of the Company.
- No Board Meeting of the Company was held through Video Conferencing or Other Audio Visual Means.
- Annual General Meeting of the Company for the Financial Year 2018 – 2019 was held on 12/09/2019.
- All the Directors were present in all the Board Meetings and Annual General Meeting except the following:
 - (i) Ms.Irmgard Velagapudi, Managing Director granted leave of absence for the Board Meeting held on 11/11/2019; and
 - (ii) Dr.Vithal Rajan, Independent Director granted leave of absence for the Board Meeting and Annual General Meeting held on 12/09/2019.

2.4. Board Procedures:

Adequate Notice of every Board Meeting of the Company was given to every Director in writing at his / her address registered with the Company 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.

Review of Compliance Report relating to 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 are 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 07/02/2020 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, 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.

No Director has been newly appointed during the Financial Year under review.

2.7. Code of Conduct:

The Board of Directors 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. All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the Financial Year 2019 - 2020. 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 31/03/2020
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 Financial Year 2019 - 2020 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
Contribution to Gratuity	0.73	-	1.23
Perquisites	0.38	-	6.23
Commission	-	-	-
Total	14.55	48.00	47.78

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 the Company and Rs.20,000/- per meeting of the Committee of the Board 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 2019 - 2020 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	-	2.40	2.40
Mr.M.S.V.M.Rao	-	2.90	2.90
Mr.Pratap K.Moturi	-	2.50	2.50
Mr.K.R.Adivarahan	-	4.70	4.70

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 at the Annual General Meeting held on 12/09/2019

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 judgement 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 draft 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 the Company to take up steps in this 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 suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (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 2019-2020 on 29/05/2019, 07/08/2019, 11/11/2019 and 07/02/2020.

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 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 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;
 - Diversity on the Board 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. Meeting of Nomination and Remuneration Committee and Attendance of Members at such Meeting during the year:

Nomination and Remuneration Committee met once during the Financial Year 2019-2020 on 07/02/2020.

All the Members of Nomination and Remuneration Committee were present at that Meeting.

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 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. Meetings of Stakeholders Relationship Committee and Attendance of Members at such Meetings during the year:

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

Eight Stakeholders Relationship Committee Meetings were held during the Financial Year 2019-2020 on 25/04/2019, 04/06/2019, 31/07/2019, 12/09/2019, 05/11/2019, 06/12/2019, 31/12/2019 and 13/03/2020.

All the Members of Stakeholders Relationship Committee were present for all the Eight Stakeholders Relationship Committee Meetings, mentioned above except that Ms.Irmgard Velagapudi, Managing Director was granted leave of absence for the Stakeholder Relationship Committee Meetings held on 25/04/2019 and 05/11/2019.

6.4. Redressal of Investor Complaints:

Mr.S.Chidambaram, Company Secretary is the Compliance Officer of the Company. M/s.Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, T.Nagar, Chennai – 600 017 is the Share Transfer Agent and Depository Registrar of the Company. All the requests for transfer of shares received by the Company / Registrar of the Company during the year have been 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. Action Taken Report (ATR) with supporting documents is submitted to the SCORES. The Company also files a statement giving status of investor complaints with NSE and BSE on a quarterly basis.

During the year, 222 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Complaint / Query	01/04/2019 to 31/03/2020		
	Received	Attended	Pending
Non - receipt of Share Certificates	-	-	-
Non - receipt of Dividend Warrant	6	6	Nil
Issuance of Duplicate Share Certificate and Dividend Warrant	30	30	Nil
Correction in Dividend Warrant	19	19	Nil
Revalidation of Dividend Warrants	96	96	Nil
Regarding Share Certificate / Split Share Certificate	15	15	Nil
Other Categories (General Queries / Procedure for Loss of Share Certificate / Procedure for Transmission / IEPF 5)	56	56	Nil
GRAND TOTAL	222	222	Nil

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, Chairman (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 29/05/2019 and 07/02/2020 with all the Members of the Committee being 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 donated to Andhra Pradesh Chief Minister's Relief Fund of a sum of Rs.35,26,805/- 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 VI 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
31/03/2019	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
31/03/2017	15/09/2017	'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:**

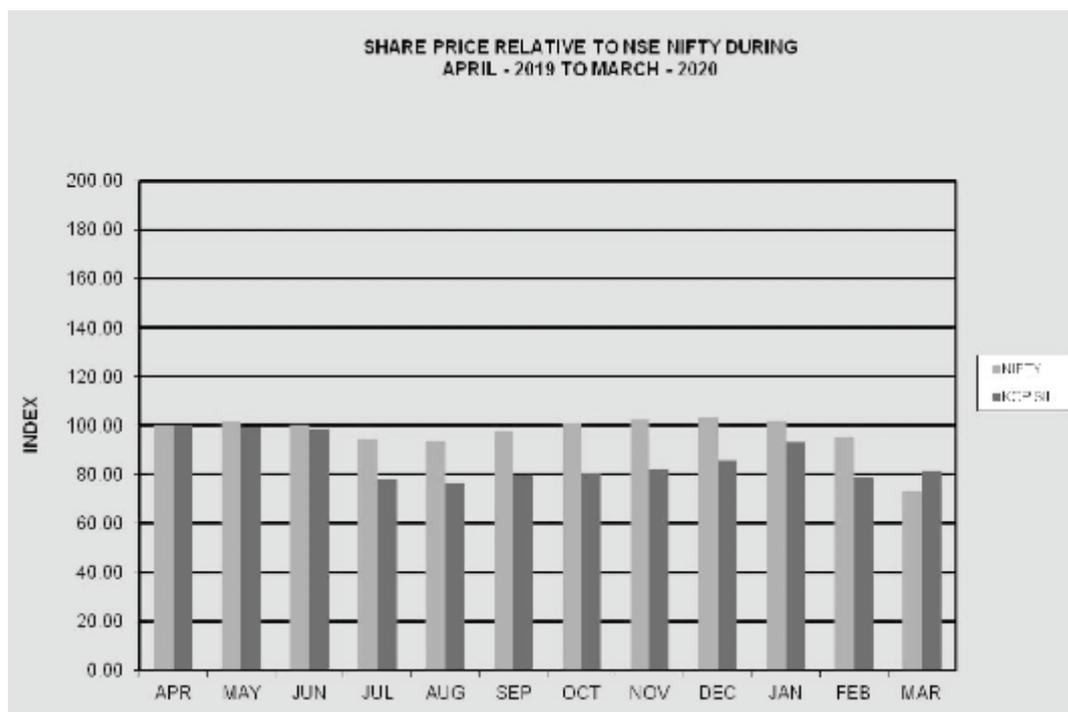
In pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, quarterly financial results of the Company as approved by the Board of Directors of the Company on the recommendation of Audit Committee, are submitted with the Stock Exchanges through NEAPS / BSE 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.

- 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 '*Malai Sudar*' (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.

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 2019 - 2020 is given below:

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
Apr '19	17.45	17.40	15.95	15.85	Oct '19	13.85	13.85	11.25	11.33
May '19	17.20	17.25	14.05	14.05	Nov '19	14.70	14.90	12.80	12.98
June '19	16.70	16.50	11.65	12.50	Dec '19	13.90	13.98	12.55	12.51
July '19	16.70	16.90	12.25	12.30	Jan '20	16.50	16.50	13.70	13.86
Aug '19	13.65	13.80	10.55	10.90	Feb '20	15.55	15.60	12.30	12.45
Sep '19	13.75	13.68	11.75	12.05	Mar '20	14.00	13.59	8.55	8.64



10.2. 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 are processed by the Registrar of the Company and are approved by the Stakeholders Relationship Committee which normally meets once / twice in a month 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 31/03/2020.

10.3. 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 31/03/2020:

Form	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Physical Mode	2194	7.78	4842760	4.27
Sub Total	2194	7.78	4842760	4.27
Electronic Mode				
- NSDL	15776	55.97	91436318	80.64
- CDSL	10216	36.24	17105972	15.09
Sub Total	25992	92.22	108542290	95.73
Grand Total	28186	100.00	113385050	100.00



10.4. Other Information:

S. No.	Nature of Particulars	Particulars	
1.	Annual General Meeting for the Financial Year ended 31/03/2020	Annual General Meeting will be held through Video Conferencing at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006 on Friday, the 25th Day of September, 2020 at 10 AM	
2.	Financial Year of the Company	1 st April to 31 st 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>1. National Stock Exchange Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051</p> <p>2. Bombay Stock Exchange PJ Towers, Dalal Street, Mumbai - 400 001</p>	
5.	Whether Listing Fees paid to the Stock Exchanges	Yes	
6.	Stock Code	NSE : KCPSUGIND BSE : 533192	
7.	Share Transfer Agent and Depository Registrar of the Company (Registrar of the Company)	Integrated Registry Management Services Private Limited 2 nd Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai - 600 017 Tel : 044 - 28140801 to 03 Fax : 044 - 28142479	
8.	Plant Locations	The Company has got Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilisers, CO2 and Calcium Lactate Units at Vuyyuru and Lakshmpuram at Krishna District, Andhra Pradesh	
9.	Address for Correspondence	Shareholders correspondence should be addressed to the Registrar of the Company at their address mentioned herein above. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Share holders may also contact Mr.S.Chidambaram, Company Secretary at K.C.P.Sugar and Industries Corporation Limited, 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006	
10.	Credit Ratings during the Financial Year 2019 - 2020	Long Term Bank Facilities	CARE A; Stable
		Short Term Bank Facilities	CARE A1
		Fixed Deposit Programme	CARE A (FD); Stable

10.5. Distribution of Shareholding as on 31/03/2020 :

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
Upto 5000	26604	94.39	16426175	14.49
5001 - 10000	778	2.76	5775304	5.09
10001- 20000	347	1.23	5025575	4.43
20001 - 30000	148	0.53	3634399	3.21
30001 - 40000	88	0.31	3089383	2.72
40001 - 50000	59	0.21	2655952	2.34
50001 - 100000	80	0.28	5811897	5.13
100001 and above	82	0.29	70966365	62.59
Total	28186	100.00	113385050	100.00

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 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. 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. During the year, there was delay in filing of Consolidated Financial Results of the Company for the quarter ended 30/06/2019 and Annual Report with the Stock Exchanges due to technical misconception and the same was rectified immediately.

11.3. Details of Compliance as per 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 terms of specified criteria of 'independence' and / or 'eligibility'	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	17 (4)	Yes
Code of Conduct	17 (5)	Yes
Fees / Compensation	17 (6)	Yes
Minimum Information	17 (7)	Yes
Compliance Certificate	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 19 (2)	Yes
Composition of Stakeholders Relationship Committee	20 (1), (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)	Yes
	23 (8)	NA as there are no Material Related Party Transactions
Prior or Omnibus Approval of Audit Committee for all Related Party Transactions	23 (2)	Yes
	23 (3)	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 25 (2)	Yes
Meeting of Independent Directors	25 (3) and 25 (4)	Yes
Familiarization of Independent Directors	25 (7)	Yes
Memberships in Committees	26 (1)	Yes
Affirmation with 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
Policy with respect to Obligations of Directors and Senior Management	26 (2) and 26 (5)	Yes

* SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 11.4.** 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 30/06/2019, 30/09/2019, 31/12/2019 and 31/03/2020.
- 11.5.** 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**'.
- 11.6.** There are no compliance requirements in respect of discretionary requirements in terms of Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 11.7. The Certificate from the Company Secretary 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**'.
- 11.8. 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.
- 11.9. Total fees, for all services, paid to the Statutory Auditor of the Company by the Company and its Subsidiaries for the Financial Year 2019 - 2020 is Rs.7,27,500/- (Rupees Seven Lakhs and Twenty Seven Thousand and Five Hundred Only)
- 11.10. **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.

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

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

As per Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following information is placed at the Website of the Company at www.kcpsugar.com:

- (i) Terms and Conditions of Appointment of Independent Directors of the Company;
- (ii) Composition of various Committees of the Board of Directors of the Company;
- (iii) Code of Conduct of Board of Directors and Senior Management Personnel of the Company;
- (iv) Details of establishment of Vigil Mechanism / Whistle Blower Policy;
- (v) Criteria for making payments to Non-Executive Directors of the Company;
- (vi) Policy on dealing with Related Party Transactions of the Company;
- (vii) Policy for determining Material Subsidiaries of the Company;
- (viii) Details of Familiarisation Programmes imparted to Independent Directors of the Company; and

- (ix) All other mandatory items as required to be placed in the Website of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company ensures that the contents of the Website of the Company are correct. The Company updates the contents of the Website, periodically.

- 11.12. Reconciliation of Share Capital Audit:** As stipulated by SEBI, a qualified Chartered Accountant 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 in the Website of the Company at 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 not be earlier than 48 hours after the information becomes generally available. 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 : 23/07/2020

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 2019 - 2020.

Place : Chennai

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

Date : 23/07/2020

Irmgard Velagapudi
Managing Director
DIN: 00091370

ANNEXURE – B**COMPLIANCE CERTIFICATE****To****THE MEMBERS OF K.C.P. SUGAR AND INSUTRIES 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 31st March, 2020 as per regulations 17-27, clauses (b) - (i) of regulation 46(2) and paragraphs C and D of Schedule V 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 agreement.

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

CA V.SIVA KUMAR
Partner
Membership Number: 022379
UDIN: 20022379AAAASY8391

Place : Chennai
Date : 23.07.2020

**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: F010394B000457104

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) 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 2020 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	DR 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	SIDDHARTH VENKATA MARKANDEYA RAO MANIKYARAO	Director	17/12/2005

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.

Place: Chennai
Date : 15.07.2020

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 31/03/2020 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 : 23/07/2020

Irmgard Velagapudi
Managing Director
DIN: 00091370

R.Ganesan
Chief Financial Officer

FORM No. MGT-9 - EXTRACT OF ANNUAL RETURN
(for the Financial Year ended 31/03/2020)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15421TN1995PLC033198
Registration Date	11/10/1995
Name of the Company	K.C.P. Sugar and Industries Corporation Limited
Category / Sub - Category of the Company	Public Company Limited by Shares
Address of the Registered Office and Contact details	'Ramakrishna Buildings', No. 239, Anna Salai, Chennai- 600 006. Tel : 044 - 28555171 - 176 Fax : 044 - 28546617 e-mail : secretarial@kcpsugar.com Website : www.kcpsugar.com
Whether Listed Company [Yes / No]	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 2 nd Floor, 'Kences Towers', No.1, Ramakrishna Street, T. Nagar, Chennai- 600 017. Tel : 044 - 28140801 - 03 Fax : 044 - 28142479 e-mail : corpserv@integratedindia.in Website : www.integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY:

S.No.	Name and Description of Main Products /Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Sugar	10721	76.68%
2.	Ethanol	1101	14.12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	The Eimco - K.C.P. Limited	U27209TN1967PLC005550	Subsidiary	100	2 (87)
2.	KCP Sugars Agricultural Research Farms Limited	U73100TN1998PLC041501	Subsidiary	100	2 (87)

IV. SHAREHOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

(i) **Category-wise Shareholding:**

Category of Shareholder	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP								
(1)	Indian								
a	Individual / Hindu Undivided Family	2127110	0	2127110	1.880	2277710	0	2277710	2.010
b	Central Government								
c	State Government								
d	Bodies Corporate	43742656	0	43742656	38.580	43742656	0	43742656	38.580

e	Financial Institutions / Banks									
f	Any other (specify)									
	SUB TOTAL A(1)	45869766	0	45869766	40.450	46020366	0	46020366	40.590	0.140
(2)	Foreign									
a	Individual (Non resident / foreign)									
b	Bodies corporate									
c	Institutions									
d	Qualified Foreign Investor									
e	Any other (specify)									
	SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	
	Total Shareholding of Promoter and Promoter Group (A) = A(1) + A(2)	45869766	0	45869766	40.450	46020366	0	46020366	40.590	0.140
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds / UTI	4750	0	4750	0.000	4750	0	4750	0.000	
b	Financial Institutions / Banks	97330	4340	101670	0.090	38976	4340	43316	0.040	
c	Central Government	500	0	500	0.000	500	0	500	0.000	
d	State Government(s)									
e	Venture Capital Funds									
f	Insurance Companies									
g	Foreign Institutional Investors									
h	Foreign Venture Capital Investors									
i	Qualified Foreign Investor									
j	Any other(specify)									
	SUB TOTAL B(1)	102580	4340	106920	0.090	44226	4340	48566	0.040	-0.050

(2)	Non-Institutions									
a	Bodies Corporate(In dian / foreign/ Overseas)	6806887	341460	7148347	6.300	5904485	341460	6245945	5.510	
b	Individuals (Resident / NRI / Foreign National)									
(i)	Individual Shareholders holding Nominal share Capital upto Rs.1 Lakh	36430941	3964485	40395426	35.630	37006417	3370330	40376747	35.610	
(ii)	Individual shareholders holding Nominal share Capital above Rs.1 Lakh	16828448	1126630	17955078	15.840	17255020	1126630	18381650	16.210	
c	Any other (specify)									
	Clearing Member	607048	0	607048	0.540	823944	0	823944	0.730	
	LLP	25501	0	25501	0.020					
	TRUST	44078	0	44078	0.040	28770	0	28770	0.030	
	IEPF	1232886	0	1232886	1.090	1459062	0	1459062	1.290	0.130
	SUB TOTAL B(2)	61975789	5432575	67408364	59.450	62477698	4838420	67316118	59.370	-0.080
	Total Public Share Holding (B)=B(1)+B(2)	62078369	5436915	67515284	59.550	62521924	4842760	67364684	59.410	-0.140
	TOTAL (A)+(B)	107948135	5436915	113385050	100.000	108542290	4842760	113385050	100.000	0.000
C	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)	107948135	5436915	113385050	100.000	108542290	4842760	113385050	100.000	0.000

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1	DURGAMBA INVESTMENT PRIVATE LIMITED	43742656	38.579	0	43742656	38.579	0	0.000
2	SMT. IRMGARD VELAGAPUDI	1768280	1.560	0	1805280	1.592	0	0.032
3	SMT.KIRAN VELAGAPUDI	265820	0.234	0	288820	0.255	0	0.021
4	MR. VINOD SETHI	93010	0.082	0	183610	0.162	0	0.080
	TOTAL	45869766	40.455	0	46020366	40.588	0	0.133

(iii) Change in Promoters' Shareholding:

S. No.		Shareholding at the beginning of the year (01.04.2019)		Cumulative Shareholding during the year (31.03.2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Date wise Increase / Decrease in Promoters Shareholding during the year				
1	SMT. IRMGARD VELAGAPUDI				
	PAN :AAFPI6691A				
	Opening Balance as on 30/03/2019	1768280	1.560		
	27/08/2019	17000	0.015	1785280	1.575
	20/03/2020	20000	0.018	1805280	1.592
	Closing Balance as on 31/03/2020			1805280	1.592
2	SMT. KIRAN VELAGAPUDI				
	PAN :AFDPK3995G				
	Opening Balance as on 30/03/2019	265820	0.234		
	12/03/2020	13000	0.011	278820	0.246
	17/03/2020	10000	0.009	288820	0.255
	Closing Balance as on 31/03/2020			288820	0.255
3	MR VINOD SETHI				
	PAN :BESPS5774Q				
	Opening Balance as on 30/03/2019	93010	0.082		
	24/06/2019	5000	0.004	98010	0.086
	16/08/2019	10000	0.009	108010	0.095
	26/08/2019	15000	0.013	123010	0.108
	12/03/2020	5600	0.005	128610	0.113
	18/03/2020	30000	0.026	158610	0.140
	26/03/2020	20000	0.018	178610	0.158
	27/03/2020	5000	0.004	183610	0.162
	Closing Balance as on 31/03/2020			183610	0.162

