

K.C.P. SUGAR AND INDUSTRIES CORPORATION LTD.

Regd. Office : "Ramakrishna Buildings", Post Box No. 727, No.239, (Old No.183), Anna Salai, Chennai - 600 006.
Ph : 044 2855 5171 to 5176, 6551 4966 Fax : 044 2854 6617 / 2855 5863 E-mail : kcpsugar@vsnl.com
CIN - L15421TN1995PLC033198

Ref : KSICL/STK.EX./2019-20

25.09.2019

Manager - Corporate Relationship
Dept of Corp.Services
Bombay Stock Exchange Ltd.
Floor 25, P.J. Towers
Dalal Street - Mumbai 400001

Scrip ID / Code: KCPSUGIND / 533192

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial Year 2018-2019 pursuant
To Regulation 34 of SEBI (LODR) Regulations, 2015 – reg:**

In pursuance of Regulation 34(1) of SEBI (LODR) Regulations, 2015, we are submitting the
Annual Report for the financial year 2018-19.

Thanking you,

Yours faithfully,
For K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED


R GANESAN
CHIEF FINANCIAL OFFICER

Encl: a/a

◇ Leading Manufacturers of Premium Grade Sugars, Rectified Spirit, Anhydrous Alcohol, Extraneutral Alcohol, Co2, Calcium Lactate, Bio-Fertilizers, Bio-Compost and Mycorrhiza Inoculum.

Factories at	- Vuyyuru,	Krishna Dist., A.P. - 521 165.	Tel : 08676 232001	Fax : 08676 232640
	- Lakshmipuram,	Krishna Dist., A.P. - 521 131.	Tel : 08671 222046	Fax : 08671 222640



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

CIN: L15421TN1995PLC033198

**Twenty Fourth Annual Report
2018 - 2019**

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BOARD OF DIRECTORS as on 29.05.2019**WHOLETIME DIRECTORS:**

	DIN	
Shri.Vinod R. Sethi	00106598	Executive Chairman
Smt.Irmgard Velagapudi	00091370	Managing Director
Smt. Kiran Velagapudi	00091466	Executive Director

NON-WHOLETIME DIRECTORS:

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

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Chairman Shri.M.S.V.M.Rao	Chairman Dr. Vithal Rajan	Chairman Shri.K.R.Adivarahan	Chairperson Smt.Irmgard Velagapudi M.Rao
Members Shri. Vinod R. Sethi Dr.Vithal Rajan Shri.Prathap K.Moturi Shri K.R.Adivarahan	Members Shri. Vinod R. Sethi Shri.K.R.Adivarahan	Members Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao,	Members Shri.Vinod R.Sethi Shri.M.S.V.M.Rao Shri.K.R.Adivarahan

Chief Financial Officer

Shri.R. Ganesan

Company Secretary & Compliance Officer

Shri.S.Chidambaram, B.Sc.,ACMA, ACS,

Auditors

M/s. Suri & Siva (FRN. 004284S)

Chartered Accountants

C-8, 3rd Floor, Shanti Apartments, New No.18,
1st Cross Street, TTK Road
Alwarpet, Chennai 600018**Cost Auditor**

M/s. SRR & Associates, (Reg. No. 000992)

Cost Accountants,

No.20, Valluvar Street, 2nd Floor,
Thiru Nagar, Jafferkanpet, Chennai 600083.**Secretarial Auditors**

M/s. V.Mahesh & Associates - CP No. 2473

Company Secretaries

No.39/19, III floor, Aspen Court , 6th Main Road,
R.A. Puram - Chennai 600028**Internal Auditor**

Mr.S.Manisekaran

Chartered Accountant,

'Venkatesam', No.20/22, Ramanujam Street,
Nungambakkam, Chennai 600034.**Bankers**

State Bank of India

ICICI Bank Ltd

Axis Bank Ltd

HDFC Bank Ltd

Registered & Corporate Office

"Ramakrishna Buildings"

239, Anna Salai, Chennai - 600 006.

Telephone: 044-28555171-76 / E-mail: finance@kcpsugar.com

Website: www.kcpsugar.com

Plant Locations:**1) Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**Sugar, Industrial Chemicals, Incidental Co-generation Power,
Biotech, CO₂, Calcium Lactate Divisions.**2) Lakshmipuram, Krishna Dist, Andhra Pradesh 521 131**

Sugar, Incidental Co-generation Power.

Registrars to Deposits

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

Registrars & Share Transfer Agent & Depository Registrars

M/s Integrated Registry Management Services Private Limited

2nd Floor, "Kences Towers", No.1,Ramakrishna Street,

North Usman Road, T.Nagar, Chennai - 600 017.

Ph: 28140801 to 28140803 Fax: 28142479

Email : corperserv@integratedindia.in

Website: www.integratedindia.in**FINANCIAL HIGHLIGHTS**

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Share Capital	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
Reserves and Surplus	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08	18239.51	16519.46	15925.95
Net Worth	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93	19373.36	17653.31	17059.80
Fixed Assets (Net)	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94	12243.89	13102.44	13698.22
Gross Income	33060.10	38771.27	46290.34	39917.43	41645.59	35716.56	43460.93	34760.85	22109.35	26306.43
Gross Profit / (Loss)	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30	4892.15	2924.04	4813.10
Depreciation	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40	1082.87	1095.44	1062.54
Finance Cost	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58	*634.16	*500.57	319.62
Profit / (Loss) before Tax	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32	3175.12	1328.03	3430.94
Profit / (Loss) after Tax	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13	2642.50	1183.23	2374.37
Other Comprehensive Income	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind As) was adopted for the first time from the F.Y.2017-18.						
Total Comprehensive Income	1054.51	830.87	5487.03							
Earnings per Share (Rs.)	0.90	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33	1.04	2.09
Cash Earnings per Share (Rs.)	1.63	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29	2.01	3.03
Book Value per Share (Rs.)	23.30	22.50	21.08	19.36	19.01	20.78	19.33	17.09	15.57	15.05
Dividends on Equity %	10.00	10.00	90.00	25.00	10.00	85.00	100.00	70.00	45.00	75.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.16	0.16	0.19	0.21	0.26	0.21	0.09	0.26	0.26	0.25

* Finance cost in FY 2012-13, 2011-12 & 2010-11 consists Interest and other borrowing costs as per Revised Sch.VI. Rest of the Financial Years, it represents only Interest.

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2018 -19	2017- 18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	845855	719878	506541	898654	833277	803318	769209	871574	786393	489522
Sugar bagged in QTLS	803625	689152	473740	853870	790620	821468	778220	859940	805960	464110
Recovery (%)	9.52	9.60	9.38	9.49	9.49	10.24	10.10	9.88	10.25	9.50
SUGAR UNIT, LAKSHMIPURAM										
Cane Crushed in MTS	279940	171572	140649	284686	270236	285464	227531	281847	275222	150759
Sugar bagged in QTLS	265823	155121	114241	253263	234100	274470	206768	241447	250160	129206
Recovery (%)	9.50	9.06	8.12	8.90	8.67	9.62	9.11	8.87	9.09	8.58

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

CIN: L15421TN1995PLC033198
"Ramakrishna Buildings"
No.239, Anna Salai
Chennai 600 006.
T: 91 44 28555171 – 176
F: 91 44 28546617

May 29, 2019

Dear Member,

You are cordially invited to attend the 24th Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on Thursday, 12th September 2019 at 10.00 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

The Notice of the meeting, containing the business to be transacted, is attached. As per section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in pursuance of Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are attached.

Very truly yours,

VINOD R. SETHI
DIN: 00106598
EXECUTIVE CHAIRMAN

Enclosures:

1. Notice to the 24th Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Twenty fourth Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Thursday, September 12, 2019 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt.Kiran Velagapudi (DIN: 00091466), who retires by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. **Reappointment of Independent Director Dr Vithal Rajan(DIN - 00021571) for the second term of five years:**

To consider and if thought fit, to reappoint Dr Vithal Rajan (DIN - 00021571), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, Dr Vithal Rajan (DIN - 00021571) an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

5. **Reappointment of Independent Director M S V M Rao (DIN - 00432640) for the second term of five years:**

To consider and if thought fit, to reappoint M S V M Rao (DIN - 00432640), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, M S V M Rao (DIN - 00432640), an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

6. **Reappointment of Independent Director Pratap K Moturi (DIN - 00020630) for the second term of five years:**

To consider and if thought fit, to reappoint Pratap K Moturi (DIN - 00020630), as an Independent Director, to hold office for the second term of five years from 1st April 2019 till 31.03.2024 not liable to retire by rotation during the said tenure, and to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provision of section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments there of for the time being in force, Pratap K Moturi (DIN - 00020630) an Independent Director of the Company who has submitted a Declaration that he meets the criteria for independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for reappointment be and is hereby reappointed as an Independent Director to hold office

for a second term of five years from 1st April 2019 till 31st March 2024, not liable to retire by rotation during the said term of reappointment."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Article 148 of the Articles of Association of the Company and the provisions of Section 197 and 198 and other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, the Non Whole time Directors of the Company (other than the Wholetime Directors and Nominee Directors) be paid as remuneration for each of the five financial years beginning from financial year 2019 – 20 till the financial year 2023- 24, an amount not exceeding one percent of the net profits of the Company and computed in the manner laid down in Section 198, of the Companies Act, 2013 and to be divided amongst the said Non Wholetime Directors in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally, provided that none of the Directors aforesaid shall receive individually in a financial year a sum exceeding Rs. 1.75 lakhs (Rupees One lakh and seventy five thousand only) and further that the payment of the sum in the above manner shall be in addition to the sitting fee per meeting of the Board/Committee which each such Director is entitled to receive under the Articles of Association of the Company and as per the approval of the Board of Directors from time to time."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be deemed expedient or desirable to give effect to this resolution."

8. Remuneration of Cost Auditor:

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

"RESOLVED that the Company do hereby confirm and ratify in terms of section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus GST as applicable and reimbursement of travel and out of pocket expenses, approved by the Board of Directors on the recommendations of the Audit Committee, to SRR Associates, Cost Accountants, Chennai (FRN 000992) for conducting the audit of cost records of the Company for the financial year ending 31st March 2020."

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 29.05.2019

VINOD R. SETHI

EXECUTIVE CHAIRMAN

DIN: 00106578

NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The **proxy form**, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per section 105 of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other member.

- b. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.

- c. Members / Proxies / authorized representatives are requested to hand over the duly filled in Attendance Slip attached with this notice at the registration counter. Members holding shares in dematerialized form are requested to furnish their client ID / DP ID numbers for identification.
- d. The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- e. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.

Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013, are available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and Public Holidays, upto the date of the Annual General Meeting.
- f. The Register of Contracts or Agreements in which the directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- g. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 4th day of September 2019 to 12th day of September 2019, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2019 and the AGM.
- h. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 12.09.2019 but within the stipulated time of 30 days from the date of declaration:
 - i. to those Members whose names appear on the Register of Members of the Company as on 12th September 2019 or to their Mandates; and
 - ii. in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- i. M/s. Integrated Registry Management Services Pvt. Ltd, Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
- j. Securities and Exchange Board of India has made trading in the shares of the company compulsory in dematerialized form for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.
- k. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Pvt. Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
 - i. Name of the Sole / First joint holder and the Folio Number.
 - ii. Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, and Complete address of the Bank with PIN code, Account type and the Bank Account Number.
 - iii. Dividend warrants for physical payment will be issued by the Company payable at par at the designated branches of the bank, with a validity period of 3 months. Hence, members are advised to encash the warrants within the validity period.
 - iv. Dividend, on approval by the shareholders at the AGM, will be paid without deduction of tax, to shareholders. Taxability of dividend in the hands of recipients is as per the extant tax law.
- l. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.

- m. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. **This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.**
- n. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio.**
- o. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH-13 pursuant to Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014. Members holding shares in physical form can submit Form SH-13 to the Company's Registrar & Transfer Agents, M/s. Integrated Registry Management Services Private Limited, and the members holding shares in electronic form can submit the Form SH-13 to their respective Depository Participants.
- p. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.PV.Chcrian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.
- q. Members are requested to **bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
- r. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested to **address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.
- s. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.
- t. The soft copy of full Annual Report is being sent by electronic mode to all the members whose e-mail address is registered with the Company / Depository Participant. If a member opts for the hard copy of the Annual Report, the same will be sent to such member. For members who have not registered their e-mail address, hard copies of the full Annual Report are being sent by the permitted mode.
- u. **Remote E-voting:** Pursuant to section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended on 19.03.2015, the Company provides facility for its members to exercise their voting right by electronic means, and the business set out in the Notice may be transacted through such e-voting. Detailed instructions for e-voting is given in the Annexure.
- v. **Voting at AGM:** The Company also provides facility for voting through polling paper at the venue of the Annual General Meeting in pursuance of Rule 20 of Companies (Management & Administration) Rules, 2015 read with clause 7 of Secretarial Standard 2 on General Meetings. Members who have availed the facility of remote e-voting cannot avail this facility but can attend the meeting.
- w. Distribution of Gift, Gift Coupons or cash in lieu of gifts to members at or in connection with the General Meeting, is not permitted as per clause 14 of Secretarial Standard 2 on General Meetings., issued by the Institute of Company Secretaries of India.

- x. Details of Director seeking reappointment at the forthcoming Annual General Meeting [in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015] (Item 3 of this Notice) :

<i>Name of Director</i>	<i>Smt Kiran Velagapudi</i>
<i>Date of Birth</i>	<i>18.12.1964</i>
<i>Nationality</i>	<i>German (Holder of Person of Indian Origin Card)</i>
<i>Date of appointment on the Board</i>	<i>29.07.2002</i>
<i>Qualifications</i>	<i>Graduate from University of London</i>
<i>Expertise in specific functional area</i>	<i>Possesses leadership skills to steer the Company from strength to strength</i>
<i>DIN</i>	<i>00091466</i>
<i>No. of shares held in the Company</i>	<i>2,65,820</i>
<i>List of Directorships held in other Companies</i>	<i>***</i>
<i>Chairman / Member in the Committees of the Boards of Companies in which she / he is a director.</i>	<i>***</i>
<i>Directorships relate to Directorship in other Indian public companies and Committee memberships relate to Audit Committee and Stakeholders Relationship Committee of Public Limited companies (whether listed or not).</i>	

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

- i. Item 4 to 6 - Reappointment of three Independent Directors for the second term of five years from 01.04.2019 to 31.03.2024

Section 149(10) of the Companies Act, 2013 mandates the reappointment of independent director for a fixed term upto five consecutive years and eligibility of that independent director for reappointment for one more term of five years on passing of a special resolution by the Company. SEBI, vide circular dt. 17.04.2014 has advised stock exchanges to amend clause 49 of the equity listing agreement to align them with the Companies Act, 2013.

In order to ensure due compliance with the Companies Act, 2013 the Company intends to pass requisite special resolutions at this AGM for the reappointment of Independent Directors. All the three existing Independent Directors of the Company qualify for reappointment as independent directors for the second term of five years 01.04.2019 to 31.03.2024.

All the three independent directors have given a declaration in writing to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 in DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that they are not disqualified under section 164 (2) of the Companies Act, 2013. It is further confirmed that in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules made there under and they are independent of the Management. The Nomination and Remuneration Committee of the Board of Directors has recommended their reappointment for the second term of five years from 01.04.2019 to 31.03.2024, based on the evaluation.

The Company has received notice under section 160 of the Companies Act, 2013, from a member signifying the intention to propose each of the candidates for the office of independent director, to be reappointed as such under the provisions of section 149 of the Companies Act, 2013.

Further as per Regulation 17(1A) of the listing Regulations, appointment or continuation of a Non-Wholetime Director after attaining the age of 75 years also requires approval of the shareholders of the Company by way of Special Resolution. Dr. Vithal Rajan had already attained the age 75 years and hence the Board of Directors recommends passing of a Special Resolution and Item 4 for the continuation of Dr. Vithal Rajan as a Non-Wholetime Director for the second term of five years from 01.04.2019 to 31.03.2024, not liable to retire by rotation.

Dr. Vithal Rajan is a Doctorate from the prestigious London School of Economics. He is associated with a number of NGOs and was made an officer of the 'Order of Canada', the highest honour of that Country. His knowledge on the socio economic environment prevalent over the globe is par excellence. His continued contribution as an Independent Director on the Board will be of immense benefit to the Company.

