

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

**CIN: L15421TN1995PLC033198**

**Twenty Seventh Annual Report  
2021 – 2022**

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**Board of Directors****WHOLE-TIME DIRECTORS****DIN**

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

**NON WHOLE-TIME DIRECTORS****DIN**

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

**Committees of Board of Directors**

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

**Registered and Corporate Office**

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

**Date of Incorporation****11/10/1995****Plant Location****Vuyyuru, Krishna District, Andhra Pradesh**

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

**SIDCO Industrial Estate, Thuvakudi, Trichy, Tamil Nadu**

Manufacture, Machining and Assembly of Fabricated  
Products in Ferrous and Non - Ferrous materials

**Subsidiaries**

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

<b>Bankers</b>	State Bank of India ICICI Bank Limited Axis Bank Limited HDFC Bank Limited Kotak Mahindra Bank Limited CTBC Bank Co., Ltd.,
<b>Chief Financial Officer</b>	<b>Mr.R.Ganesan (till 12/08/2021)</b> <b>Mr.K.Panneer Selvan (from 10/02/2022)</b>
<b>Company Secretary and Compliance Officer</b>	<b>Ms.S.Jeba Elavarasi (till 11/03/2022)</b> <b>Mr.Aravindkumar.V (from 14/03/2022)</b>
<b>Statutory Auditor</b>	<b>M/s.Suri &amp; Siva (FRN: 004284S)</b> Chartered Accountants, C - 8, 3 <sup>rd</sup> Floor, Shanti Apartments, New No.18, 1 <sup>st</sup> Cross Street, T.T.K.Road, Alwarpet, Chennai - 600 018.
<b>Cost Auditor</b>	<b>M/s.SRR &amp; Associates (FRN: 000992)</b> Cost Accountants, No.20, Valluvar Street, 2 <sup>nd</sup> Floor, Thiru Nagar, Jafferkhanpet, Chennai - 600 083.
<b>Secretarial Auditor</b>	<b>Ms.Jayashree S Iyer (M.No.: F10394)</b> Practising Company Secretary, No.23, Lake Area, 3 <sup>rd</sup> Cross Street, Nungambakkam, Chennai - 600 034.
<b>Internal Auditor</b>	<b>M/s.G.Natesan &amp; Co. (FRN : 002424S)</b> Chartered Accountants, No. 7/1, Champak Mahal, 4 <sup>th</sup> Street, Abiramapuram, Chennai - 600 018.
<b>Registrar to Deposits</b>	Being handled In-House at the Registered Office of the Company
<b>Share Transfer Agent and Depository Registrar</b>	<b>Integrated Registry Management Services Private Limited</b> 2 <sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai - 600 017 Tel : 044 - 28140801 to 03 Fax : 044 - 28142479 e-mail: corpserv@integratedindia.in

Particulars	Year Ended						Amount in Lakhs (except Ratios)			
	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Share Capital	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
Reserves and Surplus	25596.67	25902.58	24054.55	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08
Net Worth	26730.52	27036.43	25188.40	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93
Fixed Assets (Net)	8632.92	8723.69	8598.51	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94
Gross Income	28264.48	34415.40	36577.37	33060.10	38771.27	46290.34	39917.43	41645.59	35716.56	43460.93
Gross Profit / (Loss)	2131.49	4132.21	1159.50	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30
Depreciation	475.78	588.50	739.49	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40
Finance Cost	1915.63	2387.32	2148.91	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58
Profit / (Loss) before Tax	(259.92)	1156.39	(1728.90)	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32
Profit / (Loss) after Tax	(174.09)	1916.36	(1115.07)	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13
Other Comprehensive Income	(18.43)	45.04	16.29	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind AS) was adopted from the F.Y. 2017 - 2018			
Total Comprehensive Income	(192.52)	1961.41	(1098.78)	1054.51	830.87	5487.03				
Earnings per Share (Rs.)	(0.17)	1.73	(0.97)	0.90	0.73	4.84	0.77	(1.43)	2.44	3.42
Cash Earnings per Share (Rs.)	0.25	2.25	(0.32)	1.63	1.52	5.65	1.68	(0.52)	3.42	4.38
Book Value per Share (Rs.)	23.57	23.84	22.21	23.30	22.50	21.08	19.36	19.01	20.78	19.33
Dividend on Equity %	10.00	10.00	10.00	10.00	10.00	90.00	25.00	10.00	85.00	100.00
Debt Equity Ratio	0.27	0.34	0.31	0.18	0.16	0.19	0.21	0.26	0.21	0.09

## SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2021 - 22	2020 - 21	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14	2012 - 13
Aggregate Cane Crushed (in MTS)	421199	411324	705446	1182414	891450	647190	1183340	1103513	1088782	996740
Aggregate Sugar Bagged (in QTLS)	387796	380990	641239	1126728	844273	587981	1107133	1024720	1095938	984988
Average Recovery (%)	9.22	9.27	9.09	9.53	9.47	9.09	9.36	9.29	10.07	9.88

secretarial@kcpsugar.com  
www.kcpsugar.com

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

CIN: L15421TN1995PLC033198

'Ramakrishna Buildings',

No.239, Anna Salai,

Chennai - 600 006.

May 27, 2022

Dear Member,

We trust that you are keeping safe and healthy. The world economies across the globe are in the midst of overcoming the aftermath of COVID-19 pandemic and the recent geo-political unrest. We will hope for better in the near future.

Owing to the threat of Covid Pandemic the physical meetings not being advisable and enabling notifications of Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the 27<sup>th</sup> Annual General Meeting will be held through Video Conferencing. In this scenario, we pledge to ensure that the rights of shareholders are duly protected.

You are cordially invited to attend the 27<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 28<sup>th</sup> Day of September, 2022 at 10 AM through Video Conferencing.

Annual Report for the Financial Year 2021 - 2022, inter-alia, containing Notice of Annual General Meeting and Audited Financial Statements, Directors' Report and Auditor's Report, is attached hereto.

Stay Safe. Stay Healthy.

Wish you a healthy way ahead.

Very truly yours,

**VINOD R.SETHI**

**EXECUTIVE CHAIRMAN**

**DIN: 00106598**

**NOTICE** is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of K.C.P.Sugar and Industries Corporation Limited will be held through Video Conferencing / Other Audio Visual Means ("OAVM ") on Wednesday, the 28<sup>th</sup> Day of September, 2022 at 10 A.M (IST) to transact the following businesses:

**ORDINARY BUSINESS:**

1. **To Receive, Consider and Adopt the Audited Standalone Financial Statements along with Audited Consolidated Financial Statements of the Company and its Subsidiaries for the Financial Year ended 31/03/2022 together with the Reports of Auditor and Board of Directors thereon:**

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

**"RESOLVED THAT** the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company and its Subsidiaries for the Financial Year Ended 31/03/2022 and the reports of the Auditor and Board of Directors thereon laid before this meeting, be and are hereby approved and adopted".

2. **To Declare Dividend at the rate of 10% on the face value of the Equity Shares of the Company:**

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

**"RESOLVED THAT** pursuant to the recommendation made by the Board of Directors of the Company and subject to provisions of Section 123 of the Companies Act, 2013, a dividend of Rs. 0.10 per share be and is hereby declared for the Financial Year ended 31/03/2022 and be paid to the Equity Shareholders of the Company whose name appear in the Register of Members / Register of Beneficial Owners, as the case may be, for this purpose, as on 21/09/2022".

**"RESOLVED FURTHER THAT** dividend shall be paid within 30 days from the date of declaration hereof to all the Shareholders who are entitled to receive the dividend".

3. **To Appoint a Director, in the place of Ms.Irmgard Velagapudi (DIN: 00091370) who retires by rotation and being eligible, offers herself for reappointment:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms.Irmgard Velagapudi (DIN: 00091370), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

4. **To Appoint M/s. B.Purushottam & Co, Chartered Accountants (FRN : 002808S) as Statutory Auditor of the Company and to fix their remuneration:**

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

**“RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. B.Purushottam & Co, Chartered Accountants, Chennai (FRN: 002808S) be and are hereby appointed as the Statutory Auditor of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting to be held in the year 2027 at a remuneration of ₹ 5,00,000/- (Rupees Five Lakhs Only) for the Financial Year 2022 - 2023 and the Board of Directors of the Company be and are hereby authorized to increase and pay such statutory audit fees as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment”.

**SPECIAL BUSINESS:**

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

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

**“RESOLVED THAT** in terms of Section 197 (10) of the Companies Act, 2013, the Minimum Remuneration of a sum of Rs.41,34,777/- (Rupees Forty One Lakhs Thirty Four Thousand Seven Hundred and Seventy Seven Only) paid to Ms.Kiran Velagapudi, Executive Director of the Company during the financial year 2021 - 2022, the fifth year of inadequate profits, during her tenure covering 29/07/2017 to 28/07/2022, be and is hereby ratified”.

**6. Re-appointment of Mr. K.R. Adivarahan, (DIN : 00019844) as an Independent Director of the Company:**

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

**“RESOLVED THAT**, pursuant to the provisions of sections 149, 152, and other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. K.R. Adivarahan, (DIN : 00019844) as an Independent Director of the Company for second and final term of five years commencing from the date of members' approval at this 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting proposed to be held in the year 2027”.

**“RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for re-appointment of Mr. K.R. Adivarahan, (DIN : 00019844) as an Independent Director of the Company”.

**7. Re-appointment of Ms. Kiran Velagapudi, (DIN : 00091466) as an Executive Director of the Company:**

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



**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, the reappointment of Ms.Kiran Velagapudi be and is hereby reappointed as Executive Director of the Company in the rank of Whole time Director of the Company, for a period of five years i.e. from 29/07/2022 to 28/07/2027, liable to retire by rotation and on the terms and conditions as to remuneration, recommended by the Board, as hereunder:

- i. Salary : Rs.3,00,000/- (Rupees Three Lakhs Only) per month, within the ceiling prescribed under section 196, 197 and 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.
- ii. Perquisites : Provision of car with driver for use on Company's business and telephone at the residence and cell phone (including payment for local calls and long distance official calls). Personal long distance calls on telephone and use of car for private purposes shall be charged to the Executive Director; Rent free furnished residential accommodation; Personal accident insurance; Contribution to provident fund and gratuity as per the Company Policies; Electricity to be valued as per Income Tax Rules. These perquisites shall be in accordance with the Company's practice, rules and regulations in force, from time to time as may be applicable to her.
- iii. Commission : Remuneration by way of commission on net profits in addition to salary such that the amount of salary and commission in aggregate is subject to an overall ceiling of 3 % of the net profits of the Company in a particular financial year as laid down in Section 196 , 197 and 198 read with Schedule V of the Companies Act, 2013.
- iv. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during her said tenure, the Company has no profits or its profits are inadequate, the Company will pay to her as minimum monthly remuneration the salary mentioned in (i) and the perquisites mentioned in (ii) above, however not exceeding the limits specified under Section II of Part II of Schedule V of the Act and she shall not be entitled to any commission”.

**“RESOLVED FURTHER THAT** in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule V of the Act, the Board of Directors be and are hereby authorized to vary or increase the remuneration within the prescribed limits”.

**“RESOLVED FURTHER THAT** Ms.Kiran Velagapudi be and is hereby authorized to exercise such powers of management, as may be delegated to her by the Board of the Company, from time to time, subject however to the overall superintendence, control and direction of the Board”.

**8. Acceptance of Deposits:**

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

**“RESOLVED THAT** in supersession of earlier Resolution and pursuant to the provisions of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions as may be necessary, consent of members of the Company be and is hereby accorded to invite / accept / renew from time to time Unsecured Deposits from public and / or members of the Company in accordance with the limits, terms and conditions of Acceptance of Deposits by Companies, as prescribed under Rule 3 of the Companies (Acceptance of Deposits) Rules, 2014”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and / or any Committee thereof is hereby authorized to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation / acceptance / renewal of deposits by the Company”.

**9. Remuneration to Cost Auditor:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of a sum of Rs.2,00,000/- (Rupees Two Lakhs Only), exclusive of applicable GST and reimbursement of travel and out of pocket expenses, payable to M/s.SRR & Associates, Cost Accountants, Chennai (FRN : 000992), for conducting Cost Audit for the financial year ending 31/03/2023, as approved by the Board of Directors based on the recommendation of Audit Committee, be and is hereby ratified”.

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

Place : Chennai

Date : 27/05/2022

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

**I. General Instructions & Information:**

1. The Statement setting out the material facts concerning each item of special business to be transacted at the Annual General Meeting, in terms of Section 102 of the Companies Act, 2013, is enclosed hereto. Relevant documents as referred to in the Notice of Annual General Meeting and the said Statement will be available for online inspection at the Website of the Company till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
2. In view of the massive outbreak of COVID-19 pandemic, social distancing norms is being followed and pursuant to General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 issued by the Ministry of Corporate Affairs (MCA) and in compliance with the provisions of the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) or re-enactment thereof physical attendance of the Members at the AGM venue is not required and the AGM can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate at the ensuing AGM through VC / OAVM.
3. The relevant details, pursuant to Regulations 26 (4) and 36 (3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM is annexed.
4. Pursuant to the General Circular No. 02/2022 dated 5<sup>th</sup> May, 2022, issued by the Ministry of Corporate Affairs (MCA), the facility to appoint proxy to attend and cast vote on behalf of the members is not applicable for this 27<sup>th</sup> AGM. Hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.
5. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend AGM without restriction on account of first come first served basis.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [rajashrees66@gmail.com](mailto:rajashrees66@gmail.com) / [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. In compliance with the aforesaid MCA Circulars dated 5<sup>th</sup> May, 2022, Notice of the 27<sup>th</sup> AGM along with the Annual Report 2021 - 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on **Friday, 26/08/2022**. Members may note that the Notice and Annual Report 2021 - 2022 will also be available on the Company's website [www.kcpsugar.com](http://www.kcpsugar.com) and website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Dividend on Equity Shares of the Company, as recommended by the Board, if approved by the Shareholders at the Annual General Meeting will be paid within 30 days from the date of declaration of dividend to those Members whose names appear in the Register of Members / Register of Beneficial Owners, as the case may be, on **Wednesday, 21/09/2022**, the Cut-off Date.

10. Members are requested to register / update their bank account details with the Registrar of the Company (if shares are held in physical form) or their respective Depository Participant (if shares are held in demat form) for the purpose of payment of dividend through NECS. Members may note that NECS system provides instantaneous credit to the Members' bank account, protects against fraudulent interception and encashment of dividend warrants and provides relief against loss or damage of dividend warrants in transit.
11. Tax will be deducted at Source as per applicable law on payment of Dividend. Taxability of dividend in the hands of recipients is as per extant applicable law.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members holding shares in electronic form are requested to advise change of their address to their Depository Participants. Members are also advised not to leave their demat account(s) dormant for a long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant of securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company.
14. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP's in case the shares are held by them in electronic form to their Depositories.
16. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Integrated Registry Management Services Private Limited) of the Company: -
  - a) any change in their address / bank mandate.
  - b) particulars of their bank account, in case they have not been sent earlier.
  - c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier.
  - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
17. In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years to the IEPF account established by the Central Government.

Any person whose shares have been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and after making an application in form IEPF-5, send the same duly signed along with requisite documents to the Company for verification of the claim.

Members may please note that unpaid or unclaimed dividend which was declared for the Financial Year ended 31/03/2015 is liable to be transferred to IEPF on or before 25/09/2022 and given below are the information for the respective and subsequent years:

Financial Year Ended	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend from the Company	Due Date of Transfer to IEPF by the Company
31/03/2015	20/08/2015	24/09/2022	25/09/2022
31/03/2016	21/09/2016	26/10/2023	27/10/2023
31/03/2017	15/09/2017	20/10/2024	21/10/2024
31/03/2018	14/09/2018	19/10/2025	20/10/2025
31/03/2019	12/09/2019	17/10/2026	18/10/2026
31/03/2020	25/09/2020	30/10/2027	31/10/2027
31/03/2021	27/09/2021	01/11/2028	02/11/2028

18. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency.
19. The register of members and the share transfer register will remain closed for a period of seven days from **22/09/2022 to 28/09/2022** (both days inclusive) for the purpose of AGM.
20. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Members shall be entitled to one vote for every one share held by him / her / it in the Company.
21. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off date **Wednesday, 21/09/2022**. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e., **Wednesday, 21/09/2022** will be considered for the purpose of availing Remote e-Voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
22. The board has appointed Ms.Rajashree Santhanam, Practising Company Secretary holding membership (CP No. F10367) issued by the Institute of Company Secretaries of India (ICSI) to Scrutinize the e-Voting process in a fair and transparent manner.
23. The Scrutiniser shall, immediately after the conclusion of voting at Annual General Meeting, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 2 working days of conclusion of the meeting submit his report to the Chairman / Managing Director / Chief Financial Officer & Company Secretary of the Company.
24. The voting results of the Annual General Meeting will be declared and communicated to the Stock Exchanges and would also be displayed on the Company's website at [www.kcpsugar.com](http://www.kcpsugar.com) and will also available in website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
25. Members may post their questions by email addressed to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com) not less than 2 days before the date of Annual General Meeting by providing relevant Membership details for the purpose of identification including Name, Folio Number / Client ID / DP ID and the same will be addressed by the Company in the Annual General Meeting, suitably.
26. Register of Directors and Key Managerial Personnel and their Shareholding as maintained in terms of Section 170 of the Companies Act, 2013 and relevant Rules made thereunder will be available for online inspection in the Website of the Company, one day before the date of Annual General Meeting till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).



27. Register of Contracts or Arrangements in which Directors are interested as maintained in terms of Section 189 of the Companies Act, 2013 and relevant Rules made thereunder will be available for online inspection in the Website of the Company, one day before the date of Annual General Meeting till the conclusion of the Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
28. Separate Audited Accounts of Subsidiaries of the Company will be available in the Website of the Company not less than 21 days before the date of Annual General Meeting. For online inspection, go to / click on the following Website Link [www.kcpsugar.com](http://www.kcpsugar.com).
29. Members who have not lodged their old share certificates of 'The KCP Limited' for exchange of new share certificate of the Company in terms of the approved Scheme of Arrangement are requested to surrender the same to The KCP Limited, No.2, Dr.P.V.Churian Crescent, Egmore, Chennai – 600 008 at the earliest with a copy marked to the Registrar of the Company. New share certificates of the Company will be despatched after receipt of confirmation from The KCP Limited.

## II. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 25/09/2022 at 9:00 A.M. and ends on Tuesday, 27/09/2022 at 5:00 P.M. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

### HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system (Login Method)





Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system (e-Voting)

#### A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding Securities in Demat Mode:

In terms of SEBI circular dated 09/12/2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in Demat Mode are allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat Accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in Demat Mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding Securities in Demat Mode with NSDL	<p><b><u>A. NSDL IDeAS facility</u></b></p> <ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz., <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ Section this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the e-Voting period.</li> </ol>

Type of shareholders	Login Method
	<p>2. If you are not Registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the <b>e-Voting website of NSDL</b>. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder / Member’ section</b>. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote after the meeting.</p> <p>4. Shareholders / Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<b>Individual Shareholders holding Securities in Demat Mode with CDSL</b>	<p>1. Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi</b>.</p> <p>2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>(e-Voting Service Provider)</b> i.e., <b>NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the User is not registered for <b>Easi / Easiest</b>, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>

Type of shareholders	Login Method
	4. Alternatively, the User can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be provided link.
<b>Individual Shareholders (holding securities in Demat Mode) login through their Depository Participants.</b>	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your Demat Account through your Depository Participant registered with NSDL / CDSL for e-Voting facility.</li> <li>2. Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository Site after successful authentication, wherein you can see e-Voting feature.</li> </ol> <p>Click on options available against Company name or e-Voting Service Provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting after the meeting.</p>

**Important note:**

Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding Securities in Demat Mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding Securities in Demat Mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding Securities in Demat Mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 23058738 or 022 - 23058542-43

**B) Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding Securities in Demat Mode and Shareholders holding Securities in Physical Mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a Mobile.
2. Once the home page of e-Voting system is launched, click on the icon "**Login**" which is available under '**Shareholder / Member**' section.



3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services ie., IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding Shares ie., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat Account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat Account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding Shares in Physical Form.	EVEN Number (to be included) followed by Folio Number registered with the Company  For example if folio Number is 001*** and EVEN is 121142 then user ID is 121142001***

5. Password details for Shareholders other than Individual Shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing Password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the System will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your email. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a '.pdf file'. Open the '.pdf file'. The password to open the '.pdf file' is your 8 digit client ID for NSDL Account, last 8 digits of client ID for CDSL Account or Folio Number for Shares held in Physical Form. The .pdf file contains your 'User ID' and your 'initial Password'.
    - If your email ID is not registered, please follow steps mentioned below in '**Process for those Shareholders whose email IDs are not registered**'.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- Click on "**Forgot User Details / Password?**"(If you are holding shares in your Demat Account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat Account Number / Folio Number, PAN, Name and Registered Address etc.,.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your Password, tick on Agree to **"Terms and Conditions"** by selecting on the check box.
8. Now, you will have to click on **"Login"** button.
9. After you click on the **"Login"** button, Home page of e-Voting will open.

#### **Step 2: Cast your Vote Electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding Shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" (1211412) of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on **"Submit"** and also **"Confirm"** when prompted.
5. Upon confirmation, the message **"Vote cast successfully"** will be displayed.
6. You can also take the printout of the **Votes Cast** by you by clicking on the print option on the Confirmation Page.
7. Once you Confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **Process for those Shareholders whose email IDs are not Registered with the Depositories for procuring User ID and Password and Registration of e-mail IDs for e-Voting for the Resolutions set out in this notice:**

1. In case Shares are held in Physical mode please Provide Folio No., Name of Shareholder, Scanned copy of the Share Certificate (Front and Back), PAN (Self-Attested Scanned Copy of PAN card), AADHAAR (Self-Attested Scanned Copy of Aadhaar Card) by email to [kalyan@integrated.co.in](mailto:kalyan@integrated.co.in).
2. In case shares are held in Demat Mode, Please provide DPID-CLID (16 digit DPID + CLID or 16 Digit Beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN (Self-Attested Scanned copy of PAN card), AADHAAR (Self-Attested Scanned Copy of Aadhaar Card) to [kalyan@integrated.co.in](mailto:kalyan@integrated.co.in). If you are an Individual Shareholders Holding Securities in Demat Mode, you are Requested to refer to the Login Method explained at step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual Shareholders Holding Securities in Demat Mode.
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members / Shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM after the conclusion of AGM till expiry of 30 minutes.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for eVoting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to **NSDL e-Voting system**. After successful login, you can see link of **"VC / OAVM link"** placed under **"Join General meeting"** menu against Company Name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Shareholders may post their questions by email addressed to [secretarial@kcpsugar.com](mailto:secretarial@kcpsugar.com) not less than 2 days before the date of Annual General Meeting by providing relevant Membership details for the purpose of identification including Name, Folio Number / Client ID / DP ID and the same will be addressed by the Company in the Annual General Meeting, suitably.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) or use Toll free No.1800 - 22 - 990 or Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.com](mailto:evoting@nsdl.com) or [amitv@nsdl.com](mailto:amitv@nsdl.com) or Telephone No. 022 - 24994360 or Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.com](mailto:evoting@nsdl.com) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at Telephone No.022 - 24994545.

**III. Other Information:**

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details / Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 - 222 - 990 or send a request to (Name of NSDL Official) at [evoting.nsdl.co.in](mailto:evoting.nsdl.co.in).

If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password / PIN for casting your vote.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:****Item No. 4 - Appointment of M/s. B.Purushottam & Co, Chartered Accountants [FRN: 002808S] as Statutory Auditor of the Company and to fix their Remuneration:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the first term of the appointment of Current Statutory Auditor of the Company, M/s. Suri & Siva, Chartered Accountants (FRN : 004284S) expires at the conclusion of this Annual General Meeting. They were appointed by the members at the 22<sup>nd</sup> Annual General Meeting to hold office for a period of five years until the conclusion of the 27<sup>th</sup> Annual General Meeting. M/s. Suri & Siva, Chartered Accountants (FRN : 004284S) have informed and had requested the Board not to be re-appointed for the second term.

Accordingly, in terms of the provisions of Section 139 of the Act, the Company is required to appoint the Statutory Auditors for a term of five years from the conclusion of the ensuing Annual General Meeting. Based on the recommendation of the Audit Committee, the Board of Directors has approved the re-appointment of M/s. B.Purushottam & Co., Chartered Accountants, Chennai, (FRN No.002808S) as the Statutory Auditor of the Company to hold office from the conclusion of this 27<sup>th</sup> Annual General Meeting until the conclusion of the 32<sup>nd</sup> Annual General Meeting of the shareholders of the Company at a Statutory Audit fee of Rs. 5,00,000/- plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2022 - 2023, subject to the approval by the shareholders pursuant to applicable provisions of the Act and rules made thereunder.

The remuneration payable to the Statutory Auditor for the remaining tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee. The proposed fees will be in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee from time to time.

M/s B.Purushottam & Co., Chartered Accountants, Chennai (FRN No.002808S) have furnished their consent to act as Statutory Auditor in terms of Section 139 of the Act and have also provided a certificate to the effect that their re-appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. Further, as required under Regulation 33 of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Board recommends their appointment and accordingly, the approval of the Members is being sought by means of an Ordinary Resolution

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

Ms.Kiran Velagapudi, Executive Director has been paid Minimum Remuneration by way of Salary and Perquisites during the Financial Year 2021 - 2022, being the fifth financial year of inadequate profits during her tenure covering 29/07/2017 to 28/07/2022.

On finalisation of Accounts, for the Financial Year 2021 - 2022, it was ascertained that the Company has sustained loss for the said Financial Year. As per Schedule V of the Companies Act, 2013, Minimum Remuneration can be paid for a period not exceeding three years, during the years of inadequate profits falling under the tenure of the director.

However, in terms of Section 197 (10) of the Companies Act, 2013, the Minimum Remuneration paid to Managerial Personnel beyond the said period of three years may be ratified by the Shareholders by passing a special resolution. The Nomination and Remuneration Committee of the Board of Directors of the Company has recommended the ratification of the payment of the Minimum Remuneration paid for the Financial Year 2021 - 2022 to the Executive Director and the said recommendation of Nomination and Remuneration Committee is approved by the Board at its Meeting held on 27/05/2022.

Now the matter is placed before the Shareholders for ratification of payment of Minimum Remuneration to the Executive Director for the period 29/07/2021 to 31/03/2022 during the Financial Year 2021 - 2022.

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

Ms.Kiran Velagapudi is interested in the resolution set out in Item No.5 of the Notice of Annual General Meeting.

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

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

**Item No. 6: Re -Appointment of Mr.K.R.Adivarahan as an Independent Director:**

Mr.K.R.Adivarahan, aged 60 years, (DIN: 00019844) is a practising Chartered Accountant with over two decades of rich experience in handling the accounts / audits and taxation of various Public Limited Companies and is a Director in a few Private Limited Companies.

He was co-opted on the Board of the Company on 21/09/2016 as an Additional Director and was appointed as Independent Director on 15/9/2017 to hold office upto the date of Twenty Seventh Annual General Meeting of the Company.

A written consent to act as Director and also a Declaration that the criteria of independence as provided in section 149 (6) of the Companies Act, 2013 are met and compliance with Regulation 25 of SEBI (LODR) Regulations, 2015 have been obtained from Mr. K.R.Adivarahan.

None of the Directors other than Mr.K.R.Adivarahan may be deemed to be concerned or interested in this resolution.

The Directors recommend the Re -Appointment of Mr.K.R.Adivarahan as an Independent Director.



**Item No.7: Reappointment of Ms.Kiran Velagapudi as Executive Director:**

Ms. Kiran Velagapudi, was appointed as Executive Director of the Company for a period of five years from 29/07/2017 to 28/07/2022 and her appointment was approved by the shareholders at the Twenty Second Annual General Meeting held on 15/09/2017.

Ms.Kiran Velagapudi, is a German National, an Anthropologist, Historian, and a Graduate from the University of London and had worked in various assignments in Europe and the United Kingdom. As Executive Director, she was instrumental in maintaining cordial relations with the cane growers and ensuring their continued support to the Company. In recognition of Ms.Kiran Velagapudi's efforts in the management of the affairs of the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed to reappoint her for a further period of 10 five years with effect from 29.07.2022 during which term of office she shall be liable to retirement by rotation, on the terms and conditions as stated in the resolution. The Board recommends this resolution for approval of the members.

Ms.Kiran Velagapudi is the Vice Chairperson of The Eimco - K.C.P. Limited, a wholly owned Subsidiary of the Company.

Ms.Kiran Velagapudi is interested in this resolution which pertains to her reappointment and remuneration payable to her. Ms.Irmgard Velagapudi, Managing Director. and Mr.Vinod R.Sethi, Executive Chairman being relatives of Ms. Kiran Velagapudi, may be deemed to be concerned or interested in this resolution.

None of the above, Directors of the Company is, in any way, concerned or interested in this Resolution.

The Board of Directors recommend the Re - Appointment of Ms.Kiran Velagapudi as Whole-Time Director.

**Item No. 8 - Acceptance and Renewal of Deposits**

Pursuant to the provisions of the Companies Act, 2013 and approval of the members of the Company at its Annual General Meeting held on 27/09/2021, the Company has issued a Circular in the form of Advertisement for inviting deposits from its Members and / or the public, which is valid upto the date of 27<sup>th</sup> Annual General Meeting of the Company i.e., upto 28/09/2022.

The Board of Directors at its meeting held on 27/05/2022 decided to continue to invite / accept unsecured deposits from its Members and / or the public after complying with the provisions of the Companies Act, 2013, and Rules thereunder which, inter alia, provides for credit rating, deposit insurance, maintenance of liquid assets, approval of the Members, etc. Accordingly, approval of the Members is being sought by way of Special Resolution for inviting / accepting / renewing deposits, by the Board of Directors from time to time.

As required, the Company will be again issue a circular in the form of advertisement for inviting deposits as aforesaid in the prescribed form under the said Act and Rules thereunder.

The Company invites and accepts deposits on the following terms:

Scheme - I (Fixed Deposit)				Scheme - II (Cumulative Deposit)			
Period	Rate of Interest p.a.	Minimum amount of Deposit	Interest payable	Period	Rate of Interest p.a.	Minimum amount of Deposit	Interest payable (compounded quarterly)
2 Years	7.50%	Rs.25,000/-	Quarterly	3 Years only	8.00%	Rs.25,000/-	On maturity
3 Years	8.00%	Rs.25,000/-	Quarterly				
Amount which the Company intends to raise by way of deposits as per the Act and the Rules made thereunder				Rs.93,55,68,229/- [Rs.66,82,63,021/- from Public (25% of the aggregate of the paid-up share capital and free reserves) and Rs.26,73,05,208/- from Shareholders (10% of the aggregate of the paid-up share capital and free reserves)]			

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

None of the Directors or Key Managerial Personnel of the Company and / or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution, except to the extent of their deposits if any held by them.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution.

**Item No. 9: Remuneration of Cost Auditor:**

The Board of Directors, on the recommendations of Audit Committee, has approved the appointment and remuneration of M/s. SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditor of the Company to conduct the audit the cost records of the Company for the financial year ending 31/03/2023.

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

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

Pursuant to Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of a sum of Rs.2,00,000/- (Rupees Two Lakhs Only), exclusive of applicable GST and reimbursement of travel and out of pocket expenses payable to Cost Auditor for conducting Cost Audit for the financial year ending 31/03/2023, as approved by the Board of Directors of the Company based on the recommendation of the Audit Committee, is placed before the Members of the Company for ratification.

The Firm has confirmed that its appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that the Firm is free from any disqualification specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a Certificate from the said Firm certifying its independence and arms length relationship with the Company.

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

None of the Directors and Key Managerial Personnel of the Company is deemed to be concerned or interested in Item No.9 of the Notice of the Annual General Meeting

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

Place : Chennai

Date : 27/05/2022

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

**PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED TO BE FURNISHED UNDER CLAUSE 1.2.5 OF THE (SS - 2) SECRETARIAL STANDARD ON GENERAL MEETINGS / REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No.3 - Re-Appointment of Ms.Irmgard Velagapudi, Managing Director of the Company**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms.Irmgard Velagapudi, Managing Director of the Company, who by rotation retires at this Annual General Meeting and being eligible for Re-appointment, offers herself for Re-appointment subject to approval of Shareholders.