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (as on 31.03.2020)	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	V. R. K. GRANDSONS INVESTMENT PRIVATE LTD				
	PAN :AAACV3678A				
	Opening Balance as on 30/03/2019	32313611	2.850		
	Closing Balance as on 31/03/2020			3231361	2.850
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	PAN :EXEMPTCATG				
	Opening Balance as on 30/03/2019	1232886	1.087		
	31/01/2020	215993	0.190	1448879	1.278
	07/02/2020	10183	0.009	1459062	1.287
	Closing Balance as on 31/03/2020			1459062	1.287
3	CHARU D SHAH				
	PAN :AAJPC2173K				
	Opening Balance as on 30/03/2019	1000000	0.882		
	Closing Balance as on 31/03/2020			1000000	0.882
4	Indian Syntans Investments (P) Ltd				
	PAN :AAACI1775K				
	Opening Balance as on 30/03/2019	950000	0.838		
	Closing Balance as on 31/03/2020			950000	0.838
5	PADMINI RAJAN				
	PAN :ACOPR5427J				
	Opening Balance as on 30/03/2019	893000	0.788		
	Closing Balance as on 31/03/2020			893000	0.788
6	BOPPANA VINAY KUMAR				
	PAN :AFXPB0044B				
	Opening Balance as on 30/03/2019	867530	0.765		
	Closing Balance as on 31/03/2020			867530	0.765
7	SAKUNTHALA DEVI BOPPANA				
	PAN :AFWPB3847H				
	Opening Balance as on 30/03/2019	858600	0.757		
	Closing Balance as on 31/03/2020			858600	0.757
8	RANVIR R SHAH				
	PAN :AAMPS5511Q				
	Opening Balance as on 30/03/2019	682632	0.602		
	28/06/2019	5000	0.004	687632	0.606
	16/08/2019	4200	0.004	691832	0.610
	30/08/2019	5000	0.004	696832	0.615
	01/11/2019	50000	0.044	746832	0.659



	20/03/2020	10000	0.009	756832	0.667
	Closing Balance as on 31/03/2020			756832	0.667
9	RANI S B				
	PAN :APXPS6609D				
	Opening Balance as on 30/03/2019	637340	0.562		
	Closing Balance as on 31/03/2020			637340	0.562
10	SAILESH S SHAH				
	PAN :AJUPS2057G				
	Opening Balance as on 30/03/2019	570000	0.503		
	Closing Balance as on 31/03/2020			570000	0.503

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

S. No.	Name of Director and KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year (as on 31.03.2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	GANESAN R				
	PAN : AANPG2506Q				
	Opening Balance as on 30/03/2019	1500	0.001		
	Closing Balance as on 31/03/2020			1500	0.001
2	ADIVARAHAN K R				
	PAN :ADOPA8601L				
	Opening Balance as on 30/03/2019	1060	0.001		
	Closing Balance as on 31/03/2020			1060	0.001
3	SIDDHARTH VENKATA MARKANDEYARAO MANIKYARAO				
	PAN :AFOPM9785K				
	Opening Balance as on 30/03/2019	10	0.000		
	Closing Balance as on 31/03/2020			10	0.000

V. INDEBTEDNESS:

Nature of Particulars		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness	
						Rs. in Crores
Indebtedness at the beginning of the Financial Year	(i)	Principal Amount	122.28	30.00	68.84	221.12
	(ii)	Interest due but not paid	0	0	0	0
	(iii)	Interest accrued but not due	0	0	2.87	2.87
	Total (i) + (ii) + (iii)		122.28	30.00	71.71	223.99
Change in Indebtedness during the Financial Year	Addition		77.16	0	7.89	85.05
	Reduction		0	30.00	10.19	(40.19)
	Net Change		77.16	(30.00)	(2.30)	44.86
Indebtedness at the end of the Financial Year	(i)	Principal Amount	198.80	0	67.18	265.98
	(ii)	Interest due but not paid	0	0	0	0
	(iii)	Interest accrued but not due	*0.64	0	2.23	2.87
	Total (i) + (ii) + (iii)		199.44	0	69.41	268.85

*Deferment Scheme – Covid -19

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

S. No.	Particulars of Remuneration		Name of MD / WTD / Manager			Total
			Mr.Vinod R. Sethi (Whole Time Director)	Ms.Irmgard Velagapudi (Managing Director)	Ms.Kiran Velagapudi (Whole Time Director)	
1.	Gross Salary (Rs. in Lakhs)	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	12.00	48.00	36.00	96.00
		(b) Value of Perquisites u/s 17 (2) of the Income Tax Act, 1961	PF – 1.44 Gratuity – 0.73 Others – 0.38	-	PF – 4.32 Gratuity – 1.23 Others – 6.23	14.33
		(c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	0
2.	Stock Option		-	-	-	0
3.	Sweat Equity		-	-	-	0
4.	Commission - As % of profit - Others, specify		-	-	-	0
5.	Others		-	-	-	0
Total (Rs. in Lakhs)			14.55	48.00	47.78	110.33
Ceiling as per the Act			10 % of Net Profits of the Company			

B. Remuneration to Other Directors:

S. No.	Name of Directors	(Rs. in Lakhs)		
		Fee for attending Board / Committee Meetings	Commission	Others
1.	(i) Dr.Vithal Rajan	2.40	-	-
	(ii) Mr.M.S.V.M.Rao	2.90	-	-
	(iii) Mr.Pratap K.Moturi	2.50	-	-
	(iv) Mr.K.R.Adivarahan	4.70	-	-
	Total	12.50	-	-
2.	Other Non - Executive Directors	Not Applicable		
Grand Total (1 + 2) (Rs. in Lakhs)		12.50		
Total Managerial Remuneration (Rs. in Lakhs)		110.33		
Overall Ceiling as per the Act		11% of Net Profits of the Company		

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole Time Directors / Manager:

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
		CFO	Company Secretary	
1.	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	16.46	13.54	30.00
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	2.47	0	2.47
	(c) Profits in lieu of Salary u/s 17 (3) of the Income Tax Act, 1961	-	-	-

2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-
5.	Others	-	-	-
	Total	18.93	13.54	32.47

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013:

No penalties levied under the Companies Act, 2013.

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L15421TN1995PLC033198
2.	Name of the Company	K.C.P.Sugar and Industries Corporation Limited
3.	Registered Address	'Ramakrishna Buildings', No.239, Anna Salai, Chennai – 600 006
4.	Website	www.kcpsugar.com
5.	e-mail ID	secretarial@kcpsugar.com
6.	Financial Year Reported	01/04/2019 to 31/03/2020
7.	Sector(s) that the Company is engaged in (Industrial Activity Code-wise)	Sugar
8.	List three Key Products / Services that the Company manufactures / provides (as in Balance Sheet)	(i) Sugar (ii) Ethanol (iii) Incidental Co-generation of Power
9.	Total number of location where business activity is undertaken by the Company a) Number of International Locations b) Number of National Locations	Nil 2
10.	Markets served by the Company - Local / State / National / International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	Rs.11,33,85,050/-
2.	Total Turnover (INR)	Rs.354.54 Crores
3.	Total Profit after Taxes (INR)	(Rs.11.15 Crores)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	NA (However, the Company has spent Rs.18,22,213/- towards CSR Activities)
5.	List of activities in which expenditure in 4 above has been incurred	Promotion of Education



SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies	Yes 2 Subsidiaries namely, The Eimco - K.C.P. Limited and KCP Sugars Agricultural Research Farms Limited
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.,) that the Company does business with, participate in the BR activities of the Company? If yes, then indicate the percentage of such entity / entities?	No

SECTION D: BR INFORMATION

The Company adheres to 'common principles of just' in dealing with every aspect of business of the Company, save as specific policies and guidelines formulated by the Company.

The Board of Directors and Management of the Company are keen in having a conducive environment for all stakeholders concerned and take the responsibility as a whole to sustain the same.

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1:

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company adheres to 'common principles of just'
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.	Nil

Principle 2:

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	(i) Green Power (ii) Green Fuel (Ethanol) (iii) Green Manure
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2.	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.,) per unit of product (optional):</p> <p>a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year</p>	<p>Process:</p> <p>(i) Bagasse – Steam = Green Power (ii) Molasses – Alcohol = Green Fuel (iii) Press Mud – Micro Nutrients – Treated Effluent Waste = Green Manure</p> <p>Green Power: Reduces carbon emission and thereby controls Air and Water Pollution and enriches the soil fertility.</p> <p>Green Fuel: Conserves energy and reduces Air and Water Pollution.</p> <p>Green Manure: Improves soil fertility and reduces Air and Water Pollution.</p>
3.	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so</p>	<p>Yes</p> <p>20%</p>
4.	<p>Has the Company taken any steps to procure goods and services from local and small producers including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes</p> <p>Since the Company is Agro based the raw material namely, Sugarcane is being cultivated by Agrarian Community at large in its command area.</p>
5.	<p>Does the Company have a mechanism to recycle products and waste?</p> <p>If yes, what is the percentage of recycling of products and waste (separately as < 5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so</p>	<p>Yes very much in place.</p> <p>>10%</p>



Principle 3:

1.	Total Number of Employees	715
2.	Total Number of Employees hired on temporary / contractual / casual basis	244
3.	Number of Permanent Women Employees	5
4.	Number of Permanent Employees with Disabilities	Nil
5.	Do you have an Employee Association that is recognized by the Management	Yes
6.	What percentage of your Permanent Employees is members of this recognized Employee Association?	80%
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil
8.	What percentage of your under mentioned Employees were given safety and skill up-gradation training in the last year a) Permanent Employees b) Permanent Women Employees c) Casual / Temporary / Contractual Employees d) Employees with Disabilities	Intensive training given to workmen and managerial staff working in critical points

Principle 4:

1.	Has the Company mapped its internal and external stakeholders?	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders	Not in specific
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	Not Applicable

Principle 5:

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes as normally prevalent
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Nil

Principle 6:

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others	Yes as normally prevalent
2.	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.,?	Green Power
3.	Does the Company identify and assess potential environmental risks?	Not in specific
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Yes. Same as mentioned above in this Report As applicable
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc.,	Yes. Same as mentioned above in this Report
6.	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes
7.	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on end of the financial year	Nil



Principle 7:

1.	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with	Yes (i) South Indian Sugar Mills Association (Andhra Chapter) (ii) Southern Indian Chamber of Commerce (iii) Madras Management Association
2.	Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas	Not in specific

Principle 8:

1.	Does the Company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof	No
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	Not Applicable
3.	Have you done any impact assessment of your initiative?	Not Applicable
4.	What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken	Promotion of Education under CSR Activities Rs.18,22,213/- (Refer Schedule VI to Directors' Report)
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes

Principle 9:

1.	What percentage of customer complaints / consumer cases are pending as on the end of financial year	Nil
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable

3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of the financial year, If so, provide details thereof, in about 50 words or so	No
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

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 of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<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"> (i) Promoting health care including preventive health care and sanitation and making available safe drinking water; (ii) Promoting education and employment, enhancing vocational skills; (iii) Eradication of poverty and ensuring better living conditions; (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water; (v) Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund. <p>CSR Policy of the Company is placed in the Website of the Company, www.kcpsugar.com.</p>
2.	Composition of the CSR Committee	<p>Ms.Irmgard Velagapudi, Chairperson Mr.Vinod R.Sethi, Member Mr.M.S.V.M.Rao, Member Mr.K.R.Adivarahan, Member</p>
3.	Average Net Profit of the Company for last three Financial Years	Nil
4.	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	Nil

5.	Details of CSR Spent during the Financial Year	Total amount to be spent for the Financial Year	Nil
		Amount Unspent, if any	Not Applicable
		Manner in which the amount spent during the Financial Year	Refer to the Table given below

Manner in which CSR amount spent during the Financial Year

S. No.	Nature of Particulars	Particulars
1.	CSR Project or Activity identified	Promotion of Education
2.	Sector in which the Project is covered	Education
3.	Projects or Programs (i) local area or other (ii) Specify the State and District where Projects or Programs was undertaken	Local Area Vuyyuru, Krishna District, Andhra Pradesh
4.	Amount Outlay (Budget) Project or Programs-wise	At actuals based on eligibility
5.	Amount spent on the Projects or Programs (i) Direct expenditure on Projects or Programs (ii) Overheads	Rs.18,22,213/- (Direct Expenditure)
6.	Cumulative expenditure upto the Reporting Period	Rs.111.65 Lakhs
7.	Amount spent direct or through implementing agency	Direct

Responsibility Statement of the CSR Committee:

The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Place : Chennai

Date : 23/07/2020

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

**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 3 rollers in TRPF system of 1st mill tandem has resulted in improvement of reduced mill extraction by 0.75 units and crushing rate. Installed new 2 roller TRPF system for last mill tandem which improved results like reduced final bagasse pol % on cane from 2.00% to 1.67% thereby sugar recovery improved by 0.09%.
- Automation of Sulphur feeding at Film Type Sulphur Burner with reference to the raw juice flow to optimise the Sulphur consumption and maintain the consistent juice PH values; in addition to power saving Sulphur consumption is also reduced by about 0.003% on cane.
- Evaporator set is consistently running in TEVC+ Sextuple configuration Steam, saving is about 0.5% on cane.
- Installation of LED lights in place of MV and SV lamps which saved 6,725 units per annum.
- Addition of 200 KVAR Capacitor Banks for the power system to improve PF from 0.970 to 0.972 to reduce power losses.

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

- Increase of Heating Surface for vapour line juice heater of NMS evaporator set to utilise more quantity of waste vapour going to the condenser.
- Installation of condensate polishing system for excess condensate cooling for its reutilisation in place of cold water.
- Replacement of 12MW Alternator Generator protection relay to avoid nuisance tripping and reduce depletion of natural resources.
- Monitoring of motor performance at the time of overhauling, to reduce down time and improve efficiency.
- Installation of new TRPF system for 5th mill milling tandem thereby to improve recovery by 0.05% on NKCP mill tandem.
- Installation of new TRPF system for 5th & 6th mill milling tandem thereby to improve recovery by 0.15%.

(iii) Power and Fuel:

Particulars	31/03/2020	31/03/2019
A. Electricity		
(i) Purchased		
Units KWH	9,19,472	7,92,817
Total Amount (in Rs.)	76,83,757	65,32,035
Rate / Unit (in Rs.)	8.36	8.24
(ii) Own Generation		
a) Through Diesel Generation		
Units KWH	6,440	4,288
Unit per Litre of Diesel	3.40	4.29
Cost / Unit (in Rs.)	19.83	15.66
b) Through Steam Turbine / Generator		
Units KWH	3,21,75,400	3,40,65,800
KWH per tonne of Bagasse	259.88	254.78
Cost / Unit (in Rs.)	2.99	3.00
B. Consumption per Unit of Production		
Electricity consumed per Tonne of Sugar produced (in KWH)	247.92	235.03

B. TECHNOLOGY ABSORPTION:**(i) Efforts made towards Technology Absorption:**

- Installation of New PLC & HMI to D412 machine.
- Replacement of conventional starters with MCC at B-centrifugal station for reducing maintenance.

(ii) **Research and Development:**

- Two new varieties, Co 09004 and 212V123 have been selected and given to the cane growers for evaluation of yield and quality.
- Two new varieties, 2009V107 and Co 11015 have been brought from the research stations and given to the cane growers for evaluation of yield and quality.
- **Expenditure on Research and Development (Rs. in Lakhs):**

Capital	Nil
Recurring	2.00
Staff Cost	52.98
Total	54.98

C. FOREIGN EXCHANGE EARNINGS AND OUTGO : Nil

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

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

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 2019 - 2020:

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	(Rs. in Lakhs)	
		Remuneration paid for the Financial Year 2019 - 2020	Remuneration paid for the Financial Year 2018 - 2019
1.	Ms.Irmgard Velagapudi Managing Director	48.00	48.00
2.	Mr.Vinod R.Sethi Whole Time Director	14.55	14.45
3.	Ms.Kiran Velagapudi Whole Time Director	47.78	47.57
4.	Mr.R.Ganesan Chief Financial Officer	18.93	16.77
5.	Mr.S.Chidambaram Company Secretary	13.54	10.66

3. Percentage increase in the median remuneration of employees in the Financial Year 2019 – 2020 : Nil
4. No. of permanent employees on the Rolls of the Company: 715
5. 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

6. **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.

7. No employee of the Company receives, for the Financial Year 2019 - 2020, remuneration of Rs.One Crore and Two Lakhs, in aggregate for that Financial Year or Rs.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 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 : 23/07/2020

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)	Name of Related Party and (Nature of Relationship)	The Eimco - K.C.P.Limited (Wholly - Owned Subsidiary)	Amethyst Cafe Private Limited (Entity in which Director of the Company is interested)	M/s. Outhouse (Entity in which Director of the Company is interested)
(b)	Nature of Contract / Arrangement / Transaction	Leasing of Property	Leasing of Property	Leasing of Property
(c)	Duration of Contract / Arrangement / Transaction	11 Months	3 Years	11 Months
(d)	Salient Terms of the Contract / Arrangement / Transaction	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)	Date of approval by the Board	11/11/2019 (period covered: 01/06/2019 to 30/04/2020) 07/02/2020 (period covered: 01/05/2020 to 31/03/2021)	09/02/2018 (period covered: 01/04/2018 to 31/03/2021)	29/05/2019 (period covered: 01/05/2019 to 30/03/2020) 07/02/2020 (period covered: 01/04/2020 to 28/02/2021)
(f)	Amount paid as Advances, if any	NIL	Rs.3 Lakhs	Rs.1.25 Lakhs

Place : Chennai

Date : 23/07/2020

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

UDIN Number: F010394B000457060

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 2020 complied with the statutory provisions listed hereunder subject to the exception specified in page 2 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 31st March 2020 according to the provisions of:

- (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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (v) The following other laws specifically applicable to the Company:-
- (a) Boilers Act, 1923
 - (b) Essential Commodities Act, 1955
 - (c) Sugar (Control) Order, 1966
 - (d) Sugarcane (Control) Order, 1966

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 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. Delay in submission of consolidated financials for the first Quarter ended 30th June 2019 and payment of fine levied by BSE and NSE, post which the action of freezing of promoters holdings was reversed by the Stock Exchanges.
2. Delay in filing of Annual Report with Stock Exchanges and payment of fine levied by BSE and NSE. On a request made by the Company, the fine was refunded by NSE, while the same is still awaited from BSE.

