THE EIMCO - K.C.P. LIMITED

CIN: U27209TN1967PLC005550

Fifty Third Annual Report
2020 – 2021

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 Union Bank of India
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 No.23, Lake Area, 3rd Cross Street, Nungambakkam, Chennai – 600 034.

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31/03/2021 together with the Reports of Auditor and Board of Directors thereon;

2. To appoint a Director, in the place of Ms.Kiran Velagapudi (DIN:00091466) who retires by rotation and being eligible, offers herself for reappointment.

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY IS ALSO ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.**

2. **PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED AND SUBMITTED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

DIRECTORS' REPORT

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

1. REVIEW OF OPERATIONS:

(Rs. in Crores)

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

2. DIVIDEND:

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

3. SHARE CAPITAL AND RESERVES :

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

4. FIXED DEPOSITS:

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

5. MATERIAL SUBSIDIARY:

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

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

Electricity:

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

Technology Absorption:

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

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

7. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

8. PARTICULARS OF EMPLOYEES:

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

9. BOARD MEETINGS:

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

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

11. CORPORATE SOCIAL RESPONSIBILITY:

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

12. SECRETARIAL AUDIT:

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

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

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

13. SECRETARIAL STANDARDS :

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

14. ACCOUNTING STANDARDS :

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

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

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

16. DIRECTOR RETIRING BY ROTATION:

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

17. STATUTORY AUDITOR :

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

18. INTERNAL AUDIT:

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

19. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

(b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, 31/03/2021 and of the Profit of the Company for that period;

(c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the Directors had prepared the Annual Accounts on a going concern basis;

(e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. ACKNOWLEDGEMENT:

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

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

ANNEXURE - 1

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

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

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

2. **Details of Contracts or Arrangements or Transactions at arm's length basis:**

(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
(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** *(period covered: 01/06/2019 to 30/04/2020)* **07/02/2020** *(period covered: 01/05/2020 to 31/03/2021)*
(f)	**Amount paid as Advances, if any**	NIL

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 28/06/2021

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

ANNEXURE - 2

ANNUAL REPORT ON CSR ACTIVITIES

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

S.No.	Nature of Particulars	Particulars
1.	Brief outline on CSR Policy of the Company	The Company's CSR activities broadly relate to: (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; and (v) Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund.
2.	Composition of the CSR Committee	

S.No.	Name of Director	Designation in Committee / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
(i)	Ms.Irmgard Velagapudi	Chairperson / Director	2	2
(ii)	Mr.R.Ganesan	Member / Director	2	2
(iii)	Mr.P.Manohar	Member / Director	2	2

S.No.	Nature of Particulars	Particulars
3.	Web Link where Composition of CSR Committee, CSR Policy and CSR Projects of the Company are disclosed	www.ekcp.com
4.	Details of Impact Assessment of CSR Projects	Not Applicable
5.	Details of amount available for set off as per Rule 7 (3) of the Companies (CSR Policy) Rules, 2014	Nil

<table>
<tr><td>6.</td><td colspan="2">Average Net Profit of the Company for last three Financial Years</td><td colspan="2">Rs.6,00,54,297/ -</td></tr>
<tr><td rowspan="4">7.</td><td>a)</td><td>Two per cent of the Average Net Profit of the Company as given in Item 6 above</td><td colspan="2">Rs.12,01,086/ -</td></tr>
<tr><td>b)</td><td>Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years</td><td colspan="2">Nil</td></tr>
<tr><td>c)</td><td>Amount required to be set off for the Financial Year, if any</td><td colspan="2">Nil</td></tr>
<tr><td>d)</td><td>Total CSR obligation for the Financial Year (7a+7b - 7c)</td><td colspan="2">Rs.12,01,086/-</td></tr>
<tr><td rowspan="8">8.</td><td rowspan="2">a)</td><td rowspan="2">CSR Amount spent or unspent for the Financial Year</td><td>Total Amount spent for the Financial Year (in Rs.)</td><td>Rs.12,02,744/-</td></tr>
<tr><td>Amount Unspent (in Rs.)</td><td>Nil</td></tr>
<tr><td>b)</td><td>Details of CSR Amount spent against Ongoing Projects for the Financial Year</td><td colspan="2">Nil</td></tr>
<tr><td>c)</td><td>Details of CSR Amount spent against other than Ongoing Projects for the Financial Year</td><td colspan="2">Rs.12,02,744/-</td></tr>
<tr><td>d)</td><td>Amount spent in Administrative Overheads</td><td colspan="2">Nil</td></tr>
<tr><td>e)</td><td>Amount spent on impact assessment, if applicable</td><td colspan="2">Nil</td></tr>
<tr><td>f)</td><td>Total Amount spent for the Financial Year (8b+8c+8d+8e)</td><td colspan="2">Rs.12,02,744/-</td></tr>
<tr><td>g)</td><td>Excess Amount for set off, if any</td><td colspan="2">Rs.1,658/-</td></tr>
<tr><td rowspan="2">9.</td><td>a)</td><td>Details of Unspent CSR Amount for the preceding three Financial Years</td><td colspan="2">Nil</td></tr>
<tr><td>b)</td><td>Details of CSR Amount spent in the Financial Year for Ongoing Projects of the preceding Financial Years</td><td colspan="2">Nil</td></tr>
</table>