Since this 24th Annual General Meeting is the first Annual General Meeting since Independent Directors' first term of appointment of Five Years was over and also the effective date of Regulation 17(1A) of SEBI (LODR), the Special Resolution for the reappointment of Independent Directors for a Second Term of Five Years from 01.04.2019 is placed in this AGM for the approval of Members.

Details of independent directors proposed for reappointment are furnished in the annexure which forms an integral part of this notice.

Copy of the draft letter for reappointment of each of them as Independent Director setting out the terms and conditions of reappointment of independent directors as approved by the Board are open for inspection by a member on any working day of the Company between 11.00 AM and 1.00 PM. This will also be posted on Company's website.

The Board considered that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the resolutions in relation to re-appointment of four Independent Directors for the approval by the shareholders of the Company.

Memorandum of Interest

Except the aforesaid three Independent Directors being appointees, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in any way, financially or otherwise, in the resolutions set out in Item No.4 to 6.

Particulars	Dr.Vithal Rajan	Shri.M.S.V.M.Rao	Shri. Prathap K. Moturi
Date of Birth	16.07.1936	27.09.1955	25.07.1949
Date of Appointment	26.10.2005	17.12.2005	21.06.2013
DIN	00021571	00432640	00020630
Qualification	Doctorate from London School of Economics.	Post Graduate in Political Science	Chartered Accountant
Expertise in specific functional areas	An Economist of repute and is associated with many NGOs for eradication of social and economic backwardness.	Expert in agriculture related activities.	Four decades of rich experience in handling Accounts, Audit, Taxation of various Companies.
Directorship held in other Companies (excluding foreign companies)	--	--	--
Membership / Chairmanships of Committees of other companies	--	--	--
No. of shares held in the Company	NIL	10	NIL
Expertise in specific functional areas	An Economist of repute and is associated with many NGOs for eradication of social and economic backwardness.	Expert in agriculture related activities.	Four decades of rich experience in handling Accounts, Audit, Taxation of various Companies.
Directorship held in other Companies (excluding foreign companies)	--	--	--
Membership / Chairmanships of Committees of other companies	--	--	--
Inter se relationship with any Director	NIL	NIL	NIL

i. Item No. 7 – Commission payable to Non-Wholetime Directors:

At the twenty first Annual General Meeting held on 21st September 2016, the Shareholders had approved the payment of remuneration to the Non-Whole Time Directors by way of commission on the profits of the Company not exceeding one per cent subject to a limit of Rs.1,75,000/- (Rs. One Lakh and Seventy five thousand) per Director for each of the three financial years ending with 31st March,2019, in addition to sitting fees paid for the meetings of the Board/Committee. Your Board of Directors consists of senior seasoned professionals in their respective fields who with their knowledge and exposure are guiding the growth of this Company. With the increasing thrust on good Corporate Governance your Board has inducted professionals from different walks of life and functional areas so that they can contribute to the success of the Company. There is a need for the compensation to be commensurate with the responsibilities shouldered by the Non Wholetime Directors. In appreciation of their valuable continuing guidance for the growth of the Company and also considering the attention devoted and responsibilities undertaken by these Non-Whole Time Directors in the activities of the Company, the Board of Directors at their Meeting held on 29th May 2019, has recommended the payment of commission not exceeding one per cent of the profits of the Company to be divided amongst the said Non Whole time Directors aforesaid in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally subject to a maximum of Rs. 1,75,000/- (Rs. One lakhs and seventy five thousand only) per Director for each of the five financial years from 2019 – 20 to 2023-24, in addition to sitting fees paid for the meetings of the Board/ Committee. Section 197 of the Companies Act, 2013 read with article 148 of the Articles of the Association of the Company, stipulates inter alia that the payment of remuneration to the Non-Whole Time Directors not exceeding one per cent of the profits of the Company could be made if authorized by a Special Resolution.

The Directors, therefore recommend the Special Resolution for the approval of the Shareholders.

Shri., Dr.Vithal Rajan, Shri.M.S.V.M.Rao, Shri Pratap K Moturi and Shri. K.R. Adivarahan being Non Wholetime Directors may be deemed to be concerned or interested in this resolution.

i. Item 8 – Remuneration of Cost Auditor:

The Board of Directors, on the recommendations of Audit Committee, has approved the appointment and remuneration of M/s. SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditors to conduct the audit the cost records of the Company for the financial year ending 31.03.2020. The Firm has confirmed that its appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that the Firm is free from any disqualification specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a Certificate from the said Firm certifying its independence and arms length relationship with the Company. The remuneration of Rs.2,25,000/- plus service tax as applicable and reimbursement of out of pocket expenses, as determined by the Board based on the recommendations of the Audit Committee, is now placed for ratification by the shareholders at this AGM in pursuance of section 148(3) of the Companies Act, 2013, read with rule 14 of the Companies (Audit & Auditors) Rules, 2014:

Product	Factory
Sugar	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Electricity	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Industrial Alcohol	Vuyyuru at Krishna Dist., A.P.
Bio-fertilizers	Vuyyuru at Krishna Dist., A.P.
Calcium Lactate	Vuyyuru at Krishna Dist., A.P.
Carbon Dioxide	Vuyyuru at Krishna Dist., A.P.

Copies of the relevant resolutions of the Audit Committee and the Board are available for inspection by members on any working day between 11.00 AM and 1.00 PM.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

// BY ORDER OF THE BOARD //

Place : Chennai
Date : 29.05.2019

VINOD R. SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 24th Annual Report and the audited financial statements for the year ended 31st March 2019.

1. FINANCIAL RESULTS:

	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Physical Performance		
Cane crushed – in Tonnes	11,02,896	8,68,552
Sugar bagged – In Quintals	10,44,316	8,19,141
Financial Performance – Rs. Crores		
Turnover	317.83	329.95
Other Income	12.77	57.76
Profit Before Tax	25.56	-7.35
Profit After Tax	10.20	8.37
Earnings per share	0.90	0.74

2. PERFORMANCE:

During the financial year under review your Company recorded a Turnover of Rs.317.83 crores (Prev. Year: Rs.329.95cr.). The profit before finance cost and depreciation is Rs. 52.47 crores. Profit before tax is Rs. 25.56 crores and after adjustments relating to payment of Income Tax pertaining to earlier years and Deferred Tax, the Profit after tax is Rs.10.20 crores.

3. DIVIDEND:

The Board of Directors recommends a dividend of Re. 0.10 per equity share of face value of Re.1/- each on the Paid-up Equity Capital for the year ended 31.03.2019 as against Re.0.10 per equity share, approved for the previous year ended 31.03.2018. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

4. SHARE CAPITAL AND RESERVES:

The share capital of the Company is Rs.11.33 crores. The General Reserve as at 31.03.2019 was Rs.112.09 crores. The total Reserves and Surplus has increased to Rs.252.90 crores as on 31.03.2019 as against Rs.243.72 crores as on 31.03.2018.

5. SUBSIDIARY COMPANIES:

Your Company has two wholly-owned Subsidiaries, viz, The Eimco-K.C.P. Limited and KCP Sugars Agricultural Research Farms Limited. Both the wholly-owned subsidiaries are unlisted companies and do not fall under the category 'Material Subsidiary' in terms of Regulations 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no Associated Companies within the meaning of section 2(6) of the Companies Act, 2013 and there has been no material change in the nature of business of the subsidiaries. A statement containing salient features of the financial statement of subsidiaries in Form AOC-1, forms part of the Board's Report.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A comprehensive discussion and analysis report on the industry's structure as well as on the financial and operational performance of the Company is contained in the Management Discussion and Analysis Report, which forms an integral part of the Board's Report (Annexure I).

7. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Corporate Governance Report together with the Certificate from the Company's Statutory Auditors confirming the compliance of conditions on Corporate Governance is given in Annexure II to Board's Report.

8. EXTRACT OF ANNUAL RETURN:

In pursuance of section 134(3) of the Companies Act, 2013, the extract of the Annual Return has provided under section 92(3) of the Companies Act, 2016, is given in Annexure III.

9. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 134 of the Companies Act, 2013, your Directors certify as follows:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;
- ii. 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 ended 31st March 2019 and of the Profit of the Company for that year;
- iii. 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;
- iv. that the Directors had prepared the annual accounts on a going concern basis.
- v. That the directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.
- vi. 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.

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

There is no loan / guarantee / investment covered under section 186 of the Companies Act, 2013, during the financial year 2018-19. In pursuance of Rule 11 of Companies (Meetings of Board and its powers) Rules, 2014, the requirement of section 186(3) is not applicable.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has entered into Rental Lease Agreements with related parties in the ordinary course of business and on arms length basis. The value of such transactions is well within the threshold limit prescribed under Rule 15 of Companies (Meetings of Board & its powers) Rules, 2014 and hence outside the ambit of section 188 of the Companies Act, 2013. Disclosure of particulars of contracts / arrangements entered into by the Company with the related parties in pursuance of section 188(1) of the Companies Act in Form AOC-2, forms part of the Board's Report.

12. MATERIAL CHANGES AND COMMITMENT:

There is no change in the nature of business of the Company during the financial year under review. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of Board's Report.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTGO:

Information relating to Conservation of Energy, Technology absorption, Foreign Exchange inflow and outgo, as required under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, is furnished in Annexure IV.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR policy of the Company and the details about the measures taken by the Company on CSR activities during the financial year as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, have been disclosed in Annexure V, in pursuance of section 135 of the Companies Act, 2013.

15. PARTICULARS OF EMPLOYEES:

Statement required under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not attached to this Report as none of the employees was in receipt of remuneration as prescribed under this Section and Rules.

The information required pursuant to section 197 of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished in Annexure VI.

16. PERSONNEL AND INDUSTRIAL RELATIONS:

The Employee relations scenario continued to be harmonious and congenial. Acknowledging this, your Company has been awarded for outstanding efforts in maintaining cordial Industrial Relations and Labour Welfare by Government of Andhra Pradesh.

17. DIRECTORS:

Director retiring by rotation:

Smt. Kiran Velagapudi, Director (DIN00091466), who retires by rotation at this AGM and is eligible for reappointment, is proposed to be reappointed as Director at this AGM. The Board recommends her reappointment and accordingly, resolution seeking approval of members for her reappointment has been included in the Notice for the forthcoming Annual General Meeting along with her brief profile.

18. REAPPOINTMENT OF INDEPENDENT DIRECTORS FOR A SECOND TERM OF FIVE YEARS:

Reappointment of three Independent Directors Dr. Vithal Rajan, Shri. M.S.V.M. Rao and Shri. Pratap K. Moturi for a second term of a five years from 01.04.2019 till 31.03.2024 in pursuance of section 149(10) of the companies Act, 2013 and other applicable provisions of the Companies Act, 2013 is recommended by the Board of Directors for the consideration of the Members through special resolutions.

All the three independent directors have given a declaration in writing to the Board that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 in DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that they are not disqualified under section 164 (2) of the Companies Act, 2013. It is further confirmed that in the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules made there under and they are independent of the Management. The Nomination and Remuneration Committee of the Board of Directors has recommended their reappointment for the second term of five years from 01.04.2019 to 31.03.2024, based on the evaluation.

The Company has received notice under section 160 of the Companies Act, 2013, from a member signifying the intention to propose each of the candidates for the office of independent director, to be reappointed as such under the provisions of section 149 of the Companies Act, 2013.

19. AUDITORS:

M/s. Suri & Siva (FRN 004284S), Chartered Accountants, were first appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on 15.09.2017. In terms of their appointment, they are holding office of Statutory Auditors of the Company upto the conclusion of the 27th Annual General Meeting, subject to ratification by members at every AGM.

As the Annual Ratification of the appointment of Statutory Auditors at every Annual General Meeting in pursuance of proviso to sec 139(1) and rule 3(7) of Companies (Audit and Auditors) Rules, 2014 has been dispensed with w.e.f. 07.05.2018 the Company has not placed the matter relating to the appointment of auditors for ratification before the members at this Annual General Meeting.

20. COST AUDIT:

M/s. SRR & Associates, Cost Accountants, Chennai, (FRN 000992), had been appointed by the Board of Directors of the Company as Cost Auditor to conduct the Cost Audit in respect of Sugar, Industrial Alcohol, Electricity, Fertilizer, Calcium Lactate and CO₂ for the financial year 2018-19, and their remuneration was ratified by the members at the 23rd Annual General Meeting held on 14.09.2018. The Cost Audit Reports for 2018-19 are due for submission on or before 27.09.2019.

The Cost Audit reports for 2017-18 were e-filed with the Ministry of Corporate Affairs, New Delhi, vide, SRN H-05571468 dt.30.08.2018.

M/s SRR & Associates confirmed that its appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that the Firm is free from any disqualifications specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a certificate from the said Firm of Cost Auditors certifying its independence and arms length relationship with the Company.

21. SECRETARIAL AUDIT & SECRETARIAL STANDARDS:

In pursuance of section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 08.02.2019 appointed M/s. V.Mahesh & Associates, Company Secretaries in practice, as Secretarial Auditor for the financial year 2018-19 and their report is annexed with the Board's Report. (refer Annex. VII). Pursuant to section 118(10) of the Companies Act, 2013, the Company observes Secretarial Standards 1 and 2 relating to Board Meetings and General Meetings, prescribed by the Institute of Company Secretaries of India.

- There are no disqualifications, reservations or adverse remarks or disclaimers in the Statutory Auditors, Cost Auditor and Secretarial Auditor's Report.
- The Company, since inception, remains in the regime of unqualified financial statements. The Company will comply with SEBI circular dt.13.08.2012 and Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and submit Form A along with Annual Report

22. INTERNAL AUDIT:

Pursuant to Section 138(1) of the Companies Act, 2013, the Company has appointed Shri.S.Manisekaran, Chartered Accountant (Membership No.026400) to conduct internal audit of the Company for the financial year 2019-20. The Internal Auditor reports to the Audit Committee and submits his reports on quarterly basis.

23. CREDIT RATING

CARE Ratings Limited has rated your Company with 'CARE 'A (Single A) for long term bank facilities, 'CARE A1' (A One) for short term bank facilities and for Fixed Deposit it is CARE A (FD) [Single A (Fixed Deposit) assigned to your Company for the current year. The ratings for the financial year 2019-20 are awaited on this date. Measured through industry yardstick these ratings are considered to be having adequate degree of safety for a sugar mill.

24. ISO CERTIFICATION:

Your Company has been certified consecutively for the past nine years under BS EN ISO 22000:2005, BS EN ISO 9001:2000, and OHSAS 18001:2007 for Manufacture of sugar, associated products and site activities, and Occupational Health and Safety Management system by Lloyd's Registry Quality Assurance Limited.

25. FIXED DEPOSITS:

As on 31.03.2019 your Company had held deposits of Rs. 68.83 crores (including unclaimed deposits) as against Rs.68.78 crores as on 31.03.2018. As at 31.03.2019, there were matured and unclaimed deposits amounting to Rs.0.62 crores in respect of 103 deposits. As on the date of this report, amount of unclaimed deposits is Rs.0.53 crores.

In compliance with the provisions of Investors Education and Protection Fund constituted under Section 124 of the Companies Act, 2013, the Company has transferred 0 deposit amounting to Rs.0.00 lakhs which remained unclaimed beyond the period of seven years from the date of maturity to the Investor Education and Protection Fund

26. ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Cane growers, the Shareholders, Banks, Institutions, Central and State governments, Depositors, Sugar Dealers, Business Associates, as also other regulatory authorities for their continued support and cooperation.

Your Directors would also place on record their sincere appreciation for the total commitment, dedication and hard work put in by all the employees, which contributed to the Company's progress during the year under review.

For and on behalf of the Board of Directors

Place : Chennai

Date : 29.05.2019

VINOD R. SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

Annexure I to Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. Sugar Industry - Opportunities, Threats and Future Outlook:

Opportunities:

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

- ❖ Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- ❖ Growing energy consumption in India allowing the sugar industry to play a vital role.
- ❖ Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- ❖ Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- ❖ More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- ❖ Growing demand for bio manure, which works as the perfect soil conditioner Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- ❖ Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- ❖ The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- ❖ Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of sugar cane available.
- ❖ Sugar weight-age in WPI.
- ❖ Short crushing season.
- ❖ Shrinkage of sugarcane area under cultivation due to growing urbanisation and availability of many alternate cash crops.