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 have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

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: 15.07.2020

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

**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 Wednesday, 15th July 2020 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 : 15.07.2020

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

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, 2020, 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, 2020, its **Loss** (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	<p>Evaluation of Uncertain Tax Positions: The Company has material uncertain tax positions including matters under disputes. These involve significant management judgment to determine the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. (Refer Note 43 to the standalone financial statements)</p>	<p>Our audit procedures include the following substantive audit procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions. • Obtained details of completed tax assessments and demands for the year ended march 31, 2020 from management. • Read and analyzed select key correspondences, external legal opinions and consultations by management for key uncertain tax positions. • Discussed with appropriate Senior management and evaluated management's key underlying key assumptions in estimating the tax provisions; and • Assessed management's estimate of the possible outcome of the disputed cases

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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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:
 - i. The managerial remuneration of Rs 60.37, 640/- paid to the Managing Director and the chairman is the minimum remuneration for the fourth financial year during their tenure of office. The schedule V of the Companies Act restricts the payment of minimum remuneration only for a period of 3 years in the absence of adequate profits. However, the company has been advised 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. (Refer note 52 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:

- ii. The Company does not have any pending litigations which would impact its financial position in its financial position. **Refer Note no 43** to the financial statements.
- iii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iv. 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: 20022379AAAATV4285

Place: Chennai
Date: 23.07.2020

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 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, 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 60.37, 640/- paid to the Managing Director and the chairman is the minimum remuneration for the fourth financial year during their tenure of office. The Companies Act schedule V restricts the payment of minimum remuneration only for a period of 3 years in the absence of adequate profits. However, the company has been advised that the same is in compliance with schedule v of the companies Act 2013 subject to approval by the shareholders in its general meeting. (Refer note 52 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: 20022379AAAATV4285

Place: Chennai
Date: 23.07.2020

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, 2020 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, 2020, 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: 20022379AAAATV4285

Place: Chennai
Date: 23.07.2020

Amount in Rupees

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	847894314	912193701
(b) Capital Work-in-progress		10826431	-
(c) Intangible Assets	4	1130504	4919769
(d) Financial Assets			
(i) Investments	5	699544862	815369202
(ii) Loans	6	4052564	3992829
(e) Other Non Current Assets	7	43364679	41294009
Current Assets			
(a) Inventories	8	3364346137	3691299607
(b) Financial Assets			
(i) Investments	9	569555191	550304789
(ii) Trade Receivables	10	239757942	205378591
(iii) Cash and Cash Equivalents	11	53561793	22394977
(iv) Bank Balances other than (iii) above	12	77877612	90911410
(v) Other Financial Assets	13	204302576	54161958
(c) Other Current Assets	14	104274252	95551964
Total Assets		6220488857	6487772805
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	15	113385050	113385050
(b) Other Equity	16	2405455258	2529002504
LIABILITIES			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	743197000	413413000
(ii) Other Financial Liabilities	18	7464513	11336192
(b) Provisions	19	49183624	50099446
(c) Deferred Tax Liabilities	20	31128959	70889349
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1518039308	1522766450
(ii) Trade Payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		609833157	1322168873
(iii) Other Financial Liabilities	23	703985040	363082602
(b) Other Current Liabilities	24	26521042	38463658
(c) Provisions	25	12295906	12524886
(d) Current Tax Liabilities	26	-	40640795
Total Equity and Liabilities		6220488857	6487772805

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 : 23/07/2020

R.GANESAN
Chief Financial Officer**S.CHIDAMBARAM**
Company Secretary**IRMGARD VELAGAPUDI**
Managing Director
DIN: 00091370**KIRAN VELAGAPUDI**
Executive Director
DIN: 00091466

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2020	For Year Ended March 31, 2019
I Revenue from Operations	27	3,545,362,224	3,178,338,789
II Other Income	28	112,374,986	127,670,794
III Total Income (I+II)		3,657,737,210	3,306,009,583
IV Expenses			
Cost of materials consumed	29	2,540,422,170	3,597,318,055
Purchase of Stock-in-trade		7,794,677	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	320,927,599	(1,622,487,898)
Employee benefits expense	31	305,419,412	361,125,768
Finance costs	32	214,890,585	186,378,395
Depreciation and Amortisation	33	73,949,035	82,738,443
Other expenses	34	367,223,534	445,329,418
Total Expenses (IV)		3,830,627,012	3,050,402,181
V Profit / (loss) before exceptional items and tax		(172,889,802)	255,607,402
VI Exceptional items		-	-
VII Profit / (loss) before tax		(172,889,802)	255,607,402
VIII Tax expense			
- Current Tax		-	51,000,000
- Deferred Tax		(40,429,729)	102,613,254
- Excess provision towards taxation relating to earlier years		(20,952,780)	-
IX Profit / (loss) for the period		(111,507,293)	101,994,148
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		2,298,554	5,313,780
Income tax expense on above		(669,339)	(1,856,847)
		1,629,215	3,456,933
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		(109,878,078)	105,451,081
XII Earnings per Equity Share			
(1) Basic		(0.97)	0.93
(2) Diluted		(0.97)	0.93

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

Place: Chennai
Date : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director
DIN: 00091466

Amount in Rupees

Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Cash flows from operating activities		
Total Income for the Period (PBT)	-172889802	255607402
<u>Adjustments:</u>		
- Interest Income	-11895096	-10570381
- Loss / (Profit) on Sale of Fixed Assets	-6306	-7949918
- Loss / (Gain) on Sale of Investments	-829871	756578
- Adjustment for OCI	2298554	5313780
- Interest Expense	214890585	9872256
- Dividend Income	-38652185	-38959806
- Fair Value Adjustment	119459890	81784273
- Depreciation and Amortization	73949035	82738443
Operating Cash flow before Working Capital changes	186324803	378592628
<i>Changes in</i>		
- Increase in Trade Receivables	-34379351	20561729
- (Decrease) in Inventory	326953470	-1615917547
- Increase in Other Current Financial Asset(s)	-150140618	-41649302
- Increase in Other Current Asset(s)	25219773	54261820
- Increase in Long term Loans	-59735	2456984
- Increase in Other Non - Current Asset	-2070670	-1855070
- (Decrease)/Increase In Long Term Provisions	-915821	-2193878
- (Decrease) in Other Financial Liabilities Non Current	-3871679	-21
- (Decrease) in Trade Payables Current	-712335716	774682658
- (Decrease) in Other Current Liabilities	-11942616	5730332
- Increase in Other Financial Liabilities Current	340902438	-85979532
- (Decrease) in Short Term Provisions Current	-228980	-548445
Income Taxes paid	-53630077	1883653
Net Cash generated from / (used in) operations	-276499582	-888566618
Cash flows from investing activities		
Purchase of Fixed Assets	-16688527	-67449016
Proceeds from Sale of Fixed Assets	8018	13967071
Investment made in Current and Non Current Investments	-26860557	354490782
Dividend Income	38652185	38959806
Proceeds from Sale of Investments	4804476	3706736
Changes in Margin Money Deposits	13033798	-18859298
Interest received	11895096	10570381
Net Cash generated from/(used in) investing activities	24844489	335386461
Cash flows from financing activities		
Proceeds from / (repayment of) Long Term and Short Term Borrowings	325056858	197464999
Dividend paid	-13669168	-13669698
Interest paid	-214890585	-9872256
Net Cash used in financing activities	96497105	173923045
Increase in Cash and Cash Equivalents	31166816	-664,484
Cash and Cash Equivalents at the beginning of the year	22394977	23,059,461
Cash and Cash Equivalents at the end of the year	53561793	22394977
Components of Cash and Cash Equivalents (Refer Note 11)		
Cash on hand	939691	1392781
Balances with Banks	52622102	21002196
Total Cash and Cash Equivalents	53561793	22394977

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 : 23/07/2020

R.GANESAN
Chief Financial Officer**S.CHIDAMBARAM**
Company Secretary**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 23/07/2020

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 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.

(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 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 :
 - ♦ 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 LiabilitiesClassification:

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

Description	Amount in Rupees							Total
	Land	Buildings	Plant and Equipment	Computers & Office Equipment	Vehicles	Furniture and Fixtures		
As at 31 March 2018 (At Cost)	169,446,985	252,786,280	635,632,475	9,518,827	24,317,679	2,884,644	1,094,586,890	
Additions during the year	-	2,769,526	66,087,374	703,361	641,552	170,500	70,372,313	
Deletions during the year	-	-	(16,453,042)	(238,596)	(1,750,557)	(152,396)	(18,594,591)	
As at 31 March 2019 (At Cost)	169,446,985	255,555,806	685,266,807	9,983,592	23,208,674	2,902,748	1,146,364,612	
Additions during the year	-	-	5,368,595	359,775	43,725	90,000	5,862,095	
Deletions during the year	-	-	-	(60,000)	-	-	(60,000)	
As at 31 March 2020 (At Cost)	169,446,985	255,555,806	690,635,402	10,283,367	23,252,399	2,992,748	1,152,166,707	
Depreciation and Amortization								
Opening Depreciation as on 01.04.2018	-	25,652,585	129,634,226	4,914,632	6,577,191	1,020,538	167,799,172	
Charge for the year	-	11,200,382	61,111,032	2,641,407	3,714,004	282,353	78,949,178	
Deletions during the year	-	-	(10,520,826)	(238,586)	(1,671,786)	(146,241)	(12,577,439)	
As at 31 March 2019	-	36,852,967	180,224,432	7,317,453	8,619,409	1,156,650	234,170,911	
Charge for the year	-	9,999,367	55,245,363	1,311,229	3,325,524	278,287	70,159,770	
Deletions during the year	-	-	-	(58,288)	-	-	(58,288)	
As at 31 March 2020	-	46,852,334	235,469,795	8,570,394	11,944,933	1,434,937	304,272,393	
Net Book Value								
As at 31 March 2020	169,446,985	208,703,472	455,165,607	1,712,973	11,307,466	1,557,811	847,894,314	
As at 31 March 2019	169,446,985	218,702,839	505,042,375	2,666,138	14,589,265	1,746,098	912,193,700	

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
Cost or Valuation		
As at 31 March 2018 (At Cost)	16,215,127	16,215,127
Additions during the year	-	-
Deletions during the year	-	-
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
Amortization and Impairment		
Depreciation as at 31 March 2018	7506093	7506093
Amortization for the year ended 31 March 2019	3789265	3789265
As at 31 March 2019	11295358	11295358
Amortization for the year	3789265	3789265
As at 31 March 2020	15084623	15084623
Net Book Value		
As at 31 March 2020	1130504	1130504
As at 31 March 2019	4919769	4919769

5 - Investments

Particulars	Amount in Rupees			
	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Value	No. of Shares	Value
<u>List of Quoted Shares (Fair value through Profit and Loss Account)</u>				
Avon Life Science Ltd	100	289	100	460
Axys Health Tech Ltd	50000	500000	50000	500000
Bajaj Hindustan Ltd.	1000	2650	1000	7900
Balrampur Chini Mills Ltd.	1000	104050	1000	137100
Bannari Amman Sugars Ltd.	50	43385	50	75585
Coromandel International Ltd.	330	180246	330	167475
Eid Parry (I) Ltd.	1000	139050	1000	204650
GAIL India (Bonus Shares)	18800	1439140	-	-
Indian Sucrose Ltd. (formerly Lactose (I) Ltd.)	100	1590	100	1710
IRB Invt Fund	215000	5506150	115000	7595750
The Jeypore Sugar Company Ltd.	16580	165800	16580	165800
Jubilant Industries Ltd	80	6872	80	10096
Jubilant Life Science Ltd.	1600	398720	1600	1063680
Kothari Sugars And Chemicals Ltd.	5	43	5	47.5
Krishna Industrial Corporation Ltd.	52501	525010	52501	525010
Mahanagar Gas Ltd	8000	6547600	8000	8440400
Nava Bharat Ventures Ltd.	80	2736	80	8260
NTPC Limited	2300	193660	13800	1858860
Precision Wires India Ltd.	352048	24044878	352048	69987142.4
Sakthi Sugars Ltd.	50	368	50	562.5
Rural Electrifications	-	-	6000	917400
Savita Oil Technologies Ltd.	93942	57360985	95400	113597550
Simbhaoli Sugars Ltd.	117	497	117	1064.7
Sri Sarvaraya Sugars Ltd.	450000	4500000	150000	1500000
The Andhra Sugars Ltd	100	17705	100	34320
The Dhampur Sugar Mills Ltd.	100	8235	100	23295
Thiru Arooran Sugars Ltd.	100	310	100	1740
Yuken India Ltd.	188864	61380981	188864	127738166
Mishra Dhattu Nigam Ltd.	11500	2056775	11500	1622650
CL Educate Ltd	2950	91893	2950	358572.5
Rites Ltd	27040	6654544	21632	5623238.5
Supreme Engineering Ltd	88000	1289200	-	-
Total		173163361		342168666

Amount in Rupees

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Value	No. of Shares	Value
**Investments in Quoted Equity Instruments (Fair valued through Profit and Loss Account)				
Blue Star Ltd.	95768	44000608	95768	64921127
Container Corporation of India Ltd. (Face value changed to Rs.5/-)	52270	17335346	52270	27457431
Engineers India Ltd	8000	480400	8000	938400
GAIL India (Bonus Shares)	18800	1439140	18800	6535820
Indraprastha Gas Ltd.	1110950	430993053	1110950	339339678
NLC India Ltd	60200	2642780	60200	4177880
Coal India Ltd	3500	490175	3500	830200
Total		497381501		444200536
List of UnQuoted Shares (At Cost)				
Agri Business Finance Ltd.	50000	500000	50000	500000
Investment in Subsidiaries (At Cost)				
The Eimco - K.C.P. Ltd	600000	6000000	600000	6000000
KCP Sugars Agricultural Research Farms Ltd	2250000	22500000	2250000	22500000
Total		28500000		28500000
Grand Total		69954862		815369202

**Pledged with Kotak Mahindra Bank Limited to avail Working Capital Term Loan of Rs.20 Crores (Refer Note 17)

Particulars	As at March 31, 2020	As at March 31, 2019
5.1. Aggregate amount of Quoted Investments		
- Cost	535733527	534642641
- Market Value	670544862	786369202
5.2. Aggregate amount of Unquoted Investments		
- Cost	29000000	29000000

6 - Loans

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits (Unsecured considered good)	4052564	3992829

7 - Other Non Current Assets

Long Term Security Deposits (Unsecured and considered good)	43364679	41294009
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8 - Inventories

Raw Materials	798106	275716
Work in progress	8726944	47251719
Finished Goods	3321611750	3603575340
Stores and Spares	32203271	38751532
Crops under cultivation	1006066	1445300
Total	3364346137	3691299607

9 - Investments

Investments in Mutual Funds (Fair valued through Profit and Loss Account)	569555191	550304789
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10 - Trade Receivables

Unsecured Considered good	239757942	205378591
Considered Doubtful	2753857	2753857
	242511799	208132448
Less: Allowances for Doubtful debts	(2753857)	(2753857)
Total	239757942	205378591

11 - Cash and Cash Equivalent

i) Balances with Banks: - In current accounts	52622102	21002196
ii) Cash on hand	939691	1392781
Total	53561793	22394977

12 - Bank Balances other than Note 11 above

Bank Balances held as Margin Money	63498726	62387047
Unpaid Dividend Account	14378886	28524363
Total	77877612	90911410

13 - Other Current Financial Assets

Unsecured, considered good; - Claims receivable	193973433	43781439
- Advance to Employees	10329143	10380519
Total	204302576	54161958

14 - Other Current Assets

Prepaid expenses	8996686	34084946
Balance with government authorities	47955018	6982373
Advances to Supplier	47322548	54484645
Total	104274252	95551964

15 - Equity Share Capital

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital 25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000
Total	250000000	250000000
Issued, Subscribed and Paid Up 11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050
Total	113385050	113385050

15.1. Movement in respect of Equity Shares is given below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount	Nos.	Amount
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

15.2. 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.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	% of holding	Nos.	% of holding
Durgamba Investments Private Limited	43742656	38.58%	43742656	38.58%
Total	43742656	38.58%	43742656	38.58%

16 - 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 1,2019	1120941895	4505000	15545110	1385291498	2719001	2529002504
Provision For Dividend and Taxes	-	-	-	(13669168)	-	(13669168)
Profit / (Loss) for the period	-	-	-	(111507293)	-	(111507293)
Other Comprehensive Income for the Year	-	-	-	-	1629215	1629215
Balance as at March 31, 2020	1120941895	4505000	15545110	1260115037	4348216	2405455258

Non Current Liabilities**17 - Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
a) Working Capital Term Loan from HDFC Bank Ltd	270000000	-
Less: Current Maturity classified in Note 23	135000000	-
Net	135000000	-
(The above loan is secured by first paripassu 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.)		
b) Working Capital Term Loan from Kotak Mahindra Bank Ltd	200000000	-
Less: Current Maturity classified in Note 23	25000000	-
Net	175000000	-
(The above loan is secured by second paripassu 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.)		
Unsecured Borrowings		
Fixed Deposits from Public	433197000	413413000
Total	743197000	413413000

18 - Other Financial Liabilities

Interest accrued but not due on Fixed Deposits	5959513	9186940
Security Deposit	1505000	2149252
Total	7464513	11336192

19 - Provisions

Provision for Employee Benefits	49183624	50099446
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20 - 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, 2020	As at March 31, 2019
Deferred Tax Liability		
Property, Plant & Equipment	106,637,453	136,719,406
Total	106,637,453	136,719,406
Deferred Tax Assets		
Current year business losses	56,803,732	42,984,302
On account of timing differences in recognition of expenditure between books of accounts and Taxation	18,704,762	22,845,755
Total	75,508,494	65,830,057
Net Deferred Tax Assets / (Liabilities)	(31,128,959)	(70,889,349)

Current Liabilities

21 - Borrowings

Secured Demand Loans from Banks* (Refer note below)	1518039308	1222766450
Short term unsecured loan from Bank	-	300000000
Total	1518039308	1522766450

*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.