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

8 (c) Details of CSR Amount spent against other than Ongoing Projects

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

Place : Chennai

Date : 28/06/2021

IRMGARD VELAGAPUDI
Director and Chairperson of CSR Committee
DIN: 00091370

ANNEXURE - 3

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

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

Dear Members,

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

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

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

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable for the period under review);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent applicable to the Company;

(iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to material unlisted subsidiary companies;

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

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

I further report that

i) The Board of Directors of the Company is duly constituted in accordance with the provisions of the Companies Act, 2013.

ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Place : Chennai

Date : 18.06.2021

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

ANNEXURE – A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai

Date : 18.06.2021

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Management's Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;.

   (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

   (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;

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

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. **Refer Note no.33.1** to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place : Chennai

Date : 28.06.2021.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

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

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

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence, reporting under section 197 read with Schedule V to the Act is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

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

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

Place: Chennai

Date: 28.06.2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

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

Place: Chennai

Date: 28.06.2021

Amount in Rupees

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	60876013	64759073
(b) Capital Work-in-progress		-	-
(c) Other Intangible Assets	4	-	20049
(d) Intangible Assets under development		4666902	4666902
(e) Financial Assets			
(i) Investments	5	58791679	48469191
(ii) Loans	6	575131	585131
(f) Deferred tax Assets (Net)	7	2713049	4345391
(g) Other Non - Current Assets	8	3031589	3031589
Current Assets			
(a) Inventories	9	142651482	81627749
(b) Financial Assets			
(i) Investments	10	98269013	94752617
(ii) Trade Receivables	11	178314660	131438104
(iii) Cash and Cash Equivalents	12	23199166	29783274
(iv) Bank Balances other than (iii) above	13	18712079	25723799
(v) Other Financial Assets	14	267503	78418
(c) Other Current Assets	15	43144475	40790302
Total Assets		**635212741**	**530071589**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	6000000	6000000
(b) Other Equity	17	395868489	354419053
Liabilities			
Non - Current Liabilities			
(a) Provisions	18	62770885	46899230
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables		-	-
a) Total outstanding dues of micro enterprises and small enterprises			
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	63995816	57358645
(ii) Other Financial Liabilities	20	4208491	3509038
(b) Other Current Liabilities	21	81429804	39913581
(c) Provisions	22	12607718	12841769
(d) Current Tax Liabilities (Net)	23	8331538	9130273
Total Equity and Liabilities		**635212741**	**530071589**

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

As per our report of even date attached

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

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rupees

Particulars	Note	For Year Ended March 31, 2021	For Year Ended March 31, 2020
I Revenue from Operations	24	290513567	379487869
II Other income	25	28909087	25645231
III Total Income (I+II)		**319422654**	**405133100**
IV Expenses			
Cost of material consumed	26	127765081	169329836
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(16266668)	15226999
Employee benefits expense	28	62524424	58384050
Finance costs	29	4899738	3697569
Depreciation and Amortisation	30	4751071	6378787
Other expenses	31	80232004	87231132
Total expenses (IV)		**263905650**	**340248373**
V Profit / (loss) before exceptional items and tax		**55517004**	**64884727**
VI Exceptional items		-	-
VII Profit / (loss) before tax		**55517004**	**64884727**
VIII Tax expense			
- Current Tax		12500000	18500000
- Deferred Tax		1616485	(1430242)
- Provision for taxation relating to earlier years (Net)		-	(619251)
IX Profit / (loss) for the period		**41400520**	**48434220**
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan acturial gains/ (losses)		64774	(479268)
Income tax expense on above		(15858)	120622
		48916	**(358646)**
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		**41449436**	**48075574**
XII Earnings per equity share			
(1) Basic		69.08	80.13
(2) Diluted		69.08	80.13