Future Outlook:

The future outlook of sugar would depend on the following:

- ❖ Development of high breed varieties of sugarcane suitable for Indian climatic conditions and to achieve vertical growth in sugarcane productivity.
- ❖ Development of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings.
- ❖ Swift adaptation of new cultivation method for mechanised harvesting.
- ❖ Agro-climatic conditions in major sugar-producing states.
- ❖ Permitting Green Energy producers to market directly to third parties

b. REVIEW OF OPERATIONS:**i. SUGAR UNITS AT VUYYURU AND LAKSHMIPURAM:**

The summary of cane crushed, sugar bagged, etc. of both the Sugar Units for the last two seasons and financial year wise are presented herein below:

SEASONWISE

UNIT / SEASON PARTICULARS	VUYYURU		LAKSHMIPURAM	
	2018-19	2017-18	2018-19	2017-18
Crushing commenced on	22.11.2018	03.12.2017	03.12.2018	17.12.2017
Crushing completed on	26.04.2019	08.04.2018	29.03.2019	03.03.2018
No. of days	156	127	113	74
Cane crushed (in MT)	845855	719878	279940	171572
Sugar Bagged (in qtls)	803625	689152	265823	155121
Recovery (%)	9.52%	9.60%	9.50%	9.06%

FINANCIAL YEARWISE

UNIT/YEAR ENDED DETAILS	VUYYURU		LAKSHMIPURAM	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
2017-18 Season - From / To		03.12.2017 to 31.03.2018		17.12.2017 to 03.03.2018
2018-19 Season - From / To	22.11.2018 to 31.03.2019	**	03.12.2018 to 29.03.2019	**
No. of days	130	119	113	74
Cane crushed (in MT)	822956	696980	279940	171572
Sugar Bagged (in qtls)	778493	664020	265823	155121
Recovery (%)	9.56%			
9.68%	9.50%			
9.06%				

ii. INDUSTRIAL CHEMICALS & ANHYDROUS ALCOHOL / COGENERATION / OTHER UNITS:

Vuyyuru Distillery Unit produced 126.75 lakh litres of Industrial Alcohol (RS) during the year ended 31.03.2019 as against 104.33 lakh litres of Industrial Alcohol (RS) during the previous financial year. As against this, the said Unit sold 135.01 lakh litres valued at Rs.58.14 crores during the year under review as against 96.65 lakh litres valued at Rs. 39.43 crores during the previous year.

The Bio-fertilizer unit at Vuyyuru sold about 1.34 lakh Qtls valued at Rs. 5.73 crores as against 1.33 lakh Qtls valued at Rs.6.15 crores during the previous year.

Co-generation Unit at Vuyyuru produced 33,979 MW of power during the financial year under review as against 29,909 MW in the previous year, and the Lakshmipuram Unit 6,972 MW of power as against 4,401 MW in the previous year. In all, total export of electrical energy was 9,610 MW resulting in a turnover of Rs. 4.12 crores as against 9,248 MW at a turnover of Rs. 3.76 crores during the previous year. The Calcium Lactate plant contributed Rs. 3.29 crores towards its turnover of the Company as against a turnover of Rs. 3.12 crores during the previous year.

c. INTERNAL CONTROL SYSTEMS

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

d. HUMAN RESOURCES:

The Company had 776 employees, including non-seasonal employees at the sugar units, as on 31.03.2019. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company believes that people are the key to success and hence the human resources function pro-actively develops innovative and business focussed methods to attract, motivate, develop and retain talented, competitive manpower sources.

e. AWARDS:

During the year under review, your Company had received following Awards in the year 2019-19:

Vuyyuru Unit

- ❖ 2018 Best Management Award – from Sri P Satyanarayana, Labour Minister , Government of Andhra Pradesh on May Day 1st May 2018 at Vijayawada.
- ❖ Best Cane Management Award (Platinum Award) –Presented in SISSTA's Convention on 21.09.2018 at Chennai, Tamil Nadu
- ❖ Best Distillery Award (Silver Award) –Presented in SISSTA's Convention on 21.09.2018 at Chennai, Tamil Nadu

Lakshmipuram Unit

- ❖ Winner – National Safety Award (Under Scheme III) – Based on Lowest Average Frequency Rate in Industry for the year 2015 – Awarded on 17.09.2017 at New Delhi by Minister of Labour, Government of India.

f. OTHERS:

The valid licences for Air and Water (prevention and control of pollution) from APPCB are in place in respect of all Units at Vuyyuru and Lakshmipuram, Krishna District, Andhra Pradesh. The Company also takes adequate steps to safeguard the environment.

g. RISK MANAGEMENT:

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

i. Raw Material Risk:

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

Mitigation Measure:

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

ii. Policy Risk:

Central and State governments regulate the cane policies and they have a larger control on this industry by determining the raw material price and also influence the sugar selling price. The controls exercised by the Union and State governments over command area demarcation from time to time. Molasses movement control.

Mitigation Measure:

The Company is a member of South Indian Sugar Mills Association (SISMA) and works closely with it towards developing appropriate policy recommendations to represent the industry needs to the government. Formulation of policy on Ethanol doping, review of cogeneration policy, and review of sugar weight-age in WPI are some of the issues addressed in close liaison with SISMA.

iii. Cyclicity / Commodity Risk:

The sugar price is determined by the cyclicity of the sugar business and hence it affects the profitability. Sugar being a commodity traded across the world, its price is influenced by the various factors including the normal supply and demand.

Mitigation Measure:

The Company takes the following measures, which enable the Company to insulate itself against price risk.

- More focus on value-added downstream products
- Integration of sugar with cogeneration power and alcohol.

h. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has been at the forefront in ensuring a safe and secure work place for all its employees, in particular, as per the mandated policy of sexual harassment of women at work place (prevention, prohibition and redressal) act, 2013 and the rules made thereunder, prevention and redressal of complaints of sexual harassment of women at work place are actively cascaded. The Company has adopted zero tolerance for sexual harassment of women at work place

i. DIVIDEND DISTRIBUTION POLICY:

In pursuance of SEBI (LODR) Regulation 43(A), the Company has framed a Dividend Distribution Policy:

Objective

The Objective of the policy is to ensure the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. Towards this objective the following key parameters are considered for declaration of dividend.

Financial Parameters / Internal Factors

Net operating profit after tax
Working Capital requirements
Capital expenditure requirements
Cash flow required to meet contingencies
Outstanding borrowings
Past dividend trends

External Factors

Prevailing legal requirements, regulatory conditions laid down under the applicable laws
Dividend pay out ratios of Companies in the same Industries

j. CAUTIONARY NOTE:

It is explicitly stated that some of the statements in this Management Discussion and Analysis report may be "forward looking" within the meaning of applicable laws and regulations. It may so happen that the actual events or results may be different from what the Board of Directors / Management perceives in terms of the future performance and outlook due to factors having a bearing on them and which are unforeseeable.

Annexure II to Board's Report

1. Company's Philosophy on Code of Governance

The Company firmly believes in high standards of corporate governance and adheres to sound corporate practices, constantly striving to improve them and adopt the best practices. The Company's objective is to go an extra mile beyond mere compliance of the statutory requirement. The Company is deeply committed to upholding the core values of integrity, transparency, responsibility, effective internal control and quality in all its activities and processes.

2. Board of Directors

1.1 Composition:

- ❖ In pursuance of section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. At present, the Board consists of seven members, with three promoter Directors (Executive) and four Independent Directors. Two of the whole-time Directors are women.
- ❖ The day-to-day management of the Company rests with the Managing Director.
- ❖ The Independent Directors on the Board are experienced and competent persons from their respective fields. They take active part at the Board and Committee Meetings which add value in the decision making process of the Board of Directors.
- ❖ None of the Directors on the Board is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he/she is a Director as required under Regulation 26 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- ❖ None of the Directors serve as an independent director in more than seven listed companies.
- ❖ None of the whole-time directors serve as an independent director in more than three listed companies.
- ❖ The Independent Directors have confirmed that they satisfy the criteria of independence as required under section 149(7) of the Companies Act, 2013 and as stipulated under Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- ❖ No Independent Director is a relative of any other Director.

Board Meetings / AGM - Attendance and Directorships / Committee Memberships:

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at the last AGM On 14.09.2018	**No. of Directorships, Committee Membership / Chairmanship in other public companies		
				Directorship	Committee Membership	Committee Chairmanship
Shri. Vinod R. Sethi DIN 00106598	Whole-time Director / Executive Chairman / Promoter Group	4	Yes	1	1	--
Smt. Irmgard Velagapudi M. Rao DIN 00091370	Promoter and Managing Director	4	Yes	--	--	--
Smt. V. Kiran Rao DIN 00091466	Promoter and Executive Director	4	Yes	--	--	--

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attendance at the last AGM On 14.09.2018	**No. of Directorships, Committee Membership / Chairmanship in other public companies		
				Directorship	Committee Membership	Committee Chairmanship
Dr.Vithal Rajan DIN 00021571	Non-Wholetime Independent Director	4	No	--	--	--
Shri.M.S.V.M.Rao DIN 00432640	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri.Prathap K.Moturi DIN 0020630	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri.K.R.Adivarahan DIN 00019844	Non-Wholetime Independent Director	5	Yes	--	--	--

** In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees & Shareholders / Investors Grievance Committees of all Public Limited Companies governed by Companies Act, 1956, have been considered.

- ❖ Shri. Vinod R.Sethi, Smt. Irmgard Velagapudi M.Rao and Smt. V.Kiran Rao are relatives.
- ❖ Independent Directors do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in section 149(6) of the Companies Act, 2013, read with rules made thereunder and comply with the code for independent directors as per schedule IV of the Companies Act, 2013 and regulation 25 of SEBI (LODR) Regulations, 2015.
- ❖ None of the Directors received any loans / advances from the Company during the year under review, as per section 185 of the Companies Act, 2013.

❖ Board Meetings held during the year :

In compliance with section 173 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, there were five Board Meetings held during the financial year 2018 - 19 on the following dates, and there was not a gap of 120 days between two consecutive Board Meetings:

1.	25.05.2018	4.	14.11.2018
2.	03.08.2019	5	08.02.2019
3.	14.09.2018		

No Board Meeting was conducted through video conferencing or other audio visual means.

❖ BOARD PROCEDURES

Adequate notice of every board meeting is given to every director in writing at his/her address registered with the Company in pursuance of section 173(3) of the Companies Act, 2013. The Board Meetings are governed by well-structured agenda containing necessary information and details, which is circulated well in advance. Issues emerging on exigencies are at times placed at the Board Meeting with prior approval of the Chairman of the meeting and with the consent all directors present.

Review of compliance report relating to all laws applicable to the Company, is being done periodically by the Board of Directors. Instances of non-compliances, if any, are noted by the Board and appropriate remedial measures are taken. The reports which are required to be placed before the Board of Directors in pursuance of Regulation 17 of SEBI (LODR) Regulations, 2015, are placed before the Board at regular intervals. An action taken report on the resolutions passed / decisions taken at a board meeting, is placed before the Board in its next meeting.

❖ **BOARD EVALUATION:**

During the financial year, the Board of Directors adopted a formal mechanism for evaluation of its performance as well as that of its Committees and individual Directors including Chairman of the Board. Through a structured evaluation process covering various aspects of the Board's functioning such as governance issues, performance of specific duties and obligations, experience and competencies. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board based on the parameters such as attendance at Board / Committee Meetings, contribution at Board / Committee Meetings and guidance given to Management and also based on questionnaire and feedback from all the Directors as a whole, Committee and self-evaluation.

A separate meeting of Independent Directors was convened on 08.02.2019 which reviewed the performance of the Board as a whole, the Non-Independent Directors and the Chairman of the Board. After the conclusion of the Independent Directors Meeting, the feedback of Independent Directors were discussed by the Chairman of Nomination and Remuneration Committee with the Chairman of the Board, covering the performance of the Board as a whole, performance of Non-Independent Directors and the performance of Chairman of the Board.

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

- ❖ Board's structure and composition
- ❖ Establishment and Delineation of responsibilities to Committees
- ❖ Efficacy of communication with external stakeholders
- ❖ Effectiveness of Board process, information and functioning.

The Performance Evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated.

❖ **INDUCTION AND TRAINING OF BOARD MEMBER:**

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

3. Audit Committee

❖ **Composition and Terms of Reference :**

The Audit Committee presently comprises of five members, viz, four Non-Wholetime Independent Directors, and one Whole-time Director. The Chairman of the Audit Committee is Shri. M.S.V.M.Rao, an Independent Director, and is present at the Annual General Meetings of the Company. Shri. Vinod R. Sethi, Executive Chairman, Dr.Vithal Rajan, Shri.Prathap K.Moturi and Shri. K.R.Adivarahan (Independent Directors), are presently its other members. The composition of Audit Committee is in compliance with section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The Terms of Reference of the Audit Committee:

- a. The Committee has oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommends for appointment, remuneration and terms of appointment of auditors of the company.

- c. Approves payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviews with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement being a part of the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statement arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the company with related parties.
- i. Scrutiny of inter-corporate loans and investments.
- j. Valuation of undertakings or assets of the company, wherever it is necessary.
- k. Evaluation of internal financial controls and risk management systems.
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n. Discussion with internal auditors of any significant findings and follow up thereon.
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r. To review the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc, of the candidate.
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u. Managing Director and Chief Financial Officer are present at the Audit Committee Meetings as permanent invitees. Internal Auditor, representatives of Statutory Auditor, Cost Auditor are also present in most of the meetings.

❖ Meetings and attendance during the year:

There were four meetings of the Audit Committee during the year, viz., on 25.05.2018, 03.08.2018, 14.11.2018 and 08.02.2019. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.M.S.V.M.Rao	4
Shri. Vinod R.Sethi	3
Dr Vithal Rajan	4
Shri. Prathap K. Moturi	4
Shri. K.R.Adivarahan	4

4. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is chaired by Dr.Vithal Rajan, an Independent Director. The other two members of the Committee are Shri. Vinod R. Sethi, a whole-time Director and Shri.K.R.Adivarahan, an Independent Director. The composition of Nomination & Remuneration Committee is in compliance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The terms of reference in pursuance of section 178 of the Companies Act, 2013, includes the following:

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

The Whole-time Directors are paid salaries, allowances/perquisites, and in addition, commission if it arises, within the limits under the Companies Act, 2013 and subject to the further limits, if any as approved by the Shareholders. The remuneration paid to the Whole-time Directors during 2018-19 is as below:

(Rs. in Lakhs)

Directors	Salary & Allowance	Contribution to PF	Contribution to Gratuity	Perquisites	Commission	Total
Shri.Vinod R.Sethi	12.00	1.44	0.63	0.38	0.00	14.45
Smt.Irmgard Velagapudi	48.00	**	**	**	0.00	48.00
Smt.Kiran Velagapudi	36.00	4.32	0.74	0.93	0.00	41.99

The Committee met on 08.02.2019 during the financial year 2018 – 19.

The Non Executive Directors are paid a sitting fees of Rs.30,000/- per Meeting of the Board and Rs.20,000/- per meeting of the Committee attended by them apart from daily allowance and out of pocket expenses. In addition, pursuant to Section 197 of the Companies Act, 2013, they are entitled to a remuneration by way of Commission not exceeding in aggregate, 1% of the net profits of the Company, subject to a maximum limit of Rs.1,75,000/- (Rupees One lakh and seventy five thousand only) per Director, for each of the financial years from 2016-17 to 2018-19, in terms of the approval granted by the Shareholders at the Twenty first Annual General Meeting held on 21.09.2016. The Remuneration Committee recommended to Board the payment of Commission for the financial years 2019-20 to 2023-24 on the same lines subject to approval by the shareholders at the ensuing 24th Annual General Meeting.