22 - Trade Payables

- Dues to Micro and Small Enterprises*	-	-
- Others	609833157	1322168873
Total	609833157	1322168873

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

23 - Other Financial Liabilities

Current Maturities of Long Term Debt	391162000	268795000
Unclaimed Dividends	12864393	15450448
Interest accrued but not due on borrowings	16330428	19517480
Unpaid matured deposits and interest accrued thereon	10163745	19256914
Outstanding Liabilities for Expenses	269126164	35724450
Earnest Money and Other Deposits	4338310	4338310
Total	703985040	363082602

24 - Other Current Liabilities

Statutory Liabilities	23544994	23218784
Advance from customers	2976048	15244874
Total	26521042	38463658

25 - Provisions

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits	12295906	12524886

26 - Current Tax Liabilities

Provision for Taxation	-	40640795
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27 - Revenue from Operations

Amount in Rs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	3545362224	3178338789

28 - Other Income

Interest income from financial asset measured at amortised cost	545380	556208
Profit on sale of Investments	829871	-
Interest Received	11349716	10014173
Dividend Income	38652185	38959806
Rent Received	3829189	4060076
Miscellaneous Receipts	13273622	16673368
Profit on sale of fixed assets (Net)	6306	7949918
Compensation received from Metro Rail	-	14107634
Unclaimed Balance credited back	2031842	5018
Claims Received	41734729	23092043
Provision no longer required withdrawn	122146	12252550
Total	112374986	127670794

29 - Cost of Materials consumed

Consumption of raw materials	2464195150	3479111047
Consumption of stores and spares	76227020	118207008
Total	2540422170	3597318055
Consumption of Sugarcane included in the above	2453710340	3466046683

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

Opening Balance		
Work in Progress	47251719	41137840
Finished goods	3603575340	1987460531
Crops under cultivation	1445300	1186090
Sub Total	3652272359	2029784461
Less Closing Balance		
Work in Progress	(8726944)	(47251719)
Finished goods	(3321611750)	(3603575340)
Crops under cultivation	(1006066)	(1445300)
Sub Total	(3331344760)	(3652272359)
Net	320927599	(1622487898)

31 - Employee Benefits Expense

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	244794548	295016941
Contribution to provident and other funds	29019852	31956669
Remuneration to wholetime directors	10473974	10443291
Staff welfare expenses	21131038	23708867
Total	305419412	361125768

32 - Finance Costs

Interest cost on financial liabilities measured at amortized cost	-	9872256
Others	214890585	176506139
Total	214890585	186378395

33 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	70159770	78949178
- Intangible Assets	3789265	3789265
Total	73949035	82738443

34 - Other Expenses

Power and Fuel	25351312	21730720
Rental charges	309788	402197
Repairs and maintenance:		
- Buildings	6279740	10093087
- Machinery	83745282	113327147
- Others	7868175	10271902
Insurance	3900331	3079449
Payment made to auditors (Refer note below)	738500	643707
Legal and Professional Charges	7042264	4771817
Selling expenses	23981412	101678220
Director's Sitting Fees	1250000	1300000
Donations	-	1500000
Corporate Social Responsibility Expenditure (CSR)	1822213	1958841
Security Charges	14524981	12802598
Miscellaneous expenses	70949646	79228882
Loss relating to fair value of equity investments	119459890	81784273
Loss on sale of Investments	-	756578
Total	367223534	445329418

Payment made to statutory auditors :		
i. As Audit fees	463500	442500
ii. For other services	275000	184600
iii. For reimbursement of expenses	-	16607
Total	738500	643707

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

Sl. No.	Particulars	2019 – 2020 Rs.	2018 – 2019 Rs.
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare parts	Nil	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	2019 – 2020 Rs.	%	2018 – 2019 Rs.	%
(a)	Raw Materials:				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	246,41,95,150	100.00	3,47,91,11,047	100.00
	Total	246,41,95,150	100 00	3,47,91,11,047	100.00
(b)	Spare parts and Components: (debited to respective heads)				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	5,33,00,923	100.00	7,11,00,856	100.00
	Total	5,33,00,923	100.00	7,11,00,856	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.18,22,213/-, (P.Y.Rs.19,58,841/-)

38. Sale of Products and Services

Products / Services	Units	2019-2020		2018-2019	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	820647	2718800545	678724	2108781005
Molasses	MTs	7692	66893939	10854	76308805
Bagasse	MTs	68888	122169951	97031	262878422
Industrial / Anhydrous Alcohol	BLs	10561930	500775635	13499383	581429060
Bio Fertiliser	Qtls	143884	54862041	134118	57312359
Electrical Energy	Kwh	8399986	37505499	9610603	41970947
Calcium Lactate	Kgs	294365	29739650	333600	32922100
Others	-	-	14614964	-	16736091
TOTAL			3545362224		3178338789

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

Amount in Rupees

Products / Services	Units	2019-2020		2018-2019	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	2294	7111400	2083	6256945
Molasses	MTs.	44610	381980487	43416	299267353
Bagasse	MTs.	171868	292174903	230556	390748416
Electrical energy	KWH	18957795	112040568	24749557	146764873
Steam	MTs.	280601	231126329	396444	334185795
Filter Cake	MTs.	46325	920208	33699	336988
Sugarcane - Agricultural Produce	MTs.	533	1465434	733	2393677
Bio Gas	M ³	928397	371359	1679968	671987
Others	-	-	4690086	-	-
TOTAL	-	-	1031880774	-	1180626034

39 - Raw Materials Consumed

Sugar – Sugarcane	MTs	784964	2460056859	1125795	3471366223
Molasses	MTs	44610	384980487	43814	301651862
Others	-	-	15325419	-	14347926
Total	-	-	2860362765	-	3787366011
Less: Inter Divisional Transfers	-	-	396167615	-	308254964
Net Consumption	-	-	2464195150	-	3479111047

40 - Opening Stock of Finished Goods

Particulars	Units	As at 01.04.2019		As at 01.04.2018	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1040914	3359068869	652273	1719391628
Molasses	MTs	33628	225304317	32080	193054431
Industrial / Anhydrous Alcohol	BLs	274097	8585813	1742303	61668169
Bio Fertiliser	Qtls	15176	10110831	16410	9805865
Others	-	-	505510	-	3540438
Total	-	-	3603575340	-	1987460531

41 - Closing Stock of Finished Goods

Particulars	Units	As at 31.03.2020		As at 31.03.2019	
		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
Total	-	-	3321611750	-	3603575340

42 - Particulars regarding Capacity and Production

Class of Goods	Capacity			Actual Production	
	Licenced	Installed		2019-20	2018-19
	(as certified by the management)				
			Units		
a. Sugar					
(i) Vuyyuru Unit	7500 (Tonnes of Cane crushed per day)	7500	Qtls	723651	803625
(ii) Lakshmipuram	4000 (Tonnes of Cane crushed per day)	4000	Qtls	-	265823
b. Molasses (By-Product)			MT's	42671	55818
c. Industrial / Anhydrous Alcohol	50000	50000	BL per day	11929101	12031177
d. Bio Fertiliser			Qtls	152246	132884
e. Electrical Power					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	32129526	33979903
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	5 MW	5 MW	Kwh	-	6971548

43 - Lakshmipuram Unit :

Due to inadequate supply of Sugarcane, the operation of Sugar Unit at Lakshmipuram has been suspended as a temporary measure during the Sugarcane Crushing Season, 2019 - 2020. The Sugarcane cultivated in the Sugar Unit, Lakshmipuram area has been diverted to Sugar Unit, Vuyyuru during the said Season in order to improve the financial and operational efficiency.

44 - Contingent Liabilities :

- Outstanding Guarantees issued by banks on behalf of the company is Rs.2,46,69,438/- (PYRs. 4,63,24,938/-)
- Demands raised on the company by the respective authorities are as under:

Amount in Rupees

Particulars	As at March 31,2020	As at March 31,2019
Share transmission	11,05,851	11,05,851
Labour cases	72,41,115	72,94,202
Non enrolment of contract labour for the purpose of contribution to Provided Fund	72,63,050	1,10,94,580
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
Income Tax Case	-	4,70,30,100
Total	7,72,90,996	12,82,05,713

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*

	Particulars	As at March 31,2020	As at March 31,2019
	Expenditure in Foreign currency on:		
	(i) Salary and allowance	Nil	Nil
	(ii) Tours and Travels	Nil	Nil
	(iii) Others	Nil	Nil

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

S. No	Particulars	As at March 31,2020	As at March 31,2019
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

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 31,2020

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
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		
Liabilities:			
Borrowings (Non Current)	743197000		
Other Long term financial liabilities	7464513		
Other Financial Liabilities	703985040		
Borrowings	1518039308		
Trade Payables	609833157		

March 31,2019

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Loans	3992829		
Other Non current assets	41294009		
Non-Current Investments		815369202	
Current Trade Receivables	205378591		
Cash & Cash Equivalents	22394977		
Other Bank Balances	90911410		
Current Investments		550304789	
Other Financial Assets	54161958		
Liabilities:			
Deposit accepted from public (Non-Current)	413413000		
Other Long term financial liabilities	11336192		
Other Financial Liabilities	363082602		
Borrowings	1522766450		
Trade Payables	1322168873		

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 31.03.2020				For the year 31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	69,95,44,862			69,95,44,862	815369202			815369202
Investments in Quoted Mutual Funds	56,95,55,191			56,95,55,191	550304789			550304789

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 a 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.24,25,11,799/ and Rs. 20,81,32,448 as of March 31, 2020 and March 31, 2019, 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, 2020		March 31, 2019	
	Gross	Impairment	Gross	Impairment
0 to 180 days	172986786	-	17,51,02,031	-
More than 180 days	69525013	2753857	3,30,30,417	27,53,857

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.

Particulars	31.03.2020		31.03.2019	
	Payable within 1 year	More than 1 year	Payable within 1 year	More than 1 year
Loan from Bank	160000000	310000000	-	-
Deposits from Public	238586000	433197000	27,49,78,0000	413413000

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	31.03.2020	31.03.2019
Fixed Rate Instruments		
Financial Asset		
Margin Money with Bank	63498726	62387047
Financial Liabilities		
Variable Rate Instruments		
Term Loan from Bank	470000000	-
Demand Loan from bank	1518039308	1522766450

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, 2020	As at March 31, 2019
Interest Expenses arising on account of variable rate of interest on Bank borrowings	144156855	96187990
Impact on :		
Increase in 100 basis point	19880398	15227665
Decrease in 100 basis points	(19880398)	(15227665)

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 st March, 2020	As at 31 st March, 2019
Non Current liabilities	799845137	474848638
Total Equity	2549969267	2713276903
Net debt to equity ratio	0.31	0.18

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

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 Regd. 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	31.03.2020	31.03.2019
Defined benefit obligation - Beginning of the year	147797682	150113859
Current service cost	7060932	6955626
Interest Cost	10987522	11819140
Benefits Paid	(11423611)	(15777163)
Re-measurements-actuarial loss / (gain)	(132128)	(5313780)
Defined benefit obligation - End of the year	154290397	147797682

Movement in plan asset:

Fair value of plan assets at beginning of year	122360286	121962418
Employer contributions	7863283	6932881
Benefits paid	(11423611)	(15777163)
Re-measurements – Return on plan assets	9662037	9242150
Fair value of plan assets at end of year	12861996	122360286

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

Particulars	31.03.2020	31.03.2019
Current service cost	7060932	6955626
Expected return on Plan Assets	(9662037)	(9242150)
Net Interest on Net Defined Benefit Liability/(assets)	10987522	11819140
Cost Recognized in P&L	8386417	9532616

Amount recognized in Other Comprehensive Income (OCI)

Actuarial (gain) / loss due to assumption changes	(2298554)	(5313780)
Difference between Actual Return and Interest Income on Plan Assets- (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	(2298554)	(5313780)

Actuarial Assumption

Discount rate	7.37%	8.00%
Rate of salary increase	6.00%	7.00%
Attrition Rate	5.00%	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, 2020**

Description	At the beginning of the year	Addition	Used	At the end of the year
Provision for leave encashment	37186939	7224601	9162015	35249525
Provision for gratuity	25437395	4994262	4201652	26230005
Provision for Income Tax	238500000	-	238500000	-

March 31, 2019

Provision for leave encashment	37215215	9334885	9363161	37186939
Provision for gratuity	28151441	1813329	4527375	25437395
Provision for Income Tax	187500000	51000000	-	238500000

51 - Disclosure required by Clause 32 of the Listing Agreement:

Amount in Rupees

Loans and Advances to Subsidiary Companies	Outstanding as at Rs.		Maximum amount outstanding during the year ended -Rs.	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
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) Shri. Vinod R. Sethi, Executive Chairman b) Smt. Irmgard Velagapudi Managing Director. c) Smt.Kiran Velagapudi, Executive Director. d) Shri.R.Ganesan, Chief Financial Officer. e) Shri.S.Chidambaram, Company Secretary		
(B) Transactions During the year				
Particulars	Subsidiaries		Key Managerial Personnel	
	2019 - 2020	2018 - 19	2019 - 2020	2018 - 19
Rent Received	360000	360000	1500000	1500000
Remuneration paid to Key Managerial Personnel*			13473807	13162247
Advances given			-	-
Advances received			-	-
Interest on fixed deposit paid to Key Management Personnel	-	-	2883355	3055431
(C) Closing balances as on 31/03/20 20				
Party				
(a) The Eimco - K.C.P. 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.	-	-	2279210	2128610
(e) Fixed deposit held by key Management Personnel.		-	32740000	32740000

* 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 2019-2020 being the fourth year of inadequate profits during the tenure (2015 – 20) of Ms. Irmgard Velagapudi, Managing Director and Mr. Vinod R. Sethi, Executive Chairman, the minimum remuneration paid to Managerial Personnel of a sum of Rs. 60,37,640/- for the Financial Year 2019-2020 is ratified by the Board of Directors in its Meeting held on 23.07.2020 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 year end business were partially affected.

If the lockdown is continued, it will have serious impact on Sugarcane cultivation, off take, movement of sugar, sugar cane supply and sugarcane crushing operations during the financial year.

55 - SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2020 and others taking into account the nature of products and services, the different risks and returns and the internal reporting system. The accounting policies for segment reporting are in line with the accounting policies followed by the company

Amount in Rupees

PARTICULARS	PRIMARY SEGMENT												
	SUGAR		CHEMICALS		POWER & FUEL		OTHERS		TOTAL				
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year			
1 Segment Revenue													
External Revenue	2910761818	2449893485	542007315	628973748	37505499	41970947	55087592	57500609	3545362224	3178338789			
Inter Segment Revenue	688342519	699003379	3032372	3512906	340505884	478109749	-	-	1031880775	1180626034			
Total Revenues	3599104337	3148896864	545039687	632486654	378011383	520080696	55087592	57500609	4577242998	4358964823			
2 Segment Results													
Profit before depreciation, finance cost and taxation	28324870	318532358	84847147	153998976	80377560	106293340	34673278	33219018	228222855	612043692			
Less : Finance Cost	151809289	161244135	-	13229988	-	859013	-	1173003	151809289	176506139			
Less : Unallocable Finance Cost									63081296	9872256			
Less: Depreciation and Amortizations	33393566	41265012	14639871	17167244	21623808	21791324	1466553	2514863	71123798	82738443			
Less: Impairment on Capital Assets									-	-			
Unallocable Expenditure									(115098273)	87319452			
Less : Tax									(61382509)	153613254			
Total Profit	(156877985)	116023211	70207276	123601744	58753752	83643003	33206725	29531152	(11507293)	101994148			
Capital Employed													
Segment Assets	4192743071	4457096529	237725103	188916653	221421702	221283407	28011200	30124100	4679901075	4897420689			
Unallocable Assets									1529980147	1524929264			
Segment Liabilities	2886717614	2923454083	24240465	27508329	3473740	5099775	3533458	6513398	2917965277	2962575585			
Unallocable Liabilities									773075637	817386814			
Capital Employed	5832672	64389950	10478859	-	-	80801	376995	2978265	2518840308	2642387553			
Capital Expenditure									16688526	67449016			

1. The operations of the company predominantly relate to manufacture of Sugar, Electrical Energy, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate

2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers .

3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

(ii) Geographical Segment:

Amount in Rupees

Particulars	Current Reporting Period 2019-2020	Previous Reporting Period 2018-2019
Sales within India	3545362224	3178338789
Sales outside India	-	-
Total	3545362224	3178338789

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	6220488857	6487772805	16688526	67449016
Located outside India	-	-	-	-
Total	6220488857	6487772805	16688526	67449016

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 : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director
DIN: 00091466



THE EIMCO - K.C.P. LIMITED
CIN: U27209TN1967PLC005550

Fifty Second Annual Report
2019 – 2020

Board of Directors

		DIN
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, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai – 600 058.

Banker

Axis Bank Limited

Statutory Auditor

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

Secretarial Auditor

Ms.Jayashree S Iyer (M.No.:10394)
Practising Company Secretary
New No.10, Old No.41, Kirupasankari Street,
West Mambalam, Chennai - 600 033.



NOTICE is hereby given that the **FIFTY SECOND ANNUAL GENERAL MEETING** of The Eimco - K.C.P. Limited will be held through Video Conferencing on Friday, the 25th Day of September, 2020 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 31/03/2020 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Ms. Irmgard Velagapudi (DIN:00091370) who retires by rotation and being eligible, offers herself for reappointment;
3. To appoint M/s. Suri & Siva, Chartered Accountants (FRN:004284S) as Statutory Auditor of the Company to hold office from the conclusion of this 52nd Annual General Meeting till the conclusion of 57th Annual General Meeting on such remuneration as fixed by the Board of Directors.

// BY ORDER OF THE BOARD//

Place : Chennai
Date : 23/07/2020

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

NOTES:

1. The Ministry of Corporate Affairs vide their General Circular No.20/2020 dated 05/05/2020 allowed the Companies to conduct their Annual General Meeting through Video Conferencing due to the pandemic caused by Covid-19.
2. Manner of joining and participating in the Annual General Meeting held through Video Conferencing will be communicated by email to the Members, Directors and all concerned.
3. 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.

// BY ORDER OF THE BOARD//

Place : Chennai
Date : 23/07/2020

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 52nd Annual Report containing the Audited Financial Statements for the Financial Year ended 31st March 2020.

1. REVIEW OF OPERATIONS:

(Rs. in Crores)

Performance		For the Financial Year ended 31/03/2020	For the Financial Year ended 31/03/2019
Operational Performance	Orders (valued in Rs.)	45.32	32.85
Financial Performance	Turnover and Other Income	40.51	44.28
	Profit before Tax	6.49	8.37
	Profit after Tax	4.84	6.11
	Total Comprehensive Income (after adjustment of re-measurement of Actuarial Profit)	4.81	6.18

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.60.00 Lakhs. The total Reserves and Surplus has increased to Rs.35.44 Crores as on 31/03/2020 as against Rs.30.63 Crores as on 31/03/2019.

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 31/03/2019.

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

The Company Strives to utilise energy 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.

Fuel:

The Company replaced the gas used in metal cutting with CNC machines thereby saving carbon emissions to the extent of 3 kg per hour.

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 2019 – 2020 is Rs.12.67 Crores as against Rs. 24.36 Crores for the previous year. During the Financial Year 2019 – 2020, the Company has incurred expenditure in foreign currency amounting to Rs.1.58 Crores towards product representation, commission on export sales, foreign travel, seminars and conference and repairs.

8. PARTICULARS OF EMPLOYEES:

Disclosure as required under 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 2019 – 2020 on 26/04/2019, 29/05/2019, 07/08/2019, 11/11/2019 and 07/02/2020.

10. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return is annexed hereto as '**Annexure – 1**'.

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 '**Annexure – 2**'.

12. CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted the CSR Committee during the financial year with the following Members:

- (i) Ms.Irmgard Velagapudi, Chairperson
- (ii) Mr.R.Ganesan, Member
- (iii) Mr.P.Manohar, Member

The Committee has formulated a CSR Policy in line with Schedule VII of the Companies Act, 2013.

The Company has donated to Old Age Homes / Orphanage towards CSR Spent pertaining to the Financial Year 2019 – 2020 on 22/07/2020 due to the pandemic caused by Covid-19 in the end of the said Financial Year and consequential lock down and other administrative constraints. As on the date of this Directors' Report, the Company is in compliance with Section 135 of the Companies Act, 2013. Annual Report on CSR Activities is annexed herewith as '**Annexure – 3**'.

13. 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 07/02/2020, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2019 – 2020.

The Secretarial Audit Report of the Company, in terms of Section 204 of the Companies Act, 2013, is annexed herewith as '**Annexure – 4**'. There are no qualifications, reservations or observations or adverse remarks or disclaimers in the said Secretarial Auditor Report.

14. SECRETARIAL STANDARDS :

Pursuant to Section 118(10) of the Companies Act, 2013, the Company observes Secretarial Standards, prescribed by the Institute of Company Secretaries of India.

15. ACCOUNTING STANDARDS :

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

16. 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 2019 – 2020.

17. DIRECTOR RETIRING BY ROTATION:

Ms. Irmgard Velagapudi, Director (DIN: 00091370), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers herself for reappointment.

18. 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, reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor Report.