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

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

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Amount in Rupees

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
Cash Flows From Operating Activities		
Profit / (Loss) before Tax	55517004	64884727
Adjustments:		
- Interest income	(2057045)	(3150800)
- Profit on sale of assets	(88901)	(6786)
- Loss on sale of assets	-	2536
- Excess Provision credited back	(6812557)	(1459709)
- Credit Balances written back	(19726)	(793975)
- Loss from Partnership firm	(10322488)	1330809
- ECL on Trade Receivables	-	5678035
- Adjustment for OCI	64774	(479268)
- Dividend Income	(4584788)	(3649735)
- Depreciation and amortization	4751071	6378787
Operating cash flow before working capital changes	**36447344**	**68734621**
Changes in		
- Decrease/(Increase) In Trade Receivables	(46876556)	(58166861)
- Decrease/(Increase) In Inventory	(61023734)	13434195
- Decrease/(Increase) In Other current Financial Asset(s)	(189085)	22197
- Decrease/(Increase) In Other current Asset(s)	(2354173)	12855089
- Decrease/(Increase) In Current investments	(3516396)	(29649735)
- Decrease/(Increase) In non-current financial assets-Loans	10000	2500
- Decrease/(Increase) In Other non-current asset	-	(231440)
- Decrease/(Increase) In Long term Provisions	22684212	14391797
- Decrease/(Increase) In Trade Payables current	6656897	27263816
- Decrease/(Increase) In other current liabilities	41516223	(15947579)
- Decrease/(Increase) In Other financial liablities current	699453	(7435989)
- Decrease/(Increase) In Short Term provisions current	(234051)	(107413)
Income taxes paid	(13298735)	(24329359)
Cash generated from / (used in) operations	**(19478601)**	**835839**
Cash flows from investing activities		
Investment in Patnership firm	-	(4000000)
Purchase of fixed assets	(1109060)	(6395469)
Proceeds from sale of fixed assets	350000	15664
Dividend Income	4584788	3649735
Decrease / (Increase) in margin money deposit	7011720	(3600451)
Interest received	2057045	3150800
Net cash generated from/(used in) investing activities [B]	**12894493**	**(7179721)**
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	**(6584108)**	**(6343882)**
Cash and cash equivalents at the beginning of the year	**29783274**	**36127157**
Cash and cash equivalents at the end of the year	**23199166**	**29783274**
Components of cash and cash equivalents (refer note 12)		
Cash on hand & Balances with Bank	23199166	29783274
Total cash and cash equivalents	**23199166**	**29783274**

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

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

1 - Corporate Information

The EIMCO-K.C.P. Ltd is a Process Technology Company and leading manufacturer of Liquid – Solid Separation equipment for Industrial and Environmental Applications: Thickening, Clarification, Classification, Vacuum Filtration, Aeration Systems etc.

The EIMCO-K.C.P. Ltd was established in 1967 and has more than 25,000 installations worldwide. The EIMCO-K.C.P. Ltd is a wholly owned subsidiary of K.C.P.SUGAR AND INDUSTRIES CORP LTD.

The financial statements were approved by the Board of Directors and authorised for issue on 28th June 2021.

2 - Significant Accounting Policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

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

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

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

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

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

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

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer being the point of despatch. Revenue is measured at the fair value of the consideration received or receivable. Sales are net of discount and rebates.

Revenue on rendering of the service, is recognised on completion of services on pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain.