Further in terms of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, a Brief resume of the Director who is proposed to be re-appointed in this meeting, nature of her expertise in specific functional areas, disclosure of relationships between Directors inter-se, her other Directorship and the membership, her shareholdings are given below:

Name	Ms.Irmgard Velagapudi
Date of Birth	18/09/1936
DIN	00091370
Qualification	German Diploma in Commerce
Experience and other details	She is a German National and wife of late Mr.V.M.Rao, the Promoter of this Company, and was instrumental in managing the Company even during the most difficult times for the industry and her sustained efforts had resulted in taking the company to its present position. She has experience of around 6 decades.
Current remuneration (last drawn remuneration)	Rs.4,00,000/- per month
Details of remuneration sought to be paid	Rs.4,00,000/- per month
Date of first appointment on the Board	11/09/2000
Shareholding in the Company	18,05,280 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mother of Ms. Kiran Velagapudi Executive Director and Mother in law of Mr. Vinod. R. Sethi , Executive Chairman
Number of meetings of the Board attended during the year	5
Other Directorships, Memberships / Chairmanship of Committees of other Boards of Other Listed Companies	-
Nature of expertise in specific functional area	Management, Administration
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	-



**Item No.6 - Re - Appointment of Mr. K.R.Adivarahan as Independent Director of the Company**

Name	Mr. K.R.Adivarahan
Date of Birth	14/05/1962
DIN	00019844
Qualification	Chartered Accountant
Experience and other details	Over two decades of rich experience in handling the Audit / Taxation of various public limited companies.
Current remuneration (last drawn remuneration)	-
Details of remuneration sought to be paid	-
Date of first appointment on the Board	21/09/2016
Shareholding in the Company	1060
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	-
Number of meetings of the Board attended during the year	5
Other Directorships, Memberships / Chairmanship of Committees of other Boards of Other Listed Companies	-
Nature of expertise in specific functional area	Management, Financial Advisory
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	-

**Item No.7 - Re -Appointment of Ms. Kiran Velagapudi as Whole Time Director of the Company**

Name	Ms. Kiran Velagapudi
Date of Birth	18/12/1964
DIN	00091466
Qualification	Graduate in History and Anthropology, London University
Experience and other details	Rich experience in managing the corporate affairs of the company
Current remuneration (last drawn remuneration	Rs.3,00,000/- per month
Details of remuneration sought to be paid	Rs.3,00,000/- per month
Date of first appointment on the Board	29/07/2002
Shareholding in the Company	2,88,820
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Daughter of Ms.Irmgard Velagapudi, Managing Director and Wife of Mr.Vinod. R. Sethi, Chairman
Number of meetings of the Board attended during the year	5
Other Directorships, Memberships / Chairmanship of Committees of other Boards of Other Listed Companies	-
Nature of expertise in specific functional area	Management, Strategic Decision Making
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	-

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

Place : Chennai

Date : 27/05/2022

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

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

### 1. FINANCIAL RESULTS:

Performance		For the Financial Year ended 31/03/2022	For the Financial Year ended 31/03/2021
Operational Performance	Cane Crushed (in Metric Tonnes)	4,21,199	4,11,324
	Sugar Bagged (in Quintals)	3,87,796	3,80,990
Financial Performance (Rs. in Lakhs)	Turnover	27,087.24	29,939.16
	Other Income	1,177.25	4,476.24
	Profit / (Loss) before Tax	(259.92)	1,156.39
	Profit / (Loss) after Tax	(174.10)	1,916.36
	Other Comprehensive Income	(18.43)	45.04
	Total Profit / (Loss)	(192.52)	1,961.41
	Earnings per Share (in Rs.)	(0.17)	1.73

### 2. PERFORMANCE:

During the Financial Year under review your Company has recorded a Turnover of Rs.27,087.24 Lakhs (Previous Year Rs.29,939.16 Lakhs). The Profit / (Loss) before Finance Cost and Depreciation is Rs. 2,131.49 Lakhs. Profit / (Loss) before Tax is Rs.(259.92) Lakhs. After reversal of Deferred Tax, the Profit / (Loss) after Tax is Rs.(174.10) Lakhs.

### 3. DIVIDEND:

The Board of Directors recommends a dividend of Re.0.10/- per Equity Share of Face Value of Re.1/- each in the Paid-up Share Capital of the Company for the year ended 31/03/2022 same as the previous year. The dividend recommended, if approved by the Shareholders at the ensuing Annual General Meeting will be paid by the Company within the stipulated time.

#### 4. **SHARE CAPITAL AND RESERVES:**

The Share Capital of the Company is Rs.1,133.85 Lakhs. During the year under review, your Company has not issued any type of Shares. Hence, there is no change in the share capital of the Company.

The total **Reserves and Surplus** stood at Rs.25,596.67 Lakhs as on 31/03/2022 as against Rs.25,902.58 Lakhs as on 31/03/2021.

#### 5. **SUBSIDIARY COMPANIES:**

Your Company has two Wholly-Owned Subsidiaries, viz, The Eimco - K.C.P. Limited and KCP Sugars Agricultural Research Farms Limited. Both the Wholly-Owned Subsidiaries are Unlisted Companies. The Eimco - K.C.P. Limited is a Material Subsidiary of the Company, in terms of Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no material change in the nature of business of the Subsidiaries.

There is no Associate Company in relation to the Company.

A Statement containing Salient Features of the Financial Statements of the Subsidiary Companies in Form – AOC – 1 is annexed hereto as '**Schedule - I**'.

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

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

#### 7. **CORPORATE GOVERNANCE REPORT:**

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

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

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

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

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

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

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

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

During the financial year, all the related party transactions entered by the Company were normal business transactions in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under Companies Act, 2013 read with rules made thereunder and Regulation 23 (2) of SEBI Listing Regulations, 2015. Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given are also placed before the Audit Committee for its review on a quarterly basis. During Financial Year 2021 - 2022, there were no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015.

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

**12. SECRETARIAL AUDIT:**

The Board of Directors of the Company in its Meeting held on 09/06/2021, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2021 - 2022.

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

The Secretarial Audit Report for the Financial Year 2021 - 22 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation / comments by the Board. The Secretarial Audit Report is forming part of this Annual 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. UNCLAIMED SUSPENSE ACCOUNT:**

Particulars of Unclaimed Shares	No. of Shareholders	*No. of Shares
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on 01/04/2021	8	6670
Number of Shareholders who approached the Company for transfer of Shares from Suspense Account during the period.	Nil	Nil
Number of Shares transferred from Unclaimed Securities Suspense Account to Investor Education and Protection Fund during the period	1	900
Aggregate Number of Shareholders and the Outstanding Shares in the Suspense Account lying as on 31/03/2022	7	5770

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

**16. DIVIDEND DISTRIBUTION POLICY:**

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

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

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

**(ii) External factors:**

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

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

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2021 - 2022.

**18. CASH FLOW STATEMENT:**

In compliance with the provisions of Section 134 of Companies Act, 2013 and Regulation 34 (2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2022 forms part of this Annual Report.

**19. MATERIAL CHANGES AND COMMITMENT:**

There is no change in the nature of business of the Company during the Financial Year under review. There are no material changes or commitments affecting the financial position of the Company occurred between the end of the financial year (31/03/2022) and the date of Directors' Report.

**20. BOARD MEETINGS:**

The Board of Directors met 5 (five) times during the financial year ended 31<sup>st</sup> March, 2022 i.e., 09/06/2021, 28/06/2021, 11/08/2021, 10/11/2021 and 10/02/2022.

The gap between the Board meetings was within the maximum period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended and notified from time to time.

Detailed statement of attendance of directors at the Board Meetings and other meeting of all Committees held during the financial year ended 31<sup>st</sup> March, 2022 are given in the Corporate Governance report which is forming part of this Annual Report.

**21. PASSING OF RESOLUTION BY CIRCULATION:**

During the financial year, there were resolutions passed by the Board of Directors, through circulation. The board confirms that the resolutions have complied with the provision of Section 175 of Companies Act, 2013 and rules and amendments made thereunder from time to time.

**22. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. CHANGE IN DIRECTORS - APPOINTMENT, CHANGE IN DESIGNATION AND RESIGNATION****i. Retirement by Rotation and Re-appointments**

Pursuant to Section 152 (6) (c) of Companies Act, 2013, Ms.Irmgard Velagapudi, Director of the Company who retires by rotation and being eligible for re- appointment, offers herself for re- appointment as a Director of the company and the same is being placed before the 27<sup>th</sup> Annual General Meeting for approval of shareholders of the Company.

ii. **Re-Appointment of Mr.K.R.Adivarahan as an Independent Director:**

Mr.K.R.Adivarahan Independent Director of the Company holds office upto the date of the ensuing 27<sup>th</sup> Annual General Meeting.

The Board on the recommendation of Nomination and Remuneration Committee recommends the re-appointment of Mr.K.R.Adivarahan as an Independent Director for the second term from conclusion of ensuing Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting.

A written consent to act as Director and also a Declaration that the criteria of independence as provided in section 149 (6) of the Companies Act, 2013 are met and compliance with Regulation 25 of SEBI (LODR) Regulations, 2015 have been obtained from Mr. K.R.Adivarahan.

iii. **Re-Appointment of Ms. Kiran Velagapudi, as Executive Director:**

The term of office of Ms. Kiran Velagapudi, as Executive Director, ends on 28/07/2022 and the Board on the recommendation of Nomination and Remuneration Committee has approved her re - appointment for a period of five years from 29/07/2022, being not liable to retire by rotation, subject to the approval of Shareholders at the ensuing 27<sup>th</sup> Annual General Meeting.

The Board recommends the above appointments/ reappointments and accordingly respective resolutions seeking approval of members for their reappointments has been included in the Notice for the forthcoming 27<sup>th</sup> Annual General Meeting along with their brief profiles.

23. **AUDIT COMMITTEE:**

Pursuant to Section 177 (8) of Companies Act 2013, the Company has constituted an Audit Committee. The particulars of composition of the Audit Committee, meetings held during the year and other particulars have been detailed in the Corporate Governance Report forming part of this Annual Report.

24. **DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS:**

The Audit Committee generally makes certain recommendations to the Board of Directors of the Company during their meetings held to consider any financial results (Unaudited and Audited) and such other matters placed before the Audit Committee as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. During the year the Board of Directors has considered all the recommendations made by the Audit Committee and has accepted and carried on the recommendations suggested by the Committee to its satisfaction. Hence, there are no recommendations which were unaccepted by the Board of Directors of the Company during the year under review.



**25. STATUTORY AUDITOR:**

M/s. Suri & Siva, Chartered Accountants (FRN: 004284S), who were appointed as Statutory Auditor for a period of 5 years till the conclusion of the 27<sup>th</sup> Annual General Meeting (AGM), will retire at the conclusion of the AGM scheduled on 28/09/2022, in line with the provisions of the Companies Act, 2013 for retirement of auditors by rotation.

In view of this, the Board of Directors have recommended the appointment of M/s. B.Purushottam & Co., Chartered Accountants, Chennai (FRN: 002808S), as Statutory Auditor of the Company for a period of 5 years for shareholders' approval at the 27<sup>th</sup> AGM. The Company has received consent from M/s. B.Purushottam & Co., Chartered Accountants, Chennai to serve as Statutory Auditor of the Company, if they are so appointed. They have also furnished necessary certificate under Section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 conveying their eligibility for appointment of statutory auditors of the Company.

Directors place on record their sincere appreciation of the valuable services rendered by M/s.Suri & Siva, Chartered Accountants, Chennai during their tenure as Statutory Auditors.

**26. COST AUDIT :**

The Company is required to maintain Cost Records, in terms of Section 148 (1) of the Companies Act, 2013 and the Company maintains such Cost Records, in terms of applicable law. The Cost Auditor, M/s.SRR & Associates for the Financial Year 2021 - 2022, had conducted Cost Audit of Products of the Company such as Sugar, Electricity, Industrial Alcohol, Bio-Fertilisers, Calcium Lactate, Carbon dioxide at Vuyyuru, Krishna District, Andhra Pradesh. The Cost Audit Reports are duly filed with the Ministry of Corporate Affairs.

The Board of Directors of the Company based on the recommendation of Audit Committee, has appointed M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditor of the Company for conducting Cost Audit for the Financial Year ending 31/03/2023.

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

**27. INTERNAL AUDIT :**

Pursuant to Section 138 (1) of the Companies Act, 2013, the Company had appointed G. Natesan & Co., Chartered Accountants (FRN: 002424S) as Internal Auditor of the Company to conduct internal audit for the Financial Year 2021 - 2022. The Internal Auditor has submitted his reports to the Audit Committee and Board of Directors of the Company, periodically.

**28. CREDIT RATINGS:**

CARE Ratings Limited has given the Credit Ratings of your Company as '**CARE A-; Negative**' (**Single A Minus; Outlook: Negative**) for Long Term Bank Facilities, '**CARE A2+**' (**A Two Plus**) for Short Term Bank Facilities and '**CARE A-; Negative**' (**Single A Minus; Outlook: Negative**) for Fixed Deposit Programme.

**29. ISO CERTIFICATION:**

Your Company continued to be certified with ISO 14001:2015, ISO 9001:2015 and OHSAS 45001:2018 for manufacture of sugar and derivatives thereof, distillery products, calcium lactate, bio-fertilizers, solid and liquid carbon dioxide, mycorrhiza, cogeneration of electricity and associated activities by Lloyd's Register Quality Assurance Limited.

**30. FIXED DEPOSITS :**

As on 31/03/2022, the amount of Deposits held by the Company stands at Rs.6,705.46 Lakhs (including Unclaimed Deposits) as against Rs.6,879.38 Lakhs as on 31/03/2021. Deposits accepted during the Financial Year under review is Rs.609.00 Lakhs. As at 31/03/2022, the Matured and Unclaimed Deposits stands at Rs.117.05 Lakhs in respect of 99 Deposits. As on the date of this Directors' Report, amount of Matured and Unclaimed Deposits is Rs.98.90 Lakhs.

**31. TRANSFERS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to Section 124 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven consecutive years from the date of transfer of such amount to unpaid dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

During this year 12,23,211 shares in respect of unclaimed dividend and dividend amount of Rs.35,47,761 pertaining to the year 2013 - 14 were liable to be transferred to the IEPF authority and your Company has duly complied with the requirements.

As regards unpaid deposits, an amount towards interest of Rs.2,51,177 was transferred to the IEPF authority during the year under review.

Further, Members / claimants whose shares, and / or unclaimed dividend which have been transferred pertaining to the earlier financial years to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as prescribed by the IEPF Authority from time to time.

**32. 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, 31/03/2022 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.

33. **ACKNOWLEDGEMENT :**

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

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

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

Place : Chennai

Date : 27/05/2022

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

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

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

**Part – A - Subsidiaries**

(Amount in Lakhs)

S. No.	Particulars	Name of the Subsidiaries	
		The Eimco - K.C.P. Limited	KCP Sugars Agricultural Research Farms Limited
1.	Date since when Subsidiary was acquired	01/04/1996	30/11/1998
2.	Reporting Period of the Subsidiary	April to March	April to March
3.	Reporting Currency	Indian Rupees	Indian Rupees
4.	Share Capital	60.00	225.00
5.	Reserves and Surplus	4,479.23	317.88
6.	Total Assets	7,652.40	543.03
7.	Total Liabilities	7,652.40	543.03
8.	Investments	2,075.37	421.94
9.	Total Income (Turnover and Other Income)	5,496.63	18.08
10.	Profit / (Loss) before Taxation	770.59	4.70
11.	Provision for Taxation	243.45	-
12.	Profit / (Loss) after Taxation	527.14	4.70
13.	Total Comprehensive Income	520.54	(16.39)
14.	Proposed Dividend (in %)	-	-
15.	Extent of Shareholding (in %)	100.00	100.00

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

Place : Chennai

Date : 27/05/2022

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

Sugar Industry is the second largest agro-based industry in India. It contributes significantly to the socio economic development of the nation. It impacts the livelihood of large number of farmers and their dependents. This industry is very incomparably self-reliant. Over the years it has proven to be one of the largest contributors to a nation's economy. The sustainability of Sugar Industry in India is largely dependent on supply and demand which often used to mismatch on account of its cyclicity. Sugarcane and sugar production are seasonal with substantial production cycle witnessed in the months of October to April.

The cyclic and seasonally driven factors in the industry are highly dependent on a stable Government policy and favourable sugar market dynamics which can aid towards improving sugar profitability. The Government has been in concerting efforts by encouraging diversion of excess sugarcane and sugar to ethanol for blending purposes which not only reduce import dependency on crude oil, but promote ethanol as a fuel that is indigenous and environment-friendly and will also enhance the income of sugarcane farmers. Government of India's thrust for ethanol production will enable the sugar millers to divert surplus sugar towards ethanol manufacturing, thus reducing the cyclicity in sugar business.

The Industry has also invented manufacturing of 'Green Manure' for application in agricultural fields in order to improve soil fertility and soil health management by partially removing the application of inorganic fertilisers. This Green Manure called bio compost is obtained from a waste product while manufacturing sugar namely, 'press mud'. Several micro nutrients and treated bio waste obtained from distillery effluent are applied on the said press mud to convert the same as Green Manure. This is gaining more importance in India as the said Green Manure has proven the improvement of soil fertility and development of eco-friendly atmosphere.

The Production of sugars in the Southern region of India has toppled down drastically when compared to other major sugar producing regions in India and successive years of drought and lower level of recovery of sugar, have incapacitated the staying power of several private players leading to close down of sugar mills over the period in various southern regions of the nation.

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

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

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

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

- Successful mass vaccination and strong pent-up demand will enable the world Economies to recover from the losses sustained through Covid Pandemic.

**(ii) Threats:**

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

- Risk of surge in sugar cane prices and harvesting expenses.
- Rising fuel prices and inadequate tariff would limit the prospect for standalone power production during off-season.
- Stressed finances and realization challenge for power dues.
- Rise in transportation costs could affect sugarcane growing and pricing.
- Cyclical nature of Sugar Industry and local climatic conditions will have an effect on the quantity and quality of sugar cane and result in uncertain Production Output & Short crushing season; and
- Unfolding Geo-political unrest from the recent Russia - Ukraine invasion will further impact the macro economic factors.

**3. PRODUCT WISE PERFORMANCE:**

**(i) Sugar :**

**SEASON WISE PARTICULARS**

Nature of Particulars	2021 - 2022	2020 - 2021
Crushing commenced on	08/12/2021	10/12/2020
Crushing completed on	01/03/2022	10/03/2021
No. of Days	93	91
Cane Crushed (in MT)	421199.493	411324.117
Sugar Bagged (in Qtls)	387796	380990
Recovery (in %)	9.22	9.27
Cane Price Paid (besides incentives and developmental activities) (in Rs.)	2,900	2,850

**FINANCIAL YEAR WISE PARTICULARS**

Nature of Particulars	For the Financial Year ending	
	31/03/2022	31/03/2021
Season (From / To)	08/12/2021 to 01/03/2022	10/12/2020 to 10/03/2021
No. of Days	93	91
Cane Crushed (in MT)	421199.493	411324.117
Sugar Bagged (in Qtls)	387796	380990
Recovery (%)	9.22	9.27

**(ii) Other Products:**

Distillery Unit produced 71.14 Lakh Litres of Industrial / Anhydrous Alcohol for the year ended 31/03/2022 as against 64.82 Lakh Litres during the previous financial year. The said Unit sold 74.15 Lakh Litres of Industrial / Anhydrous Alcohol valued at Rs.3822 Lakhs during the year under review as against 61.17 Lakhs Litres valued at Rs.3236 Lakhs during the previous year.

Cogeneration Unit produced 20,507 MW of Power during the year under review as against 19,276 MW of Power in the previous year. Total Export of Electrical Energy is 6,892 MW resulting in Turnover of Rs.380 Lakhs during the year under review was against 5,910 MW at a Turnover of Rs.283 Lakhs during the previous year.

Calcium Lactate Plant contributed Rs.407 Lakhs towards the Turnover of the Company during the year under review as against the Turnover of Rs.377 Lakhs during the previous year.

Bio-Fertiliser Plant contributed Rs.697 Lakhs towards the Turnover of the Company during the year under review as against the Turnover of Rs.671 Lakhs during the previous year.

Engineering Division during its first year of operation contributed Rs.494 Lakhs towards the Turnover of the Company.

**4. Purchase of Engineering Industrial Unit:**

The Company during the year has set up an Engineering Division in SIDCO Industrial Estate, Thuvakudi, Trichy, Tamil Nadu for Manufacture, Machining and Assembly of Fabricated Products in Ferrous and Non - Ferrous Materials.

## 5. **FUTURE OUTLOOK:**

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

- Foresee opportunities in Ethanol production as Escalating ethanol price could more likely prompt relatively lower cane mix for sugar;
- To develop high breed varieties of sugarcane suitable for Indian climatic conditions and focus on vertical growth in sugarcane productivity;
- Invention of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings;
- Sugar recovery should stay firm while product prices are expected to stay supportive.
- Swift adaptation of new cultivation method suitable for mechanised harvesting;
- Agro-climatic conditions in major sugar-producing States; and
- Permitting Green Energy producers to market directly to third parties.

## 6. **RISK MANAGEMENT:**

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

### (i) **Raw Material Risk:**

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

#### **Mitigation Measure:**

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

### (ii) **Policy Risk:**

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

#### **Mitigation Measure:**

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



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

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

**Mitigation Measure:**

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

**6. INTERNAL FINANCIAL CONTROL SYSTEMS:**

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

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

As on 31/03/2022, the number of Employees on roll including Seasonal Employees is 575.

The human resource is an important asset which has played pivotal role in the performance and growth of the Company over the years. We aim to nurture careers and give recognition to each employees' efforts and performance. The relationship with employees of the Company continued to be harmonious and congenial during the Financial Year under review. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company believes that Employees are the key to success and hence the Company proactively develops innovative and business focussed methods to attract, motivate, develop and retain talented and competitive manpower.

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

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

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

Place : Chennai

Date : 27/05/2022

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

**REPORT ON CORPORATE GOVERNANCE***(Pursuant to Regulation 34 (3) read with Schedule V of SEBI (LODR) Regulations, 2015)***1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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

The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies and practices are periodically updated to ensure effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

**2. BOARD OF DIRECTORS:****2.1. Composition and Other Disclosure of Compliances :**

- In pursuance of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company maintains an optimum combination of Executive and Non-Executive Directors. The Board of the Company consists of seven members, with three Promoter Directors (Executive) and four Independent Directors. Two of the Whole-Time Directors are women.
- The day-to-day management of the Company rests with the Managing Director.
- The Independent Directors on the Board of the Company are experienced and competent persons from their respective fields. They take part actively at the Board Meetings and Committee Meetings of the Company which add value to the Board Process.
- None of the Directors on the Board of the Company is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he / she is a Director and thus in compliance of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Directors on the Board of the Company are appointed as director in more than seven listed companies.
- None of the Directors on the Board of the Company serve as an independent director in more than seven listed companies.
- None of the Whole Time Directors of the Company serve as an independent director in more than three listed companies.
- No Independent Director of the Company is a relative of any other Director of the Company.

- Independent Directors of the Company do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are in compliance with the Code for Independent Directors as per Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All the Independent Directors have duly registered their names with the Data Bank of Independent Directors, in pursuance of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- None of the Directors of the Company have received any loans / advances from the Company during the year under review, in terms of Section 185 of the Companies Act, 2013.

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

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

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

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

### 2.3. Board Meetings:

- Totally five Board Meetings were held during the Financial Year 2021 - 2022 in compliance with Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Dates on which such Board Meetings held were 09/06/2021, 28/06/2021, 11/08/2021, 10/11/2021 and 10/02/2022.
- There was no gap of more than 120 days between any two Board Meetings of the Company except that due to pandemic caused by Covid-19 and consequent extension granted by the Ministry of Corporate Affairs, the first Board Meeting in the Financial Year was held on 09/06/2021.
- All the Board Meetings of the Company were held through Video Conferencing.
- Annual General Meeting of the Company for the Financial Year 2020 - 2021 was held on 27/09/2021 through Video Conferencing.
- All the Directors were present in all the Board Meetings and Annual General Meeting.

### 2.4. Board Procedures:

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

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

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

### 2.5. Board Evaluation:

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

A separate meeting of Independent Directors of the Company was convened on 10/02/2022 which reviewed the performance of the Board of the Company as a whole, the Non-Independent Directors and the Chairman of the Board.

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

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

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

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

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

## **2.7. Code of Conduct:**

The Board of Directors of the Company has laid down a Code of Conduct for the Members of the Board and Senior Management in pursuance of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been placed in the Company's Website at [www.kcpsugar.com](http://www.kcpsugar.com). All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the Financial Year 2021 - 2022. The declaration to this effect signed by the Managing Director of the Company is annexed herewith as '**Annexure – A**'.

## **2.8. Matrix of Board Competence:**

A chart or a matrix setting out the skills / expertise / competence of the board of directors specifying the list of core skills / expertise / competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.

The following are the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the business of the Company:

1. General Management skills
2. Leadership Skills
3. Problem Solving / Decision Making
4. Relationship Building
5. Communication Skills
6. Planning & Strategy Development

### Names of directors along with the skills / expertise / competence

Name of the Director	General Management Skills	Leadership Skills	Problem Solving / Decision Making	Relationship Building	Communication Skills	Planning & Strategy Development
Mr.Vinod R.Sethi	High	High	High	High	High	High
Ms.Irmgard Velagapudi	High	High	High	High	High	High
Ms.Kiran Velagapudi	High	High	High	High	High	High
Dr.Vlthal Rajan	High	High	High	High	High	High
Mr.M.S.V.M.Rao	High	High	High	High	High	High
Mr.Pratap K.Moturi	High	High	High	High	High	High
Mr.K.R.Adivarahan	High	High	High	High	High	High

### 2.9 Shareholdings of Non – Executive Directors (Independent Directors):

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

S. No.	Name of the Non – Executive Director (Independent Director)	No. of Shares held in the Company as on 31/03/2022
1.	Dr.Vithal Rajan	-
2.	Mr.M.S.V.M.Rao	10
3.	Mr.Pratap K.Moturi	-
4.	Mr.K.R.Adivarahan	1060

### 3. REMUNERATION OF DIRECTORS:

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

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

The remuneration paid to the Whole Time Directors during the Financial Year 2021 - 2022 is as below:

<b>Nature of Remuneration (Amount in Lakhs)</b>	<b>Mr.Vinod R.Sethi</b>	<b>Ms.Irmgard Velagapudi</b>	<b>Ms.Kiran Velagapudi</b>
Salary	12.00	48.00	36.00
Contribution to PF	1.44	-	4.32
Perquisites	0.44	0.04	6.61
Commission	-	-	-
<b>Total</b>	<b>13.88</b>	<b>48.04</b>	<b>46.93</b>

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

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

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

The remuneration paid to the Non – Executive Directors (Independent Directors) during the Financial Year 2021- 2022 is as below:

<b>Name of the Non - Executive Director (Independent Director)</b>	<b>Commission (Amount in Lakhs)</b>	<b>Sitting Fees (Amount in Lakhs)</b>	<b>Total (Amount in Lakhs)</b>
Dr.Vithal Rajan	-	2.90	<b>2.90</b>
Mr.M.S.V.M.Rao	-	2.70	<b>2.70</b>
Mr.Pratap K.Moturi	-	2.50	<b>2.50</b>
Mr.K.R.Adivarahan	-	4.10	<b>4.10</b>



#### 4. **AUDIT COMMITTEE:**

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

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

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

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

The Chairman of the Audit Committee, Mr.M.S.V.M.Rao was present through Video Conferencing at the Annual General Meeting held on 27/09/2021.

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

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

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

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

Five Audit Committee Meetings were held during the Financial Year 2021 - 2022 on 09/06/2021, 28/06/2021, 11/08/2021, 10/11/2021 and 10/02/2022 through Video Conferencing.

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

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

### 5.1. **Composition:**

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

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

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

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

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

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

Nomination and Remuneration Committee met on 28/06/2021 and 10/02/2022 during the Financial Year 2021 - 2022 through Video Conferencing.

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:****6.1. Composition:**

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

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

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

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

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

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

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

Stakeholders Relationship Committee met five times on 08/04/2021, 23/07/2021, 31/08/2021, 04/10/2021 and 03/01/2022 during the Financial Year 2021 - 2022.

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

**6.4. Redressal of Investor Complaints:**

Ms.S.Jeba Elavarasi, Company Secretary was the Compliance Officer of the Company till 11/03/2022 and thereafter Mr.Aravindkumar.V has been appointed as the Company Secretary and Compliance Officer with effect from 14/03/2022.

M/s.Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai - 600 017, is the Share Transfer Agent and Depository Registrar of the Company. The request for transmission of shares received by the Company / Registrar of the Company during the year has been duly processed.

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

During the year, 128 queries were received from the shareholders, all of which have been attended.

Nature of Query	01/04/2021 to 31/03/2022		
	Received	Attended	Pending
Non - Receipt of Dividend	5	5	Nil
Revalidation of Dividend Warrants	28	28	Nil
Issue of Duplicate Share Certificate	6	6	Nil
Split Share Certificate	12	12	Nil
Procedure for loss of Share Certificate	11	11	Nil
Procedure for Transmission	24	24	Nil
Issue of Duplicate Dividend	2	2	Nil
Unclaimed Dividend Warrants	13	13	Nil
Correction in Share Certificate	6	6	Nil
Other Categories (General Queries, IEPF - 5 Certificate and Dividend, Unclaimed Dividend Warrant)	21	21	Nil
<b>GRAND TOTAL</b>	<b>128</b>	<b>128</b>	<b>Nil</b>

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

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

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

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

The Corporate Social Responsibility Committee met on 10/02/2022 and all the Members of the Committee were present and reviewed the CSR activities of the Company.

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

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

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

The Company's CSR activities broadly relate to:

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

The Company has spent a sum of Rs.11,86,360/- towards CSR Activities.

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

## 8. GENERAL MEETINGS

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

AGM for the Financial Year ended	Date of AGM	Venue of AGM	Time of AGM	No. of Special Resolutions passed in the AGM
31/03/2021	27/09/2021	Held through Video Conferencing	10 AM	3
31/03/2020	25/09/2020	Held through Video Conferencing	10 AM	3
31/03/2019	12/09/2019	'Sathguru Gnanananda Hall' Narada Gana Sabha, 314, T.T.K. Road, Alwarpet, Chennai - 600 018.	10 AM	4

## 8.2. Postal Ballot:

- No Special Resolution was passed / was required to be passed through Postal Ballot during the year.
- The Board of Directors in their meeting held on 27/05/2022 has approved the alteration to Memorandum of Association & Articles of Association of the Company and the approval from the shareholders by Special Resolutions, shall be sought through Postal Ballot process to be concluded in July 2022.

Accordingly, the Company has obtained requisite approval and the results/ resolutions was announced on 14/07/2022.