Reappointment of M/s. Suri & Siva, Chartered Accountants as Statutory Auditor of the Company from the conclusion of 52nd Annual General Meeting to the conclusion of 57th Annual General Meeting, is placed for the approval of the Shareholders of the Company in the ensuing Annual



General Meeting. The Company has obtained a written certificate from the proposed appointee to the effect that their appointment, if made, would be in conformity with the provisions of Section 141 (3) of the Companies Act, 2013.

19. 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 to conduct internal audit of the Company for the Financial Year 2019 - 2020. The Internal Auditor has submitted his reports to the Board of Directors of the Company, periodically.

20. 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, 31/03/2020 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.

21. 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 : 23/07/2020

**IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370**

ANNEXURE – 1**FORM No. MGT– 9 - EXTRACT OF ANNUAL RETURN****(for the Financial Year ended 31/03/2020)***[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

CIN	U27209TN1967PLC005550
Registration Date	26/09/1967
Name of the Company	The Eimco – K.C.P. Limited
Category / Sub- Category of the Company	Public Company Limited by Shares
Address of the Registered Office and Contact details	'Ramakrishna Buildings', No.239, Anna Salai, Chennai- 600 006. Tel : 044 - 28555171 email : secretarial@kcpsugar.com Website : www.ekcp.com
Whether Listed Company [Yes/ No]	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY:

S. No.	Name and Description of Main Products/ Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Solid Liquid Separation Equipments	842110	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	K.C.P. Sugar and Industries Corporation Limited	L15421TN1995PLC033198	Holding	100	2 (46)



IV. SHAREHOLDING PATTERN:

S. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1.	K.C.P. Sugar and Industries Corporation Limited <i>(Holding Company)</i>	599990	99.9983
2.	Ms.Irmgard Velagapudi <i>(Nominee Shareholder)</i>	3	0.0017 (Nominee Shareholders)
3.	Mr.Vinod R.Sethi <i>(Nominee Shareholder)</i>	1	
4.	Ms.V.Kiran Rao <i>(Nominee Shareholder)</i>	1	
5.	Mr.P.R.Ramakrishnan <i>(Nominee Shareholder)</i>	1	
6.	Mr.R.Prabhu <i>(Nominee Shareholder)</i>	1	
7.	Mr.Ramaniklal Kalyanji <i>(Nominee Shareholder)</i>	1	
8.	Mr.R.Ganesan <i>(Nominee Shareholder)</i>	1	
9.	Mr.S.Chidambaram <i>(Nominee Shareholder)</i>	1	
	Total	600000	

V. INDEBTEDNESS: Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013: Nil

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

**IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370**

ANNEXURE - 2

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

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

**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 of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>The Company's CSR activities broadly relate to:</p> <ul style="list-style-type: none"> (i) Promoting health care including preventive health care and sanitation; (ii) Promoting education and employment enhancing vocational skills; (iii) Eradication of poverty and ensuring better living conditions; (iv) Ensuring environmental sustainability; (v) Rural Development Projects. <p>CSR Policy of the Company is placed in the Website of the Company, www.ekcp.com</p>
2.	Composition of the CSR Committee	Ms.Irmgard Velagapudi, Chairperson Mr.R.Ganesan, Member Mr.P.Manohar, Member
3.	Average Net Profit of the Company for last three Financial Years	Rs.5,51,12,808/-
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above)	Rs.11,02,256/-
5.	Details of CSR Spent during the Financial Year	
	Total amount to be spent for the Financial Year	Rs.11,05,000/-
	Amount Unspent, if any	Nil
	Manner in which the amount spent during the Financial Year	Refer to the Table given below

Manner in which CSR amount spent during the Financial Year

S. No.	Nature of Particulars	Particulars
1.	CSR Project or Activity identified	Donation to Orphanage / Old Age Homes
2.	Sector in which the Project is covered	Health Care
3.	Projects or Programs (i) local area or other (ii) Specify the State and District where Projects or Programs was undertaken	Local Chennai, Tamil Nadu
4.	Amount Outlay (Budget) Project or Programs-wise	As mandated by the Companies Act, 2013
5.	Amount spent on the Projects or Programs (i) Direct expenditure on Projects or Programs (ii) Overheads	Rs.11,05,000/- (Direct Expenditure)
6.	Cumulative expenditure upto the Reporting Period	Rs.11,05,000/-
7.	Amount spent direct or through implementing agency	Direct

Responsibility Statement of the CSR Committee:

The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Place : Chennai

Date : 23/07/2020

IRMGARD VELAGAPUDI
Director and Chairperson of CSR Committee
DIN: 00091370



**FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

[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]

UDIN No: F010394B000481788

To,
The Members,
M/s The Eimco - K.C.P. Limited
CIN No.: U27209TN1967PLC005550
183, New No.239, Anna Salai
'Ramakrishna Buildings,'
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 **31st March, 2020** 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 soft copies of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions / clauses of:

- (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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to material unlisted public 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 with proper balance of Directors, Non-Executive Directors.
- 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.
- iv) I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

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 : 15.07.2020

Jayashree S Iyer
Practising Company Secretary
Membership No.: 10394
C P No.:21403

Note: Due to Covid19 pandemic impact, the compliance documents for the year April 2019 to March 2020 were obtained through electronic mode and verified.

**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 July 15, 2020 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 : 15.07.2020

Jayashree S Iyer
Practicing Company Secretary
M. No. F10394
C.P No.:21403

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, 2020, 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, 2020, 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.

Other Matters

On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion. Our report on the Statement is not modified in respect of this matter.

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:
 - (i) 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;
 - (ii) 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.
 - (iii) 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.
 - (iv) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.



- (v) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
- (vi) 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;
- (vii) 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.

- (viii) 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: 20022379AAAATA1404

Place : Chennai

Date : 23-07-2020.

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: 20022379AAAATA1404

Place: Chennai

Date: 23.07.2020

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, 2020 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, 2020, 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: : 20022379AAAATA1404

Place: Chennai
Date: 23.07.2020

Amount in Rupees

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	64759073	66375063
(b) Capital Work-in-progress		-	191100
(c) Other Intangible Assets	4	20049	89107
(d) Intangible Assets under development		4666902	2785485
(e) Financial Assets			
(i) Investments	5	48469191	45800000
(ii) Loans	6	585131	587631
(f) Deferred tax Assets (Net)	7	4345391	2794527
(g) Other Non - Current Assets	8	3031589	2800149
Current Assets			
(a) Inventories	9	81627749	95061944
(b) Financial Assets			
(i) Investments	10	94752617	65102882
(ii) Trade Receivables	11	131438104	78949278
(iii) Cash and Cash Equivalents	12	29783274	36127157
(iv) Bank Balances other than (iii) above	13	25723799	22123348
(v) Other Financial Assets	14	78418	100615
(c) Other Current Assets	15	40790302	53645391
Total Assets		530071589	472533677
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	6000000	6000000
(b) Other Equity	17	354419053	306343479
Liabilities			
Non - Current Liabilities			
(a) Provisions	18	46899230	33967142
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		57358645	30888804
(ii) Other Financial Liabilities	20	3480496	10945027
(b) Other Current Liabilities	21	39942123	55861160
(c) Provisions	22	12841769	12949182
(d) Current Tax Liabilities (Net)	23	9130273	15578883
Total Equity and Liabilities		530071589	472533677

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 : 23/07/2020

IRMGARD VELAGAPUDIChairperson
DIN: 00091370**KIRAN VELAGAPUDI**Vice Chairperson
DIN: 00091466



Amount in Rupees

Particulars	Note	For Year Ended March 31, 2020	For Year Ended March 31, 2019
I Revenue from Operations	24	379487869	414291704
II Other income	25	25645231	28503408
III Total Income (I+II)		405133100	442795112
IV Expenses			
Cost of material consumed	26	169329836	139897487
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	15226999	23181160
Employee benefits expense	28	58384050	64398858
Finance costs	29	3697569	11261956
Depreciation and Amortisation	30	6378787	4167927
Other expenses	31	87231132	116216429
Total expenses (IV)		340248373	359123817
V Profit/(loss) before exceptional items and tax		64884727	83671295
VI Exceptional items		-	-
VII Profit/(loss) before tax		64884727	83671295
VIII Tax expense			
- Current Tax		18500000	23500000
- Deferred Tax		(1430242)	(257125)
- Provision for taxation relating to earlier years (Net)		(619251)	(624559)
IX Profit/(loss) for the period		48434220	61052979
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/(losses)		(479268)	1047952
Income tax expense on above		120622	(302229)
		(358646)	745723
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		48075574	61798702
XII Earnings per equity share			
(1) Basic		80.13	103.00
(2) Diluted		80.13	103.00

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 : 23/07/2020

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Amount in Rupees

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Cash Flows From Operating Activities		
Profit / (Loss) before Tax	64884727	83671295
Adjustments:		
- Interest income	(3150800)	(3593227)
- Profit on sale of assets	(6786)	(2414)
- Loss on sale of assets	2536	-
- Excess Provision credited back	(1459709)	(7352196)
- Credit Balances written back	(793975)	-
- Loss from Partnership firm	1330809	-
- ECL on Trade Receivables	5678035	-
- Adjustment for OCI	(479268)	1047952
- Dividend Income	(3649735)	(3164012)
- Depreciation and amortization	6378787	4167927
Operating cash flow before working capital changes	68734621	74775325
Changes in		
- Decrease/(Increase) In Trade Receivables	(58166861)	(17339964)
- Decrease/(Increase) In Inventory	13434195	27232014
- Decrease/(Increase) In Other current Financial Asset(s)	22197	67504
- Decrease/(Increase) In Other current Asset(s)	12855089	(18543491)
- Decrease/(Increase) In Current investments	(29649735)	(2076579)
- Decrease/(Increase) In non-current financial assets-Loans	2500	-62500
- Decrease/(Increase) In Other non-current asset	(231440)	-
- Decrease/(Increase) In Long term Provisions	14391797	9993469
- Decrease/(Increase) In Trade Payables current	27263816	(43417980)
- Decrease/(Increase) In other current liabilities	(15919037)	(34935530)
- Decrease/(Increase) In Other financial liabilities current	(7464531)	3849275
- Decrease/(Increase) In Short Term provisions current	(107413)	556663
Income taxes paid	(24329359)	(10878198)
Cash generated from / (used in) operations	835839	(10779992)
Cash flows from investing activities		
Investment in Patnership firm	(4000000)	(45800000)
Purchase of fixed assets	(6395469)	(9901427)
Proceeds from sale of fixed assets	15664	6000
Dividend Income	3649735	3164012
Decrease / (Increase) in margin money deposit	(3600451)	4402629
Interest received	3150800	3593227
Net cash generated from/(used in) investing activities [B]	(7179721)	(44535559)
Cash flows from financing activities		
Interest paid	-	-
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	-	-



Increase in cash and cash equivalents	(6343882)	(55315551)
Cash and cash equivalents at the beginning of the year	36127157	91442710
Cash and cash equivalents at the end of the year	29783274	36127157
Components of cash and cash equivalents (refer note 12)		
Cash on hand & Balances with Bank	29783274	36127157
Total cash and cash equivalents	29783274	36127157

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 : 23/07/2020

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.SUGARAND INDUSTRIES CORP LTD.

The financial statements were approved by the Board of Directors and authorised for issue on 23rd July 2020.

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:

Class of Assets	Estimated useful life
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 2018	42776981	11228780	12076165	2682517	777642	1768765	387648	71698498
Additions during the year	-	1151621	3213200	2045199	179334	55670	189618	6834642
Deletions during the year	-	-	-	-	71715	-	-	71715
As at 31st March 2019	42776981	12380401	15289365	4727716	885261	1824435	577266	78461425
Additions during the year	-	-	2319856	1010591	243797	840000	290908	4705152
Deletions during the year	-	-	-	60456	-	140000	-	200456
As at 31 March 2020 (At Cost)	42776981	12380401	17609221	5677851	1129058	2524435	868174	82966121
Depreciation and amortization								
As at 01st April 2018	-	1823657	4233811	1375345	438055	(7480)	124271	7987659
Additions during the year	-	878720	1775327	790994	203587	462826	55380	4166834
Deletions during the year	-	-	-	-	68129	-	-	68129
As at 31st March 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Charge for 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
Net Book Value								
As at 31 March 2020	42776981	8769772	9126026	1553633	371790	1640792	520076	64759073
As at 31 March 2019	42776981	9678024	9280227	2561377	311748	1369089	397615	66375063



Capital Work-in-Progress

Amount in Rupees

Particulars	Plant & Machinery	Total
As at 01st April 2018	191100	191100
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2019	191100	191100
Additions during the year	-	-
Deletions during the year	191100	191100
As at 31st March 2020 (at cost)	-	-

4 - Other Intangible Assets

Particulars	Computer Software	Total
Cost or Valuation		
As at 31 March 2018 (At Cost)	147034	147034
Additions during the year	90200	90200
As at 31 March 2019 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2020 (At Cost)	237234	237234
Amortization and Impairment		
Amortization for the year ended March 31, 2018	147034	147034
Amortization for the year	1093	1093
As at 31 March 2019	148127	148127
Amortization for the year	69058	69058
As at 31 March 2020	217185	217185
Net Book Value		
As at 31 March 2020	20049	20049
As at 31 March 2019	89107	89107

Intangible Assets under Development

Particulars	Computer Software	Total
As at 01st April 2018	-	-
Additions during the year	2785485	2785485
Deletions during the year	-	-
As at 31st March 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletions during the year	-	-
As at 31st March 2020 (At Cost)	4666902	4666902

5 - Non-Current Investments

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Partnership Firm (Quality Engineering Works)	48469191	45800000

Additional Information:

Name of the partners, their share and their capital in Quality Engineering Works (Firm)

As at 31.03.2020

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	48469191
KCP Sugars Agricultural Research Farms Limited	0.40%	185842
Total	100.00%	48655033

6 - Loans (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Long Term Security Deposit	585131	587631

7 - Deferred Tax Assets / (Liabilities)

Tax recognised in Statement of Profit and Loss

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Current income tax		
Current year	18500000	23500000
Sub Total (A)	18500000	23500000
Deferred tax expense		
Origination and reversal of temporary differences	(1430242)	(257125)
Change in accounting policy		
Sub Total (B)	(1430242)	(257125)
Total (A+B)	17069758	23242875

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	120622	(302229)
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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, 2020	For Year ended March 31, 2019
Deferred Tax Liability		
Others	299392	307614
Sub Total	299392	307614
Deferred tax Assets		
Property, Plant & Equipment	1158930	888578
On account of timing differences in recognition of expenditure	3485854	2213563
Sub Total	4644784	3102141
Net Deferred Tax Assets/ (Liabilities)	4345391	2794527

**8 - Other Non Current Assets***Amount in Rupees*

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax refund receivable	3031589	2800149

9 - Inventories

Raw materials and components	37364468	35199338
Work in Progress	26339695	39990485
Finished goods	17786143	19362353
Loose tools	137442	509768
Total	81627749	95061944

10 - Investments (Current)

Investments in Mutual funds	94752617	65102882
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11 - Trade Receivables

Secured Considered Good		
Unsecured Considered good	131438104	78949278
Considered Doubtful	6877360	1199325
	138315464	80148603
Less:		
Impairment for Trade receivable under expected credit loss model	(6877360)	(1199325)
Total	131438104	78949278

12 - Cash and cash equivalents

i) Balances with banks:		
-In Current Accounts	14024461	4631027
-In Fixed Deposits	15637105	31397315
ii) Cash on hand	121708	98815
Total	29783274	36127157

13 - Bank Balances other than Schedule 12 above

Bank Balances held as Margin Money Deposits	25723799	22123348
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14 - Other Financial Assets (Current)

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
i) Unsecured, considered good;		
- Loans and Advances to Employees	-	-
- Interest accrued on Fixed Deposit	78418	100615
Total	78418	100615

15 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured considered good		
Balance with government authorities	37525612	41711243
Prepaid Expenses	76800	689828
Advances to Supplier	3187890	11203243
Travel Advance	-	41077
Total	40790302	53645391

16 - Equity Share Capital

Authorised Share Capital		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
Total	10000000	10000000
Issued, Subscribed And Paid Up		
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000
Total	6000000	6000000

16.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	-	-	-	-
Outstanding at the end of the period	600000	6000000	600000	6000000

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, 2020		As at March 31, 2019	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD	600000	100.00%	600000	100.00%

**17 - Other Equity**

Amount in Rupees
For the year ended March 31, 2020

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, 2019	11301382	296339938	(1297841)	306343479
Total Comprehensive Income for the Year	-	48434220	-	48434220
Other Comprehensive Income for the Year			(358646)	(358646)
Balance as at March 31, 2020	11301382	344774158	(1656487)	354419053

18 - Provisions (Non Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits :-		
- Leave Encashment	5944946	5410292
- Provisions for Liquidated Damages	40954284	28556850
Total	46899230	33967142

19 - Trade Payables

- Dues to Micro and Small Enterprises (Refer Note 35)	-	-
- Others	57358645	30888804
Total	57358645	30888804

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 30th September 2019.

20 - Other Financial Liabilities

Payable to Employees	3480496	10945027
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21 - Other Current Liabilities

Statutory Liabilities	581299	1205917
Advance from customers	39360824	54655243
Total	39942123	55861160

22 - Provision(Short Term)

Provision for Employee benefits	2704196	2811609
Provision for Defect Liability period	10137573	10137573
Total	12841769	12949182

23 - Current Tax Liabilities

Provision for Income tax (Net)	9130273	15578883
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24 - Revenue from Operations

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	375067678	411776866
Sale of Services	3249377	1934460
Other operating revenue	1170814	580378
Total	379487869	414291704

25 - Other Income

Interest income from financial asset	3150800	3593227
Miscellaneous Receipts	2008912	234620
Duty Drawback Incentive	5097539	1665380
Packing & Forwarding Charges	1240029	945841
Difference in Foreign Exchange	972031	11545718
Provision no longer required withdrawn	1459709	7352196
Credit Balance Written Back	793975	-
Dividend Income from Mutual Funds	3649735	3164012
MEIS Licence Incentive	7265715	-
Profit on Sale of Assets	6786	2414
Total	25645231	28503408

26 - Cost of materials Consumed

Opening Balance		
Raw Materials and Components	35199338	39191232
Add: Cost of		
Raw Materials and Components	171494966	135905593
Less Closing Stock		
Raw Materials and Components	37364468	(35199338)
Total	169329836	139897487

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

Opening Balance		
Work in Progress	39990485	76679355
Finished goods	19362353	5854643
Less Closing Balance		
Work in Progress	(26339695)	(39990485)
Finished Goods	(17786143)	(19362353)
Total	15226999	23181160

28 - Employee benefits expense

Salaries, wages and bonus	50831359	56776497
Contribution to provident and other funds	3905645	4037569
Staff welfare expenses	3647046	3584792
Total	58384050	64398858

29 - Finance Cost

Bank Guarantee Commission and other charges	3697569	3061596
Forward Cover Cancellation Charges	-	8200360
Total	3697569	11261956



30 - Depreciation and Amortisation

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation / Amortisation for the year		
- Tangible Assets	6309729	4166834
- Intangible Assets	69058	1093
Total	6378787	4167927

31 - Other expenses

Labour Charges	23392443	37508852
Contract Labour Charges	3457153	2879564
Power and Fuel	2210864	2219164
Rental charges	360000	360000
Repairs and maintenance		
- Workshop	3359466	2220066
- Machinery	536169	219340
- Office	853624	528995
- Others	207789	229007
Insurance	399327	365206
Rates and taxes	1242685	509225
Travel and conveyance	1521797	1692368
Research , inspection and testing charges	78315	123189
Payment made to auditors (Refer note below)	59047	63894
Legal and Professional Charges	1440594	1930429
Sales expenses	16970379	20807825
Performance and delivery guarantee claims	12556694	12678044
Security Charges	2194202	2035863
Telephone Charges	857803	855264
Irrecoverable loans and advances written off	18151	-
Import of Services (Sales Commission & Other Services)	4603279	26201724
Miscellaneous expenses	10911351	2788410
Total	87231132	116216429

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	8894

32 - Sale of Products and Rendering of Services:*Amount in Rupees*

Particulars	2019-2020	2018-19
Sales:		
Filters		
Numbers	8 Nos	9 Nos
Value	71990584	197928100
Thickeners Components Spares Bar screens etc.(Unit quantification not possible)	303077064	213848766
Scrap	1170814	580378
Total	376238462	412357244
Services:		
Service Charges	3249377	1524460
Design Erection & Fabrication	-	410000
Total	3249377	1934460
Total (Sales and Services)	379487869	414291704

32.1. Raw Materials consumed

Particulars	2019-2020		2018-19	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	31.87	6162391	71.04	16971836
Iron and Steel	509.92	26296287	348.37	20647061
Total (Sales and Services)	541.79	32458678	419.41	37618897

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: **8 Nos.**(PY. 9Nos.) Filters besides Washers Classifiers Clarifiers Components Spares etc.