Interest

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

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

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

i. Provident Fund :

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

ii. Gratuity Fund :

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences :

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an scheme operated in the company using the projected unit credit method, carried out at the Balance Sheet date.

iv. Other Employee Benefits:

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

(f) Property, Plant and Equipment:

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

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

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

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

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases as 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	Total
As at 01st April 2019	42776981	11965910	15703856	4727716	885261	1824435	577266	78461425
Additions during the year	-	-	2319856	1010591	243797	840000	290908	4705152
Deletions during the year	-	-	-	60456	-	140000	-	200456
As at 31st March 2020	42776981	11965910	18023712	5677851	1129058	2524435	868174	82966121
Additions during the year	-	-	336586	345000	426144	-	1330	1109060
Deletions during the year	-	-	310189	-	-	-	-	310189
As at 31 March 2021 (At Cost)	**42776981**	**11965910**	**18050109**	**6022851**	**1555202**	**2524435**	**869504**	**83764992**
Depreciation and amortization								
As at 01st April 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Additions during the year	-	908252	2474057	2013921	183755	561297	168447	6309729
Deletions during the year	-	-	-	56042	-	133000	-	189042
As at 31st March 2020	-	3610629	8483195	4124218	757268	883643	348098	18207051
Charge for the year	-	818543	2292617	977447	232648	280237	129530	4731022
Deletions during the year	-	-	49090	-	-	-	-	49090
As at 31st March 2021	-	**4429172**	**10726722**	**5101665**	**989916**	**1163880**	**477628**	**22888983**
Net Book Value								
As at 31 March 2021	**42776981**	**7536738**	**7323387**	**921186**	**565286**	**1360555**	**391876**	**60876013**
As at 31 March 2020	42776981	8769772	9126026	1553633	371790	1640792	520076	64759073

4 - Other Intangible Assets

Amount in Rupees

Particulars	Computer Software	Total
Cost or Valuation		
As at 31 March 2019 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2020 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2021 (At Cost)	**237234**	**237234**
Amortization and Impairment		
Amortization for the year ended March 31, 2019	148127	148127
Amortization for the year	69058	69058
As at 31 March 2020	217185	217185
Amortization for the year	20049	20049
As at 31 March 2021	**237234**	**237234**
Net Book Value		
As at 31 March 2021	**-**	**-**
As at 31 March 2020	20049	20049

Intangible Assets under Development

Particulars	Computer Software	Total
As at 01st April 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletions during the year	-	-
As at 31st March 2020	4666902	4666902
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2021 (At Cost)	**4666902**	**4666902**

5 - Non-Current Investments

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Partnership Firm (Quality Engineering Works)	**58791679**	48469191

Additional Information:

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

As at 31.03.2021

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	58791679
KCP Sugars Agricultural Research Farms Limited	0.40%	185842
Total	**100.00%**	**58977521**

6 - Loans (Non-Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Long Term Security Deposit	**575131**	585131

7 - Deferred Tax Assets / (Liabilities)

Tax recognised in Statement of Profit and Loss

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
Current income tax		
Current year	12500000	18500000
Sub Total (A)	**12500000**	18500000
Deferred tax expense		
Origination and reversal of temporary differences	1616486	(1430242)
Change in accounting policy		
Sub Total (B)	**1616486**	(1430242)
Total (A+B)	**14116486**	17069758

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	**(15858)**	120622

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	For Year ended March 31, 2021	For Year ended March 31, 2020
Deferred Tax Liability		
Others	271434	299392
Sub Total	**271434**	299392
Deferred tax Assets		
Property, Plant & Equipment	1228752	1158930
On account of timing differences in recognition of expenditure	1755731	3485854
Sub Total	**2984483**	4644784
Net Deferred Tax Assets/ (Liabilities)	**2713049**	4345392

8 - Other Non Current Assets

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax refund receivable	**3031589**	3031589

9 - Inventories

Raw materials and components	82069567	37364468
Work in Progress	48315831	26339695
Finished goods	12076675	17786143
Loose tools	189409	137442
Total	**142651482**	81627749

10 - Investments (Current)

Investments in Mutual funds	**98269013**	94752617

11 - Trade Receivables

Secured Considered Good		
Unsecured Considered good	178314660	131438104
Considered Doubtful	6877360	6877360
	185192020	138315464
Less:		
Impairment for Trade receivable under expected credit loss model	(6877360)	(6877360)
Total	**178314660**	131438104

12 - Cash and cash equivalents

i) Balances with banks:		
-In Current Accounts	7052972	14024461
-In Fixed Deposits	16079627	15637105
ii) Cash on hand	66567	121708
Total	**23199166**	29783274

13 - Bank Balances other than Schedule 12 above

Bank Balances held as Margin Money Deposits	**18712079**	25723799

14 - Other Financial Assets (Current)