## 9. MEANS OF COMMUNICATION:

### ➤ Quarterly Financial Results:

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

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

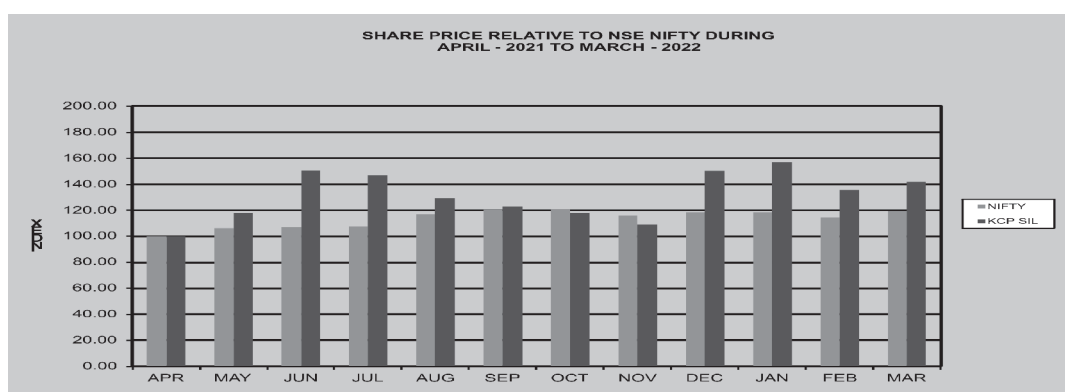
## 10. GENERAL SHAREHOLDER INFORMATION:

### 10.1. Market Price Data:

High / Low of Market Price of the Company's Shares (Face Value Re.1/-) traded on National Stock Exchange and Bombay Stock Exchange during each month in the Financial Year 2021 - 2022 is given below:

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
Apr '21	18.90	18.90	14.60	14.20	Oct '21	24.45	25.20	19.40	20.35
May '21	25.70	25.75	17.65	17.60	Nov '21	24.00	24.75	19.00	19.10
June '21	29.00	29.10	20.10	20.10	Dec '21	29.35	29.35	19.40	19.30
July '21	32.35	32.45	25.60	25.60	Jan '22	32.50	32.40	25.75	25.65
Aug '21	26.30	26.35	20.60	20.55	Feb '22	31.25	31.15	21.65	21.65
Sep '21	23.45	23.55	20.65	20.80	Mar '22	29.85	29.85	23.30	22.20





## 10.2. Dematerialisation of Shares and Liquidity:

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

### Shares in Physical and Electronic Form as on 31/03/2022:

Form	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Physical Mode	1690	3.62	3035703	2.68
<b>Sub Total</b>	<b>1690</b>	<b>3.62</b>	<b>3035703</b>	<b>2.68</b>
Electronic Mode				
- NSDL	18370	39.32	89983189	79.36
- CDSL	26659	57.06	20366158	17.96
<b>Sub Total</b>	<b>45029</b>	<b>96.38</b>	<b>110349347</b>	<b>97.32</b>
<b>Grand Total</b>	<b>46719</b>	<b>100.00</b>	<b>113385050</b>	<b>100.00</b>

## 10.3. Distribution of Shareholding as on 31/03/2022 :

No. of Shares held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
Upto 5000	45215	96.78	21103310	18.61
5001 - 10000	780	1.67	5908890	5.21
10001 - 20000	337	0.72	4848294	4.28
20001 - 30000	131	0.28	3199227	2.82
30001 - 40000	75	0.16	2608667	2.30
40001 - 50000	41	0.09	1876314	1.65
50001 - 100000	67	1.14	4761088	4.20
100001 and above	73	0.16	69079260	60.93
<b>Total</b>	<b>46719</b>	<b>100.00</b>	<b>113385050</b>	<b>100.00</b>

## 10.4. Other Information:

S. No.	Nature of Particulars	Particulars
1.	Annual General Meeting for the Financial Year ended 31/03/2022	Annual General Meeting will be held through <b>Video Conferencing</b> on <b>Wednesday, the 28<sup>th</sup> Day of September, 2022 at 10 AM</b>
2.	Financial Year of the Company	1 <sup>st</sup> April to 31 <sup>st</sup> March
3.	Dividend Payment Date	Within 30 days from the date of declaration of Dividend by the Company
4.	Name and Address of Stock Exchange at which the shares of the Company are listed	<b>1. National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051  <b>2. BSE Limited (Bombay Stock Exchange)</b> PJ Towers, Dalal Street, Mumbai - 400 001
5.	Whether Listing Fees paid to the Stock Exchanges	Yes
6.	Stock Code	<b>NSE : KCPSUGIND</b> <b>BSE : 533192</b>
7.	Share Transfer Agent and Depository Registrar of the Company ( <b>Registrar of the Company</b> )	<b>Integrated Registry Management Services Private Limited</b> 2 <sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, T.Nagar, Chennai - 600 017. Tel : 044 - 28140801 to 03 Fax : 044 - 28142479 email : corpserv@integratedindia.in
8.	Plant Location	<b>Unit at Vuyyuru, Krishna District, Andhra Pradesh:</b> Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilisers, Carbon dioxide and Calcium Lactate  <b>SIDCO Industrial Estate, Thuvakudi, Trichy</b> Manufacture, Machining and Assembly of Fabricated Products in Ferrous and Non - Ferrous Materials
9.	Address for Correspondence	Shareholders correspondence should be addressed to the Registrar of the Company at their address mentioned hereinabove. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Mr.Aravindkumar.V, Company Secretary and Compliance Officer, K.C.P.Sugar and Industries Corporation Limited, 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006.
10.	Credit Ratings during the Financial Year 2021 - 2022	Long Term Bank Facilities      CARE A -; Negative (Single A Minus; Outlook: Negative)
		Short Term Bank Facilities      CARE A2+ (A Two Plus)
		Fixed Deposit Programme      CARE A -; Negative (Single A Minus; Outlook: Negative)

## 11. OTHER DISCLOSURES:

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

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

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

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

- 11.3.** The Company had duly filed with the Stock Exchanges, Quarterly Compliance Report on Corporate Governance in the prescribed format in terms of Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters ended 30/06/2021, 30/09/2021, 31/12/2021 and 31/03/2022.
- 11.4.** The Statutory Auditor of the Company has given a Certificate on Compliance of Conditions of Corporate Governance as required under Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been annexed herewith as '**Annexure – B**'.
- 11.5.** There are no compliance requirements in respect of discretionary items in terms of Regulation 27 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 11.6.** The Certificate from the Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI / Ministry of Corporate Affairs or any statutory authority is annexed herewith as '**Annexure – C**'.
- 11.7.** No recommendation of any Committee of the Board of Directors of the Company has been disregarded / unaccepted by the Board of Directors of the Company.
- 11.8.** Total fees for all services paid to the Statutory Auditor of the Company by the Company and its Subsidiaries for the Financial Year 2021 - 2022 is Rs.6.85 Lakhs (Rupees Six Lakhs and Eighty Five Thousand Only)
- 11.9. Disclosures in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

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

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

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

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

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

- 11.11. Share Transfer System:** As per mandate of SEBI, a Member can transfer the Shares only if such shares are in Demat Form. Any transfer of shares is routed through depository system. All documents received for transmission / consolidation / name change of shares, if any, are processed by the Registrar of the Company and are approved by the Stakeholders Relationship Committee which meets at such times as required, depending on the volume of transactions. Transactions are registered and returned within a maximum of 15 days from the date of lodgement, if documents are complete in all respects. There is no request pending action as on 31/03/2022.
- 11.12. Reconciliation of Share Capital Audit:** As stipulated by SEBI, Practising Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the Total Issued Capital and Total Listed Capital and Shares held in Demat Form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Physical Shares. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors of the Company and placed at the Website of the Company at [www.kcpsugar.com](http://www.kcpsugar.com).
- 11.13. Prohibition of Insider Trading:** The Company has framed a Code of Conduct for Prohibition of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all the Directors, Officers and Employees of the Company. The Code aims to prohibit dealing in the Shares of the Company by persons having access to unpublished price sensitive information. The Trading Window shall remain closed during the period when 'Insider' in terms of Regulations can reasonably be expected to have possession of unpublished price sensitive information which in any event shall commence from the end of every quarter and lasts till 48 hours after the declaration of financial results. The Company Secretary is designated as the Compliance Officer for this purpose.
- 11.14. Preservation of Documents:** The Company preserves the documents in line with Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013 and applicable Rules made thereunder for preservation of documents maintained in electronic / physical form.
- 11.15. Peer Review of Statutory Auditor:** Pursuant to Regulation 33 (1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditor of the Company has confirmed that they have subjected themselves to Peer Review Process of the Institute of Chartered Accountants of India and they hold the valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
- 11.16.** Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate of the Managing Director and the Chief Financial Officer of the Company, in the format provided in Part B of Schedule II of the said Regulations, have been placed before the Board of Directors of the Company and the same is annexed herewith as '**Annexure – D**'.

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

Place : Chennai

Date : 27/05/2022

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

**ANNEXURE – A****DECLARATION**

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

I, Irmgard Velagapudi, Managing Director of K.C.P.Sugar and Industries Corporation Limited, hereby declare and confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, as laid down by the Company for the financial year 2021 - 2022.

Place : Chennai

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

Date : 27/05/2022

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



**ANNEXURE – B****COMPLIANCE CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by **K.C.P. Sugar and Industries Corporation Ltd**, (the company) for the year ended 31<sup>st</sup> March, 2022 as per regulations 17-27, and regulation 46 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015 (Listing regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use:

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

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

**V.SIVAKUMAR**  
**Partner**  
**Membership Number: 022379**  
**UDIN: 22022379AJTMBV2224**

Place : Chennai  
 Date : 27/05/2022

**ANNEXURE – C**

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

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

**UDIN Number: F010394D000426018**

The Members,

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

Ramakrishna Building, New No.239 (old No.183)

Anna Salai, Chennai- 600 006

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

In our opinion and according to the verifications (including Director Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

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

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

Place: Chennai

Date : 27/05/2022

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No. 21403**  
**PR 1382/2021**  
**UDIN: F010394D000426018**

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

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

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

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

- A. we have reviewed financial statements and the cash flow statement for the year ended 31/03/2022 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year under review which are fraudulent, illegal or violative of the Company's code of conduct.
- C. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. we have indicated to the Auditors and the Audit Committee
  - (i) significant changes, if any, in internal control over financial reporting during the year under review;
  - (ii) significant changes in accounting policies, if any, during the year under review and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai

Date : 27/05/2022

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

**K.Panneer Selvan**  
**Chief Financial Officer**  
**CMA M.No.: 9894**

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

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

**A. CONSERVATION OF ENERGY :**

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

- Juice transferring by gravity flow from the 2<sup>nd</sup> / 3<sup>rd</sup> effect evaporators to quadruple evaporator set -30 HP juice transfer pump was avoided and the saving is about 20 KWH.
- Vibro Screen with 2 HP drive was provided for filtrate juice screening in place of conventional grader of 10 HP drive for the effective screening of the filtrate juice- saving is about 5 KWH.
- Installation of LED lights in place of MV and SV lamps and saved 30000 units per annum.

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

- Installation of condensate polishing system for excess condensate cooling for its utilization in place of cold water.
- Installation of new TRPF system on No.2 tandem for 5<sup>th</sup> and 6<sup>th</sup> mills in OKCP milling tandem to reduce Pol% and Moisture % Bagasse.
- Installation of LED lights in place of MV and SV lamps to reduce power consumption. Saving will be around 32000 units per annum.

**(iii) Power and Fuel:**

Particulars	31/03/2022	31/03/2021
<b>A. Electricity</b>		
<b>(i) Purchased</b>		
Units KWH	9,92,158	9,39,065
Total Amount (in Lakhs)	63.43	90.95
Rate / Unit (in Rs.)	6.39	9.69
<b>(ii) Own Generation</b>		
<b>a) Through Diesel Generation</b>		
Units KWH	6,210	2,232
Unit per Litre of Diesel	1.72	2.77

Cost / Unit (in Rs.)	39.21	24.32
<b>b) Through Steam Turbine / Generator</b>		
Units KWH	2,05,67,300	1,92,93,100
KWH per tonne of Bagasse	272.19	255.28
Cost / Unit (in Rs.)	2.94	2.99
<b>B. Consumption per Unit of Production</b>		
Electricity consumed per Tonne of Sugar produced (in KWH)	266.80	225.93

**B. TECHNOLOGY ABSORPTION:**

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

- Semi auto system for syrup / melt feeding to the batch vacuum pans for consistency in pan boiling to reduce the manpower intervention.

**(ii) Research and Development:**

- After careful evaluation of 13 varieties were selected based on their qualitative and quantitative parameters. These were included in various trials for evaluation of yield and quality attributes in the form of replicated trials during the current season as plant crop (2021 - 2022) and their ratoon ability performance also will be studied in the ensuing season.
- We have selected two new varieties 2009 A107 and 2007 A223 and given to cane growers for evaluation of yield and quality.
- For 2021 - 2022 season, 80 lakhs of single budded seedlings were raised and supplied to cane growers for plantation. The main advantage of this method is cost reduction and productivity improvement.

**Benefits Derived:**

- The reduction in the cost of cultivation by using the single budded seedlings.
- Stabilization of sugarcane area in the factory zone.

➤ **Expenditure on Research and Development (Amount in Lakhs):**

Capital	Nil
Recurring	2.01
Staff Cost	42.34
<b>Total</b>	<b>44.35</b>

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

Earnings	Nil
Outgo	Nil

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

Place : Chennai

Date : 27/05/2022

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

## ANNUAL REPORT ON CSR ACTIVITIES

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

S.No.	Nature of Particulars		Particulars		
1.	Brief outline on CSR Policy of the Company		<p>The Company's CSR Policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development. The Company's CSR activities broadly relate to:</p> <p>(i) Promoting health care including preventive health care and sanitation and making available safe drinking water;</p> <p>(ii) Promoting education and employment enhancing vocational skills;</p> <p>(iii) Eradication of poverty and ensuring better living conditions;</p> <p>(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;</p> <p>(v) Conducting relief operations in natural disaster hit areas and contribution to Government Disaster Relief Fund.</p> <p>CSR Policy of the Company is placed in the Website of the Company: <a href="http://www.kcpsugar.com">www.kcpsugar.com</a></p>		
2.	Composition of the CSR Committee				
	S.No.	Name of Director	Designation in Committee / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
	(i)	Ms.Irmgard Velagapudi	Chairperson / Managing Director	1	1
	(ii)	Mr.Vinod R.Sethi	Member / Whole Time Director	1	1
	(iii)	Mr.M.S.V.M.Rao	Member / Independent Director	1	1
	(iv)	Mr.K.R.Adivarahan	Member / Independent Director	1	1



3.	Web Link where Composition of CSR Committee, CSR Policy and CSR Projects of the Company are disclosed		<a href="http://www.kcpsugar.com">www.kcpsugar.com</a>	
4.	Details of Impact Assessment of CSR Projects		Not Applicable	
5.	Details of amount available for set off as per Rule 7 (3) of the Companies (CSR Policy) Rules, 2014		Nil	
6.	Average Net Profit of the Company for last three Financial Years (in Lakhs)		Nil	
7.	a)	Two percent of the Average Net Profit of the Company as given in Item 6 above (in Lakhs)	Nil	
	b)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years (in Lakhs)	Nil	
	c)	Amount required to be set off for the Financial Year, if any (in Lakhs)	Nil	
	d)	Total CSR obligation for the Financial Year (7a+7b-7c) (in Lakhs)	Nil	
8.	a)	CSR Amount spent or unspent for the Financial Year	Total Amount spent for the Financial Year (in Lakhs)	17.24
			Amount Unspent (in Lakhs)	Nil
	b)	Details of CSR Amount spent against Ongoing Projects for the Financial Year	Nil	
(c) Details of CSR Amount spent against other than Ongoing Projects for the Financial Year				
S. No.	Nature of Particulars		Particulars	
(i)	Name of the Project		Promotion of Education	
(ii)	Item from the list of activities in Schedule VII to the Companies Act, 2013		Item No. (ii)	
(iii)	Location of the Project			
	(i) Local Area (Yes / No)		Yes	
	(ii) District and State		Vuyyuru, Krishna District, Andhra Pradesh	
(iv)	Amount spent for the Project (in Lakhs)		17.24	
(v)	Mode of implementation - Direct (Yes / No)		Yes	
(vi)	Mode of Implementation - Through Implementing Agency		Not Applicable	

(d)	Amount spent in Administrative Overheads (in Lakhs)	Not Applicable				
(e)	Amount spent on Impact Assessment, if applicable (in Lakhs)	Not Applicable				
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e) (in Lakhs)	17.24				
(g)	Excess amount for set off, if any (in Lakhs)	Nil				
SI.No.	Particular	Amount (in Lakhs)				
(i)	Two percent of Average Net Profit of the Company as Per Section 135 (5)	Nil				
(ii)	Total Amount Spent for the Financial Year	Nil				
(iii)	Excess Amount Spent for the Financial Year [(ii)-(i)]	Nil				
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil				
(v)	Amount available for setoff in succeeding Financial Years [(iii)-(iv)]	Nil				
9 (a)	Details of Unspent CSR amount for the preceding three Financial Years: <div>(In Lakhs)</div>					
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section135 (6)	Amount spent in the Reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any.	Amount remaining to be spent in suceeding Financial Years.	
				Name of the Fund	Amount	Date of transfer
Not Applicable						
9 (b)	Details of CSR amount spent in the Financial Year for <b>ongoing projects</b> of the preceding Financial Year(s):					
	Not Applicable					

10	In case of creation or acquisition of capital asset, furnish the details relating to assets so created or acquired through CSR spent in the Financial Year; <b>(asset-wise details).</b>	
	(i) Date of creation or acquisition of the capital asset(s).	Not Applicable
	(ii) Amount of CSR spent for creation or acquisition of capital asset.	
	(iii) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,.	
	(iv) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,.	
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	

Place : Chennai

Date : 27/05/2022

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

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021 - 2022:

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

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

S. No.	Name of the Director / KMP	(Amount in Lakhs)	
		Remuneration paid for the Financial Year 2021 - 2022	Remuneration paid for the Financial Year 2020 - 2021
1.	Ms.Irmgard Velagapudi Managing Director	48.04	48.00
2.	Mr.Vinod R.Sethi Whole Time Director	13.88	13.83
3.	Ms.Kiran Velagapudi Whole Time Director	46.93	46.67
4.	Mr.R.Ganesan Chief Financial Officer (till 12/08/2021)	10.12	24.74
	Mr.K.Panneer Selvan Chief Financial Officer (from 10/02/2022)	2.67	-
5.	Mr.S.Chidambaram Company Secretary (till 16/11/2020)	-	9.61
	Ms.S.Jeba Elavarasi Company Secretary (till 11/03/2022)	9.40	1.30
	Mr.Aravind Kumar.V Company Secretary (from 14/03/2022)	0.36	-

3. **Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2021 - 2022:**  
Nil
4. **Percentage increase in the median remuneration of employees in the Financial Year 2021 - 2022:** Nil
5. **No. of permanent employees on the Rolls of the Company:** 325
6. **Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** No increase in remuneration of the employees as well as the Managerial Remuneration.
7. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is affirmed that the remuneration paid to the Directors and Key Managerial Personnel is as per the Remuneration Policy of the Company.
8. **No employee of the Company receives, for the Financial Year 2021 - 2022, remuneration of Rupees One Crore and Two Lakhs, in aggregate for that Financial Year or Rupees Eight Lakhs and Fifty Thousand per month or in excess of remuneration of Managing Director or Whole Time Director and holds along with his / her spouse and dependent children not less than 2% of Equity Shares of the Company, in terms of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

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

Place : Chennai

Date : 27/05/2022

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

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

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

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

(a)	Name of Related Party and (Nature of Relationship)	The Eimco - K.C.P.Limited (Wholly-Owned Subsidiary)	Amethyst Cafe Private Limited (Entity in which Director of the Company is interested)
(b)	Nature of Contract / Arrangement / Transaction	Leasing of Property, Sale of Goods, Purchase of Assets	Leasing of Property
(c)	Duration of Contract / Arrangement / Transaction	11 Months	11 Months
(d)	Salient Terms of the Contract / Arrangement / Transaction	Leasing of Property of the Company on rental basis	Leasing of Property of the Company on rental basis
(e)	Date of Approval by the Board	<b>10/02/2021</b> (period covered: 01/04/2021 to 28/02/2022)  <b>10/02/2022</b> (period covered: 01/03/2022 to 31/01/2023)	<b>10/02/2021</b> (period covered: 01/04/2021 to 28/02/2022)  <b>10/02/2022</b> (period covered: 01/03/2022 to 31/01/2023)
(f)	Amount paid as Advances, if any	NIL	Rs.4.25 Lakhs

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 27/05/2022

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

**FORM MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2022**

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

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

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

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the period under review covering the Financial Year ended on March 31, 2022 ("the Audit Period"), generally 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 records which include books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (not applicable during the period under review);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the period under review);
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the period under review);
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the period under review);
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable during the period under review);
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the period under review); and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the period under review);

(vi) Other laws applicable specifically to the Company namely:

- a. The Sugar Development Fund Act, 1982 and Rules;
- b. The Sugar (Control) Order, 1966
- c. The Sugarcane (Control) Order, 1966;
- d. The Food Safety and Standards Act, 2006 and Rules;
- e. Food Safety and Standards Regulations;
- f. The Essential Commodities Act, 1955;
- g. Boiler Act, 1923;
- h. Electricity Act, 2003 and Rules;
- i. The Legal Metrology Act, 2009

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board meetings, general meetings and dividend.
- b. The Listing Agreements entered into by the Corporation with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (ii) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (iii) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where the meeting was held at a short notice to transact urgent business, 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.

- (iv) As per the minutes of the meetings duly recorded and confirmed by the Directors, the decisions of the Board were carried through by majority while there were no dissenting views recorded as part of the minutes.
- (v) The Compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial auditors, tax auditors and other designated professionals.

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 period under review, the Company has not undertaken any specific events/actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,

Further, in respect of material events during the period under review, the Plant & Machinery at Lakshmipuram, Krishna District, Andhra Pradesh - 521 131 which was closed by the Company in the last Financial Year 2020 - 2021, was agreed to be sold at a price of Rs.43 Crore exclusive of Taxes.

Place : Chennai

Date : 27/05/2022

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No.21403**  
**PR 1382/2021**  
**UDIN:F010394D000425138**

**ANNEXURE – A**

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

My Secretarial Audit report dated 27/05/2022 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai

Date : 27/05/2022

**Jayashree S Iyer**  
**Practising Company Secretary**  
**FCS No. 10394**  
**CP No.21403**  
**PR 1382/2021**  
**UDIN:F010394D000425138**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

### **Opinion**

We have audited the standalone financial statements of **K.C.P Sugar and Industries Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, its loss (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

SL No	Key Audit Matters	Substantive Audit Procedures
1	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2022 As on March 31, 2022, the Company has inventory of sugar with the carrying value Rs.17004.22 Lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value. For details: - Refer Note No 42 to the Financial Statements.	<ol style="list-style-type: none"> <li>1. We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li> <li>2. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li> <li>3. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li> <li>4. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions.</li> <li>5. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</li> </ol>

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

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

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

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

#### Management's Responsibility for Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 and schedule V of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. **Refer Note no 44b** 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 delay in transferring the amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Management has represented that, to the best of its knowledge and belief:
  - a. No funds ( which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. No funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v.
  - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance, with Section 123 of the Act, as applicable.
  - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTINH8942**

Place: Chennai  
 Date: 27/05/2022

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Based on the audit procedures performed for the purpose of reporting a true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us, in the normal course of audit, and to the best of our knowledge, we report that:

- (i) in respect of the Company's property, plant and equipment and intangible assets:
  - (a) a. the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b. the Company has maintained proper records showing full particulars of intangible assets.
  - (b) the Company has a program of physical verification of property, plant and equipment at regular intervals so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of certain immovable properties (land and buildings), which have been transferred to the Company as per a scheme of demerger are in the name of the erstwhile demerged company.
  - (d) the Company has not revalued any of its property, plant and equipment and intangible assets during the year.
  - (e) no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) the Company has a program of physical verification of inventory at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) the Company has availed working capital facilities in excess of INR 5 crores from banks / financial institutions on the basis of security of current assets and the quarterly returns / statements filed by the Company are in agreement with the books of accounts.
- (iii) the Company has not made investments or provided guarantee or security or granted loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties, during the year and hence reporting under clause 3(iii) of the Order is not applicable:
- (iv) the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) in respect of statutory dues:

- (a) the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable which were outstanding as on 31<sup>st</sup> March 2022 for a period of more than six months from the date on which they became payable
- (b) details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2022, on account of disputes are given below:

Name of the Statute	Disputed Amount in INR Lakhs	Period to which the Amount Related to	Paid under Protest INR Lakhs	Forum where the Dispute is Pending
Andhra Pradesh Value Added Tax Act, 2005	37.94	April 2009 to June 2017	16.61	Sales Tax Appellate Tribunal, Vizag
Employees provident funds and Miscellaneous Provisions Act, 1952	110.95	April 2011 to November 2013	38.31	The Employee's Provident Funds Appellate Tribunal (EPFAT), Bangalore
A.P.E.D Act, 1939	21.74	17 <sup>th</sup> July 2003 to 31 <sup>st</sup> March 2017.	10.87	Hon'ble Andhra Pradesh High Court.
A.P.E.D Act, 1939	557.13	17 <sup>th</sup> July 2003 to 23 <sup>rd</sup> May 2013.	334.28	Hon'ble Supreme Court of India

(viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) the Company has not defaulted during the year in repayment of dues to any lender during the year.
- (b) the Company has not been declared a willful defaulter by any bank of financial institution or government or any government authority.
- (c) as per the information and explanations provided to us, the term loans were applied for the purpose for which the loans were obtained.
- (d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) on an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries / joint ventures / associates.
- (x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) is not applicable.
- (b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) no fraud by the Company and no fraud on the Company has been noticed or reporting during the year.

- (b) no reporting under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the date of this report.
- (c) as informed by the Company, there were no whistle-blower complaints received during the year.
- (xii) the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) in our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) we have considered the internal audit reports of the Company issued during the year and till date.
- (xv) the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) in our opinion, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) and its sub-clauses of the Order is not applicable.
- (xvii) the Company has not incurred cash losses during the financial year covered by our audit however the company has incurred cash losses of Rs.1413.25 Lakhs in the immediately preceding financial year
- (xviii) there has been no resignation of the statutory auditors of the Company during the year.
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) there are no ongoing projects as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) there are no unspent amount as defined under under sub-section (5) of section 135 of the Act and hence reporting under clause 3(xx)(b) of the Order is not applicable.

**For Suri & Siva**

**Chartered Accountants**

**Firm Registration Number: 004284S**

**V.SIVAKUMAR**

**Partner**

**Membership number: 022379**

**UDIN: 22022379AJTINH8942**

Place: Chennai

Date: 27/05/2022

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

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

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

We have audited the internal financial controls over financial reporting of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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: 22022379AJTINH8942**

Place: Chennai  
 Date: 27/05/2022



Amount in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	8530.60	8452.43
(b) Capital Work-in-progress	3 (a)	97.72	264.73
(c) Intangible Assets	4	4.60	6.52
(d) Financial Assets			
(i) Investments	5	9655.94	10153.60
(ii) Other Financial Assets	6	44.57	37.61
(e) Deferred Tax Assets (Net)	21	524.16	430.17
(f) Other Non - Current Assets	7	492.05	415.28
<b>Current Assets</b>			
(a) Inventories	8	19355.01	24726.76
(b) Financial Assets			
(i) Investments	9	6169.26	5944.58
(ii) Trade Receivables	10	1240.10	2846.80
(iii) Cash and Cash Equivalents	11	1545.44	137.57
(iv) Bank Balances other than (iii) above	12	593.94	736.33
(v) Other Financial Assets	13	4.20	1922.41
(c) Current Tax Assets (Net)	14	55.62	17.44
(d) Other Current Assets	15	768.51	813.53
<b>Assets Held for Sale</b>	16	841.88	785.80
<b>Total Assets</b>		<b>49923.61</b>	<b>57691.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	1133.85	1133.85
(b) Other Equity	18	25596.67	25902.58
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7218.68	9264.55
(ii) Other Financial Liabilities	20	96.49	97.94
(b) Provisions	22	385.29	347.46
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	11737.59	17770.51
(ii) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	974.16	841.18
(iii) Other Financial Liabilities	25	853.17	2163.72
(b) Other Current Liabilities	26	1878.11	82.92
(c) Provisions	27	49.60	86.86
<b>Total Equity and Liabilities</b>		<b>49923.61</b>	<b>57691.58</b>

The 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 : 27/05/2022

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M.No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466



Amount in Lakhs

Particulars	Note	For Year Ended March 31, 2022	For Year Ended March 31, 2021
I Revenue from Operations	28	27087.24	29939.16
II Other Income	29	1177.25	4476.24
<b>III Total Income (I+II)</b>		<b>28264.49</b>	<b>34415.40</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	30	15102.36	14853.60
Purchase of Stock-in-Trade		168.29	1215.93
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	5421.70	8874.82
Employee Benefits Expense	32	2415.64	3199.14
Finance Costs	33	1915.63	2387.32
Depreciation and Amortisation	34	475.78	588.50
Other Expenses	35	3025.01	2139.70
<b>Total Expenses (IV)</b>		<b>28524.41</b>	<b>33259.00</b>
<b>V Profit / (Loss) Before Exceptional Items and Tax (III - IV)</b>		<b>(259.92)</b>	<b>1156.39</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit / (Loss) Before Tax</b>		<b>(259.92)</b>	<b>1156.39</b>
<b>VIII Tax Expense</b>			
- Current Tax		-	-
- Deferred Tax		(86.42)	(759.97)
- Excess Provision Towards Taxation Relating to Earlier Years		0.59	-
<b>IX Profit / (Loss) for The Period</b>		<b>(174.10)</b>	<b>1916.36</b>
<b>X Profit / (Loss) from Discontinuing Operations</b>		-	-
<b>XI Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to Profit or Loss</b>			
Remeasurements of Defined Benefit plan Actuarial Gains/ (Losses)		(26.00)	63.55
Income Tax Expense on Above		7.57	(18.51)
		<b>(18.43)</b>	<b>45.04</b>
<b>XII Total Comprehensive Income for the Period (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>(192.52)</b>	1961.41
<b>XIII Earnings Per Equity Share (In Rs.)</b>			
(1) Basic		(0.17)	1.73
(2) Diluted		(0.17)	1.73

The 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 : 27/05/2022

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M.No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Amount in Lakhs

Particulars	For Year Ended March 31, 2022	For Year Ended March 31, 2021
<b>Cash flows from operating activities</b>		
Total Income for the Period (PBT)	(259.92)	1156.39
<b>Adjustments:</b>		
- Interest Income	(110.66)	(93.99)
- Loss / (Profit) on Sale of Fixed Assets	(6.08)	(67.09)
- Loss / (Gain) on Sale of Investments	(39.28)	-
- Adjustment for OCI	(26.00)	63.55
- Interest Expense	1915.63	2387.32
- Dividend Income	(228.40)	(355.01)
- Fair Value Adjustment	492.45	(3159.29)
- Assets Written off	12.98	-
- Depreciation and Amortization	475.78	588.50
<b>Operating Cash flow before Working Capital changes</b>	<b>2226.51</b>	<b>520.38</b>
<b>Changes in</b>		
- Decrease / (Increase) In Trade Receivables	1606.71	(449.22)
- Decrease / (Increase) In Inventory	5371.75	8916.70
- Decrease / (Increase) In Other Current / Non - Current Financial Asset(s)	1911.25	121.76
- Decrease / (Increase) In Other Current Asset(s)	45.02	186.42
- Decrease / (Increase) In Current Investments	(224.68)	-
- Asset held for sale	(56.09)	(785.80)
- (Decrease) / Increase In Long Term Borrowings	(2045.87)	2.91
- Decrease / (Increase) In Other Non - Current asset	(76.77)	18.37
- (Decrease) / Increase In Long Term Provisions	37.83	(144.38)
- (Decrease) / Increase In Other Financial Liabilities Non - Current	(1.44)	23.29
- (Decrease) / Increase In Trade Payables Current	132.98	(5257.15)
- (Decrease) / Increase In Other Current Liabilities	1795.19	(182.29)
- (Decrease) / Increase In Other Financial Liabilities Current	(1310.56)	(1838.90)
- (Decrease) / Increase In Short Term Provisions Current	(37.27)	(36.09)
Income Taxes Paid (Net)	(38.77)	25.35
<b>Net Cash generated from / (used in) operations</b>	<b>7109.28</b>	<b>600.97</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(415.55)	(881.67)
Proceeds from Sale of Fixed Assets	23.63	235.08
Investment made in Current and Non - Current Investments	(9.62)	(249.02)
Dividend Income	228.40	355.01
Proceeds from Sale of Investments	54.11	-
Changes in Margin Money Deposits	142.39	42.44
Interest received	110.66	93.99
<b>Net Cash generated from/(used in) investing activities</b>	<b>134.02</b>	<b>(404.17)</b>
<b>Cash flows from financing activities</b>		
Proceeds From / (Repayment of) Long Term and Short Term Borrowings	(6032.93)	1385.47
Dividend Paid	(113.39)	(113.39)
Interest Paid	(1915.63)	(2387.32)
<b>Net Cash used in Financing Activities</b>	<b>(8061.95)</b>	<b>(1115.23)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>1407.86</b>	<b>(398.04)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>137.57</b>	<b>535.62</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1545.44</b>	<b>137.57</b>
<b>Components of Cash and Cash Equivalents (Refer Note 11)</b>		
Cash on Hand	7.34	6.52
Balances with Banks	1538.10	131.06
<b>Total Cash and Cash Equivalents</b>	<b>1545.44</b>	<b>137.57</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

Partner

Membership No.022379

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M.No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Place: Chennai

Date : 27/05/2022

## 1 - Corporate Information

K.C.P Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India. The Company has a Sugar factory at Vuyyuru, Krishna District, Andhra Pradesh with a sugarcane crushing capacity of 7500 tons per day. Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate, Co<sub>2</sub> and Engineering unit at SIDCO Industrial Estate, Thuvakudy, Trichy, Tamil Nadu. It has its registered office at No. 239, 'Ramakrishna Buildings', Anna Salai, Chennai - 600 006, Tamil Nadu, India.

The financial statements were approved by the Board of Directors and authorised for issued on 27/05/2022.

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

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

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

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

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

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

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

**(d) Functional currency :**

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

**(e) Revenue recognition :**

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

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

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

**Interest**

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

**Dividend**

Dividend income is recognized on cash basis.

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

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. Amount collected under the provident fund plan are deposited with Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

**(ii) Gratuity Fund:**

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

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

**(iii) Compensated Absences:**

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

**(iv) Other Employee Benefits:**

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

Contribution to defined contribution scheme towards retirement benefit in the form of Superannuation fund is recognized as expenses in the statement of Profit and loss during the period in which employee renders the related service.

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

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

**(h) Intangible Assets:**

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

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

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



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

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

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

**(i) Impairment of assets:**

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

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

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

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

**(j) Foreign Currency Translation :**

**Initial Recognition**

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

**Subsequent Recognition**

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

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



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

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

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

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

**(l) Inventories:**

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

**(m) Government Grants:**

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

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

**(n) Income Taxes:**

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

**(i) Current tax:**

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

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

**(ii) Deferred tax :**

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

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

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

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

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

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

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

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

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.44.

Contingent assets are not recognized in the financial statements.

