KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

CIN: U73100TN1998PLC041501

Twenty Fifth Annual Report 2023 – 2024

Board of Directors

		DIN
Ms.Irmgard Velagapudi	Chairperson	00091370
Mr.Vinod R.Sethi	Director	00106598
Ms.I.L.Florence	Director	09273113

Registered Office

'Ramakrishna Buildings',
No.239, Anna Salai, Chennai - 600 006.

Statutory Auditor

M/s.B.Purushottam & Co,
(FRN: 002808S)
Chartered Accountants,
No.59, Vijaya Raghava Road,
Parthasarathi Puram,
T.Nagar, Chennai - 600 017.

Farm

Thirupukuzhi and Melambi Villages,
Kanchipuram District, Tamil Nadu.

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of KCP Sugars Agricultural Research Farms Limited will be held on Monday, the 23rd Day of September, 2024 at the Registered Office of the Company at 'Ramakrishna Buildings', No.239, Anna Salai, Chennai - 600 006 at 9.15 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31/03/2024 together with the Reports of Auditor and Board of Directors thereon.

2. To appoint a Director, in the place of Mr.Vinod R.Sethi (DIN:00106598), Director who retires by rotation and being eligible, offers himself for reappointment.

// BY ORDER OF THE BOARD //

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

Place : Chennai
Date : 29/05/2024

NOTES:

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

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

Place : Chennai
Date : 29/05/2024

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 25th Annual Report containing the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2024.

1. REVIEW OF OPERATIONS:

During the Financial Year ended 31/03/2024, the turnover and other income is Rs.43.13 Lakhs as against Rs.28.05 Lakhs for the previous financialy ear. The Company has made a profit after tax of Rs.12.62 Lakhs for the Financial Year ended 31/03/2024 as against Rs.12.45 Lakhs in the previous financial year.

2. DIVIDEND:

Your Directors have not recommended any Dividend for the Financial Year under review.

3. SHARE CAPITAL AND RESERVES:

The Share Capital of the Company is Rs.225.00 Lakhs. The Reserves and Surplus as on 31/03/2024 is Rs.557.85 Lakhs (Previous Year: Rs. 394.61 Lakhs).

4. FIXED DEPOSITS:

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

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the Company is involved in agricultural activities, there is no relevant disclosure under Conservation of Energy and Technology Absorption. There are no Foreign Exchange Earnings and Outgo.

6. PARTICULARS OF EMPLOYEES:

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

7. BOARD MEETINGS:

Four Board Meetings were held during the Financial Year 2023 - 2024 on 29/05/2023, 19/07/2023, 08/11/2023 and 09/02/2024.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There are no contracts or arrangements with related parties, in terms of Section 188 (1) of the Companies Act, 2013.

9. SECRETARIAL STANDARDS:

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

10. ACCOUNTING STANDARDS:

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

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

No loan / guarantee / investment is given / made by the Company, in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2023 - 2024.

12. DIRECTOR RETIRING BY ROTATION:

Mr. Vinod R.Sethi, Director (DIN: 00106598), who retires by rotation at the ensuing Annual General Meeting (AGM), being eligible, offers himself for reappointment.

13. STATUTORY AUDITOR:

M/s. B.Purushottam & Co, Chartered Accountants (FRN: 002808S) is the Statutory Auditor of the Company for the Financial Year under review. The Report of the Statutory Auditor on the Financial Statements of the Company is annexed to the Annual Report. There are no qulifications or reservations or observations or adverse remarks or disclaimers in the said Statutory Auditor's Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

(b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31/03/2024 and of the Profit of the Company for that period;

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

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

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

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

15. ACKNOWLEDGEMENT :

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

// BY ORDER OF THE BOARD //

IRMGARD VELAGAPUDI
CHAIRPERSON
DIN: 00091370

Place : Chennai
Date : 29/05/2024

INDEPENDENT AUDITOR'S REPORT

To the members of KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015,as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit (financial performance including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our audit report.

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

The Company's Management and the Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, 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 these reports, if we conclude that there is a material misstatement of this other information, we are required to communicate that matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's Responsibility for Standalone Financial Statements

The Company's Management and the 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

- Conclude on the appropriateness of 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 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 statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of written representations received from the directors as on March 31, 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 other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended;

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

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

i. The Company does not have any pending litigations which would impact its financial position to the financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.

iv. (a) The Management has represented to the best of its knowledge and belief 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 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; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company did not propose, declare or pay dividends during the year ended 31st March 2024.

iv. Based on our examination and the explanations provided by the Management, the Company has used an accounting software "SQL SERVER" 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 ll(g) of the Act. Refer note 33 to the standalone financial statements.