33 - Contingent Liabilities:

- The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.13,02,46,861/- (P.Y.Rs. 11,60,72,504/-) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.
- Corporate Guarantee for 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, 2020	As at March 31, 2019
E S I Cases	174489	174489
VAT / Sales Tax	-	-
CST Cases	-	-
Total	174489	174489

34 - Additional information pursuant to Schedule III of the Companies Act 2013
Amount in Rs.

S. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	3148028	617297
	(iii) Commission paid on Export sales	2257776	24437953
	(iv) Reimbursement of Expenses on Product Representation in abroad	2086883	767608
	(v) Repair Works	258620	996163
	(vi) Seminar and Conference	593417	-
	(vii) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods		
	b. Components and spares	7450862	10629214
	c. Finished goods/Semi Finished goods		
	d. Raw Materials		
B	Earnings in Foreign Exchange:		
	(i) Exports	126682184	243634703

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

S. No	Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Current Investment		94752617	
Current Trade Receivables	131438104		
Cash & Cash Equivalents	29783274		
Other Bank Balances	25723799		
Loans(Security Deposit)	585131		
Liabilities:			
Other Financial Liabilities	3480496		
Working Capital Loans	-		
Trade Payables	57358645		

March 31, 2019

Assets:			
Current Investment		65102882	
Current Trade Receivables	78949278		
Cash & Cash Equivalents	36127157		
Other Bank Balances	22123348		
Loans(Security Deposit)	587631		
Liabilities:			
Other Financial Liabilities	10945027		
Working Capital Loans	-		
Trade Payables	30888804		

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	31.03.2020				31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	94752617			94752617	65102882			65102882



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.13,83,15,464/- and Rs.8,01,48,603/- as of March 31, 2020 and March 31, 2019 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, 2020		March 31, 2019	
	Gross	Impairment	Gross	Impairment
0 to 180 days	69541888	-	43736043	-
180 days and more	68773576	6877360	36412560	1199325

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, 2020	As at March 31, 2019
USD	122790.18	16286
SGD	128594.42	-
CAD	-	134750

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, 2020	As at March 31, 2019
Receivables:		
If INR rate over Other currency increases by 5%	(791692)	(399203)
If INR rate over Other currency decrease by 5%	791692	399203

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	31.03.2020	31.03.2019
Defined benefit obligation - Beginning of the year	11538328	11947588
Current service cost	828594	846874
Interest Cost	865375	955807
Past Service Cost	-	-
Benefits Paid	(503292)	(1163989)
Re-measurements actuarial loss / (gain)	479264	(1047952)
Defined benefit obligation - End of the year	13208269	11538328

Movement in plan asset:

Fair value of plan assets at beginning of year	12604950	12365930
Employer contributions	1305791	482914
Benefits paid	(503292)	(1163989)
Re-measurements - Return on plan assets	990396	920096
Re-measurements- actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	14397845	12604950

Amount Recognized in Statement of Profit and Loss

Current service cost	828594	846874
Net Interest on Net Defined Benefit Liability / (assets) (B)	865375	955807
Expected return on plan assets	(990396)	(920096)
Cost Recognized in P&L	703573	882585

Amount recognized in Other Comprehensive Income (OCI)

Amount in Rupees

Particulars	31.03.2020	31.03.2019
Actuarial (gain) / loss due to assumption changes	479264	(1047952)
Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	479264	(1047952)

Actuarial Assumption

Discount Rate	7.25%	7.5%
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

41.2. Related Parties:

Holding Company: KCP Sugar and Industries Corporation Ltd.
Quality Engineering Works- Thuvakudi -Trichy

a. Transactions during the year:

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Amount in Rs.

Sl. No.	Particulars	31.03.2020	31.03.2019
1	Rent	360000	360000



b. Cumulative balances outstanding

Amount in Rupees

Particulars	31.03.2020	31.03.2019
Debit balances outstanding	Nil	Nil
Credit balances outstanding	Nil	Nil

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	2019 - 2020 (Un-Audited)	2018 - 2019 (Audited)
1.	Reporting period for the related party	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	48469190	44469191
4.	Reserves & Surplus	-	-
5.	Total Assets	62736514	58126097
6.	Total Liabilities	62736514	58126097
7.	Investments	3056000	-
8.	Turnover	48176863	31475864
9.	Profit/Loss before Taxation	10101412	(8582291)
10.	Provision for Tax ation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.60%	95.00%

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 LOCK DOWN due to COVID - 19 on account of which the year end business and regular operations of business were completely affected.

Since the COVID - 19 PANDEMIC is continuing and the second phase of TOTAL LOCK DOWN 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 : 23/07/2020

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 First Annual Report 2019 – 2020

Board of Directors

		DIN
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, 3rd Floor, Shanti Apartments,
New No.18, 1st 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 FIRST ANNUAL GENERAL MEETING** of KCP Sugars Agricultural Research Farms Limited will be held through Video Conferencing on Friday, the 25th Day of September, 2020 at the Registered Office of the Company at 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 31/03/2020 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Ms.Irmgard Velagapudi (DIN:00091370) who retires by rotation and being eligible, offers herself for reappointment;
3. To appoint M/s.Suri & Siva, Chartered Accountants (FRN:004284S) as Statutory Auditor of the Company to hold office from the conclusion of this 21st Annual General Meeting till the conclusion of 26th Annual General Meeting on such remuneration as fixed by the Board of Directors.

// BY ORDER OF THE BOARD//

Place : Chennai
Date : 23/07/2020

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

NOTES:

1. The Ministry of Corporate Affairs vide their General Circular No.20/2020 dated 05/05/2020 allowed the Companies to conduct their Annual General Meeting through Video Conferencing due to the pandemic caused by Covid-19.
2. Manner of joining and participating in the Annual General Meeting held through Video Conferencing will be communicated by email to the Members, Directors and all concerned.
3. 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.

// BY ORDER OF THE BOARD//

Place : Chennai
Date : 23/07/2020

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 21st Annual Report containing the Audited Financial Statements for the Financial Year ended 31st March 2020.

1. REVIEW OF OPERATIONS:

During the Financial Year ended 31/03/2020, the turnover and other income is Rs.22.44 Lakhs as against Rs.22.68 Lakhs for the previous financial year. The Company earned a profit of Rs.4.64 Lakhs for the Financial Year ended 31/03/2020 as against the profit of Rs.0.89 Lakhs in the previous financial year.

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.225.00 Lakhs. The Reserves and Surplus as on 31/03/2020 is Rs.189.47 Lakhs (Previous Year: Rs.222.50 Lakhs), after adjusting the profit of Rs.4.64 Lakhs and Other Comprehensive Loss of Rs.37.67 Lakhs.

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 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 2019 – 2020 on 29/05/2019, 07/08/2019, 11/11/2019 and 07/02/2020.

8. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return is annexed hereto as 'Annexure – 1'.

9. 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.

10. SECRETARIAL STANDARDS:

Pursuant to Section 118 (10) of the Companies Act, 2013, the Company observes Secretarial Standards, prescribed by the Institute of Company Secretaries of India.

11. ACCOUNTING STANDARDS:

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

12. 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 2019 – 2020.

13. DIRECTOR RETIRING BY ROTATION:

Ms.Irmgard Velagapudi, Director (DIN: 00091370), who retires by rotation at the ensuing Annual General Meeting, being eligible, offers herself for reappointment.

14. 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, reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor Report.

Reappointment of M/s.Suri & Siva, Chartered Accountants as Statutory Auditor of the Company from the conclusion of 21st Annual General Meeting to the conclusion of 26th Annual General Meeting, is placed for the approval of the Shareholders of the Company in the ensuing Annual General Meeting. The Company has obtained a written certificate from the proposed appointee to the effect that their appointment, if made, would be in conformity with the provisions of Section 141 (3) of the Companies Act, 2013.

15. 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, 31/03/2020 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.

16. 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 : 23/07/2020

**IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370**

ANNEXURE – 1

FORM No. MGT- 9 - EXTRACT OF ANNUAL RETURN

(for the Financial Year ended 31/03/2020)

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U73100TN1998PLC041501
Registration Date	30/11/1998
Name of the Company	KCP Sugars Agricultural Research Farms Limited
Category / Sub - Category of the Company	Public Company Limited by Shares
Address of the Registered Office and Contact details	'Ramakrishna Buildings', No.239, Anna Salai, Chennai- 600 006. Tel : 044-28555171 – 176 Fax : 044-28546617 e-mail : secretarial@kcpsugar.com
Whether Listed Company [Yes / No]	No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY:

S. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1.	Agricultural Produce	84193100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	K.C.P. Sugar and Industries Corporation Limited	L15421TN1995PLC033198	Holding	100	2 (46)

IV. SHAREHOLDING PATTERN :

S. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1.	K.C.P. Sugar and Industries Corporation Limited <i>(Holding Company)</i>	2249994	99.9997
2.	Ms.Irmgard Velagapudi <i>(Nominee Shareholder)</i>	1	0.0003 (Nominee Shareholders)
3.	Mr.Vinod R.Sethi <i>(Nominee Shareholder)</i>	1	
4.	Ms.Kiran Velagapudi <i>(Nominee Shareholder)</i>	1	
5.	Mr.Ramaniklal Kalyanji <i>(Nominee Shareholder)</i>	1	
6.	Mr.R.Ganesan <i>(Nominee Shareholder)</i>	1	
7.	Mr.S.Chidambaram <i>(Nominee Shareholder)</i>	1	
Total		2250000	

V. INDEBTEDNESS: Nil**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Nil****VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013: Nil**

// BY ORDER OF THE BOARD//

Place : Chennai
Date : 23/07/2020**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, 2020, 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, 2020, its **Loss** (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.

Other Matters

On account of the COVID-19 related lock-down restrictions, management was able to perform year end physical verification of inventories subsequent to the year end. Also, we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion. Our report on the Statement is not modified in respect of this matter.

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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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: 20022379AAAASZ4811

Place: Chennai
Date: 23.07.2020

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 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.
- (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: 20022379AAAASZ4811

Place: Chennai
Date: 23.07.2020.

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, 2020 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, 2020, 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: 20022379AAAASZ4811

Place: Chennai
Date: 23.07.2020

Amount in Rupees

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - current assets			
(a) Property, plant and equipment	3	4599517	4630825
(b) Financial assets			
(i) Investments	4	29865626	33795412
Current assets			
(a) Inventories	5	691744	516546
(b) Financial Assets			
(i) Cash and cash equivalents	6	5941354	5426494
(c) Other Current Assets	7	363679	395072
Total Assets		41461920	44764349
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	8	22500000	22500000
(b) Other Equity	9	18947170	22249599
LIABILITIES			
Non-current liabilities		-	-
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	10	14750	14750
Total Equity and Liabilities		41461920	44764349

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
Chairperson
DIN: 00091370

Place: Chennai
Date : 23/07/2020

R.GANESAN
Director
DIN: 00020597

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2020	For Year Ended March 31, 2019
I Revenue from operations	11	1380945	1752147
II Other income	12	862555	515555
III Total Income (I+II)		2243500	2267702
IV Expenses			
Cost of material consumed	13	1358444	1351916
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	(175198)	201674
Employee benefits expense	15	232792	248490
Depreciation and Amortisation	16	31308	57474
Other expenses	17	331800	318798
Total expenses (IV)		1779146	2178352
V Profit/(loss) before exceptional items and tax		464354	89350
VI Exceptional items		-	-
VII Profit / (loss) before tax		464354	89350
VIII Tax expense			
- Current Tax		-	-
- Deferred Tax		-	-
IX Profit / (loss) after tax for the period		464354	89350
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(3766784)	(597935)
Remeasurements of defined benefit plan actuarial gains/ (losses)		-	-
Income tax expense on above		-	-
XI Total Other Comprehensive Income		(3766784)	(597935)
XII Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		(3302429)	(508585)
XIII Earnings per equity share			
(1) Basic		-1.47	-0.23
(2) Diluted		-1.47	-0.23

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 : 23/07/2020

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI

Chairperson

DIN: 00091370

R.GANESAN

Director

DIN: 00020597

Particulars	<i>Amount in Rupees</i>	
	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Cash flows from operating activities		
Total Income for the Period (PBT)	464354	89350
Adjustments:		
- Dividends Received	(507854)	(219,903)
- OCI Adjustments	3766784	597935
- Interest received	(297631)	(295652)
- Fair Value Adjustment	(3766784)	(597935)
- Depreciation and amortization	31308	57474
Operating cash flow before working capital changes	(309823)	(368731)
<i>Changes in</i>		
- Decrease / (Increase) In Inventory	(175198)	201675
Cash generated from / (used in) operations	(485021)	(167056)
Less: Income tax paid	31393	52842
Cash generated from / (used in) operations (Net)	(453628)	(114214)
Cash flows from investing activities		
Purchase of Fixed assets	-	(4798)
Investment made	163003	(200000)
Interest received	297631	295652
Dividend received	507854	219903
Net cash generated from/(used in) investing activities [B]	968488	310757
Cash flows from financing activities	-	-
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	514860	196543
Cash and cash equivalents at the beginning of the year	5426494	5229952
Cash and cash equivalents at the end of the year	5941354	5426495
Components of cash and cash equivalents (refer note 6)		
Cash on hand	94674	102576
Balances with banks	5846680	5323917
Total cash and cash equivalents	5941354	5426493

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 : 23/07/2020

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 recognised 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 LiabilitiesClassification

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 2018 (At Cost)	3686503	835179	847465	15321	9784	5394252	
Additions during the year	-	-	-	-	-	-	
Deletions during the year	-	-	4798	-	-	4798	
As at 31 March 2019 (At Cost)	3686503	835179	852263	15321	9784	5399050	
Additions during the year	-	-	-	-	-	-	
Deletions during the year	-	-	-	-	-	-	
As at 31 March 2020 (At Cost)	3686503	835179	85263	15321	9784	5399050	
Depreciation and amortization							
Opening depreciation as on 01.04.2017	-	33129	672485	-	5137	710751	
Charge for the year ended March 31, 2018	-	16545	40929	-	-	57474	
Deletions during the year	-	-	-	-	-	-	
As at 31 March 2019 (At Cost)	-	49674	713414	-	5137	768225	
Charge for the year	-	16592	14716	-	-	31308	
Deletions during the year	-	-	-	-	-	-	
As at 31 March 2020	-	66266	728130	-	5137	799533	
Net Book Value							
As at 31 March 2020	3686503	768913	124133	15321	4647	4599517	
As at 31 March 2019	3686503	785505	138849	15321	4647	4630825	

4 - Investments (Non- Current)

Amount in Rupees

Particulars	As at March 31, 2020		As at March 31, 2019	
Investments in Quoted Equity Instruments (Fair valued through OCI)				
	No. of Shares	Value	No. of Shares	Value
Asian Paints Ltd (Face value of Re.1/- each)	2000	3333000	2000	2985400
Blue Star Ltd. (Face value of Rs.2/- each)	5800	2664810	5800	3931820
Container Corporation of India Ltd. (Face value split to Rs.5/- each during 2018-19)	3280	1087812	3280	1722984
Geodesic Information Systems Ltd (Face value of Rs.2/- each)	400	596	400	596
Indraprastha Gas Ltd.	40000	15518000	40000	12218000
Kaya Ltd (Formerly Marico Kaya Enterprises Ltd)	70	8162	70	50267
Marico Limited (Face value of Re.1/- each)	7000	1923950	7000	2426550
Nucleus Soft	200	35,930	200	67980
Yuken India Ltd.	400	130000	400	270540
Savita Oil Technologies Ltd	8040	4909224	8165	9722475
Precision Wire India Ltd (Face value Rs.5/- each)	1000	68300	1,000	198800
Sub Total		29679784		33595412
<u>Investments in Partnership Firm</u> Quality Engineering Company, Trichy		185842		200000
Total		29865626		33795412

Additional Information :**4.1 Name of the partners, their share and their capital in Quality Engineering Works (Firm)**

As at 31.03.2020

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
Total	100.00%	48655033

4.2 Aggregate amount of quoted investments

- Cost	12342382	12411108
- Market Value	29679784	33595412

5 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Standing Crops & Others	691744	516546
Total	691744	516546

6 - Cash and cash equivalents*Amount in Rupees*

Particulars	As at March 31, 2020	As at March 31, 2019
i) Balances with banks:		
-In current accounts	971269	716216
-In Fixed Deposits	4875411	4607702
ii) Cash on hand	94674	102576
Total	5941354	5426494

7 - Other current assets

Income tax Refund receivable	363679	395072
Total	363679	395072

8 - Equity Share Capital

Authorised Share Capital 50,00,000 Equity Shares of Rs.10/- each	50000000	50000000
Total	50000000	50000000
Issued, Subscribed And Paid Up 22,50,000 Equity Shares of Rs.10/- each	22500000	22500000
Total	22500000	22500000

8.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	-	-	-	-
Outstanding at the end of the period	2250000	22500000	2250000	22500000

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, 2020		As at March 31, 2019	
	Nos.	% of Holding	Nos.	% of Holding
K.C.P Sugar and Industries Corporation Ltd	2250000	100%	2250000	100%
Total	2250000	100%	2250000	100%

9 - Other Equity

Amount in Rs.
For the year ended March 31, 2020

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01,2019	4370855	17878744	22249599
Profit / Loss for the period	464354		464354
Other Comprehensive Income for the Year		(3766784)	(3766784)
Balance as at March 31, 2020	4835209	14111960	18947170

Other Equity

For the year ended March 31, 2019

Particulars		Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2018	4281505	18476679	22758184
Profit / Loss for the period	89350	-	89350
Other Comprehensive Income for the Year		(597935)	(597935)
Balance as at March 31, 2019	4370855	17878744	22249599

10 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding Liabilities for Expenses	14750	14750
Total	14750	14750