Amount in Rupees

Particulars	As at March 31, 2021	As at March 31, 2020
i) Unsecured, considered good;		
- Loans and Advances to Employees	218669	-
- Interest accured on Fixed Deposit	48834	78418
Total	**267503**	78418

15 - Other Current Assets

Unsecured considered good		
Balance with government authorities	28229334	37525612
Prepaid Expenses	413173	76800
Advances to Supplier	14418721	3187890
Travel Advance	83247	-
Total	**43144475**	40790302

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, 2021		As at March 31, 2020	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	600000	6000000	600000	6000000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
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, 2021		As at March 31, 2020	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD	**600000**	**1**	600000	100.00%

17 - Other Equity

Amount in Rupees

For the year ended March 31, 2021

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2020	11301382	344774158	(1656487)	354419053
Total Comprehensive Income for the Year	-	41400520	-	41400520
Other Comprehensive Income for the Year			48916	48916
Balance as at March 31, 2021	**11301382**	**386174678**	**(1607571)**	**395868489**

18 - Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits :-		
- Leave Encashment	5247515	5944946
- Provisions for Liquidated Damages	57523370	40954284
Total	**62770885**	46899230

19 - Trade Payables

- Dues to Micro and Small Enterprices (Refer Note 35)	-	-
- Others	63995816	57358645
Total	63995816	57358645

Based on the information available with the company, there are NIL number of suppliers are registered as Micro, Small or Medium enterprises under 'The micro, small or medium enterprises development Act, 2006' as at 31st March 2021.

20 - Other Financial Liabilities

Payable to Employees	**4208491**	3509038

21 - Other Current Liabilities

Statutory Liabilities	3495400	552757
Advance from customers	77934404	39360824
Total	**81429804**	39913581

22 - Provision(Short Term)

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Employee benefits	2470145	2704196
Provision for Defect Liability period	10137573	10137573
Total	**12607718**	12841769

23 - Current Tax Liabilities

Provision for Income tax (Net)	**8331538**	9130273

24 - Revenue from Operations

Sale of Products	286151289	375067678
Sale of Services	3119098	3249377
Other operating revenue	1243180	1170814
Total	**290513567**	379487869

25 - Other Income

Interest income from financial asset	2057045	3150800
Miscellaneous Receipts	30000	2008912
Duty Drawback Incentive	1111318	5097539
Packing & Forwarding Charges	1227494	1240029
Difference in Foreign Exchange	641941	972031
Provision no longer required withdrawn	6812557	1459709
Credit Balance Written Back	19726	793975
Dividend Income from Mutual Funds	4584788	3649735
Profit or loss from partnership firm	10322488	-
MEIS Licence Incentive	1713090	7265715
Fair value gain on Value of Mutual Fund Investment	299739	-
Profit on Sale of Assets	88901	6786
Total	**28909087**	25645231

26 - Cost of materials Consumed

Opening Balance		
Raw Materials and Components	37364468	35199338
Add: Cost of		
Raw Materials and Components	172470180	171494966
Less Closing Stock		
Raw Materials and Components	82069567	37364468
Total	**127765081**	169329836

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

Opening Balance		
Work in Progress	26339695	39990485
Finished goods	17786143	19362353
Less Closing Balance		
Work in Progress	(48315831)	(26339695)
Finished Goods	(12076675)	(17786143)
Total	**(16266668)**	15226999

28 - Employee benefits expense

Amount in Rupees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	52787342	50831359
Contribution to provident and other funds	4008472	3905645
Staff welfare expenses	5728610	3647046
Total	**62524424**	58384050

29 - Finance Cost

Bank Guarantee Commission and other charges	4899738	3697569
Forward Cover Cancellation Charges	-	-
Total	**4899738**	3697569

30 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	4731022	6309729
- Intangible Assets	20049	69058
Total	**4751071**	6378787

31 - Other expenses

Labour Charges	26695051	23392443
Contract Labour Charges	1647343	3457153
Power and Fuel	1906427	2210864
Rental charges	360000	360000
Repairs and maintanence		
- Workshop	2064261	3359466
- Machinery	301791	536169
- Office	588613	853624
- Others	144182	207789
Insurance	363042	399327
Rates and taxes	1393569	1242685
Travel and conveyance	1445625	1521797
Research, inspection and testing charges	140701	78315
Payment made to auditors (Refer note below)	55000	59047
Legal and Professional Charges	3909264	1440594
Sales expenses	8331975	16970379
Short Provision made during earlier years	187375	-
Performance and delivery guarantee claims	23678615	12556694
Security Charges	2224083	2194202
Telephone Charges	735211	857803
Irrecoverable loans and advances written off	-	18151
Import of Services (Sales Commission & Other Services)	-	4603279
Corporate Social Responsibility Expenses	2305000	-
Miscellaneous expenses	1754876	10911351
Total	**80232004**	87231132