The details of the remuneration paid to the Non- Executive Directors during the year 2018 - 19 are given below

(Rs. in Lakhs)

Directors	Commission	Sitting Fees	Total
Shri. Ranvir R.Shah (resigned w.e.f.14.11.18)	0.00	0.50	0.50
Dr.Vithal Rajan	0.00	2.40	2.40
Shri.M.S.V.M.Rao	0.00	2.50	2.50
Shri.Prathap K. Moturi	0.00	2.50	2.50
Shri K.R. Adivarahan	0.00	5.10	5.10
Total	0.00	13.00	13.00

5. SHAREHOLDINGS OF NON EXECUTIVE DIRECTORS

The Shareholdings of the Non-Executive Directors are as below:

Directors	No. of shares held (F.V.of Re. 1/-each)
Dr.Vithal Rajan	Nil
Shri.M.S.V.M.Rao	10
Shri.Prathap K. Moturi	Nil
Shri.K.R. Adivarahan	1060

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is vested with the powers to look into the problems / grievances of Shareholders/Investors as per SEBI norms. The Chairman of the Committee is Shri. K.R.Adivarahan a Non-Wholetime Director, with Smt.Irmgard Velagapudi, and Smt.Kiran Velgapudi, who are whole-time directors, as its other Members. The composition of Stakeholders Relationship Committee is in compliance with section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The Committee normally meets once / twice in a month based on the volume of transfers. The terms of reference encompasses:

- To approve requests for share transfers, transmissions, transpositions, dematerialization, split and duplicate shares.
- To review and take all necessary steps for redressal of investor's grievances and complaints as may be required in the interests of the investors.

There were 12 meetings of the Stakeholders Relationship Committee held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.R. Adivarahan	12
Smt.Irmgard Velagapudi M.Rao	10
Smt.V.Kiran Rao	8

Shri.S.Chidambaram, General Manager (Accounts) & Company Secretary, is the Compliance Officer of the Company. M/s. Integrated Enterprises (India) Ltd are the Registrars, Transfer Agents and Depository Registrars of the Company for physical / electronic shares. All transfer of shares received by the Company/ Registrars during the year has been processed. During the year, 278 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Complaint	During the Quarter ended 31.03.2019		
	Received	Attended	Pending
Non-receipt of Share Certificates	--	--	---
Non-receipt of Interest / Dividend Warrants/ Cheques / DD	15	15	Nil
Issuance of Duplicate Share Certificate / Dividend Warrant / Cheque / DD	69	69	Nil
Correction in Div./Int.Warrant / Cheque / DD, etc	11	11	Nil
Revalidation of Div./Int. Warrants/ Cheques/DD.	33	33	Nil
Other categories (Genl.Enq. / Change of Address / Bank Mandate, Procedure for Transmission, Annual Report, etc.)	150	150	Nil
TOTAL	278	278	Nil

In pursuance of Regulation 13 of SEBI (LODR) Regulations, 2015, the Company ensures that adequate steps are taken for expeditious redressal of investor complaints. The Company is registered on SCORES platform in order to handle investor complaints electronically. The Company also files a statement giving status of investor complaints with NSE and BSE on a quarterly basis. Action Taken Report (ATR) with supporting documents is submitted in SCORES.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has been voluntarily doing lot of social welfare activities in and around the places of Company's operations even before the Corporate Social Responsibility activities were made mandatory as per section 135 of the Companies Act, 2013. However, in compliance with the statutory provisions as per section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee has been constituted by the Board of Directors at its meeting held on 30.10.2013 with Smt.Irmgard Velagapudi, Whole-time Director, as the Committee's Chairperson, and Shri.Vinod R.Sethi, Whole-time Director, Shri.M.S.V.M.Rao, and Shri.K.R.Adivarahan, Non-whole-time Directors, as members.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

As part of corporate social responsibility, the Company has been involving and participating in various events by organizing rallies, processions, campaigns to propagate and sensitize employees, colony residents and public of vicinity on the eve of:

- World Environment Day
- National Safety Day
- Celebration of Fire Service Week
- Celebration of World Health Day
- World Earth Hour

The Company has been organizing Mega Health Checkup camps every year in coordination with Rotary Club, NGOs, to identify types of diseases by proper diagnosis and distribute medicines by involving doctors of corporate hospitals in various disciplines. Saplings plantation programme was organized by undertaking plantation in and around Vuyyuru, surrounding villages and our manufacturing facilities for the development of green cover. Further, the Company had developed avenue plantation on both sides of the highways and along the interior roads in Krishna District and this is an ongoing process every year.

The Company has been digging re-charge wells to conserve the water and also widely encouraging drip irrigation as part of best water management practices by enlightening the farmers. The Company has subsidized to the farmers to an extent of 25% of the cost of the re-charge bore wells.

As part of development of organic farming, the company has been propagating the use of Bio-fertilizers manufactured in the Company's Biotech facilities for application to the crops for better output and yield which enriches the land health and fertility. Bio insecticides are being used widely to discourage chemical insecticides.

The Company has also been putting its efforts to supply clean potable drinking water in participation with Naandi Foundation and other NGO's to nearby villages and educational institutions.

The Company has also been organizing every year Veterinary Camps, Eye Camps in massive scale in entire Krishna District. Further, blood donation camps were organized and also were arranging blood donors to the needy patients among the Company's employees.

The Company has been donating for the construction of panchayat buildings, police stations, fire stations, veterinary hospitals, cyclone shelters, school buildings. The Company is also conducting periodically Immunization camps, family welfare camps and AIDS and polio awareness camps, etc.

The Company has been conducting awareness programmes on pulse polio programme, AIDS, Population Day, World Olympic Day, etc, through involvement of voluntary organizations like Rotary Club, Lions Club, and Inner Wheel Club of Vuyyuru.

The Company has been organizing camps / rehabilitation centres for fire and flood victims by providing food / utensils / cloths / medicines in times of natural calamities and fire accidents.

The Company is donating liberally directly and through Rotary Club, NGOs and other Government agencies, for promotion of the following community development activities:

- ❖ Building houses for poor.
- ❖ Building Bus shelters and low cost individual toilets
- ❖ Building roads, bridges and culverts for better connectivity.
- ❖ Helping Educational Institutions and children of rural areas to promote literacy
- ❖ Liberally donating relief fund in times of natural disasters
- ❖ Environment and safety awareness sessions conducted in nearby schools and villages.
- ❖ Financial assistance to poor patients for surgery, treatment, etc.

Report on CSR activities in pursuance of Companies (Corporate Social Responsibility) Rules, 2014, is furnished in Annexure V to this Report.

The CSR Committee met on 08.02.2019 to review Company's CSR activities in the specified areas

8. RISK MANAGEMENT COMMITTEE:

As the constitution of Risk Management Committee is applicable only to top 100 listed companies, determined on the basis of market capitalization as at the end of the immediate previous financial year, the Company is not mandated to constitute a Risk Management Committee. However, the Board of Directors of the Company on its own, had laid down procedures for Risk Assessment and Minimization.

9. Venue and Time OF LAST three Annual General MEETINGS:

AGM for the financial year ended	Date / Time	No of Special resolutions	Members Present	
			In Person	By Proxy
31.03.2016	20.08.2016 at 10.30 a.m.	1	567	10
31.03.2017	21.09.2017 at 10.30 a.m.	0	502	4
31.03.2018	14.09.2018 at 10.00 a.m.	0	227	4

- a. All the three AGMs were held at "Sathguru Gnanananda Hall", Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai 600018.
- b. No postal ballots were required to be used for voting on any of the items of business at the above meetings. At the ensuing AGM, there is no item on the agenda that needs approval by postal ballot.

10. Disclosures:

❖ CEO and CFO Certification -

The Managing Director and the Chief Financial Officer have provided the compliance certificate to the Board of Directors as specified under Part B of Schedule II in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015, which was placed before the Board at its Meeting on 25.05.2018 - Annexure VIII to Board's Report.

❖ Related Party Transactions:

All transactions entered into by the Company with Related Parties during the financial year 2017-18 were in ordinary course of business and on arms length basis. The details of Related Party transactions are set out in Note No.40 in the Notes to the Finance Statements, forming part of the Annual Report. All the Related Party transactions undertaken by the Company were in compliance with section 188 of the Companies Act, 2013, read with Regulation 23 of SEBI (LODR) Regulations, 2015. All related party transactions have prior approval of the Audit Committee as required under Regulation 23(2) of SEBI (LODR) Regulations, 2015. Particulars of Contracts / Agreements entered into by the Company with Related Parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under Third proviso to section 188(1) are furnished in Form No.AOC-2. (refer Annexure IX).

❖ Compliance with Corporate Governance Norms & Transfer / Transmission / Transposition of Securities Norms:

The Company has complied with mandatory requirements of the Code of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) Regulations, 2015 with the Stock Exchanges. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchanges for the quarters ended 30.06.2017, 30.09.2017, 31.12.2017 and 31.03.2018. The statutory auditors have certified that the Company has complied with the Corporate Governance norms as stipulated under para (E) of Schedule V of the Listing Regulations with the Stock Exchanges. The said certificate is annexed to the Directors Report.

Details of Compliance as per Regulation 27 of SEBI (LODR) Regulations, 2015:

Particulars	Regulation No.	Compliance Status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'.	16(1)(b) & 25(6)	Yes
Board Composition	17(1)	Yes
Meeting of Board of Directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees / Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes

Particulars	Regulation No.	Compliance Status (Yes/No/NA)
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transactions	23(1),(5),(6),(7), (8)	NA - There is no material related party transactions as per regulation 23(1).
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2),(3)	Yes - Approval of Audit Committee & Board is obtained for routine related party transactions within the threshold limit.
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5), & (6)	24(2),(3),(4) - Yes 24(5) & (6) - NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel.	26(3)	Yes
Disclosure of shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management Personnel.	26(2) & 26(5)	Yes

Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Chartered Accountant carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors, within the stipulated time.

Electronic Filing

NEAPS:

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through NSE Electronic Application Processing System (NEAPS) effective from quarter ended 31.12.2011.

BSE Listing Centre

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through BSE Listing Centre effective from the financial year 2016-17.

Quarterly Financial Results:

In pursuance of Regulation 33 of SEBI (LODR) Regulations, 2015, quarterly financial results as approved by the Board on the recommendations of Audit Committee, are communicated to Stock Exchanges through NEAPS / BSE Listing Centre after conclusion of the Board Meeting. The results are also published in the prescribed format in English newspaper and one vernacular newspaper, having wide circulation. The results are also immediately posted on the Company's website.

❖ **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for the Members of the Board as well as to all connected persons in pursuance of Disclosures under Regulation 17 of SEBI (LODR) Regulations, 2015. The Managing Director has confirmed and declared that all the Members of the Board as well as all connected persons have affirmed compliance with the Code of Conduct. The Codes have been posted on the Company's website www.kcpsugar.com. All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2018-19. The declaration to this effect signed by the Managing Director of the Company forms a part of this report.

❖ **Prevention of Insider Trading:**

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all the Directors / Officers and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished information. The trading window shall remain closed during the period when designated persons in terms of regulations can reasonably be expected to have possession of unpublished price sensitive information which in any event shall not be earlier than 48 hours after the information becomes generally available. The Company Secretary is designated as compliance officer for this purpose.

11. Means of COMMUNICATION :

- ❖ The quarterly, half yearly and annual results are generally published in widely circulating national & local dailies such as *The Financial Express* (in English) and *Malai Sudar* (in Tamil).
- ❖ The Company has a website, www.kcpsugar.com under Regulation 46 of SEBI (LODR) Regulations, 2015. There were no presentations made to the institutional investors or analysts.

❖ **DOCUMENTS PLACED ON COMPANY'S WEBSITE (www.kcpsugar.com)**

Details of the Company's business.

- ❖ Terms and conditions of appointment of Independent Directors
- ❖ Composition of various Committees of the Board of Directors
- ❖ Code of Conduct of Board of Directors and Senior Management Personnel.
- ❖ Details of unpaid dividend as per section 124.
- ❖ Corporate Social Responsibility Policy as per section 135(4)(a).
- ❖ Stand-alone and Consolidated Financial statements of the Company along with relevant documents as per the 3rd proviso to section 136(1).
- ❖ Separate audited accounts in respect of subsidiaries as per the 4th proviso to section 136(1).
- ❖ Financial information including (1) Notice of meeting of the Board of Directors where financial results are discussed; (2) Financial results on the conclusion of meeting of the Board of Directors where the financial results are approved, together with the Limited Review Reports issued by the Statutory Auditors.
- ❖ Details of Vigil Mechanism for Directors and Employees to report genuine concerns as per section 177(10) & Regulation 22 of SEBI (LODR), Regulations, 2015.
- ❖ Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015, and Code of Fair Disclosure and Conduct.
- ❖ Shareholding pattern.

The Company ensures that the contents of the website are correct and updates, changes, if any, in the contents of the website, periodically.

- ❖ As required under Regulation 46(2)(j) of SEBI (LODR) Regulations, 2015, has created a dedicated email ID investorservices@kcpsugar.com for registration and redressal of investor's grievances.

12. Vigil Mechanism

The Company has established a Vigil Mechanism for Directors and Employees to report their genuine concerns, in pursuance of section 177(9) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015, and Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014. The whistle

mechanism policy has been uploaded in the Company's website. The said Vigil Mechanism policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

No complaint under this facility was received during the financial year 2017-18.

13. Preservation of Documents:

The Company has a policy in line with Regulation 9 of SEBI (LODR) Regulations, 2015, for preservation of documents maintained in electronic / physical form.

14. Peer Review of Auditors:

Pursuant to Regulation 33(d) of SEBI (LODR) Regulations, 2015, the statutory auditors of the Company have confirmed that they have subjected themselves to Peer Review Process of the Institute of Chartered Accountants of India and they hold the valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

15. Business Responsibility Report:

Inclusion of Business Responsibility Report as a part of Annual Report of the listed entities as mandated by SEBI Circular dt. 13.08.2012 and under Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, is not applicable to the Company as only the top 500 listed entities are only covered at present.

16. GENERAL SHAREHOLDER INFORMATION:

❖ **AGM: Date, Time and Venue:** 24th Annual General Meeting – on 12 day of September 2019 at 10.00 a.m. at "Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T.T.K.Road, Chennai 600018.

❖ Date of Book Closure

For the year ended 31.03.2019	Book Closure Date (s)	Dividend paid / payable
Dividend	04.09.2019 to 12.09.2019 (both dates inclusive)	The Board of Directors at their Meeting held on 29.05.2019 has recommended a dividend of Re.0.10 per equity share of face value Re.1/-, subject to the approval of Shareholders at the ensuing Annual General Meeting.
Payment date		On approval thereat, this dividend will be paid to the Shareholders on or after 12.09.2019 but within the statutory time limit.

- ❖ **Tentative Financial calendar** :
- i. Financial Year – 1st April to 31st March.
 - ii. First Quarter Results on or before 14.08.2019.
 - iii. Half-yearly Results on or before 14.11.2019.
 - iv. Third Quarter Results before 14.02.2020.
 - v. Results for the year ending 31.03.2020 on or before 30.05.2020.

- ❖ **Listing on Stock Exchanges** : National Stock Exchange of India Ltd and
The Bombay Stock Exchange Ltd.

Annual listing fees have been paid to the National Stock Exchange and there is no amount outstanding as on date

- ❖ **Custodial Charges** : The Company has already paid Custodial Charges to NSDL and CDSL for the financial year 2018-19.

Shareholders who hold shares in physical mode are requested to convert their holding to demat mode considering the merits of depository system.

- ❖ **PAN requirement** : SEBI vide its circular dt. 27.04.2007 made PAN as the sole identification number for all participants transacting in the securities market,

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

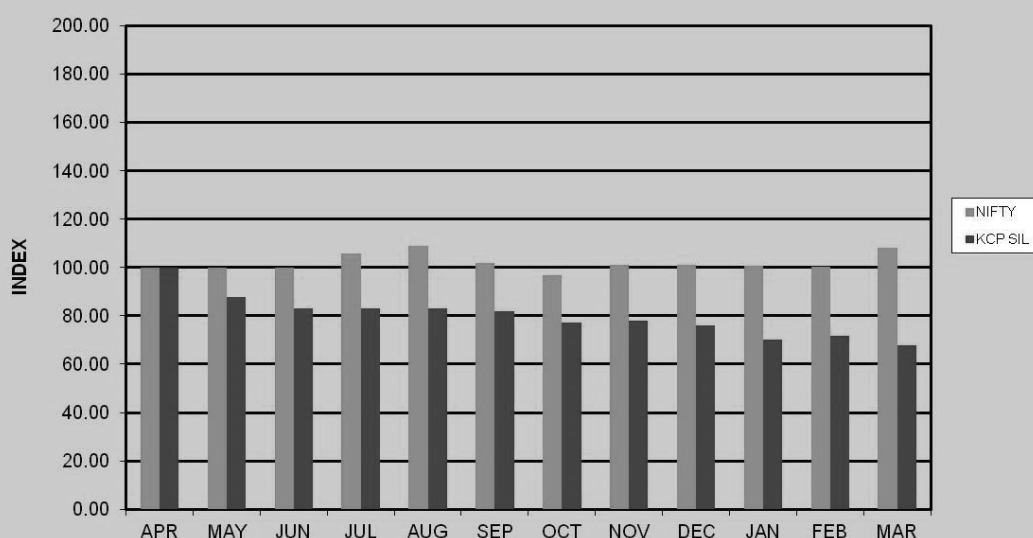
irrespective of the transaction amount. Further, SEBI vide its circular dt. 20.05.2009 made it mandatory to furnish a copy of the PAN card of the Transferee to the Company / RTA for registration of transfer of shares of the Listed Companies in physical form and off market / private transactions. Furnishing a copy of PAN card for transmission / transposition of shares has been made mandatory by SEBI vide its circular dt. 27.01.2010.