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 Registration Number: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership Number: 243632
UDIN: 24243632BKCOGW9900

Place: Chennai
Date: 29/05/2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 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) the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements included under property, plant and equipment are held in the name of the Company.

(d) the Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) no proceedings have been initiated during the year or are pending against the Company as at 31st March 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 not been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the Order is not applicable.

(iii) The Company has not made investments or provided guarantee or security or granted loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties, during the year and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposits from the public and hence the directives issued by RBI and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015. Hence, reporting under clause 3 (vi) of the Order is not applicable.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the business activities carried out by the Company. Hence, reporting under clause 3 (vi) of the Order is not applicable

(vii) In respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable which were outstanding as on March 31, 2024 for a period of more than six months from the date on which they became payable.

(b) the Company does not have disputed statutory dues referred to in sub-clause (a) above and hence reporting under clause 3(vii)(b) of the Order is not applicable.

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

(ix) (a) the Company has not defaulted during the year in repayment of dues to any lender during the year.

(b) the Company has not been declared a willful defaulter by any bank of financial institution or government or any government authority.

(c) the Company has not taken any term loan during the year.

(d) on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) on an overall examination of the 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 / joint ventures / associates.

(f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries / joint ventures / associate companies and hence reporting under clause 3 (ix) (f) is not applicable.

(x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x) (a) is not applicable.

(b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x) (b) of the Order is not applicable.

(xi) (a) no fraud by the Company and no fraud on the Company has been noticed or reporting during the year.

(b) no reporting under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the date of this report.

(c) as informed by the Company, there were no whistle-blower complaints received during the year.

(xii) the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.

(xiv) (a) the Company does not have an internal audit system and is not required to have an internal audit system as per section 138 of the Act.

(b) as reported under sub-clause (a) above, the Company did not have an internal audit system for the period under audit.

(xv) the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) in our opinion, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) and its sub-clauses of the Order is not applicable.

(xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) there has been no resignation of the statutory auditors of the Company during the year.

(xix) on the basis of the financial ratios, ageing and expected dates of realisation of standalone financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) there are no ongoing projects as defined under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (a) of the Order is not applicable.

(b) there are no unspent amount as defined under under sub-section (5) of section 135 of the Act and hence reporting under clause 3 (xx) (b) of the Order is not applicable.

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

B MAHIDHAR KRRISHNA
Partner
Membership Number: 243632
UDIN: 24243632BKCOGW9900

Place: Chennai
Date: 29/05/2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management and Board of Directors Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors of the Company 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 Section143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Registration Number: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership Number: 243632
UDIN: 24243632BKCOGW9900

Place: Chennai
Date: 29/05/2024

BALANCE SHEET AS AT MARCH 31, 2024

Amount in Rupees in Lakhs

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	45.23	45.40
(b) Financial Assets			
(i) Investments	4	663.81	488.73
(c) Deferred Tax	5	-	5.20
Current Assets			
(a) Inventories	6	9.58	10.45
(b) Financial Assets			
(i) Cash and Cash Equivalents	7	76.55	68.00
(c) Current Tax Assets (Net)	8	2.27	2.90
Total Assets		**797.44**	**620.68**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	225.00	225.00
(b) Other Equity	10	557.85	394.61
LIABILITIES			
Non - Current Liabilities		-	-
Deferred Tax	5	14.44	-
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	11	0.15	1.07
Total Equity and Liabilities		**797.44**	**620.68**

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

As per our report of even date attached
For **B.Purushottam & Co.,**
Chartered Accountants
Firm Regn No.: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership No.243632

Place: Chennai
Date : 29/05/2024

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

I.L.FLORENCE
Director
DIN: 09273113

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Amount in Rupees in Lakhs

	Particulars	Note	For Year Ended March 31, 2024	For Year Ended March 31, 2023
I	Revenue from Operations	12	20.57	13.31
II	Other Income	13	22.56	14.74
III	**Total Income (I+II)**		**43.13**	**28.05**
IV	**Expenses**			
	Cost of Material Consumed	14	19.52	15.94
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock- in - Trade	15	0.87	(4.11)
	Employee Benefits Expense	16	3.11	2.75
	Depreciation and Amortisation	17	0.16	0.17
	Other Expenses	18	3.21	4.09
	Total Expenses (IV)		**26.87**	**18.84**
V	**Profit / (Loss) Before Exceptional Items and Tax**		**16.26**	**9.21**
VI	Exceptional Items		-	-
VII	**Profit / (Loss) Before Tax**		**16.26**	**9.21**
VIII	**Tax Expense**			
	- Current Tax		3.45	1.96
	- Deferred Tax		0.19	(5.20)
IX	**Profit / (Loss) After Tax for the Period**		**12.62**	**12.45**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	Equity instruments through Other Comprehensive Income		170.07	64.28
	Remeasurements of Defined Benefit Plan Acturial Gains / (Losses)		-	-
	Income Tax Expense on above		19.46	-
XI	**Total Other Comprehensive Income**		**150.62**	**64.28**
XII	**Total Comprehensive Income for the Period (Comprising Profit and Other Comprehensive Income for the Period)**		**163.23**	**76.74**
XIII	**Earnings Per Equity Share (In Rs.)**			
	(1) Basic		0.56	0.55
	(2) Diluted		0.56	0.55

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

As per our report of even date attached

For **B.Purushottam & Co.,**
Chartered Accountants
Firm Regn No.: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership No.243632

Place: Chennai
Date : 29/05/2024

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

I.L.FLORENCE
Director
DIN: 09273113

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Statement of changes in equity for the period ended March 31, 2024

A) Equity Share Capital

Amount in Rupees in Lakhs

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
For the year ended 31st March, 2023	225.00	-	225.00
For the year ended 31st March, 2024	225.00	-	225.00

B) Other Equity

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined Benefit Liability/ Asset	
Balance as at April 01,2022	52.86	265.02	**317.88**
Dividend Paid	-	-	**-**
Profit / (Loss) For The Period	12.45	-	**12.45**
Other Comprehensive Income For The Year	-	64.28	**64.28**
Balance as at March 31, 2023	**65.31**	**329.30**	**394.61**
Dividend Paid	-	-	-
Profit / (Loss) For The Period	12.62	-	12.62
Other Comprehensive Income For The Year	-	150.62	**150.62**
Balance as at March 31, 2024	**77.93**	**479.92**	**557.85**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For **B.Purushottam & Co.,**
Chartered Accountants
Firm Regn No.: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership No.243632

Place: Chennai
Date : 29/05/2024

For and on behalf of the Board of Directors

I.L.FLORENCE
Director
DIN: 09273113

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Amount in Rupees in Lakhs

Particulars	For Year Ended March 31, 2024	For Year Ended March 31, 2023
Cash Flows from Operating Activities		
Total Income for the Period (PBT)	16.25	9.21
Adjustments:		
- Profit on Sale of Investment	(5.16)	(3.45)
- Dividends Received	(10.90)	(7.97)
- OCI Adjustments	(170.07)	(64.28)
- Interest Received	(6.05)	(3.32)
- Fair Value Adjustment	170.07	64.28
- Profit from Partnership Made	(0.45)	(0.22)
- Depreciation and Amortization	0.16	0.17
Operating Cash Flow before Working Capital Changes	**(6.14)**	**(5.14)**
Changes in		
- Decrease / (Increase) In Trade Receivables	-	-
- Decrease / (Increase) In Inventory	0.87	(4.11)
- Decrease / (Increase) In Other Current Financial Asset(s)	-	-
- (Decrease) / Increase In Other Current Financial Liabilities	(0.92)	0.92
Cash Generated from / (used in) Operations	**(6.19)**	**(8.32)**
Less: Income Tax Paid	(2.81)	(0.65)
Cash Generated from / (used in) Operations (Net)	**(9.00)**	**(8.98)**
Cash Flows from Investing Activities		
Purchase of Shares	(45.72)	(83.82)
Sale of Investments	46.32	84.54
Interest Received	6.05	3.32
Dividend Received	10.90	7.97
Net Cash Generated from / (Used in) Investing Activities [B]	**17.53**	**12.01**
Cash Flows from Financing Activities	**-**	**-**
Net Cash used in Financing Activities	**-**	**-**
Increase in Cash and Cash Equivalents	**8.54**	**3.04**
Cash and Cash Equivalents at the Beginning of the Year	**68.00**	**64.97**
Cash and Cash Equivalents at the end of the Year	**76.54**	**68.00**
Components of Cash and Cash Equivalents (Refer note 6)		
Cash on Hand	**0.58**	**0.47**
Balances with Banks	**75.96**	**67.53**
Total Cash and Cash Equivalents	**76.55**	**68.00**

As per our report of even date attached

For **B.Purushottam & Co.,**
Chartered Accountants
Firm Regn No.: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership No.243632

Place: Chennai
Date : 29/05/2024

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

I.L.FLORENCE
Director
DIN: 09273113

1 - Company Information

KCP Sugars Agricultural Research Farms Limited is a wholly owned subsidiary of KCP Sugar and Industries Corporation Limited. The core activity of the company is research relating to Agriculture.

2 - Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgments

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

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

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

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

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

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

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

d) Revenue recognition :

Revenue is measured at fair value of consideration received or receivable. Revenue comprise of sale of agricultural products and bricks. Revenue from sale of goods is net of Indirect taxes, returns and discounts.

Revenue is recognised when following conditions are satisfied:

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

Interest

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

Dividend

Dividend income is recognized on cash basis.

(e) Property, Plant and Equipment:

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

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

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

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

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

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

Assets under finance leases as depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the depreciable assets are in line with the Schedule II of the Companies Act, 2013.

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

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

(f) Impairment of assets:

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

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

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

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

(g) Inventories:

Standing crops are valued at cost. Other inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(h) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

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

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

(j) Cash Flow Statement:

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

(k) Earnings Per Share:

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

(l) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit / (loss) are re of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL.The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTD.,)

3 - Property Plant and Equipment

Amount In Rupees in Lakhs

Description	Land	Buildings	Plant and Equipment	Fencing	Vehicles	Total
As at 31st March 2022 (At Cost)	36.87	8.35	8.52	0.15	0.10	53.99
Additions during the Year	-	-	-	-	-	-
Deletions during the Year	-	-	-	-	-	-
As at 31st March 2023 (At Cost)	36.87	8.35	8.52	0.15	0.10	53.99
Additions during the Year	-	-	-	-	-	-
Deletions during the Year	-	-	-	-	-	-
As at 31st March 2024 (At Cost)	**36.87**	**8.35**	**8.52**	**0.15**	**0.10**	**53.99**
Depreciation and Amortization						
Opening Depreciation as on 01.04.2022	-	0.99	7.37	-	0.05	8.41
Charge for the Year Ended March 31, 2023	-	0.17	0.01	-	-	0.17
Deletions during the Year	-	-	-	-	-	-
As at 31st March 2023	-	1.16	7.38	-	0.05	8.59
Charge for the Year	-	0.16	0.01	-	-	0.17
Deletions during the Year	-	-	-	-	-	-
As at 31st March 2024	**-**	**1.32**	**7.38**	**-**	**0.05**	**8.76**
Net Book Value						
As at 31st March 2024	**36.87**	**7.02**	**1.14**	**0.15**	**0.05**	**45.23**
As at 31st March 2023	36.87	7.19	1.14	0.15	0.05	45.40

4 - Investments (Non- Current)

Amount Rupees in Lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
Investments in Quoted Equity Instruments (Fair valued through OCI)				
	No. of Shares	Value	No. of Shares	Value
Blue Star Ltd. (Face value of Rs.2/- each)	11600	147.75	5800	79.99
Deep Energy Resources Ltd	-	-	5700	6.12
Geodesic Information Systems Ltd. (Face value of Rs.2/- each)	400	0.01	400	0.01
Igarashi Motors India Ltd	600	2.46	600	2.09
Indraprastha Gas Ltd.	60700	261.50	55900	239.64
Kaya Ltd (Formerly Marico Kaya Enterprises Ltd)	-	-	70	0.18
Marico Ltd. (Face value of Re.1/- each)	-	-	7000	33.59
Nucleus Software Exports Ltd.,	-	-	200	1.28
Yuken India Ltd.	2400	19.56	2400	12.04
Savita Oil Technologies Ltd.	40930	187.79	40930	97.02
Precision Wire India Ltd.	10500	13.46	10500	6.73
IRB Invit Fund.	42700	28.56	11500	7.76
Sub Total		**661.08**		**486.44**
Investments in Partnership Firm				
Quality Engineering Works, Trichy		2.73		2.28
Total		**663.81**		**488.73**

Additional Information :

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

Name of the Partners	% Share	Capital Balance	Capital Balance
		31/03/2024	31/03/2023
The Eimco - K.C.P. Limited	99.60%	701.73	590.40
KCP Sugars Agricultural Researchs Farms Limited	0.40%	2.73	2.28
Total	**100.00%**	**704.46**	**592.68**

5 - Deferred Tax Liability

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability		
- Property, Plant & Equipment	0.54	0.36
- Deferred Tax Liability on Fair Value gain investments listed securities @ 11.44%	19.46	-
Sub Total	20.00	0.36
Deferred Tax Asset		
- Unabsorbed Loss under Income Tax Act	5.56	5.56
Sub Total	5.56	5.56
Net Deferred Tax Asset / (Liabilities)	**(14.44)**	**5.20**

6 - Inventories

Amount Rupees in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Standing Crops & Others	9.58	10.45
Total	**9.58**	**10.45**

7 - Cash and Cash Equivalents

i) Balances with Banks:		
- In Current Accounts	15.69	10.57
- In Fixed Deposits	60.27	56.97
ii) Cash on Hand	0.58	0.47
Total	**76.55**	**68.00**

8 - Other Current Assets

Income Tax	2.27	2.90
Total	**2.27**	**2.90**

9 - Equity Share Capital

Authorised Share Capital		
50,00,000 Equity Shares of Rs.10/- each	500.00	500.00
Total	**500.00**	**500.00**
Issued, Subscribed And Paid Up		
22,50,000 Equity Shares of Rs.10/- each	225.00	225.00
Total	**225.00**	**225.00**

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No's.	Amount in Lakhs	No's.	Amount in Lakhs
At the beginning of the period	2250000	225.00	2250000	225.00
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	**2250000**	**225.00**	2250000	225.00

9.2. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No's.	% of Holding	No's.	% of Holding
K.C.P Sugar and Industries Corporation Ltd.	2250000	100%	2250000	100%
Total	**2250000**	**100%**	2250000	100%

9.4. Details of Promoter Shareholding

Particulars	As at March 31, 2024		As at March 31, 2023		% of Changes
	No's.	% of Holding	No's.	% of Holding	
K.C.P Sugar and Industries Corporation Ltd.	2250000	100%	2250000	100%	NIL
Total	**2250000**	**100%**	2250000	100%	NIL

10 - Other Equity

Amount In Rupees in Lakhs

For the Year Ended March 31, 2024

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01,2023	65.31	329.30	394.61
Profit / (Loss) for the period	12.62	-	12.62
Other Comprehensive Income for the Year	-	150.62	150.62
Balance as at March 31, 2024	**77.93**	**479.92**	**557.85**

For the year ended March 31, 2023

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01,2022	52.86	265.02	317.88
Profit / (Loss) for the period	12.45	-	12.45
Other Comprehensive Income for the Year	-	64.28	64.28
Balance as at March 31, 2023	65.31	329.30	394.61

11 - Other Financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding Liabilities for Expenses	0.15	1.07
Total	**0.15**	1.07

12 - Revenue from Operations

Amount In Rupees in Lakhs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of products	20.57	13.31
Total	**20.57**	13.31

13 - Other Income

Change in fair value of financial asset		
Interest income from financial asset measured at amortised cost	6.05	3.32
Dividend Income	10.90	7.97
Share of Profit from Partnership firm	0.45	-
Profit on sale of Investments	5.16	3.45
Total	**22.56**	14.74

14 - Cost of Material Consumed

Cultivation Charges	0.31	1.39
Labour Charges	2.96	4.48
Brick Work Expenses	16.25	10.07
Total	**19.52**	15.94

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

Opening Balance		
Standing Crops	10.45	6.34
Less: Closing Balance		
Standing Crops	(9.58)	(10.45)
Total	**0.87**	(4.11)

16 - Employee Benefits Expense

Salaries, Wages and Bonus	2.86	2.53
Staff Welfare Expenses	0.25	0.22
Total	**3.11**	2.75

17 - Depreciation and Amortisation

Depreciation / Amortisation for the Year		
- Tangible Assets	0.16	0.17
Total	**0.16**	0.17

18 - Other Expenses

Amount In Rupees in Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Pesticides / Fertilizers	1.05	1.45
Repairs and Maintenance:		
- Tractor	0.67	1.14
- Others	0.72	0.58
Payment Made to Auditors (Refer note below)	0.15	0.15
Legal and Professional Charges	0.26	0.14
Loss on Investment made in Quality Engineering	-	0.22
Miscellaneous Expenses	0.36	0.41
Total	**3.21**	4.09

Payment Made to Statutory Auditors :		
i. As Audit Fee	0.15	0.15
ii. For Taxation Matters	-	-
iii. For Other Services	-	-
iv. For Reimbursement of Expenses	-	-

Disclosure requirements of Indian Accounting Standards (Ind AS)

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

19.1. Financial Instruments by Categories

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

March 31, 2024

Particulars	Amortized Cost	Financial Assets / Liabilities at Fair Value through Profit or Loss	Financial Assets / Liabilities at Fair Value through OCI
Assets:			
Investment	2.73	-	661.08
Cash & Cash Equivalents	76.55	-	-
Liabilities:			
Other Financial Liabilities	0.15	-	-

March 31, 2023

Particulars	Amortized cost	Financial Assets / Liabilities at Fair Value through Profit or Loss	Financial Assets / Liabilities at Fair Value through OCI
Assets:			
Investment	2.28	-	486.44
Cash & Cash Equivalents	68.00	-	-
Liabilities:			
Other Financial Liabilities	1.07	-	-

20 - Fair Value Hierarchy

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

20.1. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

Amount In Rupees in Lakhs

	For the Year 31/03/2024				For the Year 31/03/2023			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Investments in Quoted Securities	661.08	-	-	**661.08**	486.44	-	-	486.44

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

(A) Names of related parties and description of relationship:
1. Holding Company K.C.P Sugar and Industries Corporation Ltd
(B) Transactions During the Year - Holding Company - **NIL**

22 - Disclosure in respect of Indian Accounting Standard (Ind AS) - 33 "Earnings Per Share (EPS)" Basic and Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Amount In Rupees in Lakhs

Particulars	**For the Year Ended March 31, 2024**	**For the Year Ended March 31, 2023**
Profit / (Loss) for the Year, attributable to the Owners of the Company	-	-
Earnings used in Calculation of Basic Earnings Per Share (A)	12.62	12.45
Weighted Average Number of Ordinary Shares for the Purpose of Basic Earnings Per Share (B)	22.50	22.50
Basic and Diluted EPS (A / B) (in Rs.)	0.56	0.55

Note: Only few ratios are applicable to the Company, which are disclosed in the above table.

23. Details relating to loans or advances in the nature of loans to Promoters, Directors, KMP and related parties - Nil

24. Details relating to Benami Property held by the Company - Nil

25. Details relating to declaration of the company as wilful defaulter by any bank or financial institution or other lender - Nil

26. Details relating to the nature of transaction carried out with the struck- off company - Nil

27. Details relating to the transactions undertaken in Crypto or Virtual currency - Nil

28. Details relating to the undisclosed income reported - Nil

29. Details regarding registration or satisfaction of charges with Registrar of Companies, beyond the statutory period - Nil

30. Details regarding compliance with number of layers of companies - Nil

31. Details regarding compliance with approved scheme of arrangements - Nil

32. Note on Rule 3(1) of Companies (Accounts) Rules, 2014

During the financial year 2023 - 24, the company has maintained its books of accounts in the accounting software (Busy Accounting Software) which does not possess the required audit trail functionality and edit log requirements as stipulated by Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended. The Company is in the process of migrating to a new accounting software, [Tally Prime Edit Log] during the year, which is expected to be fully operational from Financial year 2024-25. The new software will contain the necessary controls and documentation regarding the adit trail.

33. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

34. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35. Disclosure of various Ratios

S.No.	Name of the Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change
1.	Current Ratio	Current Assets	Current Liabilities	576.25	75.97	659%
2.	Return on Equity Ratio	Net Profits After Tax - Preference Dividend	Average Shareholder's Equity	0.02	0.02	(15%)
3.	Inventory Turnover Ratio	Sales	Average Inventory	2.05	1.72	19%
4.	Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	0.24	0.18	38%
5.	Net Profit Ratio	Net Profit After Tax	Net Sales = Total Sales - Sales Return	0.61	0.94	(34%)
6.	Return on Capital Employed	Earning Before Interest and Tax	Total Assets - Current Liabilities + Current Borrowings	0.02	0.01	37%
7.	Return on Investment	Income Genrated from Investments	Average Investments	0.32	0.16	(100%)

Note : Only few ratios are applicable to the company, which are disclosed in the above table.

36. Previous year's figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached

For **B.Purushottam & Co.,**
Chartered Accountants
Firm Regn No.: 002808S

B MAHIDHAR KRRISHNA
Partner
Membership No.243632

Place: Chennai
Date : 29/05/2024

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

I.L.FLORENCE
Director
DIN: 09273113