Payment made to statutory auditors :		
i. As auditors	50000	50000
ii. For taxation matters		
iii. For other services	5000	5000
iv. For reimbursement of expenses	-	4047

32 - Sale of Products and Rendering of Services:

Amount in Rupees

Particulars	2020-2021	2019-20
Sales:		
Filters		
Numbers	3 Nos	8 Nos
Value	69000000	71990584
Thickeners Components Spares Bar screens etc.(Unit quantification not possible	217151289	2303077064
Scrap	1243180	1170814
Total	**287394469**	376238462
Services:		
Service Charges	3119098	3249377
Design Erection & Fabrication	-	-
Total	**3119098**	3249377
Total (Sales and Services)	**290513567**	379487869

32.1. Raw Materials consumed

Particulars	2020-2021		2019-20	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	40.54	8899499	31.87	6162391
Iron and Steel	280.20	12593196	509.92	26296287
Total	**320.74**	**21492695**	541.79	32458678

32.2. Particulars regarding Capacity and Production:

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified. Actual Production: **3 Nos.**(PY. 8Nos.) Filters besides Washers Classifiers Clarifiers Components Spares etc.

33 - Contingent Liabilities:

a) The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.182489421 (P.Y.Rs.130246861) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.

b) Corporate Guarantee for Rs.27 Crores (P.Y. Rs.27 Crores) furnished to HDFC BANK LTD as security for Working Capital Term Loan availed by holding company – K.C.P.SUGAR AND INDUSTRIES CORPORATION LTD.

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

Amount in Rupees

Nature of Statute	As at March 31, 2021	As at March 31, 2020
E S I Cases	174489	174489
VAT / Sales Tax	-	-
CST Cases	-	-
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, 2021	As at March 31, 2020
A	**Expenditure in Foreign currency on:**		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	-	3148028
	(iii) Commission paid on Export sales	-	2257776
	(iv) Reimbursement of Expenses on Product Representation in abroad	-	2086883
	(v) Repair Works	-	258620
	(vi) Seminar and Conference	-	593417
	(vii) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods		
	b. Components and spares	3443740	7450862
	c. Finished goods/Semi Finished goods		
	d. Raw Materials		
B	**Earnings in Foreign Exchange:** (i) Exports	**62497043**	126682184

35 - Information in respect of Micro Small and Medium Enterprises as at March 31, 2021:

S. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro Small and Medium Enterprises Dev elopment 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 a dding 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 su ch date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act 2006.	Nil	Nil

Disclosure requirements of Indian Accounting Standards

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

36.1. Financial Instruments by Categories(attached in excel)

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

Amount in Rupees

March 31, 2021

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Current Investment		98269013	
Current Trade Receivables	**178314660**		
Cash & Cash Equivalents	**23199166**		
Other Bank Balances	**18712079**		
Loans(Security Deposit)	**575131**		
Liabilities:			
Other Financial Liabilities	**4133047**		
Working Capital Loans	**-**		
Trade Payables	**63995816**		

March 31, 2020

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		

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:

	31.03.2021				31.03.2020			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Investments in Quoted Mutual Funds	98269013			**98269013**	94752617			94752617

37 - Financial Risk Management

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

Market risk

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

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

Securities Prices Risk:

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

Credit Risk

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

Trade Receivables

The company has outstanding trade receivables amounting to Rs.185192020/- and Rs.138315464/- as of March 31, 2021 and March 31, 2020 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows: *Amount in Rupees*

Particulars	March 31, 2021		March 31, 2020	
	Gross	Impairment	Gross	Impairment
0 to 180 days	126359702	-	69541888	-
180 days and more	58832318	6877360	68773576	6877360

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

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents cash generated from operations and Contribution in the form of share capital.

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

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

Long term liquidity requirements on a periodical basis and manage them through internal accruals.
Our non-current liabilities include Retentions & deposits

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company.