**(p) Borrowing Costs:**

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

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

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

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

**(r) Cash Flow Statement:**

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

**(s) Earnings Per Share :**

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

**(t) Segment Reporting :**

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

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

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

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

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

**(u) Financial Instruments:****Financial Assets:**Classification:

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost:

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

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

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

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

Equity Investments:

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

Derecognition:

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

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

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

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

Impairment of financial assets:

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

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

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

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

**Financial Liabilities**

Classification:

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

Initial recognition and measurement:

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

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

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

Loans and borrowings:

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

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

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

Derecognition:

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

Offsetting of financial instruments:

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

Equity instruments:

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

**3 - Property Plant and Equipment**

Amount in Lakhs

Description	Land	Buildings	Plant and Equipment	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 31 <sup>st</sup> March 2020 (At Cost)	1694.47	2555.56	6906.35	102.83	232.52	29.93	11521.67
Additions during the year	716.74	472.58	138.18	14.07	0.88	0.83	1343.28
Deletions during the year	-	-	(94.77)	(11.44)	(57.38)	(2.04)	(165.63)
Asset trf to "Held for Sale"	-	-	(1180.71)	-	-	-	(1180.71)
As at 31 <sup>st</sup> March 2021 (At Cost)	2411.21	3028.14	5769.06	105.46	176.02	28.71	11518.60
Additions during the year	-	145.21	383.27	20.81	26.44	6.83	582.56
Deletions during the year	(12.98)	-	(24.67)	(1.27)	(43.15)	(0.28)	(82.35)
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>2398.23</b>	<b>3173.34</b>	<b>6127.65</b>	<b>125.00</b>	<b>159.32</b>	<b>35.26</b>	<b>12018.81</b>
<b>Depreciation and Amortization</b>							
Opening Depreciation as on 01/04/2020	-	468.52	2354.70	85.70	119.45	14.35	3042.72
Charge for the year	-	97.14	447.56	6.49	23.72	2.82	577.72
Deletions during the year	-	-	(92.64)	(11.35)	(53.38)	(1.99)	(159.36)
Asset trf to "Held for sale"	-	-	(394.92)	-	-	-	(394.92)
As at 31 <sup>st</sup> March 2021	-	565.66	2314.69	80.85	89.78	15.18	3066.17
Charge for the year	-	109.99	337.83	8.34	14.70	2.99	473.85
Deletions during the year	-	-	(23.27)	(0.18)	(28.10)	(0.27)	(51.81)
<b>As at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>675.65</b>	<b>2629.26</b>	<b>89.01</b>	<b>76.39</b>	<b>17.90</b>	<b>3488.21</b>
<b>Net Book Value</b>							
<b>As at 31<sup>st</sup> March 2022</b>	<b>2398.23</b>	<b>2497.69</b>	<b>3498.39</b>	<b>35.99</b>	<b>82.93</b>	<b>17.36</b>	<b>8530.60</b>
As at 31 <sup>st</sup> March 2021	2411.21	2462.47	3454.36	24.61	86.24	13.53	8452.43

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



**3 (a) - Capital Work in Progress****As at 31/03/2022***Amount in Lakhs*

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	97.72	-	-	-	<b>97.72</b>

**As at 31/03/2021**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	264.73	-	-	-	264.73

**3(b) Capital work in progress completion schedule**

CWIP	To be completed				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	97.72	-	-	-	97.72

**4 - Other Intangible Assets***Amount in Lakhs*

Description	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 <sup>st</sup> March 2020 (At Cost)	162.15	162.15
Additions during the year	6.00	6.00
Deletions during the year	-	-
As at 31 <sup>st</sup> March 2021 (At Cost)	168.15	168.15
Additions during the year	-	-
Deletions during the year	-	-
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>168.15</b>	<b>168.15</b>
<b>Amortization and Impairment</b>		
Depreciation as at 31 <sup>st</sup> March 2020	150.85	150.85
Amortization for the year ended 31 March 2021	10.78	10.78
As at 31 <sup>st</sup> March 2021	161.63	161.63
Amortization for the year	1.92	1.92
<b>As at 31<sup>st</sup> March 2022</b>	<b>163.55</b>	<b>163.55</b>
<b>Net Book Value</b>		
<b>As at 31<sup>st</sup> March 2022</b>	<b>4.60</b>	<b>4.60</b>
As at 31 <sup>st</sup> March 2021	6.52	6.52



# NOTES TO FINANCIAL STATEMENTS (CONTD.,)

K.C.P.Sugar and Industries Corporation Limited  
CIN: L15421TN1995PLC033198

## 5 - Investments

Particulars	Amount in Lakhs			
	As at March 31, 2022		As at March 31, 2021	
List of (Quoted Shares Fair value through Profit and Loss account)	No. of Shares	Value	No. of Shares	Value
Kobo Biotech Ltd (Formerly known as Avon Lifescience Ltd.)	100	0.01	100	0.01
Axys Healthtech Ltd.	50000	5.00	50000	5.00
Bajaj Hindustan Ltd.	1000	0.14	1000	0.06
Balrampur Chini Mills Ltd.	1000	4.89	1000	2.15
Bannari Amman Sugars Ltd.	50	1.33	50	0.79
Coromandel International Ltd.	330	2.64	330	2.56
Eid Parry (I) Ltd.	1000	4.52	1000	3.18
GAIL India Ltd.	18800	29.26	18800	25.47
Indian Sucrose Ltd. (formerly Known as Lactose (I) Ltd.)	100	0.07	100	0.02
IRB Invit Fund Invit	232500	122.27	215000	115.13
The Jeypore Sugar Company Ltd.	16580	1.66	16580	1.66
Jubilant Industries Ltd.	80	0.37	80	0.15
Jubilant Pharmova Ltd. (Formerly known as Jubilant Life Science Ltd.)	1600	6.21	1600	10.90
Jubilant Ingrevia Ltd. (Free allotment of one equity shares against every equity shares in Jubilant Life Science Ltd.)	1600	7.20	1600	4.16
Kothari Sugars And Chemicals Ltd.	5	-	5	-
Krishna Industrial Corporation Ltd.	52501	5.25	52501	5.25
Mahanagar Gas Ltd.	8000	62.32	8000	93.52
Nava Bharat Ventures Ltd.	80	0.11	80	0.06
NTPC Ltd.	2300	3.11	2300	2.45
Precision Wires India Ltd.	1760240	1338.66	352048	681.74
Sakthi Sugars Ltd.	50	0.01	50	0.00
Savita Oil Technologies Ltd.	92434	971.48	93942	917.81
Simbhaoli Sugars Ltd.	117	0.03	117	0.01
Sri Sarvaraya Sugars Ltd.	449000	44.90	450000	45.00
The Andhra Sugars Ltd.	500	0.76	100	0.29
The Dhampur Sugar Mills Ltd.	100	0.53	100	0.18
Thiru Arooran Sugars Ltd.	100	0.01	100	0.01
Yuken India Ltd.	188864	1050.08	188864	868.49
Mishra Dhattu Nigam Ltd.	11500	19.05	11500	20.34
CL Educate Ltd.	5900	7.37	2950	2.70
Rites Ltd.	27040	70.98	27040	65.11
Supreme Engineering Ltd.	880000	22.88	88000	23.67
<b>Total</b>		<b>3783.12</b>		<b>2897.87</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.,)



Amount in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Value	No. of Shares	Value
<b>Investments in Quoted Equity Instruments (Fair valued through P&amp;L), Pledged with Kotak Mahindra Bank to avail Working Capital Term Loan and Short Term Loan of Rs.2000 Lakhs, each (Refer Note No's.19 &amp; 23)</b>				
Blue Star Ltd.	95768	1007.53	95768	894.66
Container Corporation of India Ltd. Face value Rs.5/-	52270	351.33	52270	312.57
Engineers India Ltd. Face value Rs.5/-	8000	5.12	8000	6.16
GAIL India Ltd. Face value Rs.2/-	18800	29.26	18800	25.47
Indraprastha Gas Ltd.	1110950	4145.51	1110950	5691.95
NLC India Ltd.	60200	37.66	60200	30.34
Coal India Ltd.	3500	6.41	3500	4.56
<b>Total</b>		<b>5582.82</b>		<b>6965.73</b>
<b>List of UnQuoted Shares (At Cost)</b>				
Namsamruddhi Finance Ltd. (Formerly Agri Business Finance Ltd.)	50000	5.00	50000	5.00
<b>Investment in Subsidiaries (At Cost)</b>				
The Eimco-KCP Ltd.	600000	60.00	600000	60.00
KCP Sugars Agricultural Research Farms Ltd.	2250000	225.00	2250000	225.00
<b>Total</b>		<b>285.00</b>		<b>285.00</b>
<b>Grand Total</b>		<b>9655.94</b>		<b>10153.60</b>
5.1 Aggregate amount of quoted investments - Market Value		<b>9365.94</b>		9863.60
5.2 Aggregate amount of unquoted investments - Cost		<b>290.00</b>		290.00

**6 - Other Financial Assets (Non - Current)**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits (Unsecured Considered Good)	44.57	37.61

**7 - Other Non - Current Assets**

Capital Advances	88.57	-
Long Term Security Deposits (Unsecured and Considered Good)	403.48	415.28
<b>Total</b>	<b>492.05</b>	<b>415.28</b>

**8 - Inventories**

Raw Materials	6.91	6.34
Work in Progress	99.19	92.52
Finished Goods	18917.68	24342.17
Stores and Spares	331.17	281.80
Crops Under Cultivation	0.06	3.93
<b>Total</b>	<b>19355.01</b>	<b>24726.76</b>

**9 - Investments**

Investments in Mutual Funds (Fair valued through Profit and Loss Account)	6169.26	5944.58
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**10 - Trade Receivables**

Secured Considered Good	-	-
Unsecured Considered Good	1240.10	2846.80
Considered Doubtful	27.54	27.54
<b>Less:</b>	1267.64	2874.34
Allowances for Doubtful Debts	(27.54)	(27.54)
<b>Total</b>	<b>1240.10</b>	<b>2846.80</b>

**Trade Receivables Ageing Schedule as at 31/03/2022**

Particulars	Outstanding for following Periods from Due Date of Payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	800.23	5.69	38.98	220.78	14.02	1079.71
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	160.39	160.39
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>800.23</b>	<b>5.69</b>	<b>38.98</b>	<b>220.78</b>	<b>201.95</b>	<b>1267.64</b>

**Trade Receivables Ageing Schedule as at 31/03/2021***Amount in Lakhs*

Particulars	Outstanding for following Periods from Due Date of Payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	2123.09	15.46	495.59	25.29	21.47	2680.89
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	165.91	165.91
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2123.09</b>	<b>15.46</b>	<b>495.59</b>	<b>25.29</b>	<b>214.92</b>	<b>2874.34</b>

**11 - Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks:		
- In Current Accounts	188.10	131.06
- Fixed Deposits with Banks	1350.00	-
ii) Cash on hand	7.34	6.52
<b>Total</b>	<b>1545.44</b>	<b>137.57</b>

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

i) Bank Balances Held as Margin Money	501.06	608.10
ii) Unpaid Dividend and Interest Account	92.89	128.23
<b>Total</b>	<b>593.94</b>	<b>736.33</b>

**13 - Other Current Financial Assets**

<b>Unsecured, Considered Good;</b>		
- Claims Receivable	-	1839.62
- Advance to Employees	4.20	82.79
<b>Total</b>	<b>4.20</b>	<b>1922.41</b>

**14 - Current Tax Assets**

TDS / TCS Paid	55.62	17.64
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**15 - Other Current Assets**

Advances to Supplier (Considered Good)	614.68	482.63
Advances to Supplier (Considered Doubtful)	11.35	-
<b>Total Advances to Supplier</b>	<b>626.03</b>	<b>482.63</b>
Less: Provision for Advance to Supplier (Considered Doubtful)	11.35	-
Advances to Supplier (Considered Good)	614.68	482.63
Prepaid Expenses	110.03	79.35
Balance with Statutory Authorities (TDS, Input Tax etc.,)	43.80	251.55
<b>Total</b>	<b>768.51</b>	<b>813.53</b>

**16 - Assets Held for Sale**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b><u>Plant and Machinery</u></b>		
Sugar	542.93	542.99
Co-gen	242.80	242.80
<b><u>Stores and Spares</u></b>		
Sugar	54.97	-
Co-gen	1.18	-
<b>Total</b>	<b>841.88</b>	<b>785.80</b>

**17 - Equity Share Capital**

<b>Authorised Share Capital</b> 25,00,00,000 Equity Shares of Re.1/- each	2500.00	2500.00
<b>Total</b>	<b>2500.00</b>	<b>2500.00</b>
<b>Issued, Subscribed and Paid - Up</b> 11,33,85,050 Equity Shares of Re.1/- each	1133.85	1133.85
<b>Total</b>	<b>1133.85</b>	<b>1133.85</b>

**17.1 Movement in respect of Equity Shares is given below:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	Amount	No's.	Amount
At the beginning of the period	113385050	1133.85	113385050	1133.85
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>113385050</b>	<b>1133.85</b>	<b>113385050</b>	<b>1133.85</b>

**17.2 Terms / Rights attached to Equity Shares:**

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	% of holding	No's.	% of holding
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%
<b>Total</b>	<b>43742656</b>	<b>38.58%</b>	<b>43742656</b>	<b>38.58%</b>

**17.4 Details of Shares held by Promoters at the end of the year 31/03/2022:**

Particulars	As at March 31, 2022		As at March 31, 2021		% of Changes
	No's.	% of holding	No's.	% of holding	
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%	NIL
Ms.Irmgard Velagapudi	1805280	1.59%	1805280	1.59%	NIL
Ms.Kiran Velagapudi	288820	0.26%	288820	0.26%	NIL
Mr.Vinod R Sethi	183610	0.16%	183610	0.16%	NIL
<b>Total</b>	<b>46020366</b>	<b>40.59%</b>	<b>46020366</b>	<b>40.59%</b>	<b>NIL</b>

**18 - Other Equity**Amount in Lakhs  
For the Year Ended March 31, 2022

Particulars	Reserves & Surplus				Other Components of Equity	Total
	General Reserve	Investment Allowance Reserve	Capital Profit Capital Redemption Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 1, 2021	11209.42	45.05	155.45	14404.13	88.53	25902.58
Dividend Paid	-	-	-	(113.39)	-	(113.39)
Profit / (Loss) for the Period	-	-	-	(174.10)	-	(174.10)
Other Comprehensive Income for the Year	-	-	-	-	(18.43)	(18.43)
<b>Balance as at March 31, 2022</b>	<b>11209.42</b>	<b>45.05</b>	<b>155.45</b>	<b>14116.65</b>	<b>70.10</b>	<b>25596.67</b>

For the Year Ended March 31, 2021

Particulars	Reserves & Surplus				Other Components of Equity	Total
	General Reserve	Investment Allowance Reserve	Capital Profit Capital Redemption Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 1, 2020	11209.42	45.05	155.45	12601.15	43.48	24054.55
Dividend Paid	-	-	-	(113.39)	-	(113.39)
Profit / (Loss) for the Period	-	-	-	1916.36	-	1916.36
Other Comprehensive Income for the Year	-	-	-	-	45.04	45.04
<b>Balance as at March 31, 2021</b>	<b>11209.42</b>	<b>45.05</b>	<b>155.45</b>	<b>14404.13</b>	<b>88.53</b>	<b>25902.58</b>

**Non - Current Liabilities****19 - Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Term Loans</b>		
a) Working Capital Term Loan from Kotak Mahindra Bank Ltd.	1400.59	1926.26
Less: Current Maturity classified in Note No. 23	513.67	513.67
<b>Net</b>	<b>886.92</b>	<b>1412.59</b>
The above loan is secured by second paripassu charge on the current assets of the Company and further secured by a pledge over selected quoted Equity Shares held by the Company with other listed entities. This loan is availed in August 2019 and repayable in 16 quarterly instalments after a moratorium period of one year. Interest will be paid as and when due.		
b) Working Capital Term Loan from Banks under GECL	2894.14	2950.00
Less: Current Maturity classified in Note No. 23	725.94	-
<b>Net</b>	<b>2168.19</b>	<b>2950.00</b>
This loan was availed under Guaranteed Emergency credit line (GECL 2.0) notified by the Govt. of India with 100% Guarantee by National Credit Guarantee Trustee Company Ltd (NCGTC). It is further secured by second paripassu charge by way of hypothecation of the stock of raw materials, semi finished and finished goods, consumable store and spares and such other movables including book debts both present and future and also secured by Second Paripassu charge on movable fixed assets at Vuyyuru unit. The loan was availed during March 2021 is repayable in five years with one year moratorium and 48 monthly instalments. Interest will be paid as and when due.		
<b>Unsecured Borrowings</b>		
c) Fixed Deposits from Public	6705.46	6879.38
Less: Current Maturity Classified in Note No. 23	2424.84	1848.56
Less: Unclaimed Deposits	117.05	128.86
<b>Net</b>	<b>4163.57</b>	<b>4901.96</b>
<b>(a) + (b) + (c)</b>	<b>7218.68</b>	<b>9264.55</b>

**20 - Other Financial Liabilities ( Non - Current)**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued but not due on Fixed Deposits	64.01	72.61
Security Deposit	32.49	25.33
<b>Total</b>	<b>96.49</b>	<b>97.94</b>

**21 - Deferred Tax Assets / Liabilities****Recognised Deferred Tax Assets and Liabilities**

Deferred Tax Assets and Liabilities are attributable to the following:

<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	667.23	816.71
Others	-	-
<b>Total</b>	<b>667.23</b>	<b>816.71</b>
<b>Deferred Tax Assets</b>		
Unabsorbed loss under Income tax Act	1108.30	1112.39
On account of timing differences in recognition of expenditure between books of accounts and Taxation	83.09	134.49
<b>Total</b>	<b>1191.39</b>	<b>1246.89</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>524.16</b>	<b>430.17</b>

**22 - Provisions**

Provision for Employee Benefits	<b>385.29</b>	347.46
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**Current Liabilities****23 - Borrowings**

Secured Demand Loans from Banks * (Refer note below)	6573.13	14733.29
Short Term Unsecured Loan from Bank	1500.00	-
Current Maturities of Long Term Debt	3664.45	3037.23
<b>Total</b>	<b>11737.59</b>	<b>17770.51</b>

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

**24 - Trade Payables**

- Dues to Micro and Small Enterprises*	-	-
- Others	974.16	841.18
<b>Total</b>	<b>974.16</b>	<b>841.18</b>

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

**Trade Payable Ageing Schedule 2021 - 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME :	-	-	-	-	-
(ii) Others	949.84	11.32	-	13.00	974.16
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-



**Trade Payable Ageing Schedule 2020 - 2021***Amount in Lakhs*

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME :	-	-	-	-	-
(ii) Others	796.44	14.34	33.84	(3.44)	841.18
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**25 - Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividends	71.83	104.23
Interest Accrued but not Due on Fixed Deposits	145.32	142.81
Unpaid Matured Deposits and Interest Accrued Thereon	138.11	152.86
Outstanding Liabilities for Expenses	454.59	1686.10
Earnest Money and Other Deposits	43.31	77.72
<b>Total</b>	<b>853.17</b>	<b>2163.72</b>

**26 - Other Current liabilities**

Statutory Liabilities	139.20	56.81
Advance from Customers	1738.92	26.12
<b>Total</b>	<b>1878.11</b>	<b>82.92</b>

**27 - Provisions**

Provision for Employee Benefits	<b>49.60</b>	86.86
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**28 - Revenue from Operations**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products - Domestic	<b>27087.24</b>	28537.65
Export Sale of Sugar - Trading	-	1297.02
Sale of Sugar - Trading	-	109.49
<b>Total</b>	<b>27087.24</b>	<b>29939.16</b>

**29 - Other Income**

Change in Fair Value of Investments	-	3158.15
Interest Income from Financial Asset Measured at Amortised Cost	1.29	5.32
Profit on Sale of Investments	39.28	-
Interest Received	110.66	93.99
Dividend Income	228.40	355.01
Income from Mutual Fund	132.40	-
Rent Received	32.29	35.68
Miscellaneous Receipts	132.65	97.37
Gain in Foreign Exchanges Transaction	22.50	22.74
Profit on Sale of Fixed Assets (Net)	6.08	67.09
Unclaimed Balance Credited Back	26.22	0.42
Claims Received	402.57	549.81
Provision no longer Required Withdrawn	42.92	90.68
<b>Total</b>	<b>1177.25</b>	<b>4476.24</b>

### 30 - Cost of Materials Consumed

Amount in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of Raw Materials	14488.82	14371.81
Consumption of Stores and Spares	613.54	481.79
<b>Total</b>	<b>15102.36</b>	14853.60
<b>Consumption of Sugarcane included in the above</b>	<b>14352.81</b>	13665.72

### 31 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

<b>Opening Balance</b>		
Work-in-Progress	92.52	87.27
Finished Goods	24342.17	33216.12
Crops Under Cultivation	3.93	10.06
<b>Sub Total</b>	<b>24438.63</b>	33313.45
<b>Less : Closing Balance</b>		
Work-in-Progress	(99.19)	(92.52)
Finished Goods	(18917.68)	(24342.17)
Crops Under Cultivation	(0.06)	(3.93)
<b>Sub Total</b>	<b>(19016.93)</b>	(24438.63)
<b>Net</b>	<b>5421.70</b>	8874.82

### 32 - Employee Benefits Expense

Salaries, Wages and Bonus	2042.37	2391.23
Contribution to Provident and Other Funds	122.36	372.82
Remuneration to Wholetime Directors	103.27	102.93
Staff Welfare Expenses	147.64	332.15
<b>Total</b>	<b>2415.64</b>	3199.14

### 33 - Finance Costs

Interest and Other Borrowings Cost	<b>1915.63</b>	2387.32
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### 34 - Depreciation and Amortisation

Depreciation / Amortisation for the Year		
- Tangible Assets	473.85	577.72
- Intangible Assets	1.92	10.78
<b>Total</b>	<b>475.78</b>	588.50

**35 - Other Expenses***Amount in Lakhs*

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power and Fuel	269.63	237.01
Labour Charges (Eng. Unit)	110.42	-
Rental Charges	2.09	3.18
Repairs and Maintenance:		
- Buildings	44.29	51.77
- Machinery	563.47	608.70
- Others	55.22	62.82
Insurance	60.25	70.75
Payment Made to Auditors (Refer note below)	6.15	8.06
Legal and Professional Charges	96.21	60.27
Selling Expenses	344.24	355.81
Director's Sitting Fees	12.20	11.60
Donations	-	35.60
Corporate Social Responsibility Expenditure (CSR)	17.24	11.29
Security Charges	139.28	132.01
Miscellaneous Expenses	811.86	490.82
Loss Relating to Fair Value of Equity Investments	492.45	-
<b>Total</b>	<b>3025.01</b>	<b>2139.70</b>

Payment Made to Statutory Auditors :		
i. As Audit Fees	4.50	4.50
ii. For Other Services	1.57	3.44
iii. For Reimbursement of Expenses	0.08	0.12
<b>Total</b>	<b>6.15</b>	<b>8.06</b>

**36 - Value of Imports made by the Company during the Financial Year Calculated on C.I.F. basis:**

Sl. No.	Particulars	2021 - 2022 Amount in Lakhs	2020 - 2021 Amount in Lakhs
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare Parts	Nil	4.48
(iii)	Capital Goods	Nil	Nil

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

Sl. No.	Particulars	2021 - 2022 Amount in Lakhs	%	2020 - 2021 Amount in Lakhs	%
<b>(a)</b>	<b>Raw Materials:</b>				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	14488.82	100.00	14371.81	100.00
	<b>Total</b>	<b>14488.82</b>	<b>100 00</b>	<b>14371.81</b>	<b>100.00</b>
<b>(b)</b>	<b>Spare parts and Components: (debited to respective heads)</b>				
(i)	Imported	NIL	-	NIL	-
(ii)	Indigenous	392.97	100.00	345.42	100.00
	<b>Total</b>	<b>392.97</b>	<b>100.00</b>	<b>345.42</b>	<b>100.00</b>

**38 -** Under Section 135 of The Companies Act, 2013 the Company is required to spend Rs. Nil/- (P.Y.Rs.Nil) during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company has spent Rs. 17.24 lakhs, (P.Y.Rs. 11.29 lakhs).

**39 - Sale of Products and Services**

Amount in Lakhs

Products / Services	Units	2021 - 2022		2020 - 2021	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	566732	19595.17	669404	22460.79
Molasses	MTs	10097	1100.29	9499	1156.19
Bagasse	MTs	12274	217.07	11327	193.81
Industrial / Anhydrous Alcohol	BLs	7414980	3822.41	6117219	3236.11
Bio Fertiliser	Qtls	168958	696.57	163790	671.20
Electrical Energy	Kwh	6892100	379.90	5909652	282.98
Calcium Lactate	Kgs	342975	407.00	343825	376.56
Engineering	-	-	494.42	-	-
Others	-	-	374.39	-	160.00
<b>TOTAL</b>			<b>27087.24</b>		<b>28537.65</b>

**Sale of Products - Trading**

Products / Services	Units	2021 - 2022		2020 - 2021	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Export of Bought out Sugar	Qtls	-	-	40500	1297.02
Domestic sale of Bought out Sugar	Qtls	-	-	4050	104.49
<b>TOTAL</b>		-	-	<b>44550</b>	<b>1401.51</b>

**Note: Sale of Products does not include the following Inter Unit Transfers:**

Products / Services	Units	2021 - 2022		2020 - 2021	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	2361	75.97	2465	76.41
Molasses	MTs.	26724	2811.68	16672	1793.23
Bagasse	MTs.	108355	1842.04	105886	1800.06
Electrical energy	KWH	10992965	649.68	10901752	644.29
Steam	MTs.	175914	1490.19	172955	1471.60
Filter Cake	MTs.	15080	1.51	16580	1.66
Sugarcane - Agricultural Produce	MTs.	738	26.30	760	24.58
Bio Gas	M <sup>3</sup>	888635	3.55	1420953	5.68
<b>TOTAL</b>			<b>6900.94</b>		<b>5817.52</b>

## 40 - Raw Materials Consumed

Amount in Lakhs

Particulars	Units	2021 - 2022		2020 - 2021	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar – Sugarcane	MTs.	421199	14379.12	411324	13690.30
Molasses	MTs.	26724	2811.68	24187	2434.16
Others	-	-	213.48	-	143.23
<b>Total</b>	-	-	<b>17404.29</b>	-	16267.69
Less: Inter Divisional Transfers	-	-	2915.47	-	1895.88
<b>Net Consumption</b>	-	-	<b>14488.82</b>	-	14371.81

## 41 - Opening Stock of Finished Goods

Particulars	Units	As at 01/04/2021		As at 01/04/2020	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls.	650745	21070.66	941624	29579.52
Molasses	MTs.	20358.75	2307.87	23997	2870.50
Industrial / Anhydrous Alcohol	BLs.	2006209	909.50	1641268	646.55
Bio Fertiliser	Qtls.	22665	48.70	23538	91.63
Others	-	-	5.45	-	27.91
<b>Total</b>			<b>24342.17</b>		33216.12

## 42 - Closing Stock of Finished Goods

Particulars	Units	As at 31/03/2022		As at 31/03/2021	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls.	469448	17004.22	650745	21070.66
Molasses	MTs.	9605	1066.16	20358.75	2307.87
Industrial / Anhydrous Alcohol	BLs.	1705374	816.93	2006209	909.50
Bio Fertiliser	Qtls.	5640	23.01	22665	48.70
Others	-	-	7.36	-	5.45
<b>Total</b>			<b>18917.68</b>		24342.17

## 43 - Particulars regarding Capacity and Production

Class of Goods	Capacity			Actual Production	
	Licenced	Installed		2021 - 2022	2020 - 2021
	(as certified by the management)				
			Units		
a. Sugar					
(i) Vuyyuru Unit	7500	7500	Qtls.	387796	380990
	(Tonnes of Cane crushed per day)				
b. Molasses (By-Product)	-	-	MTs.	26067	22533
c. Industrial / Anhydrous Alcohol	50000	50000	BL per day	7114145	6482160
d. Bio Fertiliser	-	-	Qtls.	151933	162918
e. Electrical Power					
(i) Incidental Co - Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	20506889	1927653

**44 - Contingent Liabilities :**

a. Outstanding Guarantees issued by Banks on behalf of the Company is Rs. 212.02 Lakhs (PY Rs. 250.09 Lakhs)

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

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Share Transmission	11.06	11.06
Labour Cases	79.54	75.98
Non - Enrolment of Contract Labour for the Purpose of Contribution to Provided Fund	110.95	72.63
Case on Duty Relating to Captive Power Generation and Sale to Grid	578.87	578.87
Value Added Tax Case	37.94	37.94
<b>Total</b>	<b>818.36</b>	<b>776.48</b>

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

**45 - Additional Information Regarding Expenditure / Earnings in Foreign Currency.**

	Particulars	As at March 31, 2022	As at March 31, 2021
	<b>Expenditure in Foreign Currency on:</b>		
	(i) Salary and Allowance	Nil	Nil
	(ii) Tours and Travels	Nil	Nil
	(iii) Others	Nil	Nil
	<b>Earnings in Foreign Exchange</b>		
	(i) Export (FOB)	Nil	1239.66

**46 - Information in respect of Micro, Small and Medium Enterprises as at March 31, 2022:**

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil Nil	Nil Nil
(ii)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
(iii)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(iv)	Amount of interest accrued and remaining unpaid	Nil	Nil
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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

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

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

Amount in Lakhs

March 31, 2022

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value Through Profit or Loss	Financial Assets / Liabilities at Fair Value Through OCI
<b>Assets:</b>			
Other Financial Assets	44.57		
Other Non - Current Assets	492.05		
Non-Current Investments		9655.94	
Current Trade Receivables	1240.10		
Cash & Cash Equivalents	1545.44		
Other Bank Balances	593.94		
Current Investments		6169.26	
Other Financial Assets	4.20		
<b>Liabilities:</b>			
Borrowings (Non - Current)	7218.68		
Other Long Term Financial Liabilities	96.49		
Other Financial Liabilities	853.17		
Borrowings (Current)	11737.59		
Trade Payables	974.16		

March 31, 2021

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value Through Profit or Loss	Financial Assets / Liabilities at Fair Value Through OCI
<b>Assets:</b>			
Other Financial Assets	37.61		
Other Non - Current Assets	415.28		
Non-Current Investments		10153.60	
Current Trade Receivables	2846.80		
Cash & Cash Equivalents	137.57		
Other Bank Balances	736.33		
Current Investments		5944.58	
Other Financial Assets	1922.41		
<b>Liabilities:</b>			
Borrowings (Non - Current)	9264.55		
Other Long Term Financial Liabilities	97.94		
Other Financial Liabilities	2163.72		
Borrowings (Current)	17770.51		
Trade Payables	841.18		



**b. Fair Value Hierarchy**

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

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

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

Amount in Lakhs

Particulars	For the year 31/03/2022				For the year 31/03/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Equity Instruments	9655.94	-	-	9655.94	10153.60	-	-	10153.60
Investments in Quoted Mutual Funds	6169.26	-	-	6169.26	5944.58	-	-	5944.58

**48 - Financial Risk Management**

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

**Market risk**

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

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

**Securities Prices Risk:**

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

**Credit Risk**

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

**Trade receivables**

The Company has outstanding trade receivables amounting to Rs.1267.63 Lakhs and Rs.2874.34 Lakhs as of March 31, 2022 and March 31, 2021 respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

**Credit risk exposure:**

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

**As at March 31, 2022**

Particulars	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Months	Total
(i) Un Disputed Trade Receivables - Considered Good	800.23	5.69	38.98	220.78	14.02	1079.71
(ii) Un Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	160.39	160.39
(v) Disputed Trade Receivable Which have Significant Increase in Credit Risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>						<b>1267.64</b>

**As at March 31, 2021**

Particulars	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Months	Total
(i) Un Disputed Trade Receivables - Considered Good	2123.09	15.46	495.59	25.29	21.47	2680.89
(ii) Un Disputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	165.91	165.91
(v) Disputed Trade Receivable Which have Significant Increase in Credit Risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>						<b>2874.34</b>

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

**Liquidity Risk**

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

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

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

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

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

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

*Amount in Lakhs*

Particulars	31/03/2022		31/03/2021	
	Payable within 1 Year	More than 1 Year	Payable within 1 Year	More than 1 Year
Loan from Bank	1239.61	3055.11	1188.67	4362.59
Deposits from Public	2541.89	4163.57	1977.42	4901.96

#### Interest Rate Risk

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

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

*Amount in Lakhs*

Particulars	31/03/2022	31/03/2021
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	501.06	608.10
Financial Liabilities		
Variable Rate Instruments		
- Term Loan from Bank	4294.72	5551.26
- Demand Loan from bank	8073.13	14733.29

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

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

*Amount in Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Expenses arising on account of variable rate of interest on Bank Borrowings	1153.94	1635.02
<b>Impact on :</b>		
Increase in 100 Basis Point	123.68	202.85
Decrease in 100 Basis Points	(123.68)	(202.85)

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

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

### Capital management

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

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

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

*Amount in Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current Liabilities	7218.68	9264.55
Total Equity	26730.52	27036.43
Long Term Debt to Equity (Ratio)	0.27	0.34

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

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

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

#### a) Provident Fund:

The Company decided to surrender the exemption of Employees provident fund Trust to Central Board of Trustees (CBT), Employees provident fund organisation (EPFO). Accordingly, the Company received the approval from Regional Provident Fund Commissioner for the same.

The company is remitting Employee and Employer PF Contributions to EPFO effective from 01/04/2021. The Company is in the process of liquidating the investments and transferring the corpus of PF Trust as on 31<sup>st</sup> March, 2021 to EPFO.

#### b) Gratuity:

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

The scheme is funded by the company for employees and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India.

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: However, the disclosure of information as required under IND AS - 19 have been made in accordance with Actuarial valuation.

The summarised position of various defined benefits recognised in the statement of Profit and Loss. Other comprehensive income (OCI) and Balance sheet and other disclosure are as under :

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

Particulars	31/03/2022	31/03/2021
Defined Benefit obligation - Beginning of the Year	1083.17	1542.90
Current Service Cost	51.86	46.53
Interest Cost	75.82	79.37
Benefits Paid	(215.68)	(507.62)
Re-measurements - Actuarial Loss / (Gain)	26.00	(63.55)
Defined Benefit Obligation - End of the Year	1021.17	1224.73

**Movement in plan asset:**

Fair value of Plan Assets at Beginning of Year	1102.44	1284.62
Employer Contributions	107.81	249.06
Benefits Paid	(215.68)	(507.62)
Re-measurements – Return on Plan Assets	71.62	91.85
Fair Value of Plan Assets at End of Year	1066.18	1117.91

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

Current Service Cost	51.86	46.53
Expected Return on Plan Assets	(71.62)	-
Net Interest on Net Defined Benefit Liability / (Assets) (B)	75.82	79.37
Net Actural (Gain) Loss Recognised in the Year	-	-
Cost Recognized in P&L	56.07	125.90

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

Actuarial (Gain) / Loss Due to Assumption Changes	26.00	(63.55)
Difference Between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	-	-
Actuarial (Gain) / Loss Recognized in OCI	26.00	(63.55)

**Actuarial Assumption**

Discount Rate	7.00%	6.143
Rate of Salary Increase	7.00%	7.50%
Attrition Rate	6.50%	6.50%
Retirement Age	60	60
Average Future Service	8.80	8.80

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

*Amount in Lakhs*  
**March 31, 2022**

Description	At the beginning of the Year	Addition	Used	At the End of the Year
Provision for Leave Encashment	322.09	72.04	147.68	246.45

**March 31, 2021**

Provision for Leave Encashment	352.50	125.53	155.93	322.09
Provision for Gratuity	262.30	112.23	262.30	112.23

**51 - Disclosure of Various Ratios**

S.No.	Name of the Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
1.	Current Ratio	Current Assets	Current Liabilities	1.97	1.81	9%
2.	Debt Equity Ratio	Total Non Current Borrowings	Shareholder's Equity	0.71	1.00	(29%)
3.	Debt Service Coverage Ratio	Profit After Tax + Depreciation + Interest on Loans + Non - Cash Adjustments	Interest on Loans + Principal Repayment Made During the Year for Long Term Loan	0.98	0.19	412%
4.	Return on Equity Ratio	Net Profits after Tax	Average Shareholder's Equity	(1%)	7%	(109%)
5.	Inventory Turnover Ratio	Sales	Average Inventory	1.23	1.03	19%
6.	Trade Receivable Turnover Ratio	Credit Sales	Average Accounts Receivable	13.08	11.30	16%
7.	Trade Payable Turnover Ratio	Credit Purchase	Average Accounts Payables	16.82	22.16	(24%)
8.	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	1.80	1.76	2%
9.	Net Profit Ratio	Net Profit After Tax	Net Sales = Total Sales - Sales Return	(0.64%)	6.40%	(110%)
10.	Return on Capital Employed	Earning Before Interest and Tax	Total Assets - Current Liabilities + Current Borrowings	4.38%	6.11%	(28%)
11.	Return on Investment	Income Generated from Investments	Average Investments	(0.58%)	24.41%	(102%)

**52 - Disclosure required by Clause 32 of the Listing Agreement:**

Amount in Lakhs

Loans and Advances to Subsidiary Companies	Outstanding as at		Maximum Amount Outstanding During the Year Ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
The Eimco - K.C.P. Limited	Nil	Nil	Nil	Nil
KCP Sugars Agricultural Research Farms Limited	Nil	Nil	Nil	Nil

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

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

**1.Subsidiaries**

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

**2.Key Managerial Personnel**

- a) Mr.Vinod R. Sethi, Executive Chairman  
b) Ms.Irmgard Velagapudi Managing Director  
c) Ms.Kiran Velagapudi, Executive Director  
d) Mr.R.Ganesan, Chief Financial Officer (till 12/08/2021)  
e) Mr.K.Panneer Selvan, Chief Financial Officer (from 10/02/2022)  
f) Ms.S.Jeba Elavarasi, Company Secretary and Manager - Legal (till 11/03/2022)  
g) Mr.Aravindkumar.V, Company Secretary & Compliance Officer (from 14/03/2022)

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

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

(B) Transactions During the year

Particulars	Subsidiaries		Key Management Personnel	
	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021
Rent Received from The Eimco KCP Ltd	3.60	3.60		
Rent Received from Amethyst café P Ltd			15.00	15.00
<b>Remuneration paid to Key Management Personnel :-</b>				
Mr. Vinod R. Sethi Executive Chairman			13.88	13.83
Ms. Irmgard Velagapudi, Managing Director			48.04	48.00
Ms.V. Kiran Velagapudi, Executive Director *			41.35	41.09
Mr. R. Ganesan , CFO (till 12/08/2021)			10.12	21.60
Mr. S Chidambaram, Company Secretary			-	9.61
Ms.S.Jeba Elavarasi, Company Secretary Manager - Legal (till 11/03/2022)			9.40	1.31
Mr. K.Panneer Selvan, CFO (from 10/02/2022)			2.67	-
Mr. Aravindkumar.V, Company Secretary and Compliance officer (from 14/03/2022)			0.36	-
Purchase of Fixed Assets from The Eimco - K.C.P. Ltd.	35.80			
Sale of Goods to The Eimco - K.C.P. Ltd.	263.79			



Particulars	Subsidiaries		Key Management Personnel	
	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021
<b>Interest on fixed deposit paid to Key Management Personnel</b>				
Ms. Irmgard Velagapudi, Managing Director	-	-	26.80	26.80
Mr. R. Ganesan, CFO (till 12/08/2021)	-	-		0.75
Mr. K.Panneer Selvan, CFO (from 10/02/2022)	-	-	0.13	-
M/s. Durgamba Investment Pvt. Ltd.	-	-	36.47	37.19

(C). Closing balances as on 31/03/2022

Particulars	Subsidiaries		Key Management Personnel	
	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021
(a) The Eimco - K.C.P. Ltd. (Receivable)	52.22	-		
(b) KCP Sugars Agricultural Research Farms Ltd.	-	-		
(c) Share Capital held in Subsidiary Companies	285.00	285.00		
(d) Share Capital held by Key Management Personnel : -				
Mr. Vinod R. Sethi			1.84	1.84
Ms. Irmgard Velagapudi, Managing Director			18.05	18.05
Ms.V. Kiran Velagapudi, Executive Director			2.89	2.89
Mr. R. Ganesan, CFO (till 12/08/2021)			-	0.02
(e) Fixed Deposit Held by Key Management Personnel.				
Ms. Irmgard Velagapudi, Managing Director			300.00	300.00
Mr. K.Panneer Selvan, CFO (from 10/02/2022)			20.00	-

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

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

In terms of Section 197 read with Schedule V of the Companies Act, 2013, the Financial Year 2021- 2022 being the fifth year of inadequate profits during the tenure ( 2017 – 22) of Ms.Kiran Velagapudi, Executive Director, the minimum remuneration of Rs.41,34,777/- paid to her for the Financial Year 2021- 2022 is ratified by the Board of Directors in its Meeting held on 27/05/2022 based on the recommendation of Nomination and Remuneration Committee. In pursuance of Section 197(10), a special resolution will be placed before the shareholders for their approval in the ensuing Annual General Meeting.

**55 - SEGMENT REPORTING :**

(i) The Company has identified the reportable segments as on 31/03/2022 and others taking into account the nature of products and services, the different risks and returns and the internal reporting system. The accounting policies for segment reporting are in line with the accounting policies followed by the company

Amount in Lakhs

	PARTICULARS	PRIMARY SEGMENT												TOTAL	
		SUGAR		CHEMICALS		POWER & FUEL		ENGINEERING		OTHERS					
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	<b>Segment Revenue</b>														
	External Revenue	21241.69	23911.23	4273.31	3671.23	379.90	282.98	494.42	-	697.91	2073.72	27087.24	29939.16		
	Inter Segment Revenue	4757.51	3695.94	84.29	61.02	2059.14	2060.56	-	-	-	-	6900.94	5817.52		
	<b>Total Revenues</b>	<b>25999.20</b>	<b>27607.17</b>	<b>4357.60</b>	<b>3732.25</b>	<b>2439.05</b>	<b>2343.54</b>	<b>494.42</b>	<b>-</b>	<b>697.91</b>	<b>2073.72</b>	<b>33988.17</b>	<b>35756.67</b>		
2	<b>Segment Results</b>														
	Profit Before Depreciation, Finance Cost and Taxation	1038.66	(579.84)	239.17	509.53	576.09	429.01	241.16	-	433.23	398.73	2528.30	757.43		
	Less : Finance Cost	1300.78	1774.25	0.01	-	-	-	0.01	-	-	-	1300.80	1774.25		
	Less : Unallocable Finance Cost	-	-	-	-	-	-	-	-	-	-	614.84	613.07		
	Less: Depreciation and Amortizations	218.77	271.17	112.83	109.98	83.48	172.22	30.20	-	8.96	10.50	454.24	563.87		
	Less: Unallocable Depreciation and Amortizations	-	-	-	-	-	-	-	-	-	-	21.54	24.63		
3	Unallocable Expenditure	-	-	-	-	-	-	-	-	-	-	(415.23)	3374.78		
	Less : Tax	-	-	-	-	-	-	-	-	-	-	(85.82)	(759.97)		
	<b>Total Profit</b>	<b>(480.89)</b>	<b>(2625.26)</b>	<b>126.33</b>	<b>399.55</b>	<b>492.61</b>	<b>256.80</b>	<b>210.96</b>	<b>-</b>	<b>424.27</b>	<b>388.23</b>	<b>(192.52)</b>	<b>1916.36</b>		
4	<b>Capital Employed</b>														
	Segment Assets	23668.37	32041.16	2361.97	2384.61	1436.52	1809.14	1874.23	-	740.26	230.12	30081.34	36465.03		
5	Unallocable Assets	-	-	-	-	-	-	-	-	-	-	22570.53	22275.33		
6	Segment Liabilities	15706.76	23082.17	217.80	249.77	15.34	57.23	4.06	-	44.93	34.74	15988.88	23426.03		
7	Unallocable Liabilities	-	-	-	-	-	-	-	-	-	-	9932.46	8277.90		
8	Capital Employed	-	-	-	-	-	-	-	-	-	-	26730.52	27036.43		
9	<b>Capital Expenditure</b>	49.86	59.12	29.02	34.61	-	2.50	898.53	-	134.78	1420.98	1112.19	1517.21		

1. The operations of the company predominantly relate to manufacture of Sugar, Electrical Energy, Engineering, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO<sub>2</sub> and Calcium Lactate.

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

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

## (ii) Geographical Segment:

Amount in Lakhs

Particulars	Current Reporting Period 2021 - 2022	Previous Reporting Period 2020 - 2021
Sales within India	27087.24	28642.14
Sales outside India	-	1297.02
<b>Total</b>	<b>27087.24</b>	<b>29939.16</b>

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

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

Particulars	Carrying amounts of Segment Assets		Additions to Fixed Assets & Intangible Assets	
	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period
Located in India	49923.61	57691.58	1112.19	1517.21
Located outside India	-	-	-	-
<b>Total</b>	<b>49923.61</b>	<b>57691.58</b>	<b>1112.19</b>	<b>1517.21</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR**

Partner

Membership No.022379

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M. No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Place: Chennai

Date : 27/05/2022



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

**CIN: U27209TN1967PLC005550**

## **Fifty Fourth Annual Report 2021 – 2022**

### **Board of Directors**

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

### **Registered Office**

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

### **Works**

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

### **Banker**

Axis Bank Limited  
Union Bank of India

### **Statutory Auditor**

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

### **Secretarial Auditor**

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



**NOTICE** is hereby given that the **FIFTY FOURTH ANNUAL GENERAL MEETING** of The Eimco - K.C.P. Limited will be held on Wednesday, the 28<sup>th</sup> Day of September, 2022 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 31/03/2022 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Ms.Irmgard Velagapudi, Director (DIN:00091370), who retires by rotation and being eligible, offers herself for reappointment.

**SPECIAL BUSINESS:**

3. To approve, confirm and ratify the appointment of Statutory Auditor of the Company to fill the casual vacancy caused due to the resignation and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (8), 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), the appointment of M/s. B.Purushottam & Co.,Chartered Accountants,Chennai (FRN : 002808S), as the Statutory Auditor of the Company to fill the casual vacancy caused due to the resignation of M/s. Suri & Siva, Chartered Accountants, (Firm Registration Number: 004284S), to hold office from 12<sup>th</sup> August, 2022, till the conclusion of this 54<sup>th</sup> Annual General Meeting, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby approved, confirmed and ratified”.

4. To appoint Statutory Auditor and fix the remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), M/s. B.Purushottam & Co., Chartered Accountants, Chennai (FRN : 002808S) be and are hereby appointed as the Statutory Auditor of the Company for a term of five consecutive years from the conclusion of this 54<sup>th</sup> Annual General Meeting (“AGM”) till the conclusion of the 59<sup>th</sup> AGM to be held in the year 2027, at such remuneration plus out of pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

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

**“RESOLVED THAT** in supersession of earlier resolutions, passed in this regard and pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, the approval of the Members of the Company, be and is hereby accorded to borrow, from time to time, any sum of money which together with the money already borrowed by the Company (excluding temporary loans, in terms of the said Act, if any, obtained or to be obtained by the Company from the Company's Bankers in the ordinary course of business) shall not exceed Rs.50 Crores (Rupees Fifty Crores Only), over and above the aggregate of the paid-up share capital, free reserves and securities premium account, at any time”.

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

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

Place : Chennai

Date : 11/08/2022

**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.**



**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("THE ACT")  
SETTING OUT MATERIAL FACTS IN RESPECT OF ITEM NO. 3, 4 & 5 TO BE TRANSACTED AT THE  
ANNUAL GENERAL MEETING.**

**Item No. 3 & 4 - Appointment of Statutory Auditor:**

The Members of the Company at the Annual General Meeting ("AGM") held on 25<sup>th</sup> September, 2020, had approved the appointment of M/s.Suri & Siva, Chartered Accountants (FRN:004284S) as the Statutory Auditor of the Company to hold office from the conclusion of the 52<sup>nd</sup> AGM till the conclusion of the 57<sup>th</sup> AGM.

M/s.Suri & Siva vide its letter dated August 11, 2022 has tendered their resignation as the Statutory Auditors of the Company due to their preoccupation in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, resulting into a casual vacancy in the office of the Statutory Auditor of the Company.

Pursuant to Section 139 (8) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, on the recommendation of the Audit Committee at its meeting held on August 11, 2022 accepted resignation of M/s.Suri & Siva and after obtaining the consent under Section 139 (1) of the Act, appointed M/s. B.Purushottam & Co., Chartered Accountants, Chennai, (FRN : 002808S), as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s Suri & Siva with effect from August 12, 2022 till the conclusion of this 54<sup>th</sup> AGM, subject to the approval and ratification by the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditor.

M/s. B.Purushottam & Co., Chartered Accountants (FRN : 002808S), Chennai, ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI") and has over 70 years of experience in Audit Assurance, having audited a large number of Corporates in both Public and Private sector and mid sized entities MSMEs across and their experience spans across sectors such as manufacturing, finance, banking, services, power infrastructure, real estate construction, educational institutions, charitable trusts etc.,

The firm also holds a Peer Review Certificate No. 014159 dated April 27, 2022 issued by the Peer Review Board of the Institute of Chartered Accountants of India valid till April 30, 2025.

The Board of Directors of the Company on the recommendation of the Audit Committee also recommend the appointment of M/s. B.Purushottam & Co, Chartered Accountants, (FRN : 002808S), as the Statutory Auditor of the Company to hold office for a period of five years, from the conclusion of this 54<sup>th</sup> AGM, till the conclusion of the 59<sup>th</sup> AGM of the Company to be held in the year 2027, subject to the approval of the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Company has received the consent letter and eligibility certificate from M/s. B.Purushottam & Co., to act as the Statutory Auditor of the Company in place of M/s.Suri & Siva along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act.

The Board accordingly recommends the ordinary resolutions set out at Item No.3 and 4 of this notice for approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.3 and 4 of the Notice.



**Item No. 5 - Borrowing Powers:**

Section 180 of the Companies Act, 2013 mandates the approval of Members of the Company for borrowing money exceeding the aggregate of paid-up share capital, free reserves and securities premium account, if any. The Company may require prompt financial assistance from time to time so as to meet various business decisions and day to day operations. As on date, the borrowings of the Company have not exceeded the aggregate of paid-up share capital, free reserves and securities premium account. To support any immediate requirement, the Company may require additional borrowings and hence this enabling resolution.

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

None of the Directors and Key Managerial Personnel of the Company is deemed to be concerned or interested in the said Item No.5.

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

Place : Chennai

Date : 11/08/2022

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



## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 54<sup>th</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

### **1. REVIEW OF OPERATIONS:**

*Amount in Lakhs*

<b>Performance</b>		<b>For the Financial Year Ended 31/03/2022</b>	<b>For the Financial Year ended 31/03/2021</b>
<b>Operational Performance</b>	Orders (valued in Lakhs)	7710.00	9915.00
<b>Financial Performance</b>	Turnover and Other Income	5496.63	3194.23
	Profit / (Loss) before Tax	770.59	555.17
	Profit / (Loss) after Tax	527.14	414.01
	Total Comprehensive Income	527.14	414.01

### **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. 4,479.23 Lakhs as on 31/03/2022 as against Rs.3,958.68 Lakhs as on 31/03/2021.

### **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 31/03/2021.

**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 2021 - 2022 is Rs.413.77 Lakhs as against Rs.624.97 Lakhs for the previous year. During the Financial Year 2021 - 2022, the Company has incurred expenditure in foreign currency amounting to Rs.2.74 Lakhs towards Tours & travels.

**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:**

Four Board Meetings were held during the Financial Year 2021 - 2022 on 28/06/2021, 11/08/2021, 10/11/2021 and 10/02/2022.

**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 28/06/2021, appointed Ms. Jayashree S Iyer, Practising Company Secretary as Secretarial Auditor for the Financial Year 2021- 2022.

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 2021 - 2022.

**16. DIRECTOR RETIRING BY ROTATION:**

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

**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. G. Natesan & Co., Chartered Accountant (FRN : 002424S) as Internal Auditor of the Company to conduct internal audit for the Financial Year 2021 - 2022. The Internal Auditor has submitted their 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, 31/03/2022 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 : 27/05/2022

**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)	<b>Name of Related Party and (Nature of Relationship)</b>	<b>K.C.P.Sugar and Industries Corporation Limited</b> (Holding Company)
(b)	<b>Nature of Contract / Arrangement / Transaction</b>	Lease, Sale of Goods, Purchase of Asset
(c)	<b>Duration of Contract / Arrangement / Transaction</b>	11 Months
(d)	<b>Salient Terms of the Contract / Arrangement / Transaction</b>	Taking on lease of a building of the Holding Company on rental basis for Registered Office of the Company
(e)	<b>Date of approval by the Board</b>	<b>10/02/2021</b> (period covered: 01/04/2021 to 28/02/2022)  <b>10/02/2022</b> (period covered: 01/03/2022 to 31/01/2023)
(f)	<b>Amount paid as Advances, if any</b>	NIL

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

Place : Chennai

Date : 27/05/2022

**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  (vi) 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	1	1
	(ii)	Mr.P.Manohar	Member / Director	1	1
3.	Web Link where Composition of CSR Committee, CSR Policy and CSR Projects of the Company are disclosed			<a href="http://www.ekcp.com">www.ekcp.com</a>	
4.	Details of Impact Assessment of CSR Projects			Not Applicable	
5.	Details of amount available for set off as per Rule 7 (3) of the Companies (CSR Policy) Rules, 2014			Nil	





6.	Average Net Profit of the Company for last three Financial Years (in Lakhs)		681.03	
7.	a)	Two per cent of the Average Net Profit of the Company as given in Item 6 above (in Lakhs)	13.62	
	b)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years (in Lakhs)	Nil	
	c)	Amount required to be set off for the Financial Year, if any (in Lakhs)	Nil	
	d)	Total CSR obligation for the Financial Year (7a+7b - 7c) (in Lakhs)	13.62	
8.	a)	CSR Amount spent or unspent for the Financial Year (in Lakhs)	Total Amount spent for the Financial Year	13.62
			Amount Unspent	Nil
	b)	Details of CSR Amount spent against Ongoing Projects for the Financial Year (in Lakhs)	Nil	
c) Details of CSR Amount spent against other than Ongoing Projects for the financial year				
S. No.	Nature of Particulars		Particulars	
(i)	Name of the Project		Promotion of Education / Donation for Old age Homes / Orphanage / Health	
(ii)	Item from the list of activities in Schedule VII to the Companies Act, 2013		Item No. (i) / (ii)	
(iii)	Location of the Project		Yes Chennai, Tamil Nadu.	
	(i) Local Area (Yes / No) (ii) District and State			
(iv)	Amount spent for the Project (in Lakhs)		13.62	
(v)	Mode of implementation - Direct (Yes / No)		Yes	
(vi)	Mode of Implementation - Through Implementing Agency		Not Applicable	
d)	Amount spent in Administrative Overheads		Nil	

e)	Amount spent on Impact Assessment, if applicable (in Lakhs)	Nil					
f)	Total amount spent for the Financial Year (8b+8c+8d+8e) (in Lakhs)	Nil					
g)	Excess amount for set off, if any (in Lakhs)	Nil					
SI.No.	Particular	Amount (in Lakhs)					
(i)	Two percent of Average Net Profit of the Company as per section 135 (5)	13.62					
(ii)	Total amount spent for the Financial Year	13.62					
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	Nil					
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil					
(v)	Amount available for setoff in succeeding Financial Years [(iii) - (iv)]	Nil					
9 (a)	Details of Unspent CSR amount for the preceding three Financial Years: <div>(In Lakhs)</div>						
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section135 (6)	Amount spent in the Reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any.	Amount remaining to be spent in succeeding Financial Years.		
				Name of the Fund	Amount	Date of transfer	
Not Applicable							
9 (b)	Details of CSR amount spent in the Financial Year for <b>ongoing projects</b> of the preceding Financial Year(s):						
Not Applicable							



10	In case of creation or acquisition of capital asset, furnish the details relating to assets so created or acquired through CSR spent in the Financial Year; <b>(asset-wise details)</b> .	
	(i) Date of creation or acquisition of the capital asset(s).	Not Applicable
	(ii) Amount of CSR spent for creation or acquisition of capital asset	
	(iii) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,	
	(iv) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.,	
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

Place : Chennai

Date : 27/05/2022

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

**ANNEXURE - 3**

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022**

*[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**  
 183, New No.239, Anna Salai,  
 Ramakrishna Buildings,  
 Chennai 600 006.

Dear Members,

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

Based on my verification of the soft copy of 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 and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of COVID-19 Pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 generally complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards listed hereunder subject to the reporting made hereinafter.

- (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 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- ii) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- iii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as stipulated in the Companies Act, 2013, 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.
- iv) As per the minutes of the meetings duly recorded and confirmed by the Directors, the decisions of the Board were carried through by majority while there were no dissenting views recorded as part of the minutes.
- v) The Compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial auditors, tax auditors and other designated professionals.

**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 : 27/05/2022

**Jayashree S Iyer**  
**Practising Company Secretary**  
**PR 1382/2021**  
**Membership No.: F10394**  
**CP No.:21403**  
**UDIN: F010394D000425589**

## 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 27/05/2022 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai

Date : 27/05/2022

**Jayashree S Iyer**  
**Practising Company Secretary**  
**PR 1382/2021**  
**Membership No.: F10394**  
**CP No.:21403**  
**UDIN: F010394D000425589**



## **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, 2022, 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, 2022, its Profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our audit report.

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

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

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

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

### **Management's Responsibility for Standalone Financial Statements**

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

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

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

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

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

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

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





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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 during the year ended 31<sup>st</sup> March 2022.
- iv. The Management has represented that, to the best of its knowledge and belief:
  - a. No funds ( which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. No funds ( which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company did not propose, declare or pay dividends during the year ended 31<sup>st</sup> March 2022.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTHIN1935**

Place : Chennai  
Date : 27/05/2022



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THE EIMCO - K.C.P. LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Based on the audit procedures performed for the purpose of reporting a true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us, in the normal course of audit, and to the best of our knowledge, we report that:

- (i) in respect of the Company's property, plant and equipment and intangible assets:
  - (a) i. the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - ii. the Company has maintained proper records showing full particulars of intangible assets.
  - (b) the Company has a program of physical verification of property, plant and equipment at regular intervals so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company.
  - (d) the Company has not revalued any of its property, plant and equipment and intangible assets during the year.
  - (e) no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) the Company has a program of physical verification of inventory at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) the Company has availed working capital facilities in excess of INR 5 crores from banks / financial institutions on the basis of security of current assets and the quarterly returns / statements filed by the Company are in agreement with the books of accounts.
- (iii) The Company has not made investments or provided guarantee or security or granted loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties, during the year and hence reporting under clause 3 (iii) of the Order is not applicable:
- (iv) The Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by RBI and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015. Hence, reporting under clause 3 (vi) of the Order is not applicable.

(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) in respect of statutory dues:

(a) the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable which were outstanding as on 31<sup>st</sup> March 2022 for a period of more than six months from the date on which they became payable

(b) details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2022, on account of disputes are given below:

Name of the Statute	Disputed Amount in INR lakhs	Paid under protest INR lakhs	Period to which the amount related to	Forum where the dispute is pending
Employee State Insurance Act	1.74	0.42	Financial Year 1990-91 to 1993-94 Rs.0.68 Lakhs and Financial Year 2000-2001 to 2003-04 Rs.1.06 Lakhs	Hon. Madras High Court

(viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) the Company has not defaulted during the year in repayment of dues to any lender during the year.

(b) the Company has not been declared a willful defaulter by any bank of financial institution or government or any government authority.

(c) the Company has not taken any term loan during the year.

(d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) on an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries / joint ventures / associates.

(f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries / joint ventures / associate companies and hence reporting under clause 3 (ix) (f) is not applicable.

(x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x) (a) is not applicable.



- (b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable.
- (xi)
  - (a) no fraud by the Company and no fraud on the Company has been noticed or reporting during the year.
  - (b) no reporting under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the date of this report.
  - (c) as informed by the Company, there were no whistle-blower complaints received during the year.
- (xii) the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standard.
- (xiv)
  - (a) in our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) we have considered the internal audit reports of the Company issued during the year and till date.
- (xv) the Company has not entered into any non-cash transactions its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) in our opinion, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) and its sub-clauses of the Order is not applicable.
- (xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) there has been no resignation of the statutory auditors of the Company during the year.
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) there are no ongoing projects as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (a) of the Order is not applicable.
- (b) there are no unspent amount as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (b) of the Order is not applicable.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTHIN1935**

Place : Chennai  
Date : 27/05/2022



## 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. LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **THE EIMCO - K.C.P. LIMITED** ("the Company") as of March 31<sup>st</sup> 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



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

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup> 2022, 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: 22022379AJTHIN1935**

Place : Chennai  
Date : 27/05/2022





Amount in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 202
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	573.52	608.76
(b) Capital Work-in-progress		-	-
(c) Other Intangible Assets	4	-	-
(d) Intangible Assets under development		46.67	46.67
(e) Financial Assets			
(i) Investments	5	645.06	587.92
(ii) Other Financial Assets	6	5.75	5.75
(f) Deferred Tax Assets (Net)	7	35.90	27.13
(g) Other Non - Current Assets	8	30.32	30.32
<b>Current Assets</b>			
(a) Inventories	9	2187.01	1426.51
(b) Financial Assets			
(i) Investments	10	1430.31	982.69
(ii) Trade Receivables	11	1690.83	1783.15
(iii) Cash and Cash Equivalents	12	173.58	231.99
(iv) Bank Balances other than (iii) above	13	233.08	187.12
(v) Other Financial Assets	14	-	2.68
(c) Other Current Assets	15	600.38	431.44
<b>Total Assets</b>		<b>7652.40</b>	<b>6352.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	60.00	60.00
(b) Other Equity	17	4479.23	3958.68
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Provisions	18	631.86	627.71
<b>Current Liabilities</b>			
(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	1117.50	639.96
(ii) Other Financial Liabilities	20	11.06	42.08
(b) Other Current Liabilities	21	1096.25	814.30
(c) Provisions	22	107.35	126.08
(d) Current Tax Liabilities (Net)	23	149.14	83.32
<b>Total Equity and Liabilities</b>		<b>7652.40</b>	<b>6352.13</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR****Partner**

Membership No.022379

Place: Chennai

Date : 27/05/2022

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466

Amount in Lakhs

Particulars	Note	For Year Ended March 31, 2022	For Year Ended March 31, 2021
I Revenue from Operations	24	5074.66	2905.14
II Other Income	25	421.97	289.09
<b>III Total Income (I + II)</b>		<b>5496.63</b>	<b>3194.23</b>
<b>IV Expenses</b>			
Cost of Material Consumed	26	2967.32	1277.65
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	27	(711.97)	(162.67)
Employee Benefits Expense	28	770.24	625.24
Finance Costs	29	53.89	49.00
Depreciation and Amortisation	30	42.48	47.51
Other Expenses	31	1604.07	802.32
<b>Total Expenses (IV)</b>		<b>4726.04</b>	<b>2639.06</b>
<b>V Profit / (Loss) before Exceptional Items and Tax</b>		<b>770.59</b>	<b>555.17</b>
VI Exceptional Items		-	-
<b>VII Profit / (Loss) before Tax</b>		<b>770.59</b>	<b>555.17</b>
<b>VIII Tax Expense</b>			
- Current Tax		250.00	125.00
- Deferred Tax		(6.55)	16.16
- Provision for taxation relating to earlier years (Net)		-	-
<b>IX Profit / (Loss) for the Period</b>		<b>527.14</b>	<b>414.01</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Remeasurements of defined benefit plan actuarial gains / (losses)		(8.82)	0.65
Less: Income Tax Expense on above		2.22	(0.16)
		<b>(6.60)</b>	<b>0.49</b>
<b>XI Total Comprehensive Income for the period (Comprising profit and Other Comprehensive Income for the period)</b>		<b>520.54</b>	<b>414.49</b>
<b>XII Earnings Per Equity Share (in Rs.)</b>			
(1) Basic		86.76	69.08
(2) Diluted		86.76	69.08

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 : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Amount in Lakhs

Particulars	For Year Ended March 31, 2022	For Year Ended March 31, 2021
<b>Cash Flows From Operating Activities</b>		
Profit / (Loss) Before Tax	770.59	555.17
Adjustments:		
- Interest Income	(14.79)	(20.57)
- Profit on Sale of Assets	(1.54)	(0.89)
- Loss on Sale of Assets	-	-
- Excess Provision credited back	(268.66)	(68.13)
- Credit Balances written back	(3.84)	(0.20)
- Loss from Partnership firm	(57.15)	(103.22)
- ECL on Trade Receivables	-	-
- Adjustment for OCI	(8.82)	0.65
- Dividend Income	(18.29)	(45.85)
- Depreciation and Amortization	42.48	47.51
<b>Operating Cash Flow before Working Capital Changes</b>	<b>439.99</b>	<b>364.47</b>
Changes in		
- Decrease / (Increase) In Trade Receivables	92.32	(468.77)
- Decrease / (Increase) In Inventory	(760.49)	(610.24)
- Decrease / (Increase) In Other Current Financial Asset(s)	2.68	(1.89)
- Decrease / (Increase) In Other Current Asset(s)	(168.93)	(23.54)
- Decrease / (Increase) In Current Investments	(447.62)	(35.16)
- Decrease / (Increase) In Non-Current Financial Assets-Loans	-	0.10
- Decrease / (Increase) In Other Non-Current Asset	-	-
- Decrease / (Increase) In Long Term Provisions	272.82	226.84
- Decrease / (Increase) In Trade Payables Current	481.39	66.57
- Decrease / (Increase) In Other Current Liabilities	281.95	415.16
- Decrease / (Increase) In Other Financial Liabilities Current	(31.02)	6.99
- Decrease / (Increase) In Short Term Provisions Current	(18.72)	(2.34)
Income Taxes Paid	(184.18)	(132.99)
<b>Net Cash generated from / (used in) Operations</b>	<b>(39.83)</b>	<b>(194.79)</b>
<b>Cash Flows from Investing Activities</b>		
Investment in Patnership Firm	-	-
Purchase of Fixed Assets	(20.91)	(11.09)
Proceeds from Sale of Fixed Assets	15.20	3.50
Dividend Income	18.29	45.85
Decrease / (Increase) in Margin Money Deposit	(45.96)	70.12
Interest Received	14.79	20.57
<b>Net Cash Generated from/(used in) Investing Activities [B]</b>	<b>(18.59)</b>	<b>128.94</b>
<b>Cash flows from Financing Activities</b>		
Interest Paid	-	-
Proceeds from Long Term Loans	-	-
Repayment of Long Term Loans	-	-
<b>Net cash used in Financing Activities</b>	<b>-</b>	<b>-</b>

<b>Increase in Cash and Cash Equivalents</b>	<b>(58.42)</b>	<b>(65.84)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>231.99</b>	<b>297.83</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>173.58</b>	<b>231.99</b>
<b>Components of Cash and Cash Equivalents (refer note 12)</b>		
Cash on Hand & Balances with Bank	173.58	231.99
<b>Total Cash and Cash Equivalents</b>	<b>173.58</b>	<b>231.99</b>

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR****Partner**

Membership No.022379

Place: Chennai

Date : 27/05/2022

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

The financial statements were approved by the Board of Directors and authorised for issue on 27/05/2022.

## 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. Amounts collected under the provident fund plan are deposited with government administered provident fund. The company has no further obligation to the plan beyond its monthly contribution.

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

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

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

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

#### **Intangible assets:**

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's firewall and other firewall support services. Intangible assets are initially measured at acquisition cost including any directly attributable costs for its intended use.