11 - Revenue from Operations

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	1380945	1752147
Total	1380945	1752147

12 - Other Income

Interest income from financial asset measured at amortised cost	297631	295652
Dividend Income	507854	219903
Profit on sale of Investments	50370	-
Miscellaneous Receipts	6700	-
Total	862555	515555

13 - Cost of material consumed

Cultivation Charges	38350	92945
Labour charges	328355	306883
Brick work expenses	991739	952088
Total	1358444	1351916

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

Opening Balance		
Standing Crops	516546	718220
Less Closing Balance		
Standing Crops	(691744)	(516546)
Total	(175198)	201674

15 - Employee benefits expense

Salaries, wages and bonus	215500	237500
Staff welfare expenses	17292	10990
Total	232792	248490

16 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	31308	57474
Total	31308	57474

17 - Other expenses

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Pesticides / Fertilizers	95665	67610
Repairs and maintenance:		
- Tractor	64089	55327
- Others	105258	103304
Payment made to auditors (Refer note below)	14750	14750
Legal and Professional Charges	22470	51330
Loss on Investment made in Quality Engineering	14158	-
Miscellaneous expenses	15410	26477
Total	331800	318798
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 31,2020

Particulars	Note No.	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI
Assets:				
Investment		185842		29679784
Cash & Cash Equivalents		5941354		
Liabilities:				
Other Financial Liabilities		14750		

March 31,2019

Particulars	Note No.	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:				
Investment		200000		33595412
Cash & Cash Equivalents		5426494		
Liabilities:				
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 31.03.2020				For the year 31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Securities	29679784			29679784	33595412			33595412

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
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(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, 2020	For the year ended March 31, 2019
Profit (loss) for the year, attributable to the owners of the company	(3302429)	(508585)
Earnings used in calculation of basic earnings per share(A)	(3302429)	(508585)
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	2250000	2250000
Basic and Diluted EPS(A/B) – Rs.	(1.47)	(0.23)

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 : 23/07/2020

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
2019 - 2020**

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, 2020, 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, 2020, of consolidated Loss, 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	<p>Evaluation of Uncertain Tax Positions : The Company has material uncertain tax positions including matters under disputes. These involve significant management judgment to determine the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the Consolidated financial statements.</p> <p>(Refer Note 35 to the Consolidated financial statements)</p>	<p>Our audit procedures include the following substantive audit procedures:</p> <ul style="list-style-type: none"> · Obtained understanding of key uncertain tax positions. · Obtained details of completed tax assessments and demands for the year ended march 31, 2020 from management. · Read and analyzed select key correspondences, external legal opinions and consultations by management for key uncertain tax positions. · Discussed with appropriate Senior management and evaluated management's key underlying key assumptions in estimating the tax provisions; and <p>Assessed management's estimate of the possible outcome of the disputed cases.</p>

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, 2020 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, 2020 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:
- i. The managerial remuneration of Rs 60.37, 640/- paid to the Managing Director and the chairman is the minimum remuneration for the fourth financial year during their tenure of office. The schedule V of the Companies Act restricts the payment of minimum remuneration only for a period of 3 years in the absence of adequate profits. However, the company has been advised 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. (Refer note 41 to the consolidated 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 35 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, 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: 20022379AAAATC4509

Place: Chennai
Date: 23.07.2020

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, 2020, 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, 2020, 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: 20022379AAAATC4509

Place: Chennai
Date: 23.07.2020

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rupees

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Assests			
Non-current assets			
(a) Property, plant and equipment	3	917252901	983199587
(b) Capital work-in-progress		10826431	191100
(c) Other Intangible assets	4	1150553	5008876
(d) Intangible Asset under Development		4666902	2785485
(e) Financial assets			
(i) Investments	5	749379679	866464614
(ii) Trade receivables			
(iii) Loans	6	4637695	4580460
(f) Other non-current assets	7	46396268	44094158
Current assets			
(a) Inventories	8	3446665630	3786878097
(b) Financial Assets			
(i) Investments	9	664307808	615407671
(i) Trade receivables	10	371196046	284327869
(ii) Cash and cash equivalents	11	89286421	63948628
(iii) Bank Balances other than (ii) above	12	103601411	113034758
(iv) Other financial assets	13	204380994	54262573
(c) Other current assets	14	145428236	149592429
Total Assets		6759176975	6973776305
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	113385050	113385050
(b) Other equity	16	2778821480	2857595582
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	743197000	413413000
(i) Other Financial liabilities	18	7464513	11336192
(b) Provisions	19	96082853	84066587
(c) Deferred tax liabilities (net)	20	26783567	68094822
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1518039308	1522766450
(ii) Trade payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises		667191802	1353057677
(iii) Other financial liabilities	23	707480289	374042382
(b) Other current liabilities	24	66463165	94324817
(c) Short Term provisions	25	25137675	25474068
(d) Current Tax Liabilities (Net)	26	9130273	56219678
Total Equity and Liabilities		6759176975	6973776305

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 : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director
DIN: 00091466

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2020	For Year Ended March 31, 2019
I Revenue from operations	27	3926231038	3594382640
II Other income	28	138522773	156329757
III Total Income (I+II)		4064753811	3750712397
IV Expenses			
Cost of material consumed	29	2711110450	3738567458
Purchase of Stock-in-trade		7794677	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	335979400	(1599105064)
Employee benefits expense	31	364036254	425773116
Finance costs	32	218588154	197640351
Depreciation and Amortisation	33	80359130	86963844
Other expenses	34	454426468	561504645
Total expenses (IV)		4172294533	3411344350
V Profit/(loss) before exceptional items and tax		(107540722)	339368047
VI Exceptional items		-	-
VII Profit/(loss) before tax		(107540722)	339368047
VIII Tax expense			
- Current Tax		18500000	74500000
- Deferred Tax		(41859971)	102356129
- Reversal of excess provision for taxation relating to earlier years		(21572031)	(624559)
IX Profit / (loss) after tax for the period		(62608720)	163136477
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(3766784)	(597935)
Remeasurements of defined benefit plan actuarial gains/ (losses)		1819287	6361732
Income tax expense on above		(548717)	(2159076)
		(2496214)	3604721
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		(65104934)	166741198
XII Earnings per equity share			
(1) Basic		-0.57	1.47
(2) Diluted		-0.57	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 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

KIRAN VELAGAPUDI
Executive Director
DIN: 00091466

Place: Chennai
Date : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Cash flows from operating activities		
Total Income for the Period(PBT)	-107,540,721	339,368,047
Adjustments:		
- Interest income	-15,343,527	-14,459,260
- Loss/(Profit) on sale of fixed assets	-13,093	-7,952,332
- Loss/(Profit) on sale of Investment	-827,335	756,578
- Balance Written off	-793,975	-
- Excess Provision Credited Back	-1,459,709	-7,352,196
- ECL from Trade Receivables	5,678,035	
- Adjustment for OCI	5,586,070	5,763,797
- Interest expense	214,890,585	9,872,256
- Dividend Income	-42,809,774	-42,343,721
- Loss from Partnership firm	1,330,809	-
- Fair Value Adjustment	115,693,106	82,382,208
- Depreciation and amortization	80,359,129	86,963,844
Operating cash flow before working capital changes	254,749,600	452,999,221
<i>Changes in</i>		
- Decrease/(Increase) In Trade Receivables	-92,546,212	3,221,765
- Decrease/(Increase) In Inventory	340,212,467	-1,588,483,859
- Decrease/(Increase) In Other current Financial Asset(s)	-150,118,421	-41,581,798
- Decrease/(Increase) In Other current Asset(s)	38,074,862	35,718,329
- Decrease/(Increase) In Current Investments	-29,649,736	-2,076,579
- Decrease/(Increase) Loans - Non current	-57,235	2,394,484
- Decrease/(Increase) In Other non-current asset	-2,302,110	-1,855,070
(Decrease)/Increase In Long term Provisions	13,475,975	7,799,592
(Decrease)/Increase In non-current liabilities	-3,871,679	-21
(Decrease)/Increase In Trade Payables current	-685,071,898	731,264,677
(Decrease)/Increase In other current liabilities	-27,861,653	-29,205,196
(Decrease)/Increase In Other financial liabilities current	333,437,909	-82,130,259
(Decrease)/Increase In Short Term provisions current	-336,393	8,216
(Decrease)/Increase In Other Non Current Liabilities	329,784,000	-
Income taxes paid	-77,928,043	-8,941,704
Net Cash generated from / (used in) operations	-14,758,167	-973,867,423
Cash flows from investing activities		
Investment in Partnership firm	-4,000,000	-46,000,000
Purchase of fixed assets	-23,083,996	-77,355,242
Proceeds from sale of fixed assets	23,682	13,973,071
Dividend Income	42,809,774	42,343,721
Investment made in current and Non Current Investments	-26,697,553	354,490,782
Decrease / (Increase) in Margin Money Deposits	9,433,346	-14,456,670
Proceeds from sale of Investments	4,804,476	3,706,739
Interest received	15,343,527	14,459,260
Net cash generated from/(used in) investing activities	18,633,256	291,161,661
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	-4,727,142	197,464,999
Interest paid	-214,890,585	-9,872,256
Dividend paid	-13,669,168	-13,669,698
Net cash used in financing activities	-233,286,895	173,923,045
Increase in cash and cash equivalents	25,337,794	-55,783,496
Cash and cash equivalents at the beginning of the year	63,948,627	119,732,123
Cash and cash equivalents at the end of the year	89,286,421	63,948,627

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.,)

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Components of cash and cash equivalents (refer note 10)		
Cash on hand	1,156,073	1,594,172
Balances with banks	88,130,348	62,354,455
Total cash and cash equivalents	89,286,421	63,948,627

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 : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

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 Andhra 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 23.07.2020

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:

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.

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 2018 (At Cost)	215,910,469	264,850,240	648,556,104	15,321	12,978,986	26,096,228	3,272,292	1,171,679,640
Additions during the year	-	3,921,147	69,305,372	-	2,927,894	697,222	360,118	77,211,753
Deletions during the year	-	-	(16,453,042)	-	(310,311)	(1,750,557)	(152,396)	(18,666,306)
As at 31 March 2019 (At Cost)	215,910,469	268,771,387	701,408,434	15,321	15,596,569	25,042,893	3,480,014	1,230,225,087
Additions during the year	-	-	7,688,451	-	1,614,163	883,725	380,908	10,567,247
Deletions during the year	-	-	-	-	(120,456)	(140,000)	-	(260,456)
As at 31 March 2020 (At Cost)	215,910,469	268,771,387	709,096,885	15,321	17,090,276	25,786,618	3,860,922	1,240,531,878
Depreciation and amortization								
Opening depreciation as on 01.04.2018	-	27,509,371	134,540,522	-	6,728,032	6,574,848	1,144,809	176,497,582
Charge for the year	-	12,095,647	62,927,288	-	3,635,988	4,176,830	337,733	83,173,486
Deletions during the year	-	-	(10,520,826)	-	(306,715)	(1,671,786)	(146,241)	(12,645,567)
As at 31 March 2019	-	39,605,018	186,946,984	-	10,057,305	9,079,892	1,336,301	247,025,501
Charge for the year	-	10,924,211	57,734,136	-	3,508,905	3,886,821	446,734	76,500,807
Deletions during the year	-	-	-	-	(114,330)	(133,000)	-	(247,330)
As at 31 March 2020	-	50,529,229	244,681,120	-	13,451,880	12,833,713	1,783,035	323,278,977
Net Book Value								
As at 31 March 2020	215,910,469	218,242,158	464,415,765	15,321	3,638,396	12,952,905	2,077,887	917,252,901
As at 31 March 2019	215,910,469	229,166,369	514,461,450	15,321	5,539,263	15,963,001	2,143,713	983,199,587

CONSOLIDATED FINANCIAL STATEMENTS

4 - Other Intangible Asset

Amount in Rupees

Description	Computer Software	Total
Cost or Valuation		
As at 31 March 2018 (At Cost)	16,362,161	16,362,161
Additions during the year	90,200	90,200
Deletions during the year	-	-
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
Amortization and Impairment		
Depreciation as at 31.03.2018	7,653,127	7653127
Amortization for the year ended March 31, 2019	3,790,358	3790358
As at 31 March 2019	11443485	11443485
Amortization for the year	3,858,323	3858323
As at 31 March 2020	15301808	15301808
Net Book Value		
As at 31 March 2020	1150553	1150553
As at 31 March 2019	5008876	5008876

Intangible Assets under Development

Description	Computer software	Total
As at 1st April 2018	-	-
Additions during the year	2785485	2785485
Deletion during the year	-	-
As at 31st March 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletion during the year	-	-
As at 31 st March 2020	4666902	4666902

5 - Non Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Quoted Equity Instruments (Fair valued through PL)	202,843,145	819,964,614
Investments in Quoted Equity Instruments (Fair valued through PL),Pledged with Kotak Mahindar Bank to avail Working Capital Term Loan of Rs.20 crores.	497,381,501	-
Investments in an associate and Joint Venture/Subsidiary (Valued at Cost)	-	-
Investments in Unquoted Equity Instruments (Valued at cost)	500,000	500,000
Investment in Partnership firm	48,655,033	46,000,000
Total	749,379,679	866,464,614

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
5.1 Aggregate amount of quoted investments		
- Cost	548075909	547053749
- Market Value	700224646	819964614
5.2 Aggregate amount of unquoted investments		
- Cost	500,000	500,000

Additional Information :

5.1 Name of the partners, their share and their capital in Quality Engineering Works (Firm)

As at March 31, 2020

Name of the Partners	% Share	Capital Share
The EIMCO KCP Ltd	99.60%	48,469,191
KCP Sugars Agricultural Researchs Farms Limited	0.40%	185,842
Total	100.00%	48,655,033

6 - Loans

Security Deposits (unsecured considered good)	4,637,695	4,580,460
Total	4,637,695	4,580,460

7 - Other Non Current Assets

Long term security Deposit (Unsecured and considered good)	46,396,268	44,094,158
Total	46,396,268	44,094,158

8 - Inventories

Raw materials	38,162,574	35,475,054
Work in progress	35,078,828	87,242,204
Finished goods	3,339,397,894	3,622,937,693
Stores and spares	32,340,713	39,261,300
Crops under cultivation	1,685,621	1,961,846
Total	3,446,665,630	3,786,878,097

9 - Investments

Investments in Mutual Funds (Fair valued through PL)	664,307,808	615,407,671
Total	664,307,808	615,407,671

10 - Trade Receivables

Secured Considered Good	-	-
Unsecured Considered good	371,196,046	284,327,869
Considered Doubtful	9,631,217	3,953,182
Less:		
Impairment for Trade receivable under expected credit loss model	(9,631,217)	(3,953,182)
Total	371,196,046	284,327,869

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.,)

11 - Cash and cash equivalents

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
i) Balances with banks:		
-In current accounts	67,617,832	26,349,439
-In Fixed Deposits	20,512,516	36,005,017
ii) Cash on hand	1,156,073	1,594,172
Total	89,286,421	63,948,628

12 - Bank Balances other than 10 above

Bank Balances held as Margin Money	89,222,525	84,510,395
Unpaid Dividend account	14,378,886	28,524,363
Total	103,601,411	113,034,758

13 - Other Current Financial Assets

i) Unsecured, considered good;		
- Advance to Employees	10,329,143	10,380,519
- Claims receivable	193,973,433	43,781,439
Dividend Receivable	-	-
Other Deposits	-	-
Interest accrued on Fixed Deposit	78,418	100,615
Total	204,380,994	54,262,573

14 - Other Current Assets

Unsecured considered good		
Balance with government authorities	85,844,311	49,088,690
Advances to Supplier	50,510,438	65,687,888
Prepaid Expenses	9,073,487	34,815,851
Total	145,428,236	149,592,429

15 - Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Authorised Share Capital</u>		
25,00,00,000 Equity Shares of Re.1/- each	250,000,000	250,000,000
Total	250,000,000	250,000,000
<u>Issued, Subscribed And Paid Up</u>		
11,33,85,050 Equity Shares of Re.1/- each	113,385,050	113,385,050
Total	113,385,050	113,385,050

15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113,385,050	113,385,050	113,385,050	113,385,050
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113,385,050	113,385,050	113,385,050	113,385,050

15.2 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.

15.3 Details of Shareholders holding more than 5% shares in the Company*Amount in Rupees*

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
Durgamba Investments Private Limited	43,742,656.00	38.58%	43,742,656.00	38.58%
Total	43,742,656.00	38.58%	43,742,656.00	38.58%

CONSOLIDATED FINANCIAL STATEMENTS

16 - Other Equity

Amount in Rupees

Particulars	Reserves and Surplus				Retained Earnings	Other Components of Equity		Total
	General Reserve	Capital Profit		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, 2019	1,132,243,277	4,505,000	15,545,110	1,686,002,291	1,421,160	17,878,744	2,857,595,582	
Provision For Dividend and taxes	-	-	-	-13,669,168	-	-	-13,669,168	
Profit / (Loss) for the period	-	-	-	-62,608,720	-	-	-62,608,720	
Other Comprehensive Income for the Year	-	-	-	-	1,270,570	-3,766,784	-2,496,214	
Balance as at March 31, 2020	1,132,243,277	4,505,000	15,545,110	1,609,724,403	2,691,730	14,111,960	2,778,821,480	

CONSOLIDATED FINANCIAL STATEMENTS

17 - Borrowings

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Secured Loans		
(i) Secured loans from Bank		-
a) Workign capital Term Loan from HDFC Bank Ltd	270,000,000	-
Less: Current Maturity classified in Note No.23	135,000,000	-
Net	135,000,000	-

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 KCP 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	200,000,000	-
Less: Current Maturity classified in Note No.23	25,000,000	-
Net	175,000,000	

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.

Unsecured Loans		
Fixed Deposits from Public	433,197,000	413,413,000
Total	743,197,000	413,413,000

18 - Other Financial liabilities

Interest accrued but not due on fixed deposits	5,959,513	9,186,940
Security Deposit	1,505,000	2,149,252
Total	7,464,513	11,336,192

19 - Provisions

Provision for Employee Benefits :-		
- Gratuity	55,128,569	55,509,737
- Provisions for Liquidated Damages	40,954,284	28,556,850
Total	96,082,853	84,066,587

20 - 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, 2020	As at March 31, 2019
Deferred Tax Liability		
Property, Plant & Equipment	106,637,453	136,719,406
Others	299,392	307,614
Sub Total	106,936,845	137,027,020
Deferred tax Assets		
Current year business losses	56,803,732	42,984,302
Property, Plant & Equipment	1,158,930	888,578
On account of timing differences in recognition of expenditure between books of accounts and Taxation	22,190,616	25,059,318
Sub Total	80,153,278	68,932,198
Net Deferred Tax Assets / (Liabilities)	(26,783,567)	(68,094,822)

21 - Borrowings

Secured Demand Loans from Banks (Refer note below)	1,518,039,308	1,222,766,450
Unsecured loan from bank	-	300,000,000
Total	1,518,039,308	1,522,766,450

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.

22 - Trade Payables

Trade payables		
- Dues to Micro and Small Enterprises	-	-
- Others	667,191,802	1,353,057,677
Total	667,191,802	1,353,057,677

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

23- Other Financial Liabilities

Current Maturities of long term debt	391,162,000	268,795,000
Unclaimed Dividends	12,864,394	15,450,448
Interest accrued but not due on borrowings	16,330,428	19,517,480
Unpaid matured deposits and interest accrued thereon	10,163,745	19,256,915
Outstanding Liabilities for Expenses	269,140,916	35,739,200
Earnest Money and Other Deposits	4,338,310	4,338,310
Payable to Employees	3,480,496	10,945,029
Total	707,480,289	374,042,382

CONSOLIDATED FINANCIAL STATEMENTS

24 - Other Current Liabilities*Amount in Rupees*

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Liabilities	24,126,293	24,424,701
Advance from customers	42,336,872	69,900,116
Total	66,463,165	94,324,817

25 - Short term provision

Provision for Employee benefits	15,000,102	15,336,495
Provision for Defeat Liability period	10,137,573	10,137,573
Total	25,137,675	25,474,068

26- Current Tax Liabilities

Provision for Income Tax	9,130,273	56,219,678
Less: Advance Tax and TDS Credits	-	-
Previous Year Income Tax Provision	-	-
Total	9,130,273	56,219,678

27 - Revenue from Operations

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	3,921,810,847	3,591,867,802
Sale of Services	3,249,377	1,934,460
Other operating revenue	1,170,814	580,378
Total	3,926,231,038	3,594,382,640

28- Other Income

Interest income from financial asset measured at amortised cost	3,993,811	556,208
Profit on sale of Investments	880,241	-
Interest Received	11,349,716	13,903,052
Dividend Income	42,809,774	42,343,721
Packing & Forwarding Charges	1,240,029	945,841
Rent Received	3,469,189	3700076
Difference in Foreign Exchanges	972,031	11545718
Miscellaneous Receipts	15,289,234	16907988
Profit on sale of fixed assets (Net)	13,092	7952332
Compensation received from Chennai Metro Rail	-	14107634
Duty Drawback Incentive	5,097,539	1665380
Unclaimed Balance credited back	2,031,842	5018
Credit Balances written back	793,975	-
Claims Received	41,734,730	23092043
MEIS Licence Incentive	7,265,715	-
Provision no longer required withdrawn	1,581,855	19604746
Total	138,522,773	156,329,757

29 - Cost of materials Consumed

Opening Balance		
Raw Materials and Components	2,634,883,430	3,519,654,195
Add: Cost of Raw Materials and Components	-	135,905,593
Less Closing Stock	-	-
Raw Materials and Components	-	(35,199,338)
Consumption of stores and spare parts	76,227,020	118,207,008
Total	2,711,110,450	3,738,567,458
Consumption of Sugar Cane included in the above	2,453,710,340	3,466,046,683

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance		
Work in Progress	87,758,750	117,817,195
Finished goods	3,622,937,693	1,993,315,174
Crops under cultivation	1,445,300	1,904,310
Less Closing Balance		
Work in Progress	(35,758,383)	(87,242,204)
Finished goods	(3,339,397,894)	(3,622,937,693)
Crops under cultivation	(1,006,066)	(1,961,846)
Total	335,979,400	(1,599,105,064)

31 - Employee benefits expense

Salaries, wages and bonus	295,841,407	352,030,938
Contribution to provident and other funds	32,925,497	35,994,238
Remuneration to whole time directors	10,473,974	10,443,291
Staff welfare expenses	24,795,376	27,304,649
Total	364,036,254	425,773,116

32 - Finance Cost

Interest cost on financial liabilities measured at amortized cost	-	9,872,256
Others	218,588,154	187,768,095
Total	218,588,154	197,640,351

33 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	76,500,807	83,173,486
- Intangible Assets	3,858,323	3,790,358
Total	80,359,130	86,963,844

34 - Other expenses

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Labour Charges	26,849,596	40,388,416
Power and Fuel	27,562,176	23,949,884
Rental charges	309,788	402,197
<u>Repairs and maintenance</u>		
- Buildings	6,279,740	10,093,087
- Machinery	84,281,451	115,547,213
- Workshop	3,359,466	219,340
- Office	853,624	528,995
- Tractor	64,089	55,327
- Others	8,181,222	10,604,213
Insurance	4,299,658	3,444,655
Payment made to auditors (Refer note below)	812,297	722,351
Legal and Professional Charges	8,505,328	6,753,576
Selling expenses	40,951,791	148,687,769
Director's Sitting Fees	1,250,000	1,300,000
Donations	-	1,500,000
Corporate Social Responsibility Expenditure (CSR)	1,822,213	1,958,841
Security Charges	16,719,183	14,838,461
Miscellaneous expenses	81,876,409	82,043,769
Rates and taxes	1,242,685	509,225
Travel and conveyance	1,521,797	1,692,368
Research , inspection and testing charges	78,315	123,189
Performance and delivery guarantee claims	12,556,694	12,678,044
Loss on Investment in Quality Engineering	14,158	-
Telephone Charges	857,803	855,264
Irrecoverable loans and advances written off	18,151	-
Cultivation Charges	95,665	-
Pesticides / Fertilizers	-	67,610
Loss relating to fair value of equity investments	119,459,890	81,784,273
Loss on Sale of Investments	-	756,578
Import of Service (Sales commision & other services)	4,603,279	-
Total	454,426,468	561,504,645

Payment made to statutory auditors :		
i. As Audit Fees	528,250	507,250
ii. For other services	280,000	215,400
iii. For reimbursement of expenses	4,047	28,867
Total	812,297	751,517

35 - Contingent Liabilities in respect of the group :

Bank Guarantees - Rs.15,49,16,299/- (PY Rs. 16,23,97,442/-)

35.1. Demands raised by the respective authorities are as under:*Amount in Rupees*

Particulars	As at March 31,2020	As at March 31,2019
Share transmission	11,05,851	11,05,851
Labour cases	72,41,115	72,94,202
E.S.I Case	1,74,489	1,74,489
Nonenrolment of contract labour for contribution to Provided Fund	72,63,050	1,10,94,580
Case on Duty relating to Captive Power Generation and sale to grid	5,78,87,181	5,78,87,181
Value Added Tax case	37,93,779	37,93,799
Income Tax Case	-	4,70,30,100
Total	7,74,65,465	12,83,80,202

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

S. No	Particulars	As at March 31, 2020	As at March 31, 2019
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

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

37 - Disclosures in respect of Ind AS 107 - Financial Instruments

37.1. Financial Instruments by Categories

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

Amount in Rupees
(March 31, 2020)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Loans (Non Current Financial Assets)	46,37,695		
NonCurrent Investments		71,95,14,053	2,98,65,626
Current Trade Receivables	37,11,96,046		
Cash & Cash Equivalents	8,92,86,421		
Other Bank Balances	10,36,01,411		
Current Investments		66,43,07,808	
Other Current Financial Assets	20,43,80,994		
Liabilities:			
Term loan (Non-Current)	74,31,97,000		
Other Long term financial liabilities	74,64,513		
Other Financial Liabilities	70,74,80,289		
Short Term Borrowings	151,80,39,308		
Trade Payables	66,71,91,802		

(March 31, 20 19)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Loans (Non Current Financial Assets)	45,80,460		
Non-Current Investments		832669202	33795412
Current Trade Receivables	284327869		
Cash & Cash Equivalents	63948628		
Other Bank Balances	113034758		
Current Investments		615407671	
Other Current Financial Assets	5,42,62,573		
Liabilities:			
Term loan (Non-Current)	413413000		
Other Non Term financial liabilities	11336192		
Other Financial Liabilities	37,40,42,382		
Short Term Borrowings	1,52,27,66,450		
Trade Payables	1,35,30,57,677		

37.2. 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).

37.3. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- #Use of quoted market prices for Listed instruments

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

Amount in Rupees

Particulars	31.03.2020				31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	70,07,24,646			70,07,24,646	81,99,64,614			81,99,64,614
Investments in Quoted Mutual Funds	66,43,07,808			66,43,07,808	61,54,07,671			61,54,07,671

38 - 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.38,08,27,263 and Rs. 28,82,81,051 as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are 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.

Credit risk exposure:

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

Amount in Rupees

Particulars	March 31, 2020		March 31, 2019	
	Gross	Impairment	Gross	Impairment
0 to 180 days	24,25,28,674		21,88,38,074	-
More than 180 days	13,82,98,589	96,31,217	6,94,42,977	39,53,182

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	31.03.2020		31.03.2019	
	Payable with in 1 year	More than 1 year	Payable with in 1 year	More than 1 year
Loan from Bank	160000000	310000000	-	-
Deposits from Public	238586000	433197000	27,49,78,0000	413413000

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 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, 2020:

Particulars	Assets	
	As at March 31, 2020	As at March 31, 2019
USD	122790.18	16,286
SGD	128594.42	-
CAD	-	1,34,750

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, 2020	As at March 31, 2019
Receivables:		
If INR rate over Other currency increases by 5%	(7,91,692)	(3,99,203)
If INR rate over Other currency decrease by 5%	7,91,692	3,99,203

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.

Amount in Rupees

Particulars	31.03.2020	31.03.2019
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	8,92,22,525	8,45,10,395
Financial Liabilities		
Variable Rate Instruments		
- Term Loan from Bank	47,00,00,000	-
- Demand Loan from bank	1,51,80,39,308	1,52,27,66,450

The Group's variable interest rate exposure is mainly related to debt obligations arising from short debt borrowings.

CONSOLIDATED FINANCIAL STATEMENTS

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, 2020	As at March 31, 2019
Interest Expenses arising on account of variable rate of interest on Bank borrowings	14,41,56,855	96,187,990
Impact on :		
Increase in 100 basis point	1,98,80,393	1,52,27,665
Decrease in 100 basis points	(1,98,80,393)	(1,52,27,665)

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:

Particulars	Amount in Rupees	
	As at March 31, 2020	As at March 31, 2019
Non Current liabilities	846744366	508815779
Total Equity	2918990097	3039075454
Net debt to equity ratio	0.29	0.17

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

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

39.1. 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.

39.2. 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	31.03.2020	31.03.2019
Defined benefit obligation - Beginning of the year	15,93,36,010	16,20,61,447
Current service cost	78,89,526	78,02,500
Interest Cost	1,18,52,897	1,27,74,947
Past Service Cost	-	-
Benefits Paid	(1,19,26,903)	(1,69,41,152)
Re-measurements - actuarial loss/(gain)	3,47,136	(63,61,732)
Defined benefit obligation – End of the year	167498666	159336010

Movement in plan asset:

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at beginning of year	13,49,65,236	13,43,28,347
Employer contributions	91,69,074	74,15,795
Benefits paid	(1,19,26,903)	(1,69,41,152)
Re-measurements – Return on plan assets	1,06,52,433	1,01,62,246
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	142859841	134965236

CONSOLIDATED FINANCIAL STATEMENTS**Amount Recognized in Statement of Profit and Loss***Amount in Rupees*

Particulars	31.03.2020	31.03.2019
Current service cost	78,89,526	78,02,500
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	(1,06,52,433)	(1,01,62,246)
Net Interest on Net Defined Benefit Liability/(assets) (B)	1,18,52,897	1,27,74,947
Past service cost	-	-
Cost Recognized in P&L	90,89,990	1,04,15,201

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2020	31.03.2019
Actuarial (gain)/loss due to assumption changes	(8,19,287)	(63,61,732)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	(18,19,287)	(63,61,732)

Actuarial Assumption

Particulars	31.03.2020	31.03.2019
Discount rate	7.37%	7.58%
Rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.80	8.50

40 - 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) Shri. Vinod R. Sethi, Executive Chairman.	
	b) Smt. Irmgard Velagapudi, Managing Director.	
	c) Smt. Kiran Velagapudi, Executive Director.	
	d) Shri.R.Ganesan, Chief Financial Officer.	
	e) Shri.S.Chidambaram, Company Secretary.	
(B) Transactions During the year		
Particulars	Key Managerial Personnel	
	2019 - 20	2018 - 19
Rent Received	15,00,000	15,00,000
Remuneration paid to Key Management Personnel	1,34,73,807	13,162,247
Interest on fixed deposit paid to Key Management Personnel	28,83,355	55,431,30

(C) Closing balances as on 31/03/ 2020

Particulars	Key Managerial Personnel	
	2019-20	2018 - 19
Share Capital held by key Management Personnel.	22,79,210	21,28,610
Fixed deposit held by key Management Personnel.	3,27,40,000	32,740,000

41 - Minimum Remuneration paid to Managerial Personal:

In terms of Section 197 read with Schedule V of the Companies Act, 2013, the Financial Year 2019-2020 being the fourth year of inadequate profits during the tenure (2015 – 20) of Ms. Irmgard Velagapudi, Managing Director and Mr. Vinod R. Sethi, Executive Chairman, the minimum remuneration paid to Managerial Personnel of a sum of Rs.60,37,640/- for the Financial Year 2019-2020 is ratified by the Board of Directors in its Meeting held on 23.07.2020 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.

42 - 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 year end business and regular operations of business were partially affected for the standalone Company and it was completely affected for the subsidiary company.

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.

43 - SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2020 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		
1 Segment Revenue							
External Revenue	2910761818	542007315	37505499	379487869	56468537		3926231038
Inter Segment Revenue	688342519	3032372	340505884	-	-		1031880775
Total Revenues	3599104337	545039687	378011383	379487869	56468537		4958111813
2 Segment Results							
Profit before depreciation, finance cost and taxation	28324871	84847147	80377559	75321083	35168940		304039600
Less : Finance Cost	151809289	-	-	3697569	-		155506858
Less : Unallocable Finance Cost	33393566	14639871	21623808	6378787	1497861		63081296
Less: Depreciation and Amortizations							77533893
Less: Impairment on Capital/Assets							-
3 Unallocable Expenditure							(115458274)
Less : Tax							(44932002)
Total Profit							(62608720)
Capital Employed							
4 Segment Assets	4192743071	237725103	221421702	530071589	69473120		5251434584
5 Unallocable Assets							1501480147
6 Segment Liabilities	2886717614	24240465	3473741	169652537	3548208		3087632564
7 Unallocable Liabilities							773075637
8 Capital Employed							2892206530
Capital Expenditure	5832672	-	10478859	4686052	376995		21374578

1. 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

2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers .

3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

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ii) Geographical Segment:

Amount in Rupees

Particulars	Current Reporting Period 2019-2020	Previous Reporting Period 2018-2019
Sales within India	3799548854	3350747937
Sales outside India	126682184	243634703
Total	3926231038	3594382640

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	6759176975	21374578
Located outside India		
Total	6759176975	21374578

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 : 23/07/2020

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

IRMGARD VELAGAPUDI
Managing Director
DIN: 00091370

KIRAN VELAGAPUDI
Executive Director
DIN: 00091466

For and on behalf of the Board of Directors

INSTRUCTIONS FOR e-VOTING

Dear Member,

Sub: Instructions for 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, the Company is pleased to provide e-Voting facility for the Members to cast their votes by e-Voting before or during the Annual General Meeting, in the manner provided herein, on all resolutions set forth in the Notice of the 25th Annual General Meeting of the Company to be held on Friday, the 25th Day of September, 2020 at 10 AM through Video Conferencing. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-Voting facility.

Members may please note that, due to pandemic caused by Covid-19, the 25th Annual General Meeting of the Company will be held through Video Conferencing, thereby Members shall be entitled to cast their vote only by e-Voting.

The e-Voting facility is available at the link www.evoting.nsdl.com.

The e-Voting facility will be open for the Members to cast their vote during 2 Sessions (**e-Voting Period**) in the manner given below:

e-Voting Facility	Commencement of e-Voting	End of e-Voting
Remote e-Voting	22/09/2020 at 9 AM	24/09/2020 at 5 PM
e-Voting during the Annual General Meeting	25/09/2020 at 10 AM	25/09/2020 at 1 PM

The Cut-off Date for e-Voting is 18/09/2020. Members holding Shares as on this Cut-off Date can cast their vote by e-Voting.

Please read the instructions given below before exercising your vote:

➤ **Steps for e-Voting:**

1. Open the internet browser and type the following URL, www.evoting.nsdl.com
2. Click on Shareholder - Login;
3. If you have already registered with NSDL for e-Voting, then you can use your existing User ID and Password for Login;
4. If you are logging in for the first time, please use the User ID and Password, provided by NSDL. Password Change Menu will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential;
5. After entering the Password, Agree to 'Terms and Conditions' by selecting the check box and Click on Login Button;
6. Once the e-Voting home page opens, click on **e-voting>Active Voting Cycles**;

7. Select the **EVEN (113251)** of K.C.P.Sugar and Industries Corporation Limited, whereby the 'Cast Vote Page' will open. Now you are ready for e-Voting;
 8. Cast your vote by selecting an option, provided therein and click Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- In case of any queries, please refer to the 'Frequently Asked Questions (FAQs) for Members and the 'e-Voting User Manual' for Members available in the 'Downloads' Section in www.evoting.nsdl.com. You can also contact NSDL by sending an e-mail at evoting@nsdl.co.in.
 - Members 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.
 - The e-Voting facility will be open only during the e-Voting Period, as mentioned herein above. During this e-Voting Period, Members 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 Members shall be in proportion to their shareholding in the Company as on the Cut-off Date.
 - Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
 - Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of Annual Report and holding shares as on the Cut-off Date, 18/09/2020 may obtain the User Id and Password for e-Voting and to attending Annual General Meeting through Video Conferencing, by sending a request to 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 Annual General Meeting.
 - The Scrutiniser upon conclusion of 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 Scrutiniser 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 or 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 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.

These details and instructions form an integral part of the Notice of the Annual General Meeting of the Company to be held on 25/09/2020.

All documents referred to in the accompanying Notice of the Annual General Meeting and the Statement pursuant to Section 102 of the Companies Act, 2013, will be available for Online Inspection at the Website of the Company at www.kcpsugar.com.

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

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**, 2nd 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 shall be entitled to 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 31/03/2013 is liable to be transferred to IEPF on or before 27/09/2020 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
31/03/2013	30/08/2013	29/08/2020	27/09/2020
31/03/2014	11/09/2014	10/09/2021	09/10/2021
31/03/2015	20/08/2015	19/08/2022	18/09/2022
31/03/2016	21/09/2016	20/09/2023	19/10/2023
31/03/2017	15/09/2017	14/09/2024	13/10/2024
31/03/2018	14/09/2018	13/09/2025	12/10/2025
31/03/2019	12/09/2019	11/09/2026	10/10/2026

Members are hereby informed to claim the dividend, if not claimed earlier with the Company / Depository Registrar of the Company, **Integrated Registry Management Services Private Limited**, 2nd 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 at 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:

1.	NAME OF THE BANK											
2.	BRANCH NAME AND ADDRESS											
3.	ACCOUNT No. (as appearing on cheque book)											
4.	ACCOUNT TYPE (please tick)	<input type="radio"/> Savings <input type="radio"/> Current Account <input type="radio"/> Cash Credit										
5.	LEDGER FOLIO No. OF THE BANK ACCOUNT (if appearing in the cheque book)											
6.	9 DIGIT CODE NUMBER OF THE BANK & BRANCH APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK <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%; height: 20px;"> <tr> <td style="width: 10%;"></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 as 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)

**** FOR OFFICE USE ONLY ****	
ECS REF No.	

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED No. 239, Anna Salai, Chennai- 600 006.

(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 warrant or its fraudulent encashment;
- Eliminates the scope for loss/ delay in receipt of the dividend warrant;
- 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 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 Shareholders 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 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.