The following table sets forth information relating to foreign currency exposure as of March 31 2020:

Particulars	Assets	
	As at March 31, 2021	**As at March 31, 2020**
USD	104544.19	122790.18
SGD	44021.98	128594.42
CAD	-	-

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD & SGD sensitivity at year end	**As at March 31, 2021**	**As at March 31, 2020**
Receivables:		
If INR rate over Other currency increases by 5%	(493768)	(791692)
If INR rate over Other currency decrease by 5%	493768	791692

38 - Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

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

a) **Provident Fund:**

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) **Gratuity:**

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

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer i.e. the Life Insurance Corporation of India however the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

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

Movement in defined benefit obligation:

Amount in Rupees

Particulars	31.03.2021	31.03.2020
Defined benefit obligation - Beginning of the year	13208269	11538328
Current service cost	898424	828594
Interest Cost	957600	865375
Past Service Cost	-	-
Benefits Paid	(1601298)	(503292)
Re-measurements actuarial loss / (gain)	(64774)	479264
Defined benefit obligation - End of the year	13398221	13208269

Movement in plan asset:

Fair value of plan assets at beginning of year	14397845	12604950
Employer contributions	692220	1305791
Benefits paid	(1601298)	(503292)
Re-measurements - Return on plan assets	1018183	990396
Re-measurements- actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	14506949	14397845

Amount Recognized in Statement of Profit and Loss

Current service cost	898424	828594
Net Interest on Net Defined Benefit Liability / (assets) (B)	957600	865375
Expected return on plan assets	(1018183)	(990396)
Cost Recognized in P&L	837841	703573

Amount recognized in Other Comprehensive Income (OCI)

Amount in Rupees

Particulars	31.03.2021	31.03.2020
Actuarial (gain) / loss due to assumption changes	(64774)	479264
Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	**(64774)**	479264

Actuarial Assumption

Discount Rate	7.25%	7.25%
Rate of Salary increase	5%	5%

Category of investment in Plan assets

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

39 - Operating Leases

Operating Lease Disclosures – As per AS-19 :
Rent expenses of Rs. 360000/- (PY Rs.360000/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

40 - Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"

Since the company primarily operates in one segment being manufacture of Filters. The Company has not derived revenues from any customer which amount to 10 per cent or more of Company's revenues.

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

41.1. Managerial Remuneration: NIL

Key Managerial Personnel

Smt. Irmgard Velagapudi M. Rao

Smt. Kiran V. Rao

41.2. Related Parties:

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

a. **Transactions during the year**:

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

Amount in Rupees

Sl. No.	Particulars	31.03.2021	31.03.2020
1	Rent paid to Holding Company: KCP Sugar and Industries Corporation Ltd.	**360000**	360000
2	Purchases/Services received from Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	**34902363**	40666355
3	Sales/Services Provided to Partnership Firm: Quality Engineering Works- Thuvakudi -Trichy	**472000**	

b. Cumulative balances outstanding at the year 31st March 2021:
In Partnership firm: Quality Engineering Works-Thuvakudi –Trichy

Particulars	31.03.2021	31.03.2020
Balance in Partner Capital Account – Receivable	58791679	48469191
Trade Payable	6233778	13493363
Trade Receivable	413000	

The Eimco - K.C.P. Limited is having control over the affairs of Quality Engineering Works
Quality Engineering Works- Thuvakudi- Trichy – Financial Information

S.no	Particulars	2020 - 2021 (Un-Audited)	2019 - 2020 (Audited)
1.	Reporting period for the related party	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	58791679	58791679
4.	Reserves & Surplus	-	-
5.	Total Assets	72714583	63029045
6.	Total Liabilities	72714583	63029045
7.	Investments	-	-
8.	Turnover	34331975	49057223
9.	Profit/Loss before Taxation	9111828	10363944
10.	Provision for Tax ation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.60%	99.60%

42 - Impact of COVID - 19 on our Business Operations:

As per the directions of Government of India the Government of Tamil Nadu had imposed Partial/Complete lockdown due to COVID - 19 on account of which the business and regular operations of business were completely affected.

Since the COVID - 19 PANDEMIC is continuing and the second phase of total lockdown has been announced the operations of the company is likely to be affected to some extent.

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

V.SIVAKUMAR
Partner
Membership No.022379

Place: Chennai
Date : 28/06/2021

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Notes:

Notes: