

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED											
REGD OFFICE : 'RAMAKRISHNA BUILDINGS', NO.239, ANNA SALAI, CHENNAI - 600 006											
CIN: L15421TN1995PLC033198											
Audited Standalone and Consolidated Financial Results for the Quarter and Year Ended 31.03.2024 pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015.											
Rs. In Lakhs											
SL NO	PARTICULARS	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	Revenue From Operations	6472.98	7128.32	5005.98	29254.45	22192.53	7368.57	8265.26	5905.67	34568.10	28952.30
II	Other Income	1184.14	378.10	(660.32)	6253.06	6485.99	1366.46	459.20	(627.36)	6858.29	6788.97
III	Total Income (I + II)	7657.12	7506.42	4345.66	35507.51	28678.52	8735.03	8724.46	5278.31	41426.39	35741.26
IV	Expenses										
	Cost Of Materials Consumed	13043.67	3702.96	12519.53	17800.73	18320.71	12623.71	5035.56	12992.78	19539.56	20873.82
	Purchase Of Stock-In-Trade	47.40	-	82.02	147.66	243.66	47.40	-	82.02	147.66	243.66
	Changes In Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade	(9744.89)	2539.14	(10261.85)	5239.42	(994.40)	(9646.92)	2563.09	(10705.60)	5560.84	(872.30)
	Employee Benefits Expense	1790.23	445.68	1691.26	2465.56	2519.58	2204.99	661.95	1997.86	3477.78	3396.86
	Finance Costs	261.38	163.95	407.09	1050.53	1360.79	267.94	177.76	405.12	1119.24	1429.22
	Depreciation and Amortisation Expenses	279.50	119.63	260.89	527.24	497.92	304.34	134.28	274.28	588.38	549.87
	Other Expenses	737.63	1131.52	473.70	2437.24	2496.37	2103.22	366.16	994.93	3911.11	4772.66
	Total Expenses	6414.93	8102.88	5172.44	29668.39	24444.63	7904.68	8938.80	6041.39	34344.57	30393.79
V	Profit / (Loss) Before Exceptional Items & Tax (III - IV)	1242.18	(596.46)	(826.78)	5839.11	4233.89	830.35	(214.34)	(763.08)	7081.82	5347.47
VI	Exceptional Items	804.42	-	482.65	804.42	1,673.15	804.42	-	482.65	804.42	1,673.15
VII	Profit / (Loss) Before Tax (V - VI)	2046.60	(596.46)	(344.13)	6643.53	5907.04	1634.77	(214.34)	(280.43)	7886.24	7020.63
VIII	Tax Expense										
	Current Tax	315.00	-	(367.59)	315.00	32.41	162.59	103.81	(341.35)	576.25	312.09
	Deferred Tax (Asset) / Liability	292.52	149.75	903.40	725.70	921.15	291.08	137.33	902.65	720.94	916.33
	Reversal of Excess Provision / Provision For Taxation Relating To Earlier Years	-	(23.64)	(4.13)	(23.64)	-	(3.26)	(23.64)	5.11	(26.90)	(24.95)
IX	Profit / (Loss) For The Period From Continuing Operations (VII - VIII)	1439.08	(722.57)	(875.81)	5626.48	4953.48	1184.36	(431.84)	(846.84)	6615.95	5817.15
X	Profit / (Loss) From Discontinued Operations	-	-	-	-	-	-	-	-	-	-
XI	Tax Expense Of Discontinued Operations	-	-	-	-	-	-	-	-	-	-
XII	Profit / (Loss) From Discontinued Operations After Tax (X - XI)	-	-	-	-	-	-	-	-	-	-
XIII	Profit / (Loss) For The Period (IX + XII)	1439.08	(722.57)	(875.81)	5626.48	4953.48	1184.36	(431.84)	(846.84)	6615.95	5817.15
XIV	Other Comprehensive Income										
	Items That Will Not Be Reclassified To Profit / (Loss)										
	(i) Remeasurement of Defined Benefit Plan - Actuarial Gains / (Losses)	46.20	-	(22.33)	46.20	(22.33)	57.85	-	(14.51)	57.85	(14.51)
	(ii) Income Tax Relating On Above	(11.63)	-	5.62	(11.63)	5.62	34.02	-	(3.65)	34.02	(3.65)
	(iii) Equity Instruments Through Other Comprehensive Income	-	-	-	-	-	90.83	(7.06)	(11.93)	170.07	64.28
	Other Comprehensive Income - Total	34.57	-	(16.71)	34.57	(16.71)	114.67	(7.06)	(22.79)	193.91	53.42
XV	Total Comprehensive Income For The Period (Comprising Profit / (Loss) For The Period (After Tax) And Other Comprehensive Income For The Period (After Tax))	1473.66	(722.57)	(892.52)	5661.05	4936.77	1299.03	(438.90)	(869.63)	6809.86	5870.57
XVI	Paid Up Equity Share Capital (Face Value Re.1/-)	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
XVII	Other Equity				35854.33	30420.05				42734.05	36150.96
XVIII	Earnings Per Share (EPS)										
	(a) Basic And Diluted EPS From Continuing Operations (In Rs.)	1.27	(0.64)	(0.77)	4.96	4.37	1.04	(0.38)	(0.75)	5.83	5.13
	(b) Basic And Diluted EPS From Discontinued Operations (In Rs.)	-	-	-	-	-	-	-	-	-	-
	(c) Basic And Diluted EPS From Continuing and Discontinued Operations (In Rs.)	1.27	(0.64)	(0.77)	4.96	4.37	1.04	(0.38)	(0.75)	5.83	5.13



For K.C.P. Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Particulars	Note No.	Figures as at the end of Current Reporting Period March 31, 2024	Figures as at the end of the Previous Reporting Period March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	890334517	889541640
(b) Capital work-in-progress	3 (a)	-	609064
(c) Intangible assets	4	1497990	1823688
(d) Financial assets			
(i) Investments	5	1867654819	1307979618
(ii) Other Financial Assets	6	8596526	8671999
(e) Other non current assets	7	40347785	40347785
Current assets			
(a) Inventories	8	1885249628	2096243167
(b) Financial Assets			
(i) Investments	9	417110888	511951890
(ii) Trade receivables	10	118230950	80443718
(iii) Cash and cash equivalents	11	213612965	345130494
(iv) Bank Balances other than (iii) above	12	191691799	62271177
(v) Other financial assets	13	3240018	2156275
(c) Current tax assets (Net)	14	-	38528454
(d) Other current assets	15	65736407	69604500
Assets held for sale	16	23950068	43526684
Total Assets		5727254361	5498830153
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	113385050	113385050
(b) Other equity	18	3585432962	3042004911
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	383895000	482394191
(ii) Other Financial liabilities	20	9809086	8675206
(b) Provisions	22	19996038	19559898
(c) Deferred tax liabilities	21	112869414	39136724
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	1137827489	1408572223
(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	101736668	90206166
(iii) Other financial liabilities	25	151119167	111013926
(b) Other current liabilities	26	81026844	178991883
(c) Provisions	27	4999009	4889975
(d) Current Tax Liabilities	28	25157633	-
Total Equity and Liabilities		5727254361	5498830153



For K.C.P. Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Standalone Statement of profit or loss for the year ended March 31, 2024

Amount in Rupees

Particulars	Note No.	Figures for the Current Reporting Period March 31, 2024	Figures for the Previous Reporting Period March 31, 2023
I Revenue from operations	29	2925445009	2219252724
II Other income	30	625305709	648599049
III Total Income (I+II)		3550750719	2867851773
IV Expenses			
Cost of material consumed	31	1780073283	1832071526
Purchase of Stock-in-trade		14766274	24365582
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	523942451	-99440058
Employee benefits expense	33	246556400	251958116
Finance costs	34	105052906	136078597
Depreciation and Amortisation	35	52724197	49792450
Other expenses	36	243723917	249637367
Total expenses (IV)		2966839428	2444463580
V Profit/(loss) before exceptional items and tax (iii - iv)		583911291	423388193
VI Exceptional items - Profit on sale of Asset held for sale		80441860	167315474
VII Profit/(loss) before tax		664353151	590703667
VIII Tax expense			
- Current Tax		31500000	3241372
- Deferred Tax Exp		72569870	92114912
-Tax relating to earlier years		-2364372	-
IX Profit/(loss) for the period		562647653	495347383
X Profit/(loss) from discontinuing operations		-	-
XI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		4620228	-2233004
Income tax expense on above		-1162819	562002
		3457409	-1671002
XII Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		566105062	493676381
XIII Earnings per equity share			
(1) Basic		4.96	4.37
(2) Diluted		4.96	4.37



For K.C.P. Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Statement of standalone Cash Flow for the year ended 31st March 2024

Amount in Rupees.

Particulars	For Year Ended March 31, 2024	For Year Ended March 31, 2023
Cash flows from operating activities		
Total Income for the Period (PBT)	664353151	590703667
<u>Adjustments:</u>		
- Interest income	-50708567	-20801322
- Loss/(Profit) on sale of Property, plant and equipment	-80509739	-170295756
- Loss/ (Gain) on sale of Investments	-1738623	-381744929
- Unclaimed balances credited back	-35029	-1372497
- Excess provision credited back	-87662	-1497619
- Adjustment for OCI	4620228	-2233004
- Interest expense	105052906	136078597
- Dividend Income	-36445759	-26271473
- Fair Value Adjustment	-481962716	-137860869
- Assets Written off	-	-
- Depreciation and amortization	52724197	49792450
Operating cash flow before working capital changes	175262387	34497246
<u>Changes in</u>		
- Decrease / (Increase) In Trade Receivables	-37787232	43566070
- Decrease / (Increase) In Inventory	210993539	-160742229
- Decrease / (Increase) In Other current /Non Current Financial Asset(s)	-1008269	-4341480
- Decrease / (Increase) In Current Investments	94841002	104973787
- Decrease / (Increase) In Other non-current / Non current asset	6232465	14494405
- (Decrease)/ Increase In Long term Provisions	523802	-17471118
- (Decrease)/ Increase In Other Financial liabilities Non Current	1133880	-974273
- (Decrease)/ Increase In Trade Payables current	11565530	-5837784
- (Decrease)/ Increase In other current liabilities	-97965039	-8819360
- (Decrease)/ Increase In Other financial liabilities current	40105241	25697426
- (Decrease)/ Increase In Short Term provisions current	109034	-69898
Income taxes paid(Net)	32186087	-36207883
Net Cash generated from / (used in) operations	260930042	-45732340
Cash flows from investing activities		
Purchase of Property, plant and equipment	-53340794	-78505643
Proceeds from sale of Property, plant and equipment	100844836	210988428
Investment made in current and Non Current Investments	-96266053	-247202400
Dividend Income	36445759	26271473
Proceeds from sale of Investments	20292188	424422624
Changes in margin money deposits	-129420621	-2876753
Interest received	50708567	20801322
Net cash generated from/(used in) investing activities	-70736117	353899052
Proceeds from / (repayment of) long term and short term borrowings	-369243925	-4659945
Dividend Paid	-22677010	-11338505
Interest paid	-105052906	-136078597
Net cash used in financing activities	-496973841	-152077046
Increase in cash and cash equivalents	-131517529	190586911
Cash and cash equivalents at the beginning of the year	345130494	154543583
Cash and cash equivalents at the end of the year	213612965	345130494
Components of cash and cash equivalents (refer note 11)		
Cash on hand	509949	988291
Balances with banks	213103016	344142203
Total cash and cash equivalents	213612965	345130494



For K.C.P. Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Independent Auditor's Report on Standalone Annual Financial Results of K.C.P Sugar and Industries Corporation Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

Opinion

We have audited the accompanying standalone annual financial results ("the Statement") of K.C.P Sugar and Industries Corporation Limited (hereinafter referred to as "the Company") for the year ended March 31, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- ii. gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting standards ("Ind As"), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial results 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 annual financial results.

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 standalone annual financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' 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 annual financial results 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 annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Other Matter

The standalone annual financial results include the results for the quarter ended March 31, 2024, being the balancing figures between the audited figures in respect of the full financial year and the unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.



for **B. Purushottam & Co.,**
Chartered Accountants
Firm Registration Number: 002808S

B Mahidhar Krrishna

Partner

Membership number: 243632

UDIN: 24243632BKCOGR1375

Place: Chennai

Date: 29 May 2024

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 standalone balance sheet as at March 31, 2024, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone 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, 2024, its profit and 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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:



#	Key Audit Matters	How the matter was addressed in our audit
1	<p>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2024.</p> <p>As on March 31, 2024, the Company has inventory of sugar with the carrying value Rs. 11,679.35 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.</p> <p>Refer note 43 to the standalone financial statements.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 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. 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. 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. 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 determining cost, the Company has considered the prevailing market conditions. <p>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.</p>

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Management and Board of Directors are 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, 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.



When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take necessary actions as required under applicable laws and regulations.

Management's and Board of Directors Responsibilities for Standalone Financial Statements

The Company's Management and Board of Directors are 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, the Management and Board of Directors are 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 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 standalone balance sheet, standalone statement of profit and loss, (including the other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 matter 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 managerial remuneration of INR 60.51 lakhs paid by the Company to its Managing Director and the Chairman during the year represents the minimum remuneration for the fourth consecutive financial year of their tenure. Schedule V of the Act restricts the payment of minimum remuneration to a period of three years in the absence of adequate profits. The above remuneration paid is compliant with section 197 and Schedule V of the Act, subject to approval by the shareholders in its general meeting. Refer note 54 to the standalone financial statements.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position. Refer note 45b 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. (a) The management has represented, to the best of its knowledge and belief, as disclosed in note 65 to the standalone financial statements, that 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) The management has represented, to the best of its knowledge and belief, as disclosed in note 66 to the standalone financial statements, that 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.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of accounts for the period ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of the audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under rule Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **B. Purushottam & Co.**
Chartered Accountants
Firm's Registration No. 002808S



B Mahidhar Krrishna
Partner

Membership No. 243632
UDIN: 24243632BKCOGT8385

Place: Chennai
Date: 29 May 2024

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 March 31, 2024.

(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, which are in the name of the erstwhile demerged Company. Refer note 3.1 and note 64 to the standalone financial statements.
 - (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 March 31, 2024 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 been sanctioned working capital facilities in excess of INR 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The reconciliation between the quarterly returns or statements filed by the Company with the bank and the Company's books of accounts are given in note 67 to the standalone financial statements.
- 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) and its sub clauses (a) to (f) of the Order is not applicable.



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- iv. the Company has not provided any guarantee or security as specified under sections 185 and 186 of the Act. In respect of loans granted and investments made, the Company has complied with the provisions of section 185 and 186 of the Act, 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 March 31, 2024 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 March 31, 2024, 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	16.61	April 2009 to October 2013	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 th July 2003 to 31 st March 2017	10.87	Hon'ble Andhra Pradesh High Court.
A.P.E.D Act, 1939	557.13	17 th July 2003 to 23 rd 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 in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year and hence reporting under clause 3(ix)(a) of the Order is not applicable



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- (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 standalone 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 standalone 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.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting under clause 3(ix)(f) of the Order 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 standalone financial statements etc., as required by the applicable Indian 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 its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.



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- 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 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 standalone 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 **B. Purushottam & Co.**
Chartered Accountants
Firm's Registration No. 002808S



B. Mahidhar Krrishna

B Mahidhar Krrishna
Partner
Membership No. 243632
UDIN: 24243632BKCOGT8385

Place: Chennai
Date: 29 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of K.C.P. Sugar and Industries Corporation Limited for the year ended March 31, 2024

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")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are 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 standalone 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 standalone 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 standalone 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, 2024, 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 B. Purushottam & Co.
Chartered Accountants
Firm's Registration No. 002808S



B. Mahidhar Krrishna

B Mahidhar Krrishna
Partner

Membership No. 243632
UDIN: 24243632BKCOGT8385

Place: Chennai
Date: 29 May 2024

Consolidated Financial statements

K.C.P.Sugar And Industries Corporation Ltd

Consolidated Financial statements Balance Sheet as at March 31, 2024

Amount in Rupees

Particulars	Note	Figures for the Current Reporting Period March 31, 2024	Figures for the Previous Reporting Period March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1003157841	993040773
(b) Capital work-in-progress	3a	0	609064
(c) Other Intangible assets	4	1802665	1823688
(d) Intangible Asset under Development	4a	6525302	6525302
(e) Financial assets			
(i) Investments	5	1905263146	1328123865
(ii) Other Financial Assets	6	9253514	9247130
(f) Other non-current assets	7	40535470	40535470
Current assets			
(a) Inventories	8	2047544953	2302864190
(b) Financial Assets			
(i) Investments	9	727245526	710260395
(ii) Trade receivables	10	292027310	221130512
(iii) Cash and cash equivalents	11	229541794	379470303
(iv) Bank Balances other than (iii) above	12	239548185	112440470
(v) Other financial assets	13	1574101	1355091
(c) Current Tax Assets (Net)	14	226803	31993711
(c) Other current assets	15	129476309	95707706
Asset held for sale	16	23950068	43526684
Total Assets		6657672987	6278654355
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	113385050	113385050
(b) Other equity	18	4273404715	3615096156
(c) Non Controlling Interest			
Liability			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	328895000	427394191
(ii) Other Financial liabilities	20	9809086	8675206
(b) Provisions	21	107114464	110551978
(d) Deferred tax liabilities (net)	22	110758003	35262236
(a) Other Non Current Liabilities	23	8466507	8285307
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	1137827489	1408572223
(ii) Trade payables	25		
a) Total outstanding dues of micro enterprises and small enterprises		5865041	1308599
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		163242773	137619433
(iii) Other financial liabilities	26	151909488	112467412
(b) Other current liabilities	27	205365198	282578849
(c) Short Term provisions	28	14147660	17457716
(d) Current Tax Liabilities (Net)	29	27482514	-
Total Equity and Liabilities		6657672987	6278654355



For K.C.P. Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

K.C.P.Sugar And Industries Corporation Ltd

Consolidated Financial statements

Consolidated Financial statements Statement of profit or loss for the year ended March 31, 2024

Amount in Rupees

Particulars	Note	Figures for the Current Reporting Period March 31, 2024	Figures for the Previous Reporting Period March 31, 2023
I Revenue from operations	30	3456809867	2895229627
II Other income	31	685829379	678896795
III Total Income (I+II)		4142639247	3574126422
IV Expenses			
Cost of material consumed	32	1953956387	2087382133
Purchase of Stock-in-trade		14766274	24365582
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	556083725	-87230285
Employee benefits expense	34	347777840	339685609
Finance costs	35	111924485	142922483
Depreciation and Amortisation	36	58837658	54987148
Other expenses	37	391110787	477266486
Total expenses (IV)		3434457156	3039379156
V Profit/(loss) before exceptional items and tax		708182091	534747265
VI Exceptional items - Profit on sale of Asset held for sale		80441860	167315474
VII Profit/(loss) before tax		788623951	702062740
VIII Tax expense			
- Current Tax		57625231	31209078
- Deferred Tax		72094120	91633462
- Provision for taxation relating to earlier years		-2690184	-2494999
IX Profit/(loss) for the period		661594784	581715199
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		17007224	6428177
Remeasurements of defined benefit plan actuarial gains/ (losses)		5785209	-1451402
Income tax expense on above		3401647	-365288
		19390786	5342063
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		680985570	587057262
XII Earnings per equity share			
(1) Basic		5.83	5.13
(2) Diluted		5.83	5.13



For K C P Sugar and Industries Corporation Ltd.

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Particulars	For Year Ended March 31, 2024	For Year Ended March 31, 2023
Cash flows from operating activities		
Total Income for the Period(PBT)	788623951	702062771
Adjustments:		
- Interest income	-58265278	-23884949
- Loss/(Profit) on sale of Property, plant and equipment	-80509739	-170296571
- Loss/(Profit) on sale of Investment	-2255088	-382089684
- Balance Written off	-	-4949025
- Excess Provision Credited Back	-26042879	-24401399
- Adjustment for OCI	22792433	-7879579
- Interest expense	111924485	136078597
- Dividend Income	-40807644	-29217025
- Profit from Partnership firm	-	5488074
- Difference in foreign exchange	-	4,82,356.00
- Fair Value Adjustment	-500468680	-137176012
- Depreciation and amortization	58837658	54987120
Operating cash flow before working capital changes	273829218	119204673
Changes in		
- Decrease/(Increase) In Trade Receivables	-70896798	63099198
- Decrease/(Increase) In Inventory	255319237	-127390293
- Decrease/(Increase) In Other current Financial Asset(s)	-219010	-4726912
- Decrease/(Increase) In Other current Asset(s)	-33768604	37640948
- Decrease/(Increase) In Current investments	-16985131	55439752
- Decrease/(Increase) Other Financial Assets - Non current	-6384	-974273
- Decrease/(Increase) In Other non-current asset	-	17525994
(Decrease)/Increase In Long term Provisions	22605365	33238452
(Decrease)/Increase In non-current Financial liabilities	1133880	0
(Decrease)/Increase In Trade Payables current	30179782	-69944265
(Decrease)/Increase In other Current liabilities	-77032451	-6614683
(Decrease)/Increase In Other financial liabilities current	39442076	25392688
(Decrease)/Increase In Short Term provisions current	-3310056	1762516
Income taxes paid	4314376	-71923452
Net Cash generated from / (used in) operations	150776282	-47474330
Cash flows from investing activities		
Purchase of Property, plant and equipment	-68324639	-89539161
Purchase of Investments	-100838779	-8381660
Proceeds from sale of Property, plant and equipment	100086355	211491428
Proceeds from sale of Investments	26423262	432876583
Dividend Income	40807644	29217025
Investment made in Non Current Investments(net)	-	-318109180
Decrease / (Increase) in Margin Money Deposits	-127107711	-13831393
Interest received	58265278	23884949
Net cash generated from/(used in) investing activities	-70688589	267608591
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	-369243925	-4659948
Interest paid	-111924485	-136078597
Dividend paid	-22677010	-11338505
Net cash used in financing activities	-503845420	-152077050
Increase in cash and cash equivalents	-149928509	187261886
Cash and cash equivalents at the beginning of the year	379470303	192208418
Cash and cash equivalents at the end of the year	229541794	379470303
	229541794	379470303
Components of cash and cash equivalents (refer note 11)		
Cash on hand	735236	1137348
Balances with banks	22806558	378332955
Total cash and cash equivalents	229541794	379470303



For K.C.P. Sugar and Industries Corporation Ltd

Irmgard Velagapudi
Irmgard Velagapudi
Managing Director

Independent Auditor's Report on Consolidated Annual Financial Results of K.C.P Sugar and Industries Corporation Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**To The Board of Directors of K.C.P Sugar and Industries Corporation Limited****Opinion**

We have audited the accompanying consolidated annual financial results ("the Statement") of K.C.P Sugar and Industries Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2024, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- i. include the annual financial results of the entities listed in Annexure 1;
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting standards ("Ind As"), and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, and its associates and jointly controlled entities in accordance with the Code of Ethics Issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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 Code of Ethics. We believe that the audit evidence obtained by us sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board 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 of the assets of each 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results 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 annual financial results.

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 consolidated annual financial results, 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 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 Holding Company has adequate internal financial controls with reference to financial statements 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 in the consolidated annual results made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors 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 annual financial results 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 annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results 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.

We also performed procedures in accordance with the circular No. CIR/CFD/CMD/144/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a. We did not audit the annual financial results of 1 subsidiary included in the Statement, whose financial information reflects total assets (before consolidation adjustments) of INR 724.46 lakhs as March 31, 2024, total income (before consolidation adjustments) of INR 177.13 lakhs and net total profit after tax (before consolidation adjustments) of INR 10.04 lakhs and net cash outflows (before consolidation adjustments) of INR 54.66 lakhs for the year ended on that date, as considered in the Statement. This annual financial information have been audited by another auditor whose audit report has been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such other auditor.
- b. The consolidated annual financial results include the results for the quarter ended March 31, 2024, being the balancing figures between the audited figures in respect of the full financial year and the unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

for **B. Purushottam & Co.,**
Chartered Accountants
Firm Registration Number: 002808S



B. Mahidhar

B Mahidhar Krrishna
Partner

Membership number: 243632

UDIN: 24243632BKCOGS3800

Place: Chennai

Date: 29 May 2024

B. Purushottam & Co.

Annexure 1

List of entities included in the consolidated annual financial results

#	Name	Relationship
1	K.C.P Sugar and Industries Corporation Limited	Holding Company
2	KCP Sugars Agricultural Farms Limited	Subsidiary
3	THE EIMCO-K.C.P Limited	Subsidiary
4	Quality Engineering	Step down subsidiary



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 "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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, 2024, of consolidated profit and other 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 by 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 and based on the consideration of reports of other auditors on separate financial statements of the component audited by them, 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:



#	Key Audit Matters	How the matter was addressed in our audit
1	<p>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2024.</p> <p>As on March 31, 2024, the Company has inventory of sugar with the carrying value Rs. 11,679.35 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 consolidated 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.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 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. 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. 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. 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 determining cost, the Company has considered the prevailing market conditions. <p>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.</p>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are 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, Corporate Governance and Shareholder's Information, but does not include the consolidated 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.



When we read these reports, if we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take necessary actions as required under applicable laws and regulations.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and the Board of Directors are 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 consolidated 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 Management and the Board 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 Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of each Company.

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 skepticism 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



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responsible for expressing our opinion on whether the Holding 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 and the Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Holding 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.



Other Matters

We did not audit the financial statements of one subsidiary included in the Statement, whose financial statements reflects total assets (before consolidation adjustments) of INR 724.46 lakhs as 31 March 2024, total income (before consolidation adjustments) of INR 177.13 lakhs and net total profit after tax (before consolidation adjustments) of INR 10.04 lakhs and net cash outflows (before consolidation adjustments) of INR 54.66 lakhs for the year ended on that date, as considered in the Statement. These financial statements have been audited by another auditor whose audit report has been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance of work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 and paragraph 4 of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act and based on the consideration of the Order reports issued by us for the Holding Company and the its subsidiaries included in the consolidated financial statements, to which the Order is applicable, we report that there are no qualifications of adverse remarks reported in the respective Order reports of such Companies.
2. 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 Holding Company as on March 31, 2024 taken on record by the Board of Directors, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 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 managerial remuneration of INR 60.51 lakhs paid by the Holding Company to its Managing Director and the Chairman during the year represents the minimum remuneration for the fourth consecutive financial year of their tenure. Schedule V of the Act restricts the payment of minimum remuneration to a period of three years in the absence of adequate profits. The above remuneration paid is compliant with section 197 and Schedule V of the Act, subject to approval by the shareholders in its general meeting. Refer note 54 to the consolidated financial statements.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 38.1 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 Holding Company and its subsidiary companies incorporated in India.
- iv. (a) The respective management of the Holding Company have represented, to the best of its knowledge and belief, as disclosed in note 55 to the consolidated financial statements, that 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 Holding 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Holding Company have represented, to the best of its knowledge and belief, as disclosed in note 56 to the consolidated financial statements, that no funds (which are material either individually or in aggregate) have been received by the Holding 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;



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- (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 Holding Company during the year is in accordance, with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Holding 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.
- vi. Based on our examination, which included test checks, performed by us on the Holding Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, except for the instances mentioned below, have used an accounting software for maintaining its books of accounts for the period ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of the audit we did not come across any instance of the audit trail feature being tampered with.

Two subsidiaries, which are companies incorporated in India, have used an accounting software which did not have a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software. Consequently, we are unable to comment on the audit trail requirements of the said software as envisaged under Rule 11(g) of the Act. Refer note 53 to the consolidated financial statements.

The audit trail requirements under Rule 11(g) of the Act is not applicable to one step-down subsidiary being a partnership firm in India. Consequently, we are unable to comment on the audit trail requirements under the aforesaid rule in respect of this step-down subsidiary.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 01 April 2023, reporting under rule Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for B. Purushottam & Co.
Chartered Accountants
Firm's Registration No. 002808S



B. Mahidhar Krrishna

B Mahidhar Krrishna
Partner

Membership No. 243632
UDIN: 24243632BKCOGU4875

Place: Chennai
Date: 29 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of K.C.P. Sugar and Industries Corporation Limited for the year ended March 31, 2024

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")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of K.C.P Sugar and Industries Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Board of Directors of the Holding 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 Holding 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 consolidated 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 Holding Company and its subsidiary companies, which are companies incorporated in India.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated 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 Holding 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, 2024, 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 **B. Purushottam & Co.**
Chartered Accountants
Firm's Registration No. 002808S



B Mahidhar Krrishna
Partner

Membership No. 243632
UDIN: 24243632BKCOGU4875

Place: Chennai
Date: 29 May 2024