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

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

<b>Class of Assets</b>	<b>Estimated Useful Life</b>
Software & Allied Equipment	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or 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 (ie., 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 Lakhs	
Description	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total	
As at 01 <sup>st</sup> April 2020	427.77	119.66	180.24	8.68	25.24	11.29	56.78	829.66	
Additions during the year	-	-	3.37	0.01	-	4.26	3.45	11.09	
Deletions during the year	-	-	3.10	-	-	-	-	3.10	
As at 31 <sup>st</sup> March 2021	427.77	119.66	180.50	8.70	25.24	15.55	60.23	837.65	
Additions during the year	-	-	-	-	0.81	8.03	12.07	20.91	
Deletions during the year	-	-	14.65	-	0.04	0.09	0.02	14.80	
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>427.77</b>	<b>119.66</b>	<b>165.85</b>	<b>8.70</b>	<b>26.02</b>	<b>23.49</b>	<b>72.28</b>	<b>843.75</b>	
<b>Depreciation and Amortization</b>									
As at 01 <sup>st</sup> April 2020	-	36.11	84.83	3.48	8.84	7.57	41.24	182.07	
Additions during the year	-	8.19	22.93	1.30	2.80	2.33	9.77	47.31	
Deletions during the year	-	-	0.49	-	-	-	-	0.49	
As at 31 <sup>st</sup> March 2021	-	44.29	107.27	4.78	11.64	9.90	51.02	228.89	
Charge for the year	-	7.36	17.63	0.93	4.22	4.51	7.82	42.48	
Deletions during the year	-	-	1.13	-	0.01	-	-	1.14	
<b>As at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>51.66</b>	<b>123.77</b>	<b>5.71</b>	<b>15.85</b>	<b>14.41</b>	<b>58.84</b>	<b>270.23</b>	
<b>Net Book Value</b>									
<b>As at 31<sup>st</sup> March 2022</b>	<b>427.77</b>	<b>68.00</b>	<b>42.08</b>	<b>2.98</b>	<b>10.17</b>	<b>9.08</b>	<b>13.44</b>	<b>573.52</b>	
As at 31 <sup>st</sup> March 2021	427.77	75.37	73.23	3.92	13.61	5.65	9.21	608.76	



**4 - Other Intangible Assets**

Amount in Lakhs

Particulars	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 <sup>st</sup> March 2020 (At Cost)	2.37	2.37
Additions during the year	-	-
As at 31 <sup>st</sup> March 2021 (At Cost)	2.37	2.37
Additions during the year	-	-
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>2.37</b>	<b>2.37</b>
<b>Amortization and Impairment</b>		
Amortization for the year ended March 31 <sup>st</sup> 2020	2.17	2.17
Amortization for the year	0.20	0.20
As at 31 <sup>st</sup> March 2021	2.37	2.37
Amortization for the year	-	-
<b>As at 31<sup>st</sup> March 2022</b>	<b>2.37</b>	<b>2.37</b>
<b>Net Book Value</b>		
<b>As at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>-</b>
As at 31 <sup>st</sup> March 2021	-	-

**Intangible Assets under Development**

Particulars	Computer Software	Total
As at 01 <sup>st</sup> April 2020	46.67	46.67
Additions during the year	-	-
Deletions during the year	-	-
As at 31 <sup>st</sup> March 2021	46.67	46.67
Additions during the year	-	-
Deletions during the year	-	-
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>46.67</b>	<b>46.67</b>

**Intangible assets under development ageing schedule**

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress-Computer Software	-	-	-	46.67	46.67
Projects temporarily suspended	-	-	-	-	-

**Intangible assets under development completion schedule**

Intangible assets under development	To be Completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Computer Software	46.67	-	-	-	46.67



**5 - Non-Current Investments**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Partnership Firm (Quality Engineering Works)	645.06	587.92

Additional Information:

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

Name of the Partners	% Share	Capital Share (As at 31/03/2022)	Capital Share (As at 31/03/2021)
The EIMCO - K.C.P. Limited	99.60%	645.06	587.92
KCP Sugars Agricultural Research Farms Limited	0.40%	2.50	2.27
<b>Total</b>	<b>100.00%</b>	<b>647.57</b>	<b>590.19</b>

**6 - Other Financial Assets (Non-Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Long Term Security Deposit	5.75	5.75

**7 - Deferred Tax Assets / (Liabilities)****Tax recognised in Statement of Profit and Loss**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current income tax</b>		
Current year	250.00	125.00
<b>Sub Total (A)</b>	<b>250.00</b>	<b>125.00</b>
<b>Deferred Tax Expense</b>		
Origination and Reversal of Temporary Differences	(6.55)	16.16
Change in Accounting Policy		
<b>Sub Total (B)</b>	<b>(6.55)</b>	<b>16.16</b>
<b>Total (A+B)</b>	<b>243.45</b>	<b>141.16</b>

**Tax recognised in other comprehensive income**

Defined Benefit Plan Actuarial Gains (Losses)	(2.22)	0.16
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**Recognised Deferred Tax Assets and Liabilities**

Deferred Tax Assets and Liabilities are Attributable to the following:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liability</b>		
Others	(2.22)	2.71
<b>Sub Total</b>	<b>(2.22)</b>	<b>2.71</b>
<b>Deferred tax Assets</b>		
Property, Plant & Equipment	13.75	12.29
On Account of Timing Differences in Recognition of Expenditure	19.92	17.56
<b>Sub Total</b>	<b>33.68</b>	<b>29.84</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>35.90</b>	<b>27.13</b>

**8 - Other Non Current Assets**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund Receivable	30.32	30.32

**9 - Inventories**

Raw Materials and Components	869.14	820.70
Work in Progress	1207.92	483.16
Finished Goods	107.97	120.77
Loose Tools	1.98	1.89
<b>Total</b>	<b>2187.01</b>	<b>1426.51</b>

**10 - Investments (Current)**

Investments in Mutual Funds	1430.31	982.69
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**11 - Trade Receivables**

Secured Considered Good	1690.83	1783.15
Unsecured Considered Good	68.77	68.77
Considered Doubtful	1759.60	1851.92
<b>Less:</b> Impairment for Trade receivable under expected credit loss model	(68.77)	(68.77)
<b>Total</b>	<b>1690.83</b>	<b>1783.15</b>

**Trade Receivables ageing schedule 2021 - 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1278.23	246.69	61.80	104.11	-	1690.83
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	24.70	44.07	68.77
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1278.23</b>	<b>246.69</b>	<b>61.80</b>	<b>128.81</b>	<b>44.07</b>	<b>1759.60</b>



## Trade Receivables ageing schedule 2020 - 2021

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1263.60	52.40	254.02	200.21	12.92	1783.15
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	68.77	68.77
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1263.60</b>	<b>52.40</b>	<b>254.02</b>	<b>200.21</b>	<b>81.69</b>	<b>1851.92</b>

## 12 - Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks:		
-In Current Accounts	172.33	70.53
-In Fixed Deposits	-	160.80
ii) Cash on Hand	1.24	0.67
<b>Total</b>	<b>173.58</b>	<b>231.99</b>

## 13 - Bank Balances other than Schedule 12 above

Bank Balances held as Margin Money Deposits against guarantees issued by the Bank	<b>233.08</b>	187.12
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## 14 - Other Financial Assets (Current)

i) <b>Unsecured, Considered Good;</b>		
- Loans and Advances to Employees	-	<b>2.19</b>
- Interest accrued on Fixed Deposit	-	0.49
<b>Total</b>	<b>-</b>	<b>2.68</b>

## 15 - Other Current Assets

<b>Unsecured Considered Good</b>		
Input credits etc., with Government Authorities	232.76	282.29
Prepaid Expenses	0.26	4.13
Advances to Supplier	367.10	144.19
Travel Advance	0.26	0.83
<b>Total</b>	<b>600.38</b>	<b>431.44</b>

**16 - Equity Share Capital**

Amount in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share Capital</b>		
10,00,000 Equity Shares of Rs.10/- each	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed And Paid Up</b>		
6,00,000 Equity Shares of Rs.10/- each	60.00	60.00
<b>Total</b>	<b>60.00</b>	<b>60.00</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	6.00	60.00	6.00	60.00
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>6.00</b>	<b>60.00</b>	<b>6.00</b>	<b>60.00</b>

**16.2. Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16.3. Details of Shareholdings of Holding Company**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% of Holding	No of shares	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD.	600000	100.00%	600000	100.00%

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% of Holding	No of shares	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD.	600000	100.00%	600000	100.00%

**16.5. Details of Shareholdings of Promoters**

Particulars	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No of shares	% of total shares	No of shares	% of total shares	Nil
K.C.P.SUGARS AND INDUSTRIES CORP. LTD.	600000	100.00%	600000	100.00%	

**17 - Other Equity***Amount in Lakhs***For the Year Ended March 31, 2022**

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, 2021	113.01	3861.75	(16.08)	3958.68
Total Comprehensive Income for the Year	-	527.14	-	527.14
Other Comprehensive Income for the Year			(6.60)	(6.60)
<b>Balance as at March 31, 2022</b>	<b>113.01</b>	<b>4388.89</b>	<b>(22.68)</b>	<b>4479.23</b>

**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	113.01	3447.74	(16.56)	3544.19
Total Comprehensive Income for the Year	-	414.01	-	414.01
Other Comprehensive Income for the Year			0.49	0.49
<b>Balance as at March 31, 2021</b>	<b>113.01</b>	<b>3861.75</b>	<b>(16.08)</b>	<b>3958.68</b>

**18 - Provisions (Non - Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits :-		
- Leave Encashment	78.07	52.48
- Provisions for Liquidated Damages	553.79	575.23
<b>Total</b>	<b>631.86</b>	<b>627.71</b>

**19 - Trade Payables**

- Dues to Micro and Small Enterprises (Refer Note 35)	-	-
- Others	1117.50	639.96
<b>Total</b>	<b>1117.50</b>	<b>639.96</b>

Based on the information available with the company, there are Nil number of suppliers are registered as Micro, Small or Medium enterprises under 'The micro, small or medium enterprises development Act, 2006' as at 31<sup>st</sup> March 2022.

**Trade Payables ageing schedule - 2021 - 2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	1074.38	5.53	17.53	20.07	1117.50
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**Trade Payables ageing schedule - 2020 - 2021**

Amount in Lakhs

Particulars	Outstanding for following Periods from Due Date of Payment				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	598.70	17.59	1.31	22.36	639.96
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**20 - Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Payable to Employees	11.06	42.08

**21 - Other Current Liabilities**

Statutory Liabilities	15.22	34.95
Advance from Customers	1081.03	779.34
<b>Total</b>	<b>1096.25</b>	<b>814.30</b>

**22 - Provision (Short Term)**

Provision for Employee Benefits	5.98	24.70
Provision for Defect Liability Period	101.38	101.38
<b>Total</b>	<b>107.35</b>	<b>126.08</b>

**23 - Current Tax Liabilities**

Provision for Income Tax (Net)	149.14	83.32
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**24 - Revenue from Operations**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	5030.58	2861.51
Sale of Services	30.34	31.19
Other Operating Revenue	13.74	12.43
<b>Total</b>	<b>5074.66</b>	<b>2905.14</b>

**25 - Other Income**

Interest Income from Financial Asset	14.79	20.57
Miscellaneous Receipts	0.40	0.30
Duty Drawback Incentive	5.88	11.11
Packing & Forwarding Charges	14.63	12.27
Difference in Foreign Exchange	6.89	6.42
Provision no longer required withdrawn	268.66	68.13
Credit Balance Written Back	3.84	0.20
Dividend Income from Mutual Funds	18.29	45.85
Profit from Partnership Firm	57.15	103.22
MEIS Licence Incentive	-	17.13
Fair value gain on Value of Mutual Fund Investment	29.91	3.00
Profit on Sale of Assets	1.54	0.89
<b>Total</b>	<b>421.97</b>	<b>289.09</b>

**26 - Cost of Materials Consumed***Amount in Lakhs*

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance		
Raw Materials and Components	820.70	373.64
Add: Cost of Raw Materials and Components	3015.76	1724.70
Less: Closing Stock Raw Materials and Components	869.14	820.70
<b>Total</b>	<b>2967.32</b>	<b>1277.65</b>

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

Opening Balance		
- Work-in-Progress	483.16	263.40
- Finished goods	120.77	177.86
Less : Closing Balance		
- Work-in-Progress	(1207.92)	(483.16)
- Finished Goods	(107.97)	(120.77)
<b>Total</b>	<b>(711.97)</b>	<b>(162.67)</b>

**28 - Employee Benefits Expense**

Salaries, Wages and Bonus	685.47	527.87
Contribution to Provident and other Funds	38.10	40.08
Staff Welfare Expenses	46.67	57.29
<b>Total</b>	<b>770.24</b>	<b>625.24</b>

**29 - Finance Cost**

Bank Guarantee Commission and other charges	53.89	49.00
Forward Cover Cancellation Charges	-	-
<b>Total</b>	<b>53.89</b>	<b>49.00</b>

**30 - Depreciation and Amortisation**

Depreciation / Amortisation for the Year		
- Tangible Assets	42.48	47.31
- Intangible Assets	-	0.20
<b>Total</b>	<b>42.48</b>	<b>47.51</b>

**31 - Other expenses**

Amount in Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Fabrication Charges	657.48	266.95
Contract Labour Charges	21.19	16.47
Power and Fuel	21.59	19.06
Rental Charges	3.60	3.60
Repairs and Maintenance		
- Workshop	19.60	20.64
- Machinery	6.28	3.02
- Office	26.60	5.89
- Others	1.58	1.44
Insurance	7.85	3.63
Rates and Taxes	3.49	13.94
Travel and Conveyance	17.29	14.46
Research, Inspection and Testing Charges	2.44	1.41
Payment Made to Auditors (Refer note below)	0.55	0.55
Legal and Professional Charges	80.91	39.09
Sales Expenses		
- Packing and Forwarding Charges	24.23	11.80
- Carriage Outwards	158.19	46.93
- Travelling Hotel Bills	21.28	5.24
- Service Charges and Commission	16.05	6.58
- Other Selling Expenses	24.92	12.78
Short Provision made during earlier years	0.96	1.87
Performance and delivery guarantee claims	382.95	236.79
Security Charges	22.30	22.24
Telephone Charges	8.72	7.35
Irrecoverable Loans and Advances Written off	0.12	-
Import of Services (Sales Commission & Other Services)	37.63	-
Corporate Social Responsibility Expenses	13.62	23.05
Miscellaneous Expenses	22.64	17.55
<b>Total</b>	<b>1604.07</b>	<b>802.32</b>

Payment made to Statutory Auditors :		
i. As Auditors	0.50	0.50
ii. For Taxation Matters		
iii. For Other Services	0.05	0.05
iv. For Reimbursement of Expenses	-	-

**32 - Sale of Products and Rendering of Services:**

Particulars	2021 - 2022	2020 - 2021
<b>Sales:</b>		
Filters		
Numbers	4 Nos	3 Nos
Value	235.60	690.00
Thickeners Components Spares Bar screens etc., (Unit quantification not possible)	4794.98	2171.51
Scrap	13.74	12.43
<b>Total</b>	<b>5044.32</b>	<b>2873.94</b>





Amount in Lakhs

Particulars	2021 - 2022	2020 - 2021
<b>Services:</b>		
Service Charges	30.34	31.19
Design Erection & Fabrication	-	-
<b>Total</b>	<b>30.34</b>	<b>31.19</b>
<b>Total (Sales and Services)</b>	<b>5074.66</b>	<b>2905.13</b>

**32.1. Raw Materials Consumed**

Particulars	2021 - 2022		2020 - 2021	
	MT	Value in (Lakhs)	MT	Value in (Lakhs)
Stainless Steel	82.82	232.58	40.54	88.99
Iron and Steel	236.93	138.08	280.20	125.93
<b>Total</b>	<b>319.75</b>	<b>370.66</b>	<b>320.74</b>	<b>214.92</b>

**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: **4 Nos.** (PY. 3 Nos.) Filters besides Washers Classifiers Clarifiers Components Spares etc.,.

**33 - Contingent Liabilities:**

The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.2070.21 Lakhs (P.Y.Rs.1824.89 Lakhs) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.

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

Nature of Statute	As at March 31, 2022	As at March 31, 2021
E.S.I Cases	1.74	1.74
<b>Total</b>	<b>1.74</b>	<b>1.74</b>

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

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
<b>A</b>	<b>Expenditure in Foreign Currency on:</b>		
	(i) Salary and Allowance	-	-
	(ii) Tours and Travels	2.74	-
	(iii) Commission paid on Export Sales	-	-
	(iv) Reimbursement of Expenses on Product Representation in Abroad	-	-
	(v) Repair Works	-	-
	(vi) Seminar and Conference	-	-
	(vii) Import of Materials / Equipment (CIF Value)		
	a. Capital Goods		
	b. Components and Spares	115.88	34.44
	c. Finished Goods / Semi Finished Goods		
	d. Raw Materials		
	e. Import of Services	37.63	-
<b>B</b>	<b>Earnings in Foreign Exchange:</b>		
	- Exports	<b>413.77</b>	<b>624.97</b>

**35 - Information in respect of Micro Small and Medium Enterprises as at March 31, 2022:***Amount in Lakhs*

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 along with the amount paid to the supplier beyond the appointed Day	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid.	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act, 2006.	Nil	Nil

**Disclosure requirements of Indian Accounting Standards****36 - Disclosures in respect of Ind AS 107 - Financial Instruments****36.1. Financial Instruments by Categories (attached in excel)***Amount in Lakhs*

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

**March 31, 2022**

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value through Profit or Loss	Financial Assets / Liabilities at Fair Value through OCI
<b>Assets:</b>			
Current Investment		1430.31	
Current Trade Receivables	1690.83		
Cash & Cash Equivalents	173.58		
Other Bank Balances	233.08		
Other Financial Asset (Security Deposit)	5.75		
<b>Liabilities:</b>			
Other Financial Liabilities	11.06		
Working Capital Loans	-		
Trade Payables	1117.50		

**March 31, 2021**

<b>Assets:</b>			
Current Investment		982.69	
Current Trade Receivables	1783.15		
Cash & Cash Equivalents	231.99		
Other Bank Balances	187.12		
Other Financial Asset (Security Deposit)	5.75		
<b>Liabilities:</b>			
Other Financial Liabilities	41.33		
Working Capital Loans	-		
Trade Payables	639.96		



### 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 (ie., as prices) or indirectly (ie., 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:

Amount in Lakhs								
Particulars	31/03/2022				31/03/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Quoted Mutual Funds	1430.31			<b>1430.31</b>	982.69			982.69

## 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 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.1759.60 Lakhs and Rs.1851.92 Lakhs as of March 31, 2022 and March 31, 2021, 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 Lakhs*

Particulars	March 31, 2022		March 31, 2021	
	Gross	Impairment	Gross	Impairment
0 to 180 days	1278.23	-	1263.60	-
180 days and more	481.38	68.77	588.32	68.77

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, 2022:

Particulars	Assets	
	As at March 31, 2022	As at March 31, 2021
USD	34679.60	104544.19
SGD	100	44021.98
CAD	13560	-



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, 2022	As at March 31, 2021
<b>Receivables:</b>		
If INR rate over Other currency increases by 5%	(1.70)	(4.94)
If INR rate over Other currency decrease by 5%	1.70	4.94

### 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 Lakhs*

Particulars	31/03/2022	31/03/2021
Defined Benefit Obligation - Beginning of the Year	134.08	132.08
Current Service Cost	8.56	8.98
Interest Cost	9.39	9.58
Past Service Cost	-	-
Benefits Paid	(29.21)	(16.01)
Re-measurements Actuarial Loss / (gain)	8.82	(0.65)
Defined Benefit Obligation - End of the Year	131.63	133.98

**Movement in plan asset:**

Fair Value of Plan Assets at Beginning of Year	145.36	143.98
Employer Contributions	4.20	6.92
Benefits Paid	(29.21)	(16.01)
Re-measurements - Return on Plan Assets	10.19	10.18
Re-measurements- Actuarial Loss / (Gain)	-	-
Fair Value of Plan Assets at End of Year	130.54	145.07

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

Particulars	31/03/2022	31/03/2021
Current Service Cost	8.56	8.98
Net Interest on Net Defined Benefit Liability / (Assets) (B)	9.39	9.58
Expected Return on Plan Assets	(10.19)	(10.18)
<b>Cost Recognized in P&amp;L</b>	<b>7.75</b>	<b>8.38</b>

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

Actuarial (Gain) / Loss Due to Assumption Changes	8.82	(0.65)
Difference between Actual Return and Interest Income on Plan Assets - (Gain) / Loss	-	-
<b>Actuarial (Gain) / Loss Recognized in OCI</b>	<b>8.82</b>	<b>(0.65)</b>

**Actuarial Assumption**

Discount Rate	7.00%	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. 3.60 Lakhs (PY Rs.3.60 Lakhs) 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% 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**

Ms. Irmgard Velagapudi

Ms. Kiran Velagapudi

**41.2. Related Parties:**

Holding Company: K.C.P. Sugar and Industries Corporation Limited.

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 Lakhs

Sl. No.	Particulars	31.03.2022	31.03.2021
1	Rent paid to Holding Company: KCP Sugar and Industries Corporation Limited	3.60	3.60
2	Purchases / Services received from Holding Company: KCP Sugar and Industries Corporation Limited	263.79	-
3	Sales / Services Provided to Holding Company: KCP Sugar and Industries Corporation Limited	35.60	-
4	Purchases / Services received from Partnership Firm: Quality Engineering Works - Thuvakudi, Trichy	143.63	349.02
5	Sales / Services Provided to Partnership Firm: Quality Engineering Works- Thuvakudi, Trichy	2.53	4.72

Cumulative balances outstanding as on 31<sup>st</sup> March 2022:

In Holding Company: K C P Sugar and Industries Corporation Limited

Particulars	31/03/2022	31/03/2021
Trade Payable	65.27	-
Trade Receivable	13.04	-

Cumulative balances outstanding as on 31<sup>st</sup> March 2022:

In Partnership firm: Quality Engineering Works-Thuvakudi –Trichy

Particulars	31/03/2022	31/03/2021
Balance in Partner Capital Account - Receivable	645.06	587.92
Trade Payable	27.63	62.34
Trade Receivable	152.00	4.13

The Eimco - K.C.P. Limited is having control over the affairs of Quality Engineering Works

Quality Engineering Works- Thuvakudi, Trichy - Financial Information

Amount in Lakhs

S.no	Particulars	2021 - 2022 (Un-Audited)	2020 - 2021 (Audited)
1.	Reporting eriod for the related party	01/04/2021 to 31/03/2022	01/04/2020 to 31/03/2021
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	645.06	645.06
4.	Reserves & Surplus	-	-
5.	Total Assets	635.56	716.94
6.	Total Liabilities	635.56	716.94
7.	Investments	-	-
8.	Turnover	184.02	339.01
9.	Profit/Loss before Taxation	(33.22)	77.84
10.	Provision for Tax ation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.61%	99.61%

**42. Disclosure of CSR Activities**

Particulars	Amount in Lakhs
i) Amount required to be spent by the company during the year	13.60
ii) Amount of expenditure incurred	13.62
iii) Shortfall at the end of the year	NIL
iv) Total of previous year shortfall	NA
v) Reason for shortfall	NA
vi) Nature of CSR	Contributions to various registered trusts

**43. Disclosure of various Ratios**

S.No.	Name of the Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
1.	Current Ratio	Current Assets	Current Liabilities	2.55	2.96	(14%)
2.	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.69	0.58	18%
3.	Return on Equity Ratio	Net profits after tax	Average Shareholder's Equity	0.12	0.11	13%
4.	Inventory Turnover Ratio	Sales	Average Inventory	2.78	2.55	9%
5.	Trade Receivable Turnover Ratio	Credit Sales	Average Accounts Receivable	0.70	1.80	(61%)*
6.	Trade Payable Turnover Ratio	Credit Purchase	Average Accounts Payables	3.43	2.84	21%
7.	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working capital = Current assets - Current liabilities	1.32	0.87	52%**
8.	Net Profit Ratio	Net Profit after tax	Net Sales = Total Sales - Sales Return	0.10	0.14	(27%***)
9.	Return on Capital Employed	Earning before interest and tax	Total Assets - current Liabilities + Current Borrowings	0.15	0.12	25%
10.	Return on Investment	Income generated from investments	Average investments	0.04	0.05	(21%)

Note: Debt service coverage ratio is not applicable to the company

\*Debtors collections improved compared to previous year

\*\*Increase in turnover by 2100 Lakhs (approx..) with a negligible increase in working capital has resulted in an improvement in the ratio.

\*\*\*Increase in Raw material consumption and employee cost has resulted in decline in the ratio.

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 : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**KIRAN VELAGAPUDI**

Vice Chairperson

DIN: 00091466



# KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

CIN: U73100TN1998PLC041501

## Twenty Third Annual Report 2021 – 2022

### Board of Directors

		DIN
Ms.Irmgard Velagapudi	Chairperson	00091370
Mr.Vinod R.Sethi	Director	00106598
Ms.I.L.Florence	Director	09273113

### Registered Office

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

### Statutory Auditor

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

### Farm

Thirupukuzhi and Melambi Villages,  
Kanchipuram District, Tamil Nadu.

**NOTICE** is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of KCP Sugars Agricultural Research Farms Limited will be held on Wednesday, the 28<sup>th</sup> Day of September, 2022 at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006 at 12.30 PM to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31/03/2022 together with the Reports of Auditor and Board of Directors thereon;
2. To appoint a Director, in the place of Ms.Irmgard Velagapudi, Director (DIN:00091370), who retires by rotation and being eligible, offers herself for reappointment.

**SPECIAL BUSINESS:**

3. **To approve, confirm and ratify the appointment of Statutory Auditor of the Company to fill the casual vacancy caused due to the resignation and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 (8), 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), the appointment of M/s.B.Purushottam & Co., Chartered Accountants, Chennai (FRN : 002808S), as the Statutory Auditor of the Company to fill the casual vacancy caused due to the resignation of M/s. Suri & Siva, Chartered Accountants, (FRN : 004284S), to hold office from 12<sup>th</sup> August, 2022, till the conclusion of this 23<sup>rd</sup> Annual General Meeting, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby approved, confirmed and ratified”.

4. **To appoint Statutory Auditor and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), M/s. B.Purushottam & Co., Chartered Accountants, Chennai (FRN : 002808S) be and are hereby appointed as the Statutory Auditor of the Company for a term of five consecutive years from the conclusion of this 23<sup>rd</sup> Annual General Meeting (“AGM”) till the conclusion of the 28<sup>th</sup> AGM to be held in the year 2027, at such remuneration plus out of pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

5. **Regularization of Additional Director, Ms.Isaac Florence Lucia (DIN:09273113) as Director of the Company:**

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of Sections 152, 160, 161 and other applicable provisions of the Companies Act, 2013 (the Act, 2013) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms.I.L.Florence (DIN:09273113), who was appointed as an Additional Director of the Company by the Board of Directors effective September 29, 2021 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

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

Place : Chennai  
Date : 11/08/2022

**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 THEMSELF 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 : 11/08/2022

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

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("THE ACT")  
SETTING OUT MATERIAL FACTS IN RESPECT OF ITEM NO. 3, 4 & 5 TO BE TRANSACTED AT  
THE ANNUAL GENERAL MEETING.****Item No. 3 & 4 - Appointment of Statutory Auditor**

The Members of the Company at the Annual General Meeting ("AGM") held on 25<sup>th</sup> September, 2020, had approved the appointment of M/s.Suri & Siva, Chartered Accountants (FRN:004284S) as the Statutory Auditor of the Company to hold office from the conclusion of the 21<sup>st</sup> AGM till the conclusion of the 26<sup>th</sup> AGM.

M/s.Suri & Siva vide their letter dated August 11, 2022 has tendered their resignation as the Statutory Auditor of the Company due to their pre - occupation in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, resulting into a casual vacancy in the office of the Statutory Auditor of the Company.

Pursuant to Section 139 (8) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, on the recommendation of the Audit Committee at its meeting held on August 11, 2022 accepted resignation of M/s.Suri & Siva and after obtaining the consent under Section 139(1) of the Act, appointed M/s. B.Purushottam & Co, Chartered Accountants, Chennai (FRN : 002808S), as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s Suri & Siva with effect from August 12, 2022 till the conclusion of this 23<sup>rd</sup> AGM, subject to the approval and ratification by the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. B.Purushottam & Co., Chartered Accountants Chennai, (FRN : 002808S), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI") and has over 70 years of experience in Audit Assurance, having audited a large number of Corporates in both Public and Private Sector and mid sized entities MSMEs across and their experience spans across sectors such as manufacturing, finance, banking, services, power, infrastructure, real estate construction, educational institutions, charitable trusts etc.,

The firm also holds a Peer Review Certificate No.014159 dated April 27, 2022 issued by the Peer Review Board of the Institute of Chartered Accountants of India valid till April 30, 2025.

The Board of Directors of the Company on the recommendation of the Audit Committee also recommend the appointment of M/s. B.Purushottam & Co, Chartered Accountants, Chennai, (FRN : 002808S), as the Statutory Auditor of the Company to hold office for a period of five years, from the conclusion of this 23<sup>rd</sup> AGM, till the conclusion of the 28<sup>th</sup> AGM of the Company to be held in the year 2027, subject to the approval of the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Company has received the consent letter and eligibility certificate from M/s. B.Purushottam & Co, to act as the Statutory Auditor of the Company in place of M/s.Suri & Siva along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act.

The Board accordingly recommends the ordinary resolutions set out at Item No. 3 and 4 of this notice for approval of the Members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 and 4 of the Notice.

**Item No. 5 - Regularization of Additional Director**

Ms.I.L.Florence was appointed as an Additional Director and Non - Executive Director of the Company with effect from September 29, 2021. In terms of Section 161 of the Companies Act, 2013 (the Act, 2013), Ms. I.L.Florence, Director holds office upto the date of this AGM.

The Board on the recommendation of Nomination and Remuneration Committee is of the opinion that the appointment and presence of Ms.I.L.Florence on the Board as the Director will be desirable, beneficial and in the best interest of the Company.

The Company has received a consent in writing from Ms.I.L.Florence to act as a Director in Form DIR-2, intimating to the effect that he is not disqualified to be appointed as a Director. The Company has also received a Notice from a Member under Section 160 of the Act, 2013, proposing the candidature of Ms.I.L.Florence, Director for the office of Director of the Company.

The Board recommends the resolution set out in item no. 5 of the accompanying Notice for approval and adoption of the Members.

None of the Directors of the Company except Ms.I.L.Florence, is concerned or interested in the proposed resolution.

The Board, therefore, recommends the ordinary resolution, as set out in item No.5 of this Notice, for appointment of Ms.I.L.Florence, as a Director of the Company, for approval of the Shareholders.

Place : Chennai

Date : 11/08/2022

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

## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022.

### **1. REVIEW OF OPERATIONS:**

During the Financial Year ended 31/03/2022, the turnover and other income is Rs.18.08 Lakhs as against Rs.15.87 Lakhs for the previous financial year. The Company has made a profit of Rs.4.70 Lakhs for the Financial Year ended 31/03/2022 as against the loss of Rs.0.19 Lakhs in the previous financial year.

### **2. DIVIDEND:**

Your Directors have not recommended any Dividend for the Financial Year under review.

### **3. SHARE CAPITAL AND RESERVES:**

The Share Capital of the Company is Rs.225.00 Lakhs. The Reserves and Surplus as on 31/03/2022 is Rs.317.88 Lakhs (Previous Year: Rs. 334.26 Lakhs).

### **4. FIXED DEPOSITS:**

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

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

As the Company is involved in agricultural activities, there is no relevant disclosure under Conservation of Energy and Technology Absorption. There are no Foreign Exchange Earnings and Outgo.

### **6. PARTICULARS OF EMPLOYEES:**

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

### **7. BOARD MEETINGS:**

Five Board Meetings were held during the Financial Year 2021 - 2022 on 28/06/2021, 11/08/2021, 29/09/2021, 10/11/2021 and 10/02/2022.

### **8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There are no contracts or arrangements with related parties, in terms of Section 188 (1) of the Companies Act, 2013.

### **9. SECRETARIAL STANDARDS:**

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

### **10. ACCOUNTING STANDARDS:**

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

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

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2021 - 2022.

**12. DIRECTOR RETIRING BY ROTATION:**

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

Ms.I.L.Florence, was appointed as additional director on 29/09/2021 and the tenure of directorship ends on this ensuing 23<sup>rd</sup> AGM. Appointment as a director on the board of the company is being proposed before the shareholders at this ensuing 23<sup>rd</sup> AGM.

**13. STATUTORY AUDITOR:**

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

**14. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, 31/03/2022 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.

**15. ACKNOWLEDGEMENT :**

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

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

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

Place : Chennai  
Date : 27/05/2022



## **INDEPENDENT AUDITOR'S REPORT**

**To the members of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED**

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

### **Opinion**

We have audited the standalone financial statements of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, its loss (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our audit report.

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

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

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



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

### **Management's Responsibility for Standalone Financial Statements**

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

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report;

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

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

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

- i. The Company does not have any pending litigations which would impact its financial position 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 during the year ended 31<sup>st</sup> March 2022.
- iv. The Management has represented that, to the best of its knowledge and belief:
  - a. No funds ( which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. No funds ( which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company did not propose, declare or pay dividends during the year ended 31<sup>st</sup> March 2022.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTGKG1063**

Place: Chennai  
Date: 27/05/2022

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view of the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us, in the normal course of audit, and to the best of our knowledge, we report that:

- (i) in respect of the Company's property, plant and equipment and intangible assets:
  - (a) i. the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - ii. the Company has maintained proper records showing full particulars of intangible assets.
  - (b) the Company has a program of physical verification of property, plant and equipment at regular intervals so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification
  - (c) the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under property, plant and equipment are held in the name of the Company
  - (d) the Company has not revalued any of its property, plant and equipment and intangible assets during the year
  - (e) no proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2022 for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii) (a) the Company has a program of physical verification of inventory at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its inventory. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the Order is not applicable.
- (iii) The Company has not made investments or provided guarantee or security or granted loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties, during the year and hence reporting under clause 3 (iii) of the Order is not applicable:
- (iv) The Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- (v) The Company has not accepted any deposits from the public and hence the directives issued by RBI and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015. Hence, reporting under clause 3 (vi) of the Order is not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for the business activities carried out by the Company. Hence, reporting under clause 3 (vi) of the Order is not applicable
- (vii) In respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable which were outstanding as on 31<sup>st</sup> March 2022 for a period of more than six months from the date on which they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2022, on account of disputes are given below:

Name of the statute	Amount in INR lakhs	Period to which the amount related to	Forum where the dispute is pending
NIL			

- (viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) the Company has not defaulted during the year in repayment of dues to any lender during the year.
- (b) the Company has not been declared a willful defaulter by any bank of financial institution or government or any government authority.
- (c) the Company has not taken any term loan during the year.
- (d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) on an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries / joint ventures / associates.
- (f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries / joint ventures / associate companies and hence reporting under clause 3 (ix) (f) is not applicable.
- (x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x) (a) is not applicable.
- (b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable.
- (xi) (a) no fraud by the Company and no fraud on the Company has been noticed or reporting during the year.

- (b) no reporting under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the date of this report.
- (c) as informed by the Company, there were no whistle-blower complaints received during the year.
- (xii) the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) the Company does not have an internal audit system and is not required to have an internal audit system as per section 138 of the Act.
- (b) as reported under sub-clause (a) above, the Company did not have an internal audit system for the period under audit.
- (xv) the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) in our opinion, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) and its sub-clauses of the Order is not applicable.
- (xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) there has been no resignation of the statutory auditors of the Company during the year.
- (xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) there are no ongoing projects as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (a) of the Order is not applicable.
- (b) there are no unspent amount as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (b) of the Order is not applicable.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTGKG1063**

Place: Chennai  
Date: 27/05/2022



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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

#### **Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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: 22022379AJTGKG1063**

Place: Chennai  
Date: 27/05/2022



Amount in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	45.57	45.74
(b) Financial Assets			
(i) Investments	4	421.94	443.64
<b>Current Assets</b>			
(a) Inventories	5	6.34	5.00
(b) Financial Assets			
(i) Cash and Cash Equivalents	6	64.97	61.35
(c) Current Tax Assets (Net)	7	4.21	3.68
<b>Total Assets</b>		<b>543.03</b>	<b>559.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	8	225.00	225.00
(b) Other Equity	9	317.88	334.26
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>		-	-
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	10	0.15	0.15
<b>Total Equity and Liabilities</b>		<b>543.03</b>	<b>559.41</b>

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

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

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

Place: Chennai  
Date : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370

**I.L.FLORENCE**  
Director  
DIN: 09273113

Amount in Lakhs

Particulars	Note	For Year Ended March 31, 2022	For Year Ended March 31, 2021
I Revenue from Operations	11	9.81	10.75
II Other Income	12	8.27	5.12
III <b>Total Income (I+II)</b>		<b>18.08</b>	<b>15.87</b>
IV <b>Expenses</b>			
Cost of Material Consumed	13	9.50	8.74
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in - Trade	14	(1.34)	1.92
Employee Benefits Expense	15	2.68	2.71
Depreciation and Amortisation	16	0.17	0.25
Other Expenses	17	2.36	2.45
<b>Total Expenses (IV)</b>		<b>13.38</b>	<b>16.06</b>
V <b>Profit / (Loss) Before Exceptional Items and Tax</b>		<b>4.70</b>	<b>(0.19)</b>
VI Exceptional Items		-	-
VII <b>Profit / (Loss) Before Tax</b>		<b>4.70</b>	<b>(0.19)</b>
VIII <b>Tax Expense</b>			
- Current Tax		-	-
- Deferred Tax		-	-
IX <b>Profit / (Loss) After Tax for the Period</b>		<b>4.70</b>	<b>(0.19)</b>
X <b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or Loss</b>			
Equity instruments through Other Comprehensive Income		(21.08)	144.98
Remeasurements of Defined Benefit Plan Actuarial Gains / (Losses)		-	-
Income Tax Expense on above		-	-
XI <b>Total Other Comprehensive Income</b>		<b>(21.08)</b>	<b>144.98</b>
XII <b>Total Comprehensive Income for the Period (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>(16.39)</b>	<b>144.79</b>
XIII <b>Earnings Per Equity Share (In Rs.)</b>			
(1) Basic		(0.73)	6.44
(2) Diluted		(0.73)	6.44

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 : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**  
Chairperson  
DIN: 00091370

**I.L.FLORENCE**  
Director  
DIN: 09273113

Amount in Lakhs

Particulars	For Year Ended March 31, 2022	For Year Ended March 31, 2021
<b>Cash Flows from Operating Activities</b>		
Total Income for the Period (PBT)	4.70	(0.19)
Adjustments:		
- Profit on Sale of Investment	(0.55)	-
- Dividends Received	(4.04)	(1.96)
- OCI Adjustments	21.08	(14.50)
- Interest Received	(3.04)	(3.16)
- Fair Value Adjustment	(21.08)	14.50
- Profit from Partnership Made	(0.64)	-
- Depreciation and Amortization	0.17	0.25
Operating Cash Flow before Working Capital Changes	<b>(3.40)</b>	<b>(5.06)</b>
Changes in		
- Decrease / (Increase) In Trade Receivables	-	-
- Decrease / (Increase) In Inventory	(1.34)	1.92
- Decrease / (Increase) In Other Current Financial Asset(s)	-	-
- (Decrease) / Increase In Other Current Financial Liabilities	-	-
<b>Cash Generated from / (used in) Operations</b>	<b>(4.74)</b>	<b>(3.14)</b>
Less: Income Tax Paid	(0.53)	(0.04)
<b>Cash Generated from / (used in) Operations (Net)</b>	<b>(5.27)</b>	<b>(3.18)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	-	-
Sale of Investments	1.81	-
Interest Received	3.04	3.16
Dividend Received	4.04	1.96
<b>Net Cash Generated from / (Used in) Investing Activities [B]</b>	<b>8.89</b>	<b>5.12</b>
<b>Cash Flows from Financing Activities</b>	-	-
<b>Net Cash used in Financing Activities</b>	-	-
<b>Increase in Cash and Cash Equivalents</b>	<b>3.62</b>	<b>1.94</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>61.35</b>	<b>59.41</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>64.97</b>	<b>61.35</b>
<b>Components of Cash and Cash Equivalents (Refer note 6)</b>		
Cash on Hand	0.14	0.41
Balances with Banks	64.83	60.94
<b>Total Cash and Cash Equivalents</b>	<b>64.97</b>	<b>61.35</b>

As per our report of even date attached

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**V.SIVAKUMAR**

**Partner**

Membership No.022379

Place: Chennai

Date : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**I.L.FLORENCE**

Director

DIN: 09273113

## 1 - Company Information

KCP Sugars Agricultural Research Farms Limited is a wholly owned subsidiary of KCP Sugar and Industries Corporation Limited. The core activity of the company is research relating to Agriculture.

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

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

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

### (c) Critical accounting estimates and judgments

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

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc.. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

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

**d) Revenue recognition :**

Revenue is measured at fair value of consideration received or receivable. Revenue comprise of sale of agricultural products and bricks. Revenue from sale of goods is net of Indirect taxes, returns and discounts.

Revenue is recognised when following conditions are satisfied:

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

**Interest**

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

**Dividend**

Dividend income is recognized on cash basis.

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

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. 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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the depreciable assets are in line with the Schedule II of the Companies Act, 2013.

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

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

**(f) Impairment of assets:**

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

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

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

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

**(g) Inventories:**

Standing crops are valued at cost. Other inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

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

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

**(i) Deferred Tax:**

Since the company is having no taxable income, it has not recognized any deferred tax asset in the books of accounts considering the concept of Prudence.

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

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

**(k) Cash Flow Statement:**

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

**(l) Earnings Per Share:**

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

**(m) Financial Instruments:**

**Financial Assets:**

Classification

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



Initial Recognition and measurement:

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

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

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



### **Financial Liabilities**

#### Classification

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

#### Initial recognition and measurement

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

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

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

**3 - Property Plant and Equipment**

Description	Amount In Lakhs					
	Land	Buildings	Plant and Equipment	Fencing	Vehicles	Total
As at 31 <sup>st</sup> March 2020 (At Cost)	36.87	8.35	8.52	0.15	0.10	53.99
Additions during the Year	-	-	-	-	-	-
Deletions during the Year	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2021 (At Cost)	36.87	8.35	8.52	0.15	0.10	53.99
Additions during the Year	-	-	-	-	-	-
Deletions during the Year	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>36.87</b>	<b>8.35</b>	<b>8.52</b>	<b>0.15</b>	<b>0.10</b>	<b>53.99</b>
<b>Depreciation and Amortization</b>						
Opening Depreciation as on 01.04.2020	-	0.66	7.28	-	0.05	8.00
Charge for the Year Ended March 31, 2021	-	0.17	0.08	-	-	0.25
Deletions during the Year	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2021	-	0.83	7.37	-	0.05	8.25
Charge for the Year	-	0.17	0.01	-	-	0.17
Deletions during the Year	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>0.99</b>	<b>7.37</b>	<b>-</b>	<b>0.05</b>	<b>8.42</b>
<b>Net Book Value</b>						
<b>As at 31<sup>st</sup> March 2022</b>	<b>36.87</b>	<b>7.36</b>	<b>1.15</b>	<b>0.15</b>	<b>0.05</b>	<b>45.57</b>
As at 31 <sup>st</sup> March 2021	36.87	7.52	1.16	0.15	0.05	45.74

4 - Investments (Non- Current)

Amount In Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
Investments in Quoted Equity Instruments (Fair valued through OCI)				
	No. of Shares	Value	No. of Shares	Value
Asian Paints Ltd. (Face value of Re.1/- each )	2000	61.60	2000	50.75
Blue Star Ltd. (Face value of Rs.2/- each )	5800	61.02	5800	54.18
Container Corporation of India Ltd. (Face value split to Rs.5/- each during 2018-19 )	3280	22.05	3280	19.61
Geodesic Information Systems Ltd. (Face value of Rs.2/- each )	400	0.01	400	0.01
Indraprastha Gas Ltd.	40000	149.26	40000	204.94
Kaya Ltd (Formerly Marico Kaya Enterprises Ltd)	70	0.25	70	0.21
Marico Ltd. (Face value of Re.1/- each )	7000	35.26	7000	28.79
Nucleus Soft	200	0.83	200	0.96
Yuken India Ltd.	400	2.22	400	1.84
Savita Oil Technologies Ltd.	7911	83.14	8040	78.55
Precision Wire India Ltd. (Face value Split from Rs.5/- to Rs.1/- each)	5000	3.80	1000	1.94
Sub Total		419.44		441.78
Investments in Partnership Firm Quality Engineering Works, Trichy		2.50		1.86
Total		421.94		443.64

Additional Information :

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

Name of the Partners	% Share	Capital Balance	Capital Balance
		31/03/2022	31/03/2021
The Eimco - K.C.P. Limited	99.60%	645.06	587.92
KCP Sugars Agricultural Researchs Farms Limited	0.40%	2.50	1.86
<b>Total</b>	<b>100.00%</b>	<b>647.57</b>	<b>589.78</b>

5 - Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Standing Crops & Others	6.34	5.00
<b>Total</b>	<b>6.34</b>	<b>5.00</b>

**6 - Cash and Cash Equivalents**

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks:		
- In Current Accounts	10.40	9.27
- In Fixed Deposits	54.43	51.67
ii) Cash on Hand	0.14	0.41
<b>Total</b>	<b>64.97</b>	<b>61.35</b>

**7 - Other Current Assets**

Income Tax Refund Receivable	4.21	3.68
<b>Total</b>	<b>4.21</b>	<b>3.68</b>

**8 - Equity Share Capital**

<b><u>Authorised Share Capital</u></b>		
50,00,000 Equity Shares of Rs.10/- each	500.00	500.00
<b>Total</b>	<b>500.00</b>	<b>500.00</b>
<b><u>Issued, Subscribed And Paid Up</u></b>		
22,50,000 Equity Shares of Rs.10/- each	225.00	225.00
<b>Total</b>	<b>225.00</b>	<b>225.00</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	Amount in Lakhs	No's.	Amount in Lakhs
At the beginning of the period	2250000	225.00	2250000	225.00
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2250000</b>	<b>225.00</b>	<b>2250000</b>	<b>225.00</b>

**8.2. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 8.3. Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	% of Holding	No's.	% of Holding
K.C.P Sugar and Industries Corporation Ltd.	2250000	100%	2250000	100%
<b>Total</b>	<b>2250000</b>	<b>100%</b>	<b>2250000</b>	<b>100%</b>

### 8.4. Details of Promoter Shareholding

Particulars	As at March 31, 2022		As at March 31, 2021		% of Changes
	No's.	% of Holding	No's.	% of Holding	
K.C.P Sugar and Industries Corporation Ltd.	2250000	100%	2250000	100%	NIL
<b>Total</b>	<b>2250000</b>	<b>100%</b>	<b>2250000</b>	<b>100%</b>	<b>NIL</b>

### 9 - Other Equity

Amount In Lakhs  
For the Year Ended March 31, 2022

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01, 2021	48.16	286.10	334.26
Profit / (Loss) for the period	4.70	-	4.70
Other Comprehensive Income for the Year	-	(21.08)	(21.08)
<b>Balance as at March 31, 2022</b>	<b>52.86</b>	<b>265.02</b>	<b>317.88</b>

For the year ended March 31, 2021

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01, 2020	48.35	141.12	189.47
Profit / (Loss) for the period	(0.19)	-	(0.19)
Other Comprehensive Income for the Year	-	144.98	144.98
<b>Balance as at March 31, 2021</b>	<b>48.16</b>	<b>286.10</b>	<b>334.26</b>

### 10 - Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding Liabilities for Expenses	0.15	0.15
<b>Total</b>	<b>0.15</b>	<b>0.15</b>

**11 - Revenue from Operations**

Amount In Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	9.81	10.75
<b>Total</b>	<b>9.81</b>	10.75

**12 - Other Income**

Interest income from financial asset measured at amortised cost	3.04	3.16
Dividend Income	4.04	1.96
Share of Profit from Partnership firm	0.64	-
Profit on sale of Investments	0.55	-
<b>Total</b>	<b>8.27</b>	5.12

**13 - Cost of Material Consumed**

Cultivation Charges	0.32	0.83
Labour Charges	3.13	2.39
Brick Work Expenses	6.05	5.52
<b>Total</b>	<b>9.50</b>	8.74

**14 - Changes in Inventories of Finished Goods , Work-in-Progress and Stock in Trade**

<b>Opening Balance</b>		
Standing Crops	5.00	6.92
<b>Less: Closing Balance</b>		
Standing Crops	(6.34)	(5.00)
<b>Total</b>	<b>(1.34)</b>	1.92

**15 - Employee Benefits Expense**

Salaries, Wages and Bonus	2.57	2.50
Staff Welfare Expenses	0.11	0.21
<b>Total</b>	<b>2.68</b>	2.71

**16 - Depreciation and Amortisation**

Depreciation / Amortisation for the Year		
- Tangible Assets	0.17	0.25
<b>Total</b>	<b>0.17</b>	0.25

**17 - Other Expenses**

Amount In Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Pesticides / Fertilizers	1.02	0.53
Repairs and Maintenance:		
- Tractor	0.64	0.61
- Others	0.29	0.72
Payment Made to Auditors (Refer note below)	0.15	0.15
Legal and Professional Charges	0.09	0.22
Miscellaneous Expenses	0.18	0.22
<b>Total</b>	<b>2.36</b>	<b>2.45</b>
Payment Made to Statutory Auditors :		
i. As Audit Fee	0.15	1.15
ii. For Taxation Matters	-	-
iii. For Other Services	-	-
iv. For Reimbursement of Expenses	-	-

**Disclosure requirements of Indian Accounting Standards (Ind AS)**

**18 - Disclosures in respect of Ind AS 107 - Financial Instruments**

**18.1. Financial Instruments by Categories**

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

**March 31, 2022**

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value through Profit or Loss	Financial Assets / Liabilities at Fair Value through OCI
<b>Assets:</b>			
Investment	2.50	-	419.44
Cash & Cash Equivalents	64.97	-	-
<b>Liabilities:</b>			
Other Financial Liabilities	0.15	-	-

**March 31, 2021**

Particulars	Amortized cost	Financial Assets / Liabilities at Fair Value through Profit or Loss	Financial Assets / Liabilities at Fair Value through OCI
<b>Assets:</b>			
Investment	1.86	-	441.78
Cash & Cash Equivalents	61.35	-	-
<b>Liabilities:</b>			
Other Financial Liabilities	0.15	-	-

## 19 - Fair Value Hierarchy

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

### 19.1. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

Amount In Lakhs

Particulars	For the Year 31/03/2022				For the Year 31/03/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Quoted Securities	419.44			<b>419.44</b>	441.78			441.78

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

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

### 1. Holding Company

K.C.P Sugar and Industries Corporation Ltd

(B) Transactions During the Year - Holding Company - **NIL**

## 21 - Disclosure in respect of Indian Accounting Standard (Ind AS) - 33 "Earnings Per Share (EPS)" Basic and Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Amount In Lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Profit / (Loss) for the Year, attributable to the Owners of the Company	-	-
<b>Earnings used in Calculation of Basic Earnings Per Share (A)</b>	<b>(16.39)</b>	144.79
Weighted Average Number of Ordinary Shares for the Purpose of Basic Earnings Per Share (B)	22.50	22.50
<b>Basic and Diluted EPS (A / B) (in Rs.)</b>	<b>(0.73)</b>	6.44



## 22. Disclosure of various Ratios

S.No.	Name of the Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
1.	Current Ratio	Current Assets	Current Liabilities	511.97	474.76	8%
2.	Return on Equity Ratio	Net Profits After Tax - Preference Dividend	Average Shareholder's Equity	0.01	-	(2281%)
3.	Inventory Turnover Ratio	Sales	Average Inventory	1.73	1.65	5%
4.	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	0.13	0.15	(15%)
5.	Net Profit Ratio	Net Profit After Tax	Net Sales = Total Sales - Sales Return	0.48	(0.02)	(2806%)
6.	Return on Capital Employed	Earning Before Interest and Tax	Total Assets - Current Liabilities + Current Borrowings	0.01	-	(2643%)
7.	Return on Investment	Income Generated from Investments	Average Investments	0.01	0.01	-

Note: Only few ratios are applicable to the Company, which are disclosed in the above table.

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 : 27/05/2022

For and on behalf of the Board of Directors

**IRMGARD VELAGAPUDI**

Chairperson

DIN: 00091370

**I.L.FLORENCE**

Director

DIN: 09273113

**CONSOLIDATED  
FINANCIAL STATEMENTS  
OF  
K.C.P.SUGAR AND INDUSTRIES  
CORPORATION LIMITED  
AND ITS SUBSIDIARIES  
  
FOR THE FINANCIAL YEAR  
2021 - 2022**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED**

### **Report on the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED ( the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including Other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated Profit , consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

SL No	Key Audit Matters	Substantive Audit Procedures
1	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2022. As on March 31, 2022, the Company has inventory of sugar with the carrying value Rs.17004.22 Lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the inventory valuation of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.	<ol style="list-style-type: none"> <li>1. We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</li> <li>2. Assessing the appropriateness of Company's accounting policy for valuation of finished goods and compliance of the policy with the requirements of the prevailing accounting standards.</li> <li>3. We considered various factors including the actual selling price prevailing around and subsequent to the year-end, minimum selling price, monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industries.</li> <li>4. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market conditions.</li> <li>5. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.</li> </ol>

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

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

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

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

**Management's Responsibility for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiaries incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 and schedule V of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us.
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no 36.1 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Subsidiary Companies incorporated in India.
- iv. The Management has represented that, to the best of its knowledge and belief:
  - a. The respective Managements, of the Company and its subsidiaries whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The respective Managements, of the Company and its subsidiaries whose financial statements have been audited under the act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any such subsidiaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v.
  - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance, with Section 123 of the Act, as applicable.
  - b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.



**CONSOLIDATED FINANCIAL STATEMENTS**

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143 (11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**V.SIVAKUMAR**  
**Partner**  
**Membership number: 022379**  
**UDIN: 22022379AJTKTF7981**

Place: Chennai  
Date: 27/05/2022



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

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

**CONSOLIDATED FINANCIAL STATEMENTS****Meaning of Internal Financial Controls over Financial Reporting**

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

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Suri& Siva**

**Chartered Accountants**

**Firm Registration Number: 004284S**

**V.SIVAKUMAR**

**Partner**

**Membership number: 022379**

**UDIN: 22022379AJTKTF7981**

Place: Chennai

Date: 27/05/2022

## CONSOLIDATED FINANCIAL STATEMENTS

Amount In Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>Non - Current Assets</b>			
(a) Property, Plant and Equipment	3	9149.69	9106.93
(b) Capital Work-in-Progress	3a	97.72	264.73
(c) Other Intangible Assets	4	4.60	6.52
(d) Intangible Asset under Development	4a	46.67	46.67
(e) Financial Assets			
(i) Investments	5	10437.94	10900.15
(ii) Other Financial Assets	6	50.32	43.36
(f) Deferred Tax Assets, (net)	21	560.06	457.31
(g) Other Non - Current Assets	7	522.37	445.59
<b>Current Assets</b>			
(a) Inventories	8	21548.36	26158.28
(b) Financial Assets			
(i) Investments	9	7599.57	6927.27
(ii) Trade Receivables	10	2930.93	4629.95
(iii) Cash and Cash Equivalents	11	1783.98	430.92
(iv) Bank Balances other than (iii) Above	12	827.02	923.45
(v) Other Financial Assets	13	4.20	1925.09
(c) Other Current Assets	14	1368.89	1248.65
<b>Asset Held for Sale</b>	15	841.88	785.80
<b>Total Assets</b>		<b>57774.20</b>	<b>64300.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	1133.85	1133.85
(b) Other Equity	17	30393.77	30195.33
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	7218.68	9264.55
(ii) Other Financial Liabilities	19	96.49	97.94
(b) Provisions	20	1017.15	975.17
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	11737.59	17770.51
(ii) Trade Payables	23		
a) Total outstanding dues of micro enterprises and small enterprises			-
b) Total outstanding dues of creditors other than micro and small enterprises		2091.81	1481.14
(iii) Other Financial Liabilities	24	864.23	2205.96
(b) Other Current Liabilities	25	2974.36	897.22
(c) Short Term provisions	26	156.95	212.94
(d) Current Tax Liabilities (Net)	27	89.31	65.87
<b>Total Equity and Liabilities</b>		<b>57774.20</b>	<b>64300.68</b>

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR**

Partner

Membership No.022379

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M. No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M. No.: 42531

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Place: Chennai

Date : 27/05/2022

**CONSOLIDATED FINANCIAL STATEMENTS***Amount In Lakhs*

Particulars	Note	For Year Ended March 31, 2022	For Year Ended March 31, 2021
I Revenue from Operations	28	31939.62	32855.04
II Other Income	29	1603.90	4766.85
<b>III Total Income (I+II)</b>		<b>33543.52</b>	<b>37621.90</b>
<b>IV Expenses</b>			
Cost of Material Consumed	30	17847.10	16139.99
Purchase of Stock-in-Trade		168.29	1215.93
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31	4708.39	8714.07
Employee Benefits Expense	32	3188.56	3827.10
Finance Costs	33	1969.53	2436.31
Depreciation and Amortisation	34	518.43	636.26
Other Expenses	35	4627.84	2940.87
<b>Total Expenses (IV)</b>		<b>33028.14</b>	<b>35910.52</b>
<b>V Profit / (Loss) Before Exceptional Items and Tax</b>		<b>515.37</b>	<b>1711.37</b>
VI Exceptional Items		-	-
<b>VII Profit / (Loss) Before Tax</b>		<b>515.37</b>	1711.37
<b>VIII Tax Expense</b>			
- Current Tax		250.00	125.00
- Deferred Tax		(92.96)	(743.81)
- Reversal of Excess Provision for Taxation Relating to Earlier Years		0.59	-
<b>IX Profit / (Loss) After Tax for the Period</b>		<b>357.74</b>	<b>2330.18</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to Profit or Loss</b>			
Equity instruments through other comprehensive income		(21.08)	144.98
Remeasurements of defined benefit plan actuarial gains/ (losses)		(34.82)	64.20
Income Tax Expense on above		9.79	(18.66)
		<b>(46.11)</b>	<b>190.52</b>
<b>XI Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the Period)</b>		<b>311.63</b>	<b>2520.70</b>
<b>XII Earnings Per Equity Share (in Rs.)</b>			
(1) Basic		0.27	2.22
(2) Diluted		0.27	2.22

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR**

Partner

Membership No.022379

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M. No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

Place: Chennai

Date : 27/05/2022

## CONSOLIDATED FINANCIAL STATEMENTS

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash Flows from Operating Activities</b>		
Total Income for the Period(PBT)	515.37	1711.37
Adjustments:		
- Interest Income	(124.89)	(117.71)
- Loss / (Profit) on Sale of Fixed Assets	(7.61)	(67.98)
- Loss / (Profit) on Sale of Investment	(39.82)	-
- Balance Written off	-	(0.20)
- Excess Provision Credited Back	-	(68.13)
- Adjustment for OCI	(55.90)	(80.79)
- Interest Expense	1969.53	2387.32
- Dividend Income	(250.73)	(402.83)
- Loss / (Profit) from Partnership Firm	-	(103.22)
- Fair Value Adjustment	492.45	(3014.31)
- Assets Written off	12.98	-
- Depreciation and Amortization	518.43	636.26
<b>Operating Cash Flow before Working Capital Changes</b>	<b>3029.80</b>	<b>879.80</b>
<i>Changes in</i>		
- Decrease / (Increase) In Trade Receivables	1699.02	(917.99)
- Decrease / (Increase) In Inventory	4609.92	8308.38
- Decrease / (Increase) In Other Current Financial Asset(s)	1920.89	119.87
- Decrease / (Increase) In Other Current Asset(s)	(120.24)	162.88
- Decrease / (Increase) In Current Investments	(672.30)	-
- Assets Held for Sale	(56.09)	-
- Decrease / (Increase) In Other Financial Assets - Non - Current	(6.96)	3.01
- Decrease / (Increase) In Other Non - Current Asset	(76.77)	18.37
(Decrease) / Increase In Long Term Provisions	41.98	82.46
(Decrease) / Increase In Non-Current Financial Liabilities	(1.44)	23.29
(Decrease) / Increase In Trade Payables Current	610.67	(5190.58)
(Decrease) / Increase In Other Current Liabilities	2077.14	232.87
(Decrease) / Increase In Other Financial Liabilities Current	(1341.73)	(1831.90)
(Decrease) / Increase In Short Term Provisions Current	(55.99)	(38.44)
Income Taxes Paid	(227.16)	(107.68)
<b>Net Cash Generated from / (used in) Operations</b>	<b>8400.95</b>	<b>864.55</b>
<b>Cash Flows from Investing Activities</b>		
Investment in Partnership Firm	-	-
Purchase of Fixed Assets	(436.45)	(1678.55)
Proceeds from Sale of Fixed Assets	38.83	238.58
Dividend Income	250.73	402.83
Investment Made in Non - Current Investments (Net)	9.59	(284.19)
Decrease / (Increase) in Margin Money Deposits	96.43	112.56
Interest Received	124.89	117.71
<b>Net Cash Generated From/(used in) Investing Activities</b>	<b>84.02</b>	<b>(1091.07)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from / (Repayment of) Long Term and Short Term Borrowings	(8078.80)	1385.47
Interest Paid	(1969.53)	(2387.32)
Dividend Paid	(113.39)	(113.39)
<b>Net Cash Used in Financing Activities</b>	<b>(10161.71)</b>	<b>(1115.23)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>1353.06</b>	<b>(461.95)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>430.92</b>	<b>892.86</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1783.98</b>	<b>430.92</b>

**CONSOLIDATED FINANCIAL STATEMENTS***Amount In Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
Components of Cash and Cash Equivalents (Refer Note 11)		
Cash on Hand	8.72	1.08
Balances with Banks	1775.26	429.84
<b>Total Cash and Cash Equivalents</b>	<b>1783.98</b>	<b>430.92</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

**IRMGARD VELAGAPUDI**

Managing Director

DIN: 00091370

**V.SIVAKUMAR****Partner**

Membership No.022379

Place: Chennai

Date : 27/05/2022

**K.PANNEER SELVAN**

Chief Financial Officer

CMA M.No.: 9894

**ARAVINDKUMAR.V**

Company Secretary

M.No.: 42531

**KIRAN VELAGAPUDI**

Executive Director

DIN: 00091466

## 1 - Corporate Information

K.C.P. Sugar and Industries Corporation Limited, is a listed entity, one among the leading sugar manufacturing companies in India. The Company has a Sugar factory at Vuyyuru, Krishna District, Andhra Pradesh with a sugarcane crushing capacity of 7500 tons per day. Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate, Co2 and Engineering unit at SIDCO Industrial Estate, Thuvakudi, Trichy, Tamil Nadu. It has its registered office at No.239, 'Ramakrishna Buildings', Anna Salai, Chennai - 600 006, Tamil Nadu, India.

The financial statements were approved by the Board of Directors and authorised for issued on 27/05/2022

## 2 - Significant Accounting Policies

### (a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

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

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

### (c) Critical accounting estimates and judgments

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

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

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

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



**CONSOLIDATED FINANCIAL STATEMENTS**

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes :** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- **Fair value measurement financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by estimated cost of trading.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.



**(d) Functional currency :**

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

**(e) Revenue recognition :**

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

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

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

**Interest**

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

**Dividend**

Dividend income is recognised on cash basis.

**(f) Employee Benefits (other than for persons engaged through contractors):****i. Provident Fund:**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently 12% of employee's 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 employee's on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

**iii. Compensated Absences**

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

**CONSOLIDATED FINANCIAL STATEMENTS****iv. Other Employee Benefits**

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

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

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. 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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

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

**(h) Intangible Assets:**

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

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

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

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

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

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

**(i) Impairment of assets:**

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

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

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

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

**(j) Foreign Currency Translation :**

**Initial Recognition**

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

## CONSOLIDATED FINANCIAL STATEMENTS

### Subsequent Recognition

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

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

### (k) Assets taken on lease:

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

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

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

### (l) Inventories:

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

### (m) Government Grants

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

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

**(n) Income Taxes:**

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

**(i) Current tax:**

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

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

**(ii) Deferred tax :**

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

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

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

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

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

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

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

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

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.36.

Contingent assets are not recognized in the financial statements.

**(p) Borrowing Costs :**

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

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

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

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

**(r) Cash Flow Statement:**

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

**(s) Earnings Per Share:**

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



**(t) Segment Reporting:**

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

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

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

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

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

**(u) Financial Instruments:****Financial Assets:**Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

**CONSOLIDATED FINANCIAL STATEMENTS**

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

Equity investments

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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



## Financial Liabilities

### Classification

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

### Initial recognition and measurement

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

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

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

### Loans and borrowings

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

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

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

### Derecognition

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

### Offsetting of financial instruments

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

### Equity instruments

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

## CONSOLIDATED FINANCIAL STATEMENTS

## 3 - Property Plant and Equipments

Amount In Lakhs

Description	Land	Buildings	Plant and Equipment	Fencing	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 31 <sup>st</sup> March 2020 (At Cost)	2591.10	2683.57	7095.11	0.15	170.90	257.87	38.61	12405.32
Additions during the year	716.74	472.58	141.55	-	21.78	0.88	0.84	1354.37
Deletions during the year	-	-	(97.87)	-	(11.44)	(57.38)	(2.04)	(168.73)
Assets transferred to held for sales	-	-	(1180.71)	-	-	-	-	(1180.71)
As at 31 <sup>st</sup> March 2021 (At Cost)	2875.84	3156.15	5958.08	0.15	181.24	201.37	37.41	12410.24
Additions during the year	-	145.21	383.27	-	40.90	27.25	6.83	603.47
Deletions during the year	(12.98)	-	(39.32)	-	(1.38)	(43.18)	(0.28)	(97.15)
As at 31 <sup>st</sup> March 2022 (At Cost)	2862.86	3301.36	6302.02	0.15	220.76	185.43	43.96	12196.55
Depreciation and Amortization								
Opening depreciation as on 01.04.2020	-	505.29	2446.81	-	134.52	128.34	17.83	3232.79
Charge for the year	-	105.49	470.57	-	18.59	26.52	4.11	625.28
Deletions during the year	-	-	(93.13)	-	(11.35)	(53.38)	(1.99)	(159.85)
Assets transferred to held for sales	-	-	(394.92)	-	-	-	-	(394.92)
As at 31 <sup>st</sup> March 2021	-	610.78	2429.33	-	141.76	101.47	19.95	3303.30
Charge for the year	-	117.52	355.47	-	20.67	18.92	3.92	516.51
Deletions during the year	-	-	(24.40)	-	(0.18)	(28.11)	(0.27)	(52.95)
As at 31 <sup>st</sup> March 2022	-	728.30	2760.40	-	162.26	92.29	23.61	3766.86
Net Book Value								
As at 31 <sup>st</sup> March 2022	2862.86	2573.05	3541.62	0.15	58.51	93.14	20.34	9149.69
As at 31 <sup>st</sup> March 2021	2875.84	2545.37	3528.75	0.15	39.48	99.89	17.45	9106.93

## CONSOLIDATED FINANCIAL STATEMENTS

## 3 (a) - Capital work progress

Amount In Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress (Plant and Machinery for Engineering Unit)	97.72	-	-	-	97.72

## 3 (b) Capital work in progress completion schedule

CWIP	To be completed				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	97.72	-	-	-	97.72

## 4 - Intangible Assets Under Development Ageing Schedule

Intangible Assets Under Development	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress - (Computer Software Project)	-	-	-	46.67	46.67

## Intangible Assets Under Development Completion Schedule

Intangible Assets Under Development	To be completed in				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	46.67	-	-	-	46.67

**CONSOLIDATED FINANCIAL STATEMENTS****4 (a) - Other Intangible Asset***Amount In Lakhs*

Description	Computer Software	Total
<b>Cost or Valuation</b>		
As at 31 <sup>st</sup> March 2020 (At Cost)	164.52	164.52
Additions during the year	6.00	6.00
Deletions during the year	-	-
As at 31 <sup>st</sup> March 2021 (At Cost)	170.52	170.52
Additions during the year	-	-
Deletions during the year	-	-
<b>As at 31<sup>st</sup> March 2022 (At Cost)</b>	<b>170.52</b>	<b>170.52</b>
<b>Amortization and Impairment</b>		
Depreciation as at 31.03.2020	153.02	153.02
Amortization for the year ended March 31, 2021	10.98	10.98
As at 31 <sup>st</sup> March 2021	164.00	164.00
Amortization for the year	1.92	1.92
<b>As at 31<sup>st</sup> March 2022</b>	<b>165.92</b>	<b>165.92</b>
<b>Net Book Value</b>		
<b>As at 31<sup>st</sup> March 2022</b>	<b>4.60</b>	<b>4.60</b>
As at 31 <sup>st</sup> March 2021	6.52	6.52

**Intangible Assets under Development**

Description	Computer Software	Total
As at 1 <sup>st</sup> April 2020	46.67	46.67
Additions during the year	-	-
Deletion during the year	-	-
As at 31 <sup>st</sup> March 2021	46.67	46.67
Additions during the year	-	-
Deletion during the year	-	-
<b>As at 31<sup>st</sup> March 2022</b>	<b>46.67</b>	<b>46.67</b>

**5 - Non - Current Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Quoted Equity Instruments (Fair valued through P & L)	4202.56	3339.65
Investments in Quoted Equity Instruments (Fair valued through P & L), Pledged with Kotak Mahindra Bank to avail Working Capital Term Loan of Rs.20 crores.	5582.82	6965.73
Investments in an associate and Joint Venture / Subsidiary (Valued at Cost)	-	-
Investments in Unquoted Equity Instruments (Valued at Cost)	5.00	5.00
Investment in Partnership firm	647.57	598.78
<b>Total</b>	<b>10437.94</b>	<b>10900.15</b>

## CONSOLIDATED FINANCIAL STATEMENTS

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
5.1. Aggregate Amount of Quoted Investments		
- Market Value	9785.38	10305.38
5.2. Aggregate Amount of Unquoted Investments		
- Cost	5.00	5.00

**Additional Information :****5.1. Name of the partners, their share and their capital in Quality Engineering Works (Firm)**

As at March 31, 2022

Name of the Partners	% Share	Capital Share
The Eimco - K.C.P. Limited	99.60%	645.06
KCP Sugars Agricultural Researchs Farms Limited	0.40%	2.50
<b>Total</b>	<b>100.00%</b>	<b>647.57</b>

**6 - Other financial assets**

Security Deposits (Unsecured Considered Good)	50.32	43.36
<b>Total</b>	<b>50.32</b>	<b>43.36</b>

**7 - Other Non Current Assets**

Capital Advances	88.57	-
Long Term Security Deposit (Unsecured and Considered Good)	433.79	445.59
<b>Total</b>	<b>522.37</b>	<b>445.59</b>

**8 - Inventories**

Raw Materials	876.05	827.03
Work in Progress	1307.11	581.46
Finished Goods	19025.65	24462.94
Stores and Spares	333.15	283.69
Crops under Cultivation	6.40	3.14
<b>Total</b>	<b>21548.36</b>	<b>26158.28</b>

**9 - Investments**

Investments in Mutual Funds (Fair valued through P&L)	7599.57	6927.27
<b>Total</b>	<b>7599.57</b>	<b>6927.27</b>

**10 - Trade Receivables**

Secured Considered Good	-	-
Unsecured Considered Good	2930.93	4629.95
Considered Doubtful	96.31	96.31
<b>Less:</b>		
Impairment for Trade Receivable under Expected Credit Loss Model	(96.31)	(96.31)
<b>Total</b>	<b>2930.93</b>	<b>4629.95</b>

**CONSOLIDATED FINANCIAL STATEMENTS****Trade Receivables Ageing Schedule as at 31/03/2022**

Particulars	Outstanding for following Periods From Due Date of Payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	2078.46	252.38	100.79	324.89	14.02	2770.54
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	24.70	44.07	68.77
(iv) Disputed Trade Receivables - considered good	-	-	-	-	160.39	160.39
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2078.46</b>	<b>252.38</b>	<b>100.79</b>	<b>349.59</b>	<b>246.02</b>	<b>3027.24</b>

**Trade Receivables Ageing Schedule as at 31/03/2021**

Particulars	Outstanding for following Periods From Due Date of Payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	3386.68	67.86	749.61	225.50	34.39	4464.04
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	68.77	68.77
(iv) Disputed Trade Receivables - considered good	-	-	-	-	165.91	165.91
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>3386.68</b>	<b>67.86</b>	<b>749.61</b>	<b>225.50</b>	<b>296.61</b>	<b>4726.26</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## 11 - Cash and Cash Equivalents

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balances with Banks:		
-In Current Accounts	370.83	210.86
-In Fixed Deposits	1404.43	218.98
ii) Cash on Hand	8.72	1.08
<b>Total</b>	<b>1783.98</b>	<b>430.92</b>

## 12 - Bank Balances other than 11 above

Bank Balances Held as Margin Money	734.14	795.22
Unpaid Dividend Account	92.89	128.23
<b>Total</b>	<b>827.02</b>	<b>923.45</b>

## 13 - Other Current Financial Assets

<b>Unsecured, Considered Good;</b>		
- Advance to Employees	4.20	84.98
- Claims Receivable	-	1839.62
Dividend Receivable	-	-
Other Deposits	-	-
Interest Accrued on Fixed Deposit	-	0.49
<b>Total</b>	<b>4.20</b>	<b>1925.09</b>

## 14 - Other Current Assets

<b>Unsecured Considered Good</b>		
Advances to Supplier	982.04	627.65
Advances to Supplier (Considered Doubtful)	244.11	-
	1226.16	627.65
Less : Provision for Advance to Supplier (Considered Doubtful)	11.35	-
	1214.80	627.65
Balance with Government Authorities	44.06	537.52
Prepaid Expenses	110.03	83.48
<b>Total</b>	<b>1368.89</b>	<b>1248.65</b>

## 15 - Assets held for sale

<b>Plant and Machinery</b>		
Sugar	542.93	542.99
Co-gen	242.80	242.80
<b>Stores and Spares</b>		
Sugar	54.97	-
Co-gen	1.18	-
<b>Total</b>	<b>841.88</b>	<b>785.80</b>

**CONSOLIDATED FINANCIAL STATEMENTS****16 - Equity Share Capital***Amount In Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share Capital</b> 25,00,00,000 Equity Shares of Re.1/- each	2500.00	2500.00
<b>Total</b>	<b>2500.00</b>	2500.00
<b>Issued, Subscribed And Paid - Up</b> 11,33,85,050 Equity Shares of Re.1/- each	1133.85	1133.85
<b>Total</b>	<b>1133.85</b>	1133.85

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	Amount in Lakhs	No's.	Amount in Lakhs
At the beginning of the period	113385050	1133.85	113385050	1133.85
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>113385050</b>	<b>1133.85</b>	113385050	1133.85

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No's.	% of Holding	No's.	% of Holding
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%
<b>Total</b>	<b>43742656</b>	<b>38.58%</b>	43742656	38.58%

**16.4. Details of Shares held by Promoters at the end of the year 31/03/2022:**

Particulars	As at March 31, 2022		As at March 31, 2021		% of Changes
	No's.	% of holding	No's.	% of holding	
Durgamba Investment Private Limited	43742656	38.58%	43742656	38.58%	NIL
Ms.Irmgard Velagapudi	1805280	1.59%	1805280	1.59%	NIL
Ms.Kiran Velagapudi	288820	0.26%	288820	0.26%	NIL
Mr.Vinod R Sethi	183610	0.16%	183610	0.16%	NIL
<b>Total</b>	<b>46020366</b>	<b>40.59%</b>	<b>46020366</b>	40.59%	NIL



## 17 - Other Equity

Amount In Lakhs  
For the Year Ended 31/03/2021

Particulars	Reserves and Surplus			Other Components of Equity		
	General Reserve	Capital Profit		Remeasurement of Net Defined Benefit Liability/ Asset	Fair Value Changes of Investment (Net)	Total
		Investment Allowance Reserve Utilised	Capital Redemption Reserve			
Balance as at April 01, 2021	11322.43	45.05	155.45	72.45	286.10	30195.53
Provision For Dividend and Taxes	-	-	-	-	-	(113.39)
Profit / (Loss) for the Period	-	-	-	-	-	357.74
Other Comprehensive Income for the Year	-	-	-	(25.03)	(21.08)	(46.11)
<b>Balance as at March 31, 2022</b>	<b>11322.43</b>	<b>45.05</b>	<b>155.45</b>	<b>47.43</b>	<b>265.02</b>	<b>30393.77</b>

For the Year Ended 31/03/2021

Particulars	Reserves and Surplus			Other Components of Equity		
	General Reserve	Capital Profit		Remeasurement of Net Defined Benefit Liability/ Asset	Fair Value Changes of Investment (Net)	Total
		Investment Allowance Reserve Utilised	Capital Redemption Reserve			
Balance as at April 01, 2020	11322.43	45.05	155.45	26.92	141.12	27788.21
Provision For Dividend and Taxes	-	-	-	-	-	(113.39)
Profit / (Loss) for the Period	-	-	-	-	-	2330.18
Other Comprehensive Income for the Year	-	-	-	45.53	144.98	190.52
<b>Balance as at March 31, 2021</b>	<b>11322.43</b>	<b>45.05</b>	<b>155.45</b>	<b>72.45</b>	<b>286.10</b>	<b>30195.53</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### 18 - Borrowings

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non - Current</b>		
<b>Secured Loans</b>		
(i) Secured Loans from Bank	-	-
a) Working Capital Term Loan from Kotak Mahindra Bank Ltd.	1400.59	1926.26
Less: Current Maturity Classified in Note No.22	513.67	513.67
<b>Net</b>	<b>886.92</b>	<b>1412.59</b>

Note : The above loan is secured by second paripassu charge on the current assets of the company and further secured by a pledge over selected quoted Equity shares held by the Company with other listed entities. This loan is availed in August 2019 and repayable in 16 quarterly instalments after a moratorium period of one year. Interest will be paid as and when due.

b) Working capital Term Loan from Banks under GECL	2894.14	2950.00
Less: Current Maturity Classified in Note No.22	725.94	-
<b>Net</b>	<b>2168.19</b>	<b>2950.00</b>

This loan was availed under Guaranteed Emergency credit line (GECL 2.0) notified by the Govt. of India with 100% Guarantee by National Credit Gurantee Trustee Company Ltd (NCGTC). It is further secured by second paripassu charge by way of hypothication of the stock of raw materials, semi finished and finished goods, consumable store and spares and such other movables including book debts both present and future and also secured by Second Paripassu charge on movable fixed assets at Vuyyuru unit. The loan was availed during March 2021 is repayable in five years with one year moratorium and 48 monthly instalments. Interest will be paid as and when due.

<b>Unsecured Loans</b>		
Fixed Deposits from Public	6705.46	6879.38
Less: Current Maturity Classified in Note No.22	2424.84	1848.56
Less: Unclaimed Deposits	117.05	128.86
	<b>4163.57</b>	4901.96
<b>Total</b>	<b>7218.68</b>	9264.55

### 19 - Other Financial liabilities

Interest Accrued But not Due on Fixed Deposits	64.01	72.61
Security Deposit	32.49	25.33
<b>Total</b>	<b>96.49</b>	97.94

### 20 - Provisions

Provision for Employee Benefits :-		
- Gratuity / Leave Encashment	463.36	399.93
- Provisions for Liquidated Damages	553.79	575.23
<b>Total</b>	<b>1017.15</b>	975.17

## CONSOLIDATED FINANCIAL STATEMENTS

**21 - Deferred Tax Assets / Liabilities****Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Amount In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liability</b>		
Property, Plant & Equipment	665.01	804.42
Others	-	-
<b>Sub Total</b>	<b>665.01</b>	<b>804.12</b>
<b>Deferred Tax Assets</b>		
Current Year Business Losses	1108.30	1112.39
Property, Plant & Equipment	-	-
On Account of Timing Differences in Recognition of Expenditure Between Books of Accounts and Taxation	116.77	149.34
<b>Sub Total</b>	<b>1225.07</b>	<b>1261.73</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>560.06</b>	<b>457.31</b>

**22 - Borrowings**

Secured Demand Loans from Banks (Refer note below)	6573.13	14733.29
Unsecured Loan from Bank	1500.00	-
Current Maturities of Long Term Debt	3664.45	3037.23
<b>Total</b>	<b>11737.59</b>	<b>17770.51</b>

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

**23 - Trade Payables**

Trade payables		
- Dues to Micro and Small Enterprises	-	-
- Others	2091.81	1481.14
<b>Total</b>	<b>2091.81</b>	<b>1481.14</b>

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

**Trade Payable Ageing Schedule 2021 - 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME :	-	-	-	-	-
(ii) Others	2024.36	16.85	17.53	33.07	2091.81
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**CONSOLIDATED FINANCIAL STATEMENTS****Trade Payable Ageing Schedule 2020 - 2021***Amount In Lakhs*

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i) MSME :	-	-	-	-	-
(ii) Others	1395.15	31.93	35.15	18.92	1481.14
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**24 - Other Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividends	71.83	104.23
Interest Accrued but not Due on Borrowings	145.32	142.81
Unpaid Matured Deposits and Interest Accrued Thereon	138.11	152.86
Outstanding Liabilities for Expenses	454.59	1686.25
Earnest Money and Other Deposits	43.31	77.72
Payable to Employees	11.06	42.08
<b>Total</b>	<b>864.23</b>	<b>22205.96</b>

**25 - Other Current Liabilities**

Statutory Liabilities	154.42	91.76
Advance From Customers	2819.95	805.46
<b>Total</b>	<b>2974.36</b>	<b>897.22</b>

**26 - Short Term Provision**

Provision for Employee Benefits	55.58	111.57
Provision for Defect Liability Period	101.38	101.38
<b>Total</b>	<b>156.95</b>	<b>212.94</b>

**27 - Current Tax Liabilities**

Provision for Income Tax	89.31	65.87
<b>Total</b>	<b>89.31</b>	<b>65.87</b>

**28 - Revenue From Operations**

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products	31895.54	31409.92
Export of Sale of Sugar - Trading	-	1297.02
Sale of Sugar - Trading	-	104.49
Sale of Services	30.34	31.19
Other Operating Revenue	13.74	12.43
<b>Total</b>	<b>31939.62</b>	<b>32855.04</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## 29 - Other Income

Amount In Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income from Financial Asset Measured at Amortised Cost	1.29	5.32
Change in Fair Value of Financial Asset	-	3158.15
Profit on Sale of Investments	39.82	-
Interest Received	124.89	117.71
Dividend Income	250.73	402.83
Packing & Forwarding Charges	14.63	12.27
Income from Mutual Fund	132.40	-
Rent Received	32.29	32.08
Difference in Foreign Exchanges	29.39	29.16
Miscellaneous Receipts	133.05	97.67
Profit on Sale of Fixed Assets (Net)	7.61	67.98
Notional Increase Value of Mutual Fund-In Growth Scheme	29.91	3.00
Duty Drawback Incentive	5.88	11.11
Unclaimed Balance Credited Back	26.22	90.63
Credit Balances Written Back	3.84	0.20
Claims Received	402.57	549.81
MEIS Licence Incentive	-	17.13
Provision no longer Required Withdrawn	311.58	68.59
Profit or Loss from Partnership Firm	57.79	103.22
<b>Total</b>	<b>1603.90</b>	<b>4766.85</b>

## 30 - Cost of Materials Consumed

Opening Balance		
Raw Materials and Components	15319.01	14754.19
Add: Cost of Raw Materials and Components*	2783.68	1724.70
Less: Closing Stock		
Raw Materials and Components	(869.14)	(820.70)
Consumption of Stores and Spare Parts	613.54	481.79
<b>Total</b>	<b>17847.10</b>	<b>16139.99</b>
Consumption of Sugar Cane included in the Above	<b>14352.81</b>	<b>13665.72</b>

**CONSOLIDATED FINANCIAL STATEMENTS****31 - Changes in Inventories of Finished Goods , Work-in-Progress and Stock in Trade***Amount In Lakhs*

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Balance</b>		
Work in Progress	575.68	357.46
Finished Goods	24462.94	33393.98
Crops Under Cultivation	8.93	10.18
<b>Less: Closing Balance</b>		
Work in Progress	(1307.11)	(581.46)
Finished Goods	(19025.65)	(24462.94)
Crops Under Cultivation	(6.40)	(3.15)
<b>Total</b>	<b>4708.39</b>	<b>8714.07</b>

**32 - Employee Benefits Expense**

Salaries, Wages and Bonus	2737.47	2921.61
Contribution to Provident and Other Funds	160.47	412.91
Remuneration to Whole Time Directors	103.27	102.81
Staff Welfare Expenses	187.35	389.77
<b>Total</b>	<b>3188.56</b>	<b>3827.10</b>

**33 - Finance Cost**

Interest Cost on Financial Liabilities Measured at Amortized Cost	-	-
Others	1969.53	2436.31
<b>Total</b>	<b>1969.53</b>	<b>2436.31</b>

**34 - Depreciation and Amortisation**

Depreciation / Amortisation for the Year		
- Tangible Assets	516.51	625.28
- Intangible Assets	1.92	10.98
<b>Total</b>	<b>518.43</b>	<b>636.26</b>

## CONSOLIDATED FINANCIAL STATEMENTS

## 35 - Other Expenses

Amount In Lakhs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract Labour Charges	789.09	283.42
Power and Fuel	291.22	256.08
Rental Charges	2.09	3.18
<u>Repairs and Maintenance</u>		
- Buildings	44.29	51.77
- Machinery	569.76	611.71
- Workshop	19.60	20.64
- Office	26.60	5.89
- Tractor	0.64	-
- Others	57.09	65.59
Insurance	68.11	74.38
Payment Made to Auditors	6.85	8.76
Legal and Professional Charges	193.27	99.59
Selling Expenses	551.58	439.13
Director's Sitting Fees	12.20	11.60
Donations	-	35.60
Corporate Social Responsibility Expenditure (CSR)	30.86	34.34
Security Charges	161.57	154.26
Miscellaneous Expenses	843.62	508.59
Rates and Taxes	3.49	13.94
Travel and Conveyance	38.56	14.46
Research, Inspection and Testing Charges	2.44	1.41
Short Provision Made During Earlier Years	-	1.87
Performance and Delivery Guarantee Claims	382.95	236.79
Loss on Investment in Quality Engineering	-	-
Telephone Charges	-	7.35
Irrecoverable Loans and Advances Written off	0.12	-
Cultivation Charges	-	-
Pesticides / Fertilizers	1.02	0.53
Loss Relating to Fair Value of Equity Investments	492.45	-
Loss on Mutual Fund Investments	0.74	-
Import of Service (Sales commission & Other Services)	37.63	-
<b>Total</b>	<b>4627.84</b>	<b>2940.87</b>

Payment made to statutory auditors :		
i. As Audit Fees	5.15	5.15
ii. For Taxation Matters	1.57	-
iii. For Other Services	0.05	3.49
iv. For Reimbursement of Expenses	0.08	0.12
<b>Total</b>	<b>6.85</b>	<b>8.76</b>

**CONSOLIDATED FINANCIAL STATEMENTS****36 - Contingent Liabilities in respect of the group:**

Bank Guarantees - Rs.2282.23 Lakhs (PY Rs. 2074.99 Lakhs)

**36.1. Demands raised by the respective authorities are as under:***Amount In Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
Share Transmission	11.06	11.06
Labour Cases	79.55	75.98
E.S.I Case	1.74	1.74
Non-Enrolment of Contract Labour for Contribution to Provided Fund	110.95	72.63
Case on Duty Relating to Captive Power Generation and Sale to Grid	578.87	578.87
Value Added Tax Case	37.94	37.94
<b>Total</b>	<b>820.11</b>	<b>778.22</b>

**37 - Information in respect of Micro, Small and Medium Enterprises as at March 31, 2022:**

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
1.	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil Nil	Nil Nil
2.	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4.	Amount of interest accrued and remaining unpaid	Nil	Nil
5.	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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



## CONSOLIDATED FINANCIAL STATEMENTS

**Disclosure requirements of Indian Accounting Standards****38 - Disclosures in respect of Ind AS 107 - Financial Instruments****38.1. Financial Instruments by Categories**

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

*Amount In Lakhs*  
(March 31, 2022)

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value Through Profit or Loss	Financial Assets / Liabilities at Fair Value Through OCI
<b>Assets:</b>			
Non - Current Financial Assets	50.32		
Non - Current Investments		10018.51	419.44
Current Trade Receivables	2930.93		
Cash & Cash Equivalents	1783.98		
Other Bank Balances	827.02		
Current Investments		7599.57	
Other Current Financial Assets	4.20		
<b>Liabilities:</b>			
Term Loan (Non - Current)	7218.68		
Other Long Term Financial Liabilities	96.49		
Other Financial Liabilities	1017.15		
Short Term Borrowings	11737.59		
Trade Payables	2091.81		

(March 31, 2021)

Particulars	Amortized cost	Financial Assets / Liabilities at Fair Value Through Profit or Loss	Financial Assets / Liabilities at Fair Value Through OCI
<b>Assets:</b>			
Non - Current Financial Assets	43.36		
Non - Current Investments		10456.51	443.64
Current Trade Receivables	4629.95		
Cash & Cash Equivalents	430.92		
Other Bank Balances	923.45		
Current Investments		6927.27	
Other Current Financial Assets	1925.09		
<b>Liabilities:</b>			
Term Loan (Non - Current)	9264.55		
Other Non Term Financial Liabilities	97.94		
Other Financial Liabilities	2205.96		
Short Term Borrowings	17770.51		
Trade Payables	1481.14		

**38.2. Fair Value Hierarchy**

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

**CONSOLIDATED FINANCIAL STATEMENTS****38.3. Valuation Technique used to determine Fair Value:**

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

*Amount In Lakhs*

Particulars	31/03/2022				31/03/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
Investments in Equity Instruments	9790.38			<b>9790.38</b>	10310.38			10310.38
Investments in Quoted Mutual Funds	7599.57			<b>7599.57</b>	6927.27			6927.27

**39 - Financial Risk Management**

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

**Market Risk**

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

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

**Securities Prices Risk:**

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

**Credit Risk**

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

**Trade receivables**

The group has outstanding trade receivables amounting to Rs.3027.24 Lakhs and Rs. 4726.26 Lakhs as of March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

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

## CONSOLIDATED FINANCIAL STATEMENTS

**Credit risk exposure:**

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

Amount In Lakhs

As at 31/03/2022

Particulars	Outstanding for following Periods From Due Date of Payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	2078.46	252.38	100.79	324.89	14.02	2770.54
(ii) Undisputed Trade Receivables - which have Significant Increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	24.70	44.07	68.77
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	160.39	160.39
(v) Disputed Trade Receivables - Which have Significant Increase in Credit Risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>2078.46</b>	<b>252.38</b>	<b>100.79</b>	<b>349.59</b>	<b>246.02</b>	<b>3027.24</b>

As at 31/03/2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - Considered Good	3386.68	67.86	749.61	225.50	34.39	4464.04
(ii) Undisputed Trade Receivables - which have Significant Increase in Credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	68.77	68.77
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	165.91	165.91
(v) Disputed Trade Receivables - Which Have Significant Increase in Credit Risk	-	-	-	-	27.54	27.54
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>3386.68</b>	<b>67.86</b>	<b>749.61</b>	<b>225.50</b>	<b>296.61</b>	<b>4726.26</b>

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

**CONSOLIDATED FINANCIAL STATEMENTS****Liquidity Risk**

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

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

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

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

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

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

*Amount In Lakhs*

Particulars	31/03/2022		31/03/2021	
	Payable with in 1 Year	More than 1 Year	Payable with in 1 Year	More than 1 Year
Loan from Bank	1239.61	3055.11	1188.67	4362.59
Deposits from Public	2541.89	4163.57	1977.42	4901.96

**Foreign currency exchange rate risk**

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

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

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

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth information relating to foreign currency exposure as of March 31, 2022:

Particulars	Assets	
	As at March 31, 2022	As at March 31, 2021
USD	0.35	1.05
SGD	-	0.44
CAD	0.14	-

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

USD sensitivity at Year End	As at March 31, 2022	As at March 31, 2021
<b>Receivables:</b>		
If INR rate over Other currency increases by 5%	(1.70)	(4.94)
If INR rate over Other currency decrease by 5%	1.70	4.94

### Interest Rate Risk

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

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

*Amount In Lakhs*

Particulars	31/03/2022	31/03/2021
Fixed Rate Instruments		
Financial Asset		
- Margin Money with Bank	734.14	795.22
Financial Liabilities		
Variable Rate Instruments		
- Term Loan from Bank	4294.72	5551.26
- Demand Loan from Bank	8073.13	14733.29

The Group's variable interest rate exposure is mainly related to debt obligations arising from short debt borrowings. The interest expenses and impact on it on account of Increase / decrease of 100 basis points in interest rates at the balance sheet is provided in table below:

*Amount In Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2022
Interest Expenses arising on account of variable rate of interest on Bank Borrowings	1153.94	1635.02
<b>Impact on :</b>		
Increase in 100 Basis Point	123.68	202.85
Decrease in 100 Basis Points	(123.68)	(202.85)

**CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**Capital Management**

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

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

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

*Amount In Lakhs*

Particulars	As at March 31, 2022	As at March 31, 2021
Non - Current Borrowings	7218.68	9264.55
Total Equity	31527.62	31329.38
Long Term Debt to equity (Ratio)	0.23	0.30

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

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

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

**a) Provident Fund:**

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

**b) Gratuity:**

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

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

**Movement in Defined Benefit Obligation:***Amount In Lakhs*

Particulars	31/03/2022	31/03/2021
Defined Benefit Obligation- Beginning of the Year	1217.25	1674.99
Current Service Cost	60.42	55.52
Interest Cost	85.21	88.94
Past Service Cost	-	-
Benefits Paid	(244.90)	(523.63)
Re-measurements - Actuarial Loss / (Gain)	34.82	64.20
Defined Benefit Obligation- End of the Year	1152.80	1360.01

**Movement in Plan Asset:**

Particulars	31/03/2022	31/03/2021
Fair Value of Plan Assets at Beginning of Year	1247.80	142.86
Employer Contributions	112.01	255.98
Benefits Paid	(244.90)	(523.63)
Re-measurements – Return on Plan Assets	81.81	102.03
Re-measurements - Actuarial Loss / (Gain)	-	-
Fair Value of Plan Assets at End of Year	1196.72	1262.98

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

Particulars	31/03/2022	31/03/2021
Current Service Cost	60.42	55.52
Curtailment Cost / (Credit)	-	-
Expected Return on Plan Assets	(81.81)	(10.18)
Net Interest on Net Defined Benefit Liability/(Assets)(B)	85.21	88.94
Past Service Cost	-	-
Cost Recognized in P&L	63.82	134.28

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

Particulars	31/03/2022	31/03/2021
Actuarial (Gain) / Loss Due to Assumption Changes	34.82	(64.20)
Difference Between Actual Return and Interest Income on Plan Assets- (Gain) / Loss	-	-
Actuarial (Gain) / Loss Recognized in OCI	34.82	(64.20)

**CONSOLIDATED FINANCIAL STATEMENTS****Actuarial Assumption**

Particulars	31/03/2022	31/03/2021
Discount Rate	7.00%	7.87%
Rate of Salary Increase	7.00%	6.50%
Attrition Rate	6.50%	5.00%
Retirement Age	60	60
Average Future Service	8.80	8.80

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

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

**1.Key Managerial Personnel**

- a) Mr.Vinod R. Sethi, Executive Chairman
- b) Ms.Irmgard Velagapudi, Managing Director
- c) Ms.Kiran Velagapudi, Executive Director
- d) Mr.R.Ganesan, Chief Financial Officer (Till 12/08/2021)
- e) Mr.K.Panneer Selvan, Chief Financial Officer (From 10/02/2022)
- f) Ms.Jeba Elavarasi, Company Secretary and Manager - Legal (Till 11/03/2022)
- g) Mr.Aravindkumar.V, Company Secretary and Compliance Officer (From 14/03/2022)

(B) Transactions During the Year

Particulars	Key Managerial Personnel	
	2021 - 22	2020 - 21
Rent Received	15.00	15.00
Remuneration paid to Key Management Personnel	125.81	135.44
Interest on Fixed Deposit Paid to Key Management Personnel	63.40	27.55

(C) Closing Balances as on 31/03/2022

Particulars	Key Managerial Personnel	
	2021 - 2022	2020 - 2021
Share Capital Held by Key Management Personnel	22.78	22.79
Fixed Deposit Held by Key Management Personnel	320.00	300.00



## CONSOLIDATED FINANCIAL STATEMENTS

## 42 - Disclosure of Various Ratios

S.No.	Name of the Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
1.	Current Ratio	Current Assets	Current Liabilities	2.06	1.90	8%
2.	Debt Equity Ratio	Total Non Current and Current Borrowings	Shareholder's Equity	0.60	0.86	(30%)
3.	Debt Service Coverage Ratio	Profit After Tax + Depreciation + Interest on Loans + Non-Cash Adjustments	Interest on Loans + Loans Repaid During the Year	1.21	0.30	300%
4.	Return on Equity Ratio	Net Profits After Tax	Average Shareholder's Equity	1%	8%	(85%)
5.	Inventory Turnover Ratio	Sales	Average Inventory	1.34	1.08	24%
6.	Trade Receivable Turnover Ratio	Credit Sales	Average Accounts Receivable	8.45	14.19	(40%)
7.	Trade Payable Turnover Ratio	Credit Purchase	Average Accounts Payables	2.00	0.84	138%
8.	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	1.68	1.61	4%
9.	Net Profit Ratio	Net Profit After Tax	Net Sales = Total Sales - Sales Return	1.12%	7.09%	(84%)
10.	Return on Capital Employed	Earning Before Interest and Tax	Total Assets - Current Liabilities + Current Borrowings	6.23%	9.95%	(37%)
11.	Return on Investment	Income Generated from Investments	Average Investments	(0.22%)	2.54%	(109%)

## 43 - Minimum Remuneration paid to Managerial Personal:

In terms of Section 197 read with Schedule V of the Companies Act, 2013, the Financial Year 2021 - 2022 being the fifth year of inadequate profits during the tenure (2017 - 2022) of Ms.Kiran Velagapudi, Executive Director the minimum remuneration of Rs.41,34,777/- paid to her for the Financial Year 2021 - 2022 is ratified by the Board of Directors in its Meeting held on 27/05/2022 based on the recommendation of Nomination and Remuneration Committee. In pursuance of Section 197(10), a special resolution will be placed before the shareholders for their approval in the ensuing Annual General Meeting.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

## 44 - SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31/03/2022 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

Amount In Lakhs

	PARTICULARS	PRIMARY SEGMENT					TOTAL
		SUGAR	CHEMICALS	POWER & FUEL	ENGINEERING	OTHERS	
1	<b>Segment Revenue</b>						
	External Revenue	21241.69	4273.31	379.90	5337.00	707.71	31939.62
	Inter Segment Revenue	4757.51	842.86	2059.14	-	-	6900.94
	<b>Total Revenues</b>	<b>25999.20</b>	<b>4357.60</b>	<b>2439.05</b>	<b>5337.00</b>	<b>707.71</b>	<b>38840.56</b>
2	<b>Segment Results</b>						
	Profit before depreciation, finance cost and taxation	1038.66	239.17	576.09	1343.81	438.10	3635.82
	Less : Finance Cost	1300.78	-	-	53.90	-	1354.69
	Less : Unallocable Finance Cost	-	-	-	-	-	614.84
	Less: Depreciation and Amortizations	218.77	112.83	83.48	72.68	9.13	496.90
	Less: Depreciation and Amortizations	-	-	-	-	-	21.54
	Less: Impairment on Capital Assets	-	-	-	-	-	-
	Unallocable Expenditure	-	-	-	-	-	(678.60)
	Less : Tax	-	-	-	-	-	157.63
	<b>Total Profit</b>						<b>311.63</b>
3	<b>Capital Employed</b>						
	Segment Assets	22044.03	2361.97	1436.52	9526.63	2907.63	38276.76
	Unallocable Assets	-	-	-	-	-	22285.53
	Segment Liabilities	13993.28	217.80	15.34	3117.23	1758.55	19102.20
	Unallocable Liabilities	-	-	-	-	-	9932.46
	Capital Employed	-	-	-	-	-	<b>31527.62</b>
4	<b>Capital Expenditure</b>	<b>49.86</b>	<b>29.02</b>	<b>-</b>	<b>898.53</b>	<b>134.78</b>	<b>1112.19</b>

1. The operations of the Company predominantly relate to manufacture of Sugar, Electrical Energy, Engineering, Bio - Fertilizers and Chemicals. comprising mainly Industrial Alcohol, CO2 and Calcium Lactate.
2. The Business segments that are disclosed under "Others" comprise Bio - Fertilizers.
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

## CONSOLIDATED FINANCIAL STATEMENTS

## ii) Geographical Segment:

Amount In Lakhs

Particulars	Current Reporting Period 2021 - 2022	Previous Reporting Period 2020 - 2021
Sales Within India	31939.62	30933.06
Sales Outside India	-	1921.99
<b>Total</b>	<b>31939.62</b>	<b>32855.04</b>

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

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

	Carrying Amounts of Segment Assets	Additions to Fixed Assets & Intangible Assets
	Current Reporting Period	Current Reporting Period
Located in India	57774.20	1112.19
Located outside India	-	-
<b>Total</b>	<b>57774.20</b>	<b>1112.19</b>

As per our report of even date attached

For and on behalf of the Board of Directors

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

**IRMGARD VELAGAPUDI**  
Managing Director  
DIN: 00091370

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

**K.PANNEER SELVAN**  
Chief Financial Officer  
CMA M.No.: 9894

**ARAVINDKUMAR. V**  
Company Secretary  
M.No.: 42531

**KIRAN VELAGAPUDI**  
Executive Director  
DIN: 00091466

Place: Chennai  
Date : 27/05/2022

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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