- ❖ **Stock Code - Physical** : "KCPSUGIND " on both the National Stock Exchange and Bombay Stock Exchange (Scrip No. 533192)
- ❖ **De-mat ISIN Number** : INE790B01024. (The Equity shares of the Company are traded in 'Compulsory Demat' form.)
- ❖ **CIN** : L15421TN1995PLC033198
- ❖ **High / Low of market price of the Company's shares (Face Value Re.1/-) traded on the National Stock Exchange and Bombay Stock Exchange, during the financial year 2018 – 19 is furnished below:**

(Rs. per share)

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
April '18	24.45	24.75	23.70	23.70	October '18	19.00	18.85	18.40	18.50
May '18	22.30	22.20	21.00	21.00	November '18	19.35	19.30	18.65	18.60
June '18	20.25	20.25	20.00	20.00	December '18	18.65	18.65	18.20	18.20
July '18	20.35	20.20	20.00	20.00	January '19	17.50	17.20	16.80	16.80
August '18	20.25	20.15	19.60	19.90	February '19	17.95	17.85	17.10	17.05
Sept '18	21.50	21.50	19.35	19.45	March '19	16.75	16.65	16.20	16.40

SHARE PRICE RELATIVE TO NSE NIFTY
During April - 2018 to March - 2019



❖ **DISTRIBUTION OF SHAREHOLDING AS ON 31/03/2019**

By number of shares held

No of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
UPTO 5000	27377	94.45	16974489	14.97
5001 - 10000	798	2.75	5945053	5.24
10001 - 20000	356	1.23	5161411	4.55
20001 - 30000	145	0.50	3533040	3.12
30001 - 40000	87	0.30	3057454	2.70
40001 - 50000	57	0.20	2610687	2.30
50001 - 100000	86	0.30	5854146	5.16
100001 AND ABOVE	79	0.27	70248770	61.96
TOTAL	28985	100.00	113385050	100.00

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

NAME OF THE COMPANY : K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED										
Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)										
(i) Category-wise Shareholding										
Category of Shareholder		No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	2097110	0	2097110	1.850	2127110	0	2127110	1.880	
b	Central Government									
c	State Government									
d	Bodies Corporate	43742656	0	43742656	38.580	43742656	0	43742656	38.580	
e	Financial Institutions/Banks									
f	Any other(specify)									
	SUB TOTAL A(1)	45839766	0	45839766	40.430	45869766	0	45869766	40.450	0.020
(2)	Foreign									
a	Individual(Non resident/ foreign)									
b	Bodies corporate									
c	Institutions									
d	Qualified Foreign Investor									
e	Any other(specify)									
	SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	
	Total Shareholding of promoter and Promoter Group(A)= A(1)+ A(2)	45839766	0	45839766	40.430	45869766	0	45869766	40.450	0.020
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	4750	0	4750	0.000	4750	0	4750	0.000	

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

REPORT ON CORPORATE GOVERNANCE (Contd.)

b	Financial Institutions/ Banks	227084	4840	231924	0.200	97330	4340	101670	0.090	
c	Central Government	500	0	500	0.000	500	0	500	0.000	
d	State Government(s)									
e	Venture Capital Funds									
f	Insurance Companies									
g	Foreign Institutional Investors									
h	Foreign Venture Capital Investors									
i	Qualified Foreign Investor									
j	Any other(specify) FOREIGN PORTFOLIO INVESTOR	1822	0	1822	0.000					
	SUB TOTAL B(1)	234156	4840	238996	0.210	102580	4340	106920	0.090	-0.120
(2)	Non-Institutions									
a	Bodies Corporate(Indian/ foreign/Overseas)	9410824	342460	9753284	8.600	6806887	341460	7148347	6.300	
b	Individuals(Redident/NRI/ Foreign National)									
(i)	Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	35132713	4803303	39936016	35.220	36430941	3964485	40395426	35.630	
(ii)	Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	14421852	1235090	15656942	13.810	16828448	1126630	17955078	15.840	
c	Any other(specify)									
	Clearing Member	718703	0	718703	0.630	607048	0	607048	0.540	
	LLP	123460	0	123460	0.110	25501	0	25501	0.020	
	TRUST	44078	0	44078	0.040	44078	0	44078	0.040	
	IEPF	1073805	0	1073805	0.950	1232886	0	1232886	1.090	0.130
	SUB TOTAL B(2)	60925435	6380853	67306288	59.360	61975789	5432575	67408364	59.450	0.090
	Total Public Share Holding (B)=B(1)+B(2)	61159591	6385693	67545284	59.570	62078369	5436915	67515284	59.550	-0.020
	TOTAL (A) + (B)	106999357	6385693	113385050	100.000	107948135	5436915	113385050	100.000	0.000
C	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A) + (B) + (C)	106999357	6385693	113385050	100.000	107948135	5436915	113385050	100.000	0.000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% Change during the year	
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares		
1	DURGAMBA INVESTMENT PRIVATE LIMITED	43742656	38.58	0	43742656	38.58	0	0.00	
2	SMT. IRMGARD VELAGAPUDI	1738280	1.53	0	1768280	1.56	0	0.03	
3	SMT.KIRAN VELAGAPUDI	265820	0.23	0	265820	0.24	0	0.01	
4	MR. VINOD SETHI	93010	0.08	0	93010	0.08	0	0.00	
	TOTAL	45839766	40.42	0	45869766	40.46	0	0.04	

(iii) Change in Promoters Shareholding

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Share holding during the year				
1	M/S DURGAMBA INVESTMENT PRIVATE LIMITED				
	PAN :AABCD5483A				
	Opening Balance as on 01/04/2017	43734156	38.571		
	05/02/2018	8500	0.007	43742656	38.579
	Closing Balance as on 31/03/2018			43742656	38.579
2	MRS. IRMGARD VELAGAPUDI				
	PAN :AAFPI6691A				
	Opening Balance as on 01/04/2017	1583280	1.396		
	31/01/2018	10000	0.009	1593280	1.405
	01/02/2018	10000	0.009	1603280	1.414
	20/02/2018	10000	0.009	1613280	1.423
	21/02/2018	20000	0.018	1633280	1.440
	22/02/2018	10000	0.009	1643280	1.449
	26/02/2018	5000	0.004	1648280	1.454
	06/03/2018	10000	0.009	1658280	1.463
	07/03/2018	10000	0.009	1668280	1.471
	08/03/2018	10000	0.009	1678280	1.480
	09/03/2018	20000	0.018	1698280	1.498
	12/03/2018	10000	0.009	1708280	1.507
	13/03/2018	10000	0.009	1718280	1.515
	14/03/2018	5000	0.004	1723280	1.520
	19/03/2018	5000	0.004	1728280	1.524
	20/03/2018	5000	0.004	1733280	1.529
	26/03/2018	5000	0.004	1738280	1.533
	Closing Balance as on 31/03/2018			1738280	1.533
3	MR VINOD SETHI				
	PAN :BESPS5774Q				
	Opening Balance as on 01/04/2017	33010	0.029		
	01/02/2018	10000	0.009	43010	0.038
	21/02/2018	30000	0.026	73010	0.064
	22/02/2018	10000	0.009	83010	0.073
	26/02/2018	5000	0.004	88010	0.078
	12/03/2018	5000	0.004	93010	0.082
	Closing Balance as on 31/03/2018			93010	0.082

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (as on 31.03.2019)	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	V. R. K. GRANDSON'S INVESTMENT PRIVATE LTD.				
	PAN :AAACV3678A				
	Opening Balance as on 31/03/2018	5184613	4.573		
	27/04/2018	-259251	-0.229	4925362	4.344
	04/05/2018	-97414	-0.086	4827948	4.258
	11/05/2018	-76458	-0.067	4751490	4.191
	18/05/2018	-3000	-0.003	4748490	4.188
	28/09/2018	-128869	-0.114	4619621	4.074
	05/10/2018	-27442	-0.024	4592179	4.050
	12/10/2018	-392250	-0.346	4199929	3.704
	19/10/2018	-420000	-0.370	3779929	3.334
	26/10/2018	-50000	-0.044	3729929	3.290
	02/11/2018	-120081	-0.106	3609848	3.184
	09/11/2018	-81000	-0.071	3528848	3.112
	16/11/2018	-297487	-0.262	3231361	2.850
	Closing Balance as on 30/03/2019			3231361	2.850
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	PAN :EXEMPTCATG				
	Opening Balance as on 31/03/2018	1073805	0.947		
	01/02/2019	159081	0.140	1232886	1.087
	Closing Balance as on 30/03/2019			1232886	1.087
3	Indian Syntans Investments (P) Ltd				
	PAN :AAACI1775K				
	Opening Balance as on 31/03/2018	950000	0.838		
	Closing Balance as on 30/03/2019			950000	0.838
4	PADMINI RAJAN				
	PAN :ACOPR5427J				
	Opening Balance as on 31/03/2018	893000	0.788		
	Closing Balance as on 30/03/2019			893000	0.788
5	SAKUNTHALA DEVI BOPPANA				
	PAN :AFWPB3847H				
	Opening Balance as on 31/03/2018	858600	0.757		
	Closing Balance as on 30/03/2019			858600	0.757
6	BOPPANA VINAY KUMAR				
	PAN :AFXPB0044B				
	Opening Balance as on 31/03/2018	855250	0.754		
	29/03/2019	12280	0.011	867530	0.765
	Closing Balance as on 30/03/2019			867530	0.765
7	RANVIR R SHAH				
	PAN :AAMPS5511Q				
	Opening Balance as on 31/03/2018	638609	0.563		

	11/01/2019	44023	0.039	682632	0.602
	Closing Balance as on 30/03/2019			682632	0.602
8	SI No.8 Name:RANI S B				
	PAN :APXPS6609D				
	Opening Balance as on 31/03/2018	637340	0.562		
	Closing Balance as on 30/03/2019			637340	0.562
9	KOGANTY SRIHARI RAO				
	PAN :ASNPK3180C				
	Opening Balance as on 31/03/2018	541113	0.477		
	Closing Balance as on 30/03/2019			541113	0.477
10	NEESHA HARICHAND TOLANI				
	PAN :BAFPT7798L				
	Opening Balance as on 31/03/2018	525000	0.463		
	25/05/2018	4400	0.004	529400	0.467
	13/07/2018	20600	0.018	550000	0.485
	27/07/2018	2000	0.002	552000	0.487
	30/11/2018	8000	0.007	560000	0.494
	Closing Balance as on 30/03/2019			560000	0.494
11	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU				
	PAN :R00053				
	Opening Balance as on 31/03/2018	468270	0.413		
	Closing Balance as on 30/03/2019			468270	0.413
12	CHARU D SHAH				
	PAN :AAJPC2173K				
	Opening Balance as on 31/03/2018	425000	0.375		
	27/04/2018	275000	0.243	700000	0.617
	13/07/2018	9166	0.008	709166	0.625
	20/07/2018	46721	0.041	755887	0.667
	27/07/2018	121807	0.107	877694	0.774
	03/08/2018	74194	0.065	951888	0.840
	17/08/2018	45081	0.040	996969	0.879
	24/08/2018	3031	0.003	1000000	0.882
	Closing Balance as on 30/03/2019			1000000	0.882
13	V L INDIRA DUTT				
	PAN :AAPD6756A				
	Opening Balance as on 31/03/2018	325000	0.287		
	15/03/2019	630	0.001	325630	0.287
	Closing Balance as on 30/03/2019			325630	0.287
14	VIVEK KUMAR				
	PAN :ABYPK7069G				
	Opening Balance as on 31/03/2018	312231	0.275		
	06/04/2018	37769	0.033	350000	0.309
	25/05/2018	25000	0.022	375000	0.331
	29/06/2018	25000	0.022	400000	0.353
	Closing Balance as on 30/03/2019			400000	0.353

15	HARSHA L SANGHVI				
	PAN :ALFPS8751G				
	Opening Balance as on 31/03/2018	312000	0.275		
	Closing Balance as on 30/03/2019			312000	0.275
16	SAILESH S SHAH				
	PAN :AJUPS2057G				
	Opening Balance as on 31/03/2018	179093	0.158		
	06/04/2018	328	0.000	179421	0.158
	13/04/2018	37557	0.033	216978	0.191
	20/04/2018	133022	0.117	350000	0.309
	08/06/2018	34000	0.030	384000	0.339
	22/06/2018	117	0.000	384117	0.339
	29/06/2018	185883	0.164	570000	0.503
	Closing Balance as on 30/03/2019			570000	0.503
17	DIVYESH S SHAH				
	PAN :AJUPS2055E				
	Opening Balance as on 31/03/2018	0	0.000		
	20/04/2018	44592	0.039	44592	0.039
	27/04/2018	155408	0.137	200000	0.176
	29/06/2018	67047	0.059	267047	0.236
	06/07/2018	120829	0.107	387876	0.342
	13/07/2018	72124	0.064	460000	0.406
	Closing Balance as on 30/03/2019			460000	0.406

(v) Shareholding of Directors and key managerial personnel

Sl No.	Name of Director and KMP	Shareholding at the beginning of the year (as on 01.04.2018)			Cumulative Shareholding during the year (as on 31.03.2019)		
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	
1	RANVIR R SHAH						
	PAN :AAMPS5511Q						
	Opening Balance as on 31/03/2018	638609	0.563				
	11/01/2019	44023	0.039	682632	0.602	1060	0.001
	Closing Balance as on 30/03/2019			682632	0.602		
	Date of Cessation : 14/11/2018						
2	GANESAN R						
	PAN : AANPG2506Q						
	Opening Balance as on 31/03/2018	1500	0.001				
	Closing Balance as on 30/03/2019			1500	0.001		
3	ADIVARAHAN K R						
	PAN :ADOPA8601L						
	Opening Balance as on 31/03/2018	1060	0.001				
	Closing Balance as on 30/03/2019			1060	0.001		
4	SIDDHARTH VENKATA MARKANDEYA RAO MANIKYARAO						
	PAN :AFOPM9785K						
	Opening Balance as on 31/03/2018	10	0.000				
	Closing Balance as on 30/03/2019			10	0.000		

- ❖ **Registrar /Transfer Agents/ Depository Registrars** : Integrated Registry Management Services Pvt. Ltd.
Kences Towers, 2nd Floor,
1, Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017.
Tel : 28140801 to 03 : Fax : 28142479
- ❖ **Share Transfer System** : The shares of the Company are included in the list of shares under the compulsory dematerialization and are transferable through the depository system. All documents received for physical transfer of shares are processed by the Registrar and Transfer Agents and are approved by the Stakeholders' Relationship Committee which normally meets twice / once in a month depending on the volume of transfers. Share transfers are registered and returned within a maximum of 15 days from the date of lodgment, if documents are complete in all respects. There is no pending share transfer request as on 31.03.2019.
- ❖ **Nomination facility** : Shareholders holding shares in physical form intending to make a Nomination are requested to submit Form No.SH-13 prescribed under Rule 19 of the Companies (Share Capital & Debentures) Rules, 2014 to the Company's Registrar and Transfer Agent. Shareholders holding share in electronic form can submit the said form to their respective Depository Participants. The said form can be obtained on request from the Company or can be downloaded from MCA website.

❖ **Shares in Physical and Electronic form:**

Shareholders in	No.of Shareholders	%	No.of Shares	%
Physical Mode	2398	8.27	5436915	4.79
- Sub-Total	2398	8.27	5436915	4.79
Electronic Mode				
- NSDL	16285	56.19	88495324	78.05
- CDSL	10302	35.54	19452811	17.16
- Sub-Total	26587	91.73	107948135	95.21
Grand Total	28985	100	113385050	100

- ❖ The Company has not so far issued any GDRs/ADRs/Warrants or any other convertible instruments.
- ❖ Top ten individual shareholders of the Company other than Promoter category as on 31.03.2019:

SL No	Name of the Shareholder	Shares	% to Capital
1	Charu D Shah	1000000	0.882
2	Padmini Rajan	893000	0.788
3	Sakunthala Devi Boppana	858600	0.757
4	Ranvir R Shah	682632	0.602
5	Rani S B	637340	0.562
6	Neesha Harichand Tolani	560000	0.494
7	Koganty Srihari Rao	541113	0.477
8	Diwan Bahadur P.S.G. Rangaswamy Naidu	468270	0.413
9	Vivek Kumar	400000	0.353
10	V L Indira Dutt	325630	0.287
	Total	6366585	5.62

❖ **Unclaimed Shares**

In accordance with clause 5A(II) of the Listing Agreement and SEBI Circular No. CIR/CFD/10.2010 dt. 16.12.2010, the Company has identified 35 folios comprising of 36,960 equity shares of face value of Re.1/- each, which were unclaimed as on 31.03.2019. The voting rights in respect of these unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares. The status as on 31.03.2019 is as under:

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Particulars of Unclaimed shares	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding in the suspense account lying as on 01-04-2018	41	41200
LESS: Number of shareholders who approached the company for transfer of shares from suspense account during the period	0	0
LESS: Shares were transferred from Unclaimed Securities suspense account to Investor Education and Protection Fund during the period	6	4240
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31-03-2019	35	36960

In terms of the provisions of Section 124 of the Companies Act, 2013 [section 205-A(5) of the Companies Act, 1956], the amount of dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the **Investor Education and Protection Fund (IEPF)**. Accordingly, dividend for the financial year ended 31.03.2011 had been transferred to IEPF during the financial year 2018-19. Dividend for the financial year ended 31st March, 2012 and thereafter, which remain unclaimed for a period of seven years will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government.

Information in respect of such unclaimed dividend and the due date for transfer to the said Fund is given below:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2012	28.09.2012	27.09.2019	26.10.2019
31.03.2013	30.08.2013	29.08.2020	27.09.2020
31.03.2014	11.09.2014	10.09.2021	09.10.2021
31.03.2015	20.08.2015	19.08.2022	18.09.2022
31.03.2016	21.09.2016	20.09.2023	19.10.2023
31.03.2017	15.09.2017	14.09.2024	13.10.2024
31.03.2018	14.09.2018	13.09.2025	12.10.2025

Members are informed that the dividend for the financial year 2011-12 shall become due for transfer to IEPF on 27.09.2019. Any member who has not claimed dividend in respect of the said financial year is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same as early as possible as but not later than 20.09.2019. The Company has already sent reminders to all such members at their registered address in this regard. The details of Unclaimed Dividend are available in the Company's website.

❖ Plant Locations

The Company has got Sugar, Distillery, Ethanol, Biotech, Incidental Cogeneration, CO₂, Calcium Lactate units at Vuyyuru; Sugar and Incidental Cogeneration units at Lakshmipuram, both in Krishna District and all of them in Andhra Pradesh.

❖ Address for Correspondence

Shareholders correspondence should be addressed to Registrar and Share Transfer Agents at the address mentioned above. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Shri.S.Chidambaram, General Manager (Accounts) & Company Secretary at the Registered Office of the Company for any assistance.

Tel.Nos. 28555171 – 76 Extn: 117

E-mail id:finance@kcpsugar.com.

An exclusive e-mail ID investorservices@kcpsugar.com has been created for registering investors complaints.

For and on behalf of the Board of Directors

VINOD R. SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

Place : Chennai
Date : 29.05.2019

Request to Shareholders

Section 88(1)(a) of the Companies Act, 2013, read with rule 3(1) of the Companies (Management & Administration) Rules, 2014 requires the Company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of members under the old Act, the new Law calls for certain additional information to be recorded. In order that the company is facilitated to comply with the same, shareholders are requested to send the following information to our Registrars and Transfer Agents, Integrated Registry Management Services Pvt.Ltd., Kences Towers, 2nd Floor, 1,Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017, for updating their records in the Register of Members:

1.	Name of the Member	2.	Folio / DP ID – Client ID
3.	Email address	4.	Permanent Account Number (PAN)
5.	CIN (in the case of Company)	6.	Unique Identification Number
7.	Father's / Mother's / Spouse's name	8.	Occupation
9.	Status	10.	Nationality
11.	In case of minor, name of guardian and date of birth of minor	12.	Instructions, if any, for sending Notice, etc.

Shareholders, who have not furnished the said particulars, are requested to furnish the same at the earliest.

DECLARATION

[Pursuant to Para D of Schedule V of the SEBI (LODR) Regulations, 2015]

I, IRMGARD VELAGAPUDI M.RAO, Managing Director of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company, have affirmed compliance with the code of conduct of Board of Directors and senior management personnel for the financial year 2018-19.

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

Place : Chennai
Date : 29.05.2019

IRMGARD VELAGAPUDI M. RAO
Managing Director
DIN: 00091370

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V – Annual Report, Clause C, Sub Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Ramakrishna Building, New No.239 (Old No.183)
Anna Salai, Chennai - 600006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of K.C.P. Sugar and Industries Corporation Limited holding CIN: L15421TN1995PLC033198 and having registered office at Ramakrishna Building, New No.239 (Old No.183) Anna Salai, Chennai - 600006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been barred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

Date: 28/05/2019
Place: Chennai

For V. Mahesh & Associates
V. Mahesh
Practicing Company Secretary
M.No : F4162
C.P No : 2473

COMPLIANCE CERTIFICATE

To

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

We have examined the compliance of conditions of Corporate Governance by **K.C.P. Sugar and Industries Corporation Ltd, (the company)** for the year ended 31st March, 2019 as per regulations 17-27, clauses (b) - (i) of regulation 46(2) and paragraphs C and D of Schedule V the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations 2015 (Listing regulations).

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

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

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

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

Restrictions on use:

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

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

ANNEXURE III TO BOARD'S REPORT**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March 2019.***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

CIN	L15421TN1995PLC033198
Registration Date	11th October 1995.
Name of the Company	K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED
Category / Sub-Category of the Company	Public Company Limited by Shares.
Address of the Registered Office and contact details	"Ramakrishna Buildings", No.239 (Old No.183), Anna Salai, Chennai 600006. Telephone: 044-28555171 – 176 Fax: 044-28546617 E-mail: finance@kcpsugar.com Website: www.kcpsugar.com
Whether Listed Company [Yes / No]	YES
Name, Address and Contract details of Registrar and Transfer Agent, if any.	M/s. Integrated Registry Management Services Private Limited 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street – off North Usman Road T.Nagar – Chennai 600017. Telephone: 044-28140801 – 803 Fax: 044-28142479 E-mail: corpserv@integratedindia.in Website: www.iepindia.com

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

S.No.	Name and Description of main products / services	NIC Code of the Products / Service	% to total turnover of the Company
1	Sugar	10721	77.02%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

NAME OF THE COMPANY : K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED										
Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)										
(i) Category-wise Shareholding										
Category of Shareholder		No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				% Change during the
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	2097110	0	2097110	1.850	2127110	0	2127110	1.880	
b	Central Government									
c	State Government									
d	Bodies Corporate	43742656	0	43742656	38.580	43742656	0	43742656	38.580	
e	Financial Institutions/Banks									
f	Any other(specify)									
	SUB TOTAL A(1)	45839766	0	45839766	40.430	45869766	0	45869766	40.450	0.020
(2)	Foreign									
a	Individual(Non resident/ foreign)									
b	Bodies corporate									
c	Institutions									
d	Qualified Foreign Investor									
e	Any other(specify)									
	SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	45839766	0	45839766	40.430	45869766	0	45869766	40.450	0.020
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	4750	0	4750	0.000	4750	0	4750	0.000	
b	Financial Institutions/Banks	227084	4840	231924	0.200	97330	4340	101670	0.090	
c	Central Government	500	0	500	0.000	500	0	500	0.000	
d	State Government(s)									
e	Venture Capital Funds									

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

f	Insurance Companies									
g	Foreign Institutional Investors									
h	Foreign Venture Capital Investors									
i	Qualified Foreign Investor									
j	Any other(specify) FOREIGN PORTFOLIO INVESTOR	1822	0	1822	0.000					
	SUB TOTAL B(1)	234156	4840	238996	0.210	102580	4340	106920	0.090	-0.120
(2)	Non-Institutions									
a	Bodies Corporate(Indian/ foreign/Overseas)	9410824	342460	9753284	8.600	6806887	341460	7148347	6.300	
b	Individuals(Redident/NRI/ Foreign National)									
(i)	Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	35132713	4803303	39936016	35.220	36430941	3964485	40395426	35.630	
(ii)	Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	14421852	1235090	15656942	13.810	16828448	1126630	17955078	15.840	
c	Any other(specify)									
	Clearing Member	718703	0	718703	0.630	607048	0	607048	0.540	
	LLP	123460	0	123460	0.110	25501	0	25501	0.020	
	TRUST	44078	0	44078	0.040	44078	0	44078	0.040	
	IEPF	1073805	0	1073805	0.950	1232886	0	1232886	1.090	0.130
	SUB TOTAL B(2)	60925435	6380853	67306288	59.360	61975789	5432575	67408364	59.450	0.090
	Total Public Share Holding (B)=B(1)+B(2)	61159591	6385693	67545284	59.570	62078369	5436915	67515284	59.550	-0.020
	TOTAL (A) + (B)	106999357	6385693	113385050	100.000	107948135	5436915	113385050	100.000	0.000
C	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A) + (B) + (C)	106999357	6385693	113385050	100.000	107948135	5436915	113385050	100.000	0.000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)		% Change during the year	
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DURGAMBA INVESTMENT PRIVATE LIMITED	43742656	38.579	0	43742656	38.579	0	0.00
2	SMT. IRMGARD VELAGAPUDI	1738280	1.533	0	1768280	1.560	0	0.03
3	SMT.KIRAN VELAGAPUDI	265820	0.234	0	265820	0.234	0	0.00
4	MR. VINOD SETHI	93010	0.082	0	93010	0.082	0	0.00
	TOTAL	45839766	40.43	0	45869766	40.46	0	0.03

(iii) Change in Promoters Shareholding					
SI No.		Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (31.03.2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Share holding during the year				
1	MRS. IRMGARD VELAGAPUDI				
	PAN :AAFPI6691A				
	Opening Balance as on 01/04/2018	1738280	1.533		
	26/09/2018	5000	0.004	1743280	1.537
	03/10/2018	10000	0.009	1753280	1.546
	04/10/2018	10000	0.009	1763280	1.555
	12/12/2018	5000	0.004	1768280	1.560
	Closing Balance as on 31/03/2019			1768280	1.560

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (as on 31.03.2019)	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	V. R. K. GRANDSON'S INVESTMENT PRIVATE LTD.				
	PAN :AAACV3678A				
	Opening Balance as on 31/03/2018	5184613	4.573		
	27/04/2018	-259251	-0.229	4925362	4.344
	04/05/2018	-97414	-0.086	4827948	4.258
	11/05/2018	-76458	-0.067	4751490	4.191
	18/05/2018	-3000	-0.003	4748490	4.188
	28/09/2018	-128869	-0.114	4619621	4.074
	05/10/2018	-27442	-0.024	4592179	4.050
	12/10/2018	-392250	-0.346	4199929	3.704
	19/10/2018	-420000	-0.370	3779929	3.334
	26/10/2018	-50000	-0.044	3729929	3.290
	02/11/2018	-120081	-0.106	3609848	3.184
	09/11/2018	-81000	-0.071	3528848	3.112
	16/11/2018	-297487	-0.262	3231361	2.850
	Closing Balance as on 30/03/2019			3231361	2.850
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	PAN :EXEMPTCATG				
	Opening Balance as on 31/03/2018	1073805	0.947		
	01/02/2019	159081	0.140	1232886	1.087
	Closing Balance as on 30/03/2019			1232886	1.087
3	Indian Syntans Investments (P) Ltd				
	PAN :AAACI1775K				
	Opening Balance as on 31/03/2018	950000	0.838		
	Closing Balance as on 30/03/2019			950000	0.838

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

4	PADMINI RAJAN				
	PAN :ACOPR5427J				
	Opening Balance as on 31/03/2018	893000	0.788		
	Closing Balance as on 30/03/2019			893000	0.788
5	SAKUNTHALA DEVI BOPPANA				
	PAN :AFWPB3847H				
	Opening Balance as on 31/03/2018	858600	0.757		
	Closing Balance as on 30/03/2019			858600	0.757
6	BOPPANA VINAY KUMAR				
	PAN :AFXPB0044B				
	Opening Balance as on 31/03/2018	855250	0.754		
	29/03/2019	12280	0.011	867530	0.765
	Closing Balance as on 30/03/2019			867530	0.765
7	RANVIR R SHAH				
	PAN :AAMPS5511Q				
	Opening Balance as on 31/03/2018	638609	0.563		
	11/01/2019	44023	0.039	682632	0.602
	Closing Balance as on 30/03/2019			682632	0.602
8	SI No.8 Name:RANI S B				
	PAN :APXPS6609D				
	Opening Balance as on 31/03/2018	637340	0.562		
	Closing Balance as on 30/03/2019			637340	0.562
9	KOGANTY SRIHARI RAO				
	PAN :ASNPK3180C				
	Opening Balance as on 31/03/2018	541113	0.477		
	Closing Balance as on 30/03/2019			541113	0.477
10	NEESHA HARICHAND TOLANI				
	PAN :BAFPT7798L				
	Opening Balance as on 31/03/2018	525000	0.463		
	25/05/2018	4400	0.004	529400	0.467
	13/07/2018	20600	0.018	550000	0.485
	27/07/2018	2000	0.002	552000	0.487
	30/11/2018	8000	0.007	560000	0.494
	Closing Balance as on 30/03/2019			560000	0.494
11	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU				
	PAN :R00053				
	Opening Balance as on 31/03/2018	468270	0.413		
	Closing Balance as on 30/03/2019			468270	0.413
12	CHARU D SHAH				
	PAN :AAJPC2173K				
	Opening Balance as on 31/03/2018	425000	0.375		
	27/04/2018	275000	0.243	700000	0.617
	13/07/2018	9166	0.008	709166	0.625
	20/07/2018	46721	0.041	755887	0.667
	27/07/2018	121807	0.107	877694	0.774

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

	03/08/2018	74194	0.065	951888	0.840
	17/08/2018	45081	0.040	996969	0.879
	24/08/2018	3031	0.003	1000000	0.882
	Closing Balance as on 30/03/2019			1000000	0.882
13	V L INDIRA DUTT				
	PAN :AAAPD6756A				
	Opening Balance as on 31/03/2018	325000	0.287		
	15/03/2019	630	0.001	325630	0.287
	Closing Balance as on 30/03/2019			325630	0.287
14	VIVEK KUMAR				
	PAN :ABYPK7069G				
	Opening Balance as on 31/03/2018	312231	0.275		
	06/04/2018	37769	0.033	350000	0.309
	25/05/2018	25000	0.022	375000	0.331
	29/06/2018	25000	0.022	400000	0.353
	Closing Balance as on 30/03/2019			400000	0.353
15	HARSHA L SANGHVI				
	PAN :ALFPS8751G				
	Opening Balance as on 31/03/2018	312000	0.275		
	Closing Balance as on 30/03/2019			312000	0.275
16	SAILESH S SHAH				
	PAN :AJUPS2057G				
	Opening Balance as on 31/03/2018	179093	0.158		
	06/04/2018	328	0.000	179421	0.158
	13/04/2018	37557	0.033	216978	0.191
	20/04/2018	133022	0.117	350000	0.309
	08/06/2018	34000	0.030	384000	0.339
	22/06/2018	117	0.000	384117	0.339
	29/06/2018	185883	0.164	570000	0.503
	Closing Balance as on 30/03/2019			570000	0.503
17	DIVYESH S SHAH				
	PAN :AJUPS2055E				
	Opening Balance as on 31/03/2018	0	0.000		
	20/04/2018	44592	0.039	44592	0.039
	27/04/2018	155408	0.137	200000	0.176
	29/06/2018	67047	0.059	267047	0.236
	06/07/2018	120829	0.107	387876	0.342
	13/07/2018	72124	0.064	460000	0.406
	Closing Balance as on 30/03/2019			460000	0.406

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

(v) Shareholding of Directors and key managerial personnel

Sl No.	Name of Director and KMP	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Shareholding during the year (as on 31.03.2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	PAN :AAACV3678A				
1	RANVIR R SHAH				
	PAN :AAMPS5511Q				
	Opening Balance as on 31/03/2018	638609	0.563		
	11/01/2019	44023	0.039	682632	0.602
	Closing Balance as on 30/03/2019			682632	0.602
	Date of Cessation : 14/11/2018				
2	GANESAN R				
	PAN : AANPG2506Q				
	Opening Balance as on 31/03/2018	1500	0.001		
	Closing Balance as on 30/03/2019			1500	0.001
3	ADIVARAHAN K R				
	PAN :ADOPA8601L				
	Opening Balance as on 31/03/2018	1060	0.001		
	Closing Balance as on 30/03/2019			1060	0.001
4	SIDDHARTH VENKATA MARKANDEYA RAO MANIKYARAO				
	PAN :AFOPM9785K				
	Opening Balance as on 31/03/2018	10	0.000		
	Closing Balance as on 30/03/2019			10	0.000

VI. Indebtedness:

Rs.in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
Principal Amount	141.22	0.00	68.78	210.00
Interest due but not paid	0.00	0.00	0.00	0.00
Interest accrued but not paid	0.00	0.00	2.31	2.31
TOTAL (i + ii + iii)	141.22	0.00	71.09	212.31
Change in Indebtedness during the financial year				
• Addition →	0.00	30.00	0.68	30.68
• Reduction →	18.94	0.00	0.06	19.00
Net Change	(18.94)	30.00	0.62	11.68
Indebtedness at the end of the financial year:				
i. Principal Amount	122.28	30.00	68.84	210.00
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	0.00	0.00	2.87	2.31
TOTAL (i + ii + iii)	122.28	30.00	71.71	223.99

VII. Remuneration of Directors and Key Managerial Personnel:**A. Remuneration to Managing Director, Whole-time Directors:**

S. No.	Particulars of Remuneration	Name of MD / WTD			Total Amt. (Rs. In Lakhs)
		Irmgard Velagapudi – Managing Dir.	Vinod R. Sethi – Wholetime Dir.	Kiran Velagapudi – Wholetime Dir.	
1.	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	48.00	12.00	36.00	96.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961		0.37	0.93	1.21
	c. Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission – as percentage of profit (pertaining to 2016-17)	0.00	0.00	0.00	0.0
5.	Others – PF & Gratuity	0.00	2.07	5.06	7.13
	TOTAL (A)	48.00	14.44	41.99	104.43
	<i>Ceiling as per the Act</i>	<i>10% of Nett Profit</i>			

B. Remuneration to Other Directors:

S. No.	Particulars of Remuneration	Name of Directors					Total Amt – Rs./Lakhs
		Dr.Vithal Rajan	Sri.Ranvir R.Shah	Sri.M.S.V.M. Rao	Sri.Prathap K.Moturi	Sri. K.R. Adivarahan	
1.	Independent Directors						
	• Fee for attending Board /Committee Meetings	2.4	0.5	2.5	2.5	5.1	13
	• Commission (pertaining to 2016-17)	0	0	0	0	0	0
	• Others						
	Total (1)	2.4	0.5	2.5	2.5	5.1	13
	Overall Ceiling as per the Act	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	

C. Remuneration to Key Managerial Personnel other than MD/WT/Manager:

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total – Rs./Lakhs
		C F O	Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	15.67	11.6	27.27
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961.	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Others	0	0	0
	TOTAL	15.67	11.6	27.27

VIII. Penalties / Punishments / Compounding of offences (Under the Companies Act): -NONE -

ANNEXURE IV TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 13 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES ACT, RULES, 2014.

A.CONVERSATION OF ENERGY:

Measures taken, additional proposals and impact on reduction of energy consumption

• Measures taken for reduction of Energy Consumption

Vuyyuru Unit :

1. Successfully installed and operated Vapour line Juice heater for Raw juice 1st stage heating achieved steam reduction by 1% on Cane.
2. Second vapour utilized for Clear Juice 1st stage heating successfully, resulting steam of 0.8% on cane was reduced.
3. Second vapour utilized for Vertical sugar melter successfully leads to the reduction in steam % cane by 0.1.
4. Provided Low pressure vapour (3rd Effect) for C Continuous vacuum pan and operated successfully resulting 0.5% on cane steam was reduced.
5. Multiple effect evaporator operated as TEVC + Quad (with Exhaust provision to the TEVC first body only) through out the season by managing vapour bleeding system effectively.
6. Installed higher capacity, high head, energy efficient raw juice pump in place of age old pump to meet the crushing rate without any hindrances and operated successfully throughout the season.
7. Sugar Cooling tower fan No. 4 of CI make was replaced with FRP and achieved successful operation with reduction in power consumption by 15 amps.
8. Saving of power @ 0.25 kwh per ton of cane by installing cane unloader tipplers.
9. Saved Rs. 11.50 Lakhs due to run of electrical feed water pump instead of steam turbine in single power turbine Installation
10. Installed LED lights in place of MV and SV lamps and saved 45,500 units per annum.
11. In 1st Tandem Mill, Pre-Leveller Motor of 150 HP was removed due to installation of new truck tippler system. Energy saved was 198000 units for the season
12. For 12 MW Alternator Generator protection relay was replaced with new one to avoid nuisance tripping. Power plant tripping were eliminated and no process breakdowns. Due to which depletion of natural resources were reduced.
13. Addition of 200 KVAR Capacitor Banks for the power system. To improve PF and reduce losses

• Additional Proposals and Impact on reduction of energy consumption

Vuyyuru Unit :

1. Installation of E melting system for film type sulphur burners.
2. Installation of Horizontal melter in place of vertical melter.
3. Installation of Mechanical circulators for batch pans to utilize low pressure vapour.
4. Installation of cooling tower and storage pond for excess hot condensate collection, storage and its reuse.
5. Installation of higher capacity and high performance centrifugals in place of old machines in phased manner.
6. Installation of Auto control valves in the pans' vacuum break lines, body steam lines and cutover lines, etc.
7. Single control room for No. 3, 4 & 5 CVPs.
8. Installation of Auto control feed valves for CAW centrifugal machines.
9. Installation of secondary screening system for raw juice.

10. One more Vertical crystallizer to be provided by replacing the horizontal crystallizer.
11. Installation of LED lights in place of MV and SV lamps to reduce Power consumption.
12. Replacement of low efficient rewinding motors with IE3/IE4 efficiency motors in phased manner.
13. Installation of capacitors for improving power factor and reducing losses.
14. Installation of solar panels of 150 KW at Employees Colony for reducing power bill.
15. Installation of solar power plant of 500 KW at factory for reducing power bill.

Annexure – Form A – Form of Disclosure of particulars with respect to conservation of Energy.

Separate Sheets Enclosed

B. TECHNOLOGY ABSORPTION :

FORM 'B' – FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH AND DEVELOPMENT (R&D):

1&2 SPECIFIC AREA IN WHICH RESEARCH AND DEVELOPMENT IS CARRIED OUT BY THE COMPANY AND BENEFITS DERIVED THEREFROM :

Vuyyuru :

1. After careful evaluation, 23 varieties were selected based on their qualitative and quantitative parameters. These were included in various trails for evaluation of yield and quality attributes in the form of replicated trials during the current season as plant crop (2018-19) and their ratoon ability performance also will be studied in the ensuing season.
2. For 2018-19 season, 94% of area was applied with organic manure. Irma Bio wonder is used as main component as organic manure. Organic carbon % was increased from 0.55 (2016-17) to 0.83 (2018-19).
3. For 2018-19 season, 47 lakhs of single budded seedlings were raised and supplied to cane growers for plantation. The main advantage of this method is cost reduction and productivity improvement.
4. An area of 400 acres was harvested with New Holland Harvester in both uplands and low laying areas. In the low laying areas, the results were not that much encouraging because of the presence of moisture conditions in the field. However, the results in the upland areas were encouraging and it is planned to continue harvesting operations in the uplands in the ensuing period.

Lakshmipuram :

1. 900 bore well water samples were analysed for quality of underground water used for sugar cane cultivation. Remedial measures are being taken up wherever ground water is poor quality.
2. Different types of pheromone traps and silica spraying trial was conducted to control early shoot borer. Found silica spraying is better in controlling Early shoot borer. Further trail is going on.

RESEARCH PROJECTS IN PROGRESS:

1. Phosphorous and potash reduction trial to reduce cost of production of sugar cane.
2. Bio fertilizer trial to reduce chemical fertilizer application.
3. Evaluation of new varieties recommended by RARS, Anakapalli, SBI, Coimbatore and SRS, Vuyyuru research stations.

BENEFITS DERIVED

Vuyyuru :

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

Lakshmipuram :

1. New varieties VMR-8, Roc-16 were performed better than 2003V46 in sugar recovery during 2018-19 season.
2. Deep ploughing and green manure incorporation improved sugar cane yield by 4-5 M.T. per acre

3. Better crop production was achieved through trash mulching and modified fertilizer schedules under saline water irrigation condition.

3.FUTURE PLAN OF ACTION :

Details of any specific achievements or Awards received by the units

Vuyyuru Unit :

1. 2018 Best Management Award	Sri P Satyanarayana, Labour Minister, Andhra Pradesh on May Day 1st May 2018 at Vijayawada
2. Best Cane Management Award (Platinum Award)	Presented in SISSTA'S Convention Awarded on 21-9-2018 at Chennai, Tamilnadu
3. Best Distillery Award (Silver Award) Tamilnadu	Presented in SISSTA'S Convention Awarded on 21-9-2018 at Chennai,

Future plans in respect of Operations at both the units

Note on Corporate Social Responsibility undertaken by the Company

Rs.19,58,840/- spent towards the VRKM school maintenance at Vuyyuru under the CSR activity- Promotion of Education and enhancement of vocational skills.

4. EXPENDITURE ON R & D: Amt. in Rs.

a. Capital	---
b. Recurring	3,54,003
c. Staff Cost	54,23,105
d. Total	57,77,108

Total R & D expenditure as a % age of total turnover: 0.18 %

5. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings Rs. NIL

Foreign Exchange outgo Rs. NIL

For and on behalf of the Board of Directors

Place : Chennai
Date : 29.05.2019

VINOD R. SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

ANNEXURE – FORM A

(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	SUGAR UNITS AT			
	VUYYURU		LAKSHMIPURAM	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
A) Power and Fuel Consumption				
Electricity				
a. Purchased				
Units KWH	792817	8,79,611	587550	6,25,855
Total Amount Rs.	6532035	77,15,938	4915196	50,86,171
Rate / Unit Rs.	8.24	8.77	8.37	8.13
b. Own Generation				
i. Through Diesel Generator :	4288	17,274	5516	8,804
Units KWH	4.29	2.79	2.07	2.24
Unit per ltr. Of Diesel Oil	15.66	21.06	33.91	26.78
Cost / Unit Rs.				
ii. Through SteamTurbine/ Generator :				
Unit KWH	34065800	2,99,60,800	6999682	44,20,436
KWH per tonne of bagasse	254.78	271.59	185.33	176.87
Cost / Unit	3.00	3.09	2.62	2.71
B. Consumption per unit of production				
Electricity KWH (per Tonne)	235.03	249.31	240.63	276.76

ANNEXURE V TO BOARD'S REPORT**REPORT ON CSR ACTIVITIES***[pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]*

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects.	<p>The Company's CSR policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development. The Company's CSR activities broadly relate to:</p> <ol style="list-style-type: none"> 1. Promoting health care including preventive health care and sanitation and making available safe drinking water; 2. Promoting education and employment enhancing vocational skills; 3. Eradication of poverty and ensuring better living conditions; 4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water; 5. Conducting relief operations in natural disaster hit areas and contrition to Government Disaster Relief Fund. 6. Joining hands with NGSs and Registered Trusts to achieve a balance of economic, environment and social imperatives.
2.	The Composition of the CSR Committee	<p>Smt.Irmgard Velagapudi– Chairperson Sri.Vinod R.Sethi – Member Sri.M.S.V.M.Rao – Member. Sri.K.R.Adivarahan – Member.</p>
3.	Average net profit of the Company for last three financial years (Amount in Lakhs)	Rs.-10.71 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) (Amt in Lakhs)	Rs.0.00 Lakhs
5.	Details of CSR spent during the financial year.	
	(a) Total amount spent for the F.Y.	Rs. 19.59 Lakhs
	(b) Amount unspent, if any;	**
	(c) Manner in which the amount spent during the financial year.	Environmental sustainability & Promotion of Education.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amt. Outlay (budget) project or program-wise (Rs./ Lakhs)	Amt spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency.
1	2	3	4	5	6	7	8
1.	Promotion of Health care / sanitation	Health and Sanitation	Vuyyuru, Krishna Dist., Andhra Pradesh	NIL	NIL	NIL	--
2.	Environmental sustainability	Ensuring pollution-free environment	Vuyyuru, Krishna Dist., Andhra Pradesh	3.00	NIL	22.30	Direct
3.	Promotion of Education and enhancement of vocational skills.	Education.	Vuyyuru, Krishna Dist., Andhra Pradesh	15.00	19.59	61.13	Direct
4.	Eradication of poverty and ensuring better living conditions.	Economic and social equality.	Vuyyuru, Krishna Dist., Andhra Pradesh	2.00	NIL	10.00	..

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

MANAGING DIRECTOR &
CHAIRPERSON OF CSR COMMITTEE

ANNEXURE VI TO BOARD'S REPORT*(In pursuance of Section 134 of the Companies Act, 2013)***1. DISCLOSURE UNDER SECTION 197 (12) OF COMPANIES ACT, 2013, READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014..**

a. The ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2018-19.

b.

S.No.	Particulars	Ratio
1	Managing Director	8:1
2.	Executive Director	6:1
3.	Executive Chairman	2:1

c. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year.2015-16..

(Rs.in Lakhs)

S. No.	DIRECTORS / CFO / CS	REMUNERATION PAID FOR		VARIATION
		2018-19	2017-18	
	DIRECTORS			
1	Smt.Irmgard Velagapudi M.Rao	48.00	73.98	-25.98
2	Shri.Vinod R.Sethi	14.44	73.69	-59.25
3	Smt.V.Kiran Rao	41.99	80.32	-38.33
5	Dr.Vithal Rajan	2.40	4.15	-1.75
6	Shri. Ranvir R.Shah (resigned with w.e.f.14.11.2018)	2.40	4.45	-2.05
7	Shri. M.S.V.M. Rao	2.50	4.25	-1.75
8	Shri.Prathap K. Moturi	2.50	4.25	-1.75
9	Shri.K.R.Adivarahan	5.10	5.62	0.52
	C F O / C S			
1	Shri.R.Ganesan, C F O	15.67	15.82	-0.15
2	Shri.S.Chidambaram, C.S.	11.60	13.03	-1.43

d. The percentage increase in the median remuneration of employees in the financial year 2018-19.

Six (6) per cent

e. No.of permanent employees on the Rolls of the Company:

813

f. Explanation on the relationship between the average increase in remuneration and company performance.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

g. Comparison of the remuneration of key managerial personnel against the performance of the Company.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Salary escalation for employees other than the managerial personnel in the last financial year: Six (6) per cent. – same as Managerial personnel. This is determined in line with the industry norms.

- i. Comparison of each remuneration of the key managerial personnel against the performance of the Company.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

- j. Key parameters for any variable component of remuneration availed by the directors.

The Whole-time Directors are eligible for Commission on profits at 3% each only when the Company earns profit. In the absence of profit or inadequacy of profits in any financial year, Commission on profits is not payable to the Whole-time Directors. Necessar provision has been made towards commission on profits as computed in accordance with section 198 of the Companies Act, 2013.

In respect of Non-Wholetime Directors, Members at the 21st Annual General Meeting held on 21.09.2016 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013, subject to a limit of Rs. 1,75,000/- per director for each of the three financial years ending with 31st March 2019. Necessary provision has been made towards commission on profits in accordance with section 197 of the Companies Act, 2013

- k. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

NOT APPLICABLE

- l. Affirmation that the remuneration is as per the remuneration policy of the Company.

Yes. Remuneration is as per the remuneration policy of the Company.

2. Pecuniary Relationship or Transactions of Non-Executive Directors

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

3. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase / decrease in the market quotations of the shares of the Company in comparison with the rate at which the company has come out with the last public offer:

PARTICULARS	UNIT	AS ON 31.03.2019	AS ON 31.03.2018	VARIATION
Closing rate of Share at NSE	Rs.	16.40	25.35	-8.95
EPS Consolidated	Rs.	1.44	1.01	0.43
Market Capitalisation	Rs./Lakhs	18595.15	28743.11	-10147.96
Price Earnings Ratio	Ratio	11.39	25.10	-13.71

ANNEXURE VII**FORM MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

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

Anna Salai, Chennai- 600 006

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

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information furnished by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period (01st April, 2018 to 31st March, 2019) covering the Financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other modifications, and amendments thereon
- (iii) (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (vii) Other laws specifically applicable to the Company (apart from General Laws such as Factories Act 1948, Minimum wages Act 1948 etc) are as follows:
- Boilers Act 1923
 - Essential Commodities Act 1955
 - Sugar (Control Order), 1966
 - Sugarcane (Control Order), 1966

However during the year under purview there were no instances attracting the following Laws/regulations

- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We have also checked the compliance with the applicable clauses pertaining to the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;
- SEBI (Listing obligations and disclosure requirements) Regulations, 2015

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors (including Two Women Directors) and Independent Directors. Mr. Ranvir Ranjit Shah, Independent Director has tendered his resignation on 13th November 2018 and the same was taken on record by the Board on 14th November 2018

Adequate notice was given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on agenda are being sent at least 7 days in advance in the manner provided under the Act and Secretarial Standards (SS-1), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board were taken upon the approval of majority of the members of the Board and the same was recorded in the minutes and duly signed by the Chairman.

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

We also state that the Company has entered into uniform Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited pursuant to Clause 109 of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 and have made the necessary compliance.

For V. Mahesh & Associates

V. Mahesh
Practicing Company Secretary

Place: Chennai
Date: 28.05.2019

M. No. F 4162
C.P No. : 2473

ANNEXURE – A

To,

The Members,

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

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

Anna Salai, Chennai- 600 006

Our Secretarial Audit report dated Wednesday, 28th May 2019 is to be read along with this letter.

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

For V. Mahesh & Associates

V. Mahesh
Practicing Company Secretary

Place: Chennai
Date: 28.05.2019

M. No. F 4162
C.P No. : 2473

ANNEXURE VIII TO BOARD'S REPORT

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To:

The Board of Directors

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

As stipulated under Regulation 17(8) of SEBI (LODR) Regulations, 2015, we hereby certify that::

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2019 which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee
 - a. Significant changes, if any, in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai

Date : May 29, 2019

IRMGARD VELAGAPUDI M.RAO

MANAGING DIRECTOR

DIN: 00091370

R. GANESAN

CHIEF FINANCIAL OFFICER

ANNEXURE IX TO BOARD'S REPORT**FORM NO.AOC-2**

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

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO SECTION 188(1) OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM LENGTH TRANSACTIONS UNDER 3RD PROVISIO THERETO.

1. Details of Contracts or Arrangements or Transactions not at Arms Length basis - NIL

2. Details of Contracts or Arrangements or Transactions at Arms Length basis.

1.	Name of Related Party and nature of relationship	The Eimco-K.C.P.Limited (wholly-owned subsidiary)	M/s. Amethyst Cafe Pvt. Ltd. (Entity in which Directors of the Company are interested)	M/s. Outhouse (Entity in which Directors of the Company are interested)
2.	Nature of Contract / Arrangement / Transaction	Leasing of Property	Leasing of Property	Leasing of Property
3.	Duration of Contract / Arrangement / Transaction	11 Months	3 Years	11 Months
4.	Salient Terms of the Contract / Ar-rangement / Trans-action	Leasing of premises on rental basis, option to renew for further pe-riods by mutu-al consent.	Leasing of premises on rental basis, op-tion to renew for further periods by mutual consent.	Leasing of premises on rental basis, op-tion to renew for further periods by mutual consent.
5.	Date of approval by the Audit Committee / Board	11.08.2017 (period covered: 01.08.2017 to 30.06.2018) 25.05.2018 (period covered: 01.07.2018 to 31.05.2019)	09.02.2018 (period covered: 01.04.2018 to 31.03.2021)	29.05.2017 (period covered: 01.07.2017 to 31.05.2018) 25.05.2018 (period covered: 01.06.2018 to 30.04.2019)
6.	Amount paid as Ad-vance, if any.	NIL	Rs.3.00 Lakhs	Rs.1.25 lakhs

Place: Chennai

Date: 29.05.2019

VINOD R. SETHI

EXECUTIVE CHAIRMAN

DIN: 00106598

ANNEXURE - X

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part 'A': Subsidiaries

(Amt - Rs./Lakhs)

S.No.	PARTICULARS	THE EIMCO-K.C.PLTD	KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.
1	Sl. No.	1	2
2	Reporting period for the subsidiary concerned	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019
3	Reporting Currency	Indian Rupees	Indian Rupees
4	Share Capital	60.00	225.00
5	Reserves & Surplus	3063.43	222.50
6	Total Assets	4725.34	447.64
7	Total Liabilities	4725.34	447.64
8	Investments	1109.03	337.95
9	Total Income (Turnover and other Income)	4427.95	22.68
10	Profit before taxation	836.71	0.89
11	Provision for taxation	226.18	0
12	Profit after taxation	610.53	0.89
13	Total Comprehensive Income	617.99	-5.09
14	Proposed Dividend	0	0
154	% of shareholding	100	100

INDEPENDENT AUDITOR'S REPORT**To The Members of of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **K.C.P Sugar and Industries Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

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 the section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, its Profit (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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described to be the key audit matters to be communicated in our audit report:

SL No	Key Audit Matters	Substantive Audit Procedures
1.	Evaluation of Uncertain Tax Positions : The Company has material uncertain tax positions including matters under disputes. These involve significant management judgment to determine the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. (Refer Note 44 to the standalone financial statements)	Our audit procedures include the following substantive audit procedures: <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions. • Obtained details of completed tax assessments and demands for the year ended march 31, 2019 from management. • Read and analyzed select key correspondences, external legal opinions and consultations by management for key uncertain tax positions. • Discussed with appropriate Senior management and evaluated management's key underlying key assumptions in estimating the tax provisions; and • Assessed management's estimate of the possible outcome of the disputed cases.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income / loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. 1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no.44 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
- (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except in respect of certain immovable properties (land and buildings), which have been transferred to the Company as per a scheme of demerger are in the name of the erstwhile demerged company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	3793799	April 2009 to June 2017	Sales Tax Appellate Tribunal, Vizag
Income Tax Act, 1961	Income Tax & Interest	59701340	Financial Year 2013-14	Commissioner of Income Tax (Appeals), Chennai.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

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

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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Suri & Siva

Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR

Partner
Membership No. 022379

Chennai

Date: 29.05.2019

		Amount in Rs.	
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	912193700	926787718
(b) Capital work-in-progress		-	2923297
(c) Intangible assets	4	4919769	8709034
(d) Financial assets			
(i) Investments	5	815369202	872348185
(ii) Loans	6	3992829	6449813
(e) Deferred tax assets	21	-	33580753
(f) Other non current assets	7	41294009	39438939
Current assets			
(a) Inventories	8	3691299607	2075382060
(b) Financial Assets			
(i) Investments	9	550304789	934064175
(ii) Trade receivables	10	205378591	225940320
(iii) Cash and cash equivalents	11	22394977	23059461
(iv) Bank Balances other than (iii) above	12	90911410	72052112
(v) Other financial assets	13	54161958	12512656
(c) Current tax assets	14	-	12242858
(d) Other current assets	15	95551964	149813784
Total Assets		6487772805	5395305165
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	113385050	113385050
(b) Other equity	17	2529002504	2437221121
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	413413000	403524000
(ii) Other Financial liabilities	19	11336192	11336213
(b) Provisions	20	50099446	52293324
(c) Deferred tax liabilities	21	70889349	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1522766450	1335190451
(ii) Trade payables	23		
a) Total outstanding dues of micro and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises		1322168873	547486215
(iii) Other financial liabilities	24	363082602	449062134
(b) Other current liabilities	25	38463658	32733326
(c) Provisions	26	12524886	13073331
(d) Current Tax Liabilities	27	40640795	-
Total Equity and Liabilities		6487772805	5395305165

The accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

Amount in Rs.

Statement of profit or loss for the year ended March 31, 2019			
Particulars	Note	For Year Ended March 31, 2019	For Year Ended March 31, 2018
I Revenue from operations	28	3178338789	3299549988
II Other income	29	127670794	577577382
III Total Income (I+II)		3306009583	3877127370
IV. Expenses			
Cost of material consumed	30	3597318055	2891228741
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(1622487898)	120356042
Excise duty on sale of goods		-	48387547
Employee benefits expense	32	361125768	351371333
Finance costs	33	186378395	144072674
Depreciation and Amortisation	34	82738443	89406418
Other expenses	35	445329418	305780191
Total expenses (IV)		3050402181	3950602946
V Profit/(loss) before exceptional items and tax		255607402	(73475576)
VI Exceptional items		-	-
VII Profit/(loss) before tax		255607402	(73475576)
VIII Tax expense			
- Current Tax		51000000	-
- Deferred Tax		102613254	(157128550)
IX Profit/(loss) for the period		101994148	83652974
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/(losses)		5313780	(858188)
Income tax expense on above		(1856847)	291784
		3456933	(566404)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		105451081	83086570
XII Earnings per equity share			
(1) Basic		0.90	0.74
(2) Diluted		0.90	0.74

The accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

Notes forming part of Financial statements as at and for the year ended March 31, 2019

Other Equity

Amount in Rs.

For the year ended March 31, 2019

Particulars	Surplus				Other Components of Equity	Total
	General Reserve	Investment allowance reserve utilised	Capital Profit	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2018	1120941895	4505000	15545110	1296967048	-737932	2437221121
Dividend and taxes	-			-13669698		-13669698
Profit / (Loss) for the period	-			101994148		101994148
Other Comprehensive Income for the Year					3456933	3456933
Balance as at March 31, 2019	1120941895	4505000	15545110	1385291498	2719001	2529002504

For the year ended March 31, 2018

Particulars	Surplus				Other Components of Equity	Total
	General Reserve	Investment allowance reserve utilised	Capital Profit	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	1120941895	4505000	15545110	1336134847	-171528	2476955324
Dividend and taxes	-			-122820773	-	-122820773
Profit / (Loss) for the period	-			83652974	-	83652974
Other Comprehensive Income for the Year	-				-566404	-566404
Balance as at March 31, 2018	1120941895	4505000	15545110	1296967048	-737932	2437221121

Amount in Rs.		
Particulars	For Year Ended March 31, 2019	For Year Ended March 31, 2018
Cash flows from operating activities		
Total Income for the Period(PBT)	255607402	-73475576
Adjustments:		
- Interest income	-10570381	-373170
- Loss/(Profit) on sale of fixed assets	-7949918	90387
- Loss/(Gain) on sale of Investments	756578	-73237665
- Adjustment for OCI	5313780	-858188
- Interest expense	9872256	19520452
- Provision for Dividend(s)	-13669698	-122820773
- Fair Value Adjustment	81784273	-400950278
- Depreciation and amortization	82738443	89406418
Operating cash flow before working capital changes	403882735	-562698393
<i>Changes in</i>		
- Decrease In Trade Receivables	20561729	6936815
- (Increase) In Inventory	-1615917547	119609104
- (Increase) In Other current Financial Asset(s)	-41649302	-3762345
- Decrease In Other current Asset(s)	54261820	-75665371
- Decrease/ (Increase) Long term loans	2456984	2895000
- Decrease/(Increase) In Other non-current asset	-1855070	-4866710
- (Decrease)/Increase In Long term Provisions	-2193878	4487585
- (Decrease) In non-current liabilities	-21	-
- Increase In Trade Payables current	774682658	-29683266
- Increase In other current liabilities	5730332	-144864249
- (Decrease) In Other financial liabilities current	-85979532	158693788
- (Decrease) In Short Term provisions current	-548445	1121894
- (Decrease)/Increase In Other Non Current Liabilities	-	-3193166
Income taxes paid	1883653	-15824778
Cash generated from / (used in) operations	-888566618	15884302
Cash flows from investing activities		
Purchase of fixed assets	-67449016	-15619353
Proceeds from sale of fixed assets	13967071	1214387
Investment made in current and Non Current Investments	354490782	-512629932
Proceeds from sale of Investments	3706736	596941361
Changes in margin money deposits	-18859298	-6763122
Interest received	10570381	373170
Net cash generated from/(used in) investing activities	296426656	63516511
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	197464999	506603026
Interest paid	-9872256	-19520452
Net cash used in financing activities	187592743	487082574
Increase in cash and cash equivalents	-664,484	3,784,994
Cash and cash equivalents at the beginning of the year	23059461	19274467
Cash and cash equivalents at the end of the year	22394977	23059461
Components of cash and cash equivalents (refer note 11)		
Cash on hand	1392781	1837429
Balances with banks	21002196	21222032
Total cash and cash equivalents	22394977	23059461

The notes referred to above form an integral part of financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

Note 1. Corporate Information

K.C.P Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India . Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and CO₂. Company has two sugar factories located in Krishna District Andhra Pradesh having an aggregate crushing capacity of 11,500 tons per day. It has its registered office at 239/183, Ramakrishna Building, Anna Salai, Chennai, Tamil Nadu 600006, India.

The financial statements were approved by the Board of Directors and authorised for issued on 29.05.2019

Note 2. Significant Accounting Policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgments

- ❖ The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.
- ❖ Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
- ❖ In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:
- ❖ Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- ❖ Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- ❖ Income Taxes: Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.
- ❖ Provision for tax liabilities require judgments on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant

uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

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

(d) Functional currency :

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

(e) Revenue recognition :

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

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

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

Interest

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

Dividend

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

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

- i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an

expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

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

iii. Compensated Absences

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

iv. Other Employee Benefits

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

(g) Property, Plant and Equipment:

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

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

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

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

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

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

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

(h) Intangible Assets:

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

- i) the technical feasibility and Company's intention and ability of completing the project;

- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

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

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

Class of Assets	Estimated Useful Life
Software and Licences	5 years

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

(i) Impairment of assets:

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

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

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

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

(j) Foreign Currency Translation :

Initial Recognition

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

Subsequent Recognition

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

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

(k) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and

rewards of ownership to the lessee. All the other leases are classified as operating leases.

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

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

(l) Inventories:

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

(m) Government Grants

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

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

(n) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

and unused tax losses can be utilised.

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

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

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

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

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

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

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

(r) Cash Flow Statement:

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

(s) Earnings Per Share:

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

(t) Segment Reporting:

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

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

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

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

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

(u) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

Equity investments

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

Financial Liabilities**Classification**

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

Initial recognition and measurement

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

3 - Property Plant and Equipments

Description	Land	Buildings	Plant and equipment	Tramways & Railways Sidings	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 31 March 2017 (At Cost)	169446985	245161939	621812216	7717473	9994586	22668094	1746567	1078547860
Additions during the year		7624341	6102786		683034	6327738	1159877	21897776
Deletions during the year					(1158793)	(4678153)	(21800)	(5858746)
As at 31 March 2018 (At Cost)	169446985	252786280	627915002	7717473	9518827	24317679	2884644	1094586890
Additions during the year		2769526	66087374		703361	641552	170500	70372313
Deletions during the year			(2765194)	(13687848)	(238596)	(1750557)	(152396)	(18594591)
As at 31 March 2019 (At Cost)	169446985	255555806	691237182	(5970375)	9983592	23208674	2902748	1146364612
Depreciation and amortization								
Opening depreciation as on 01.04.2017		12799973	65353370	859752	2909224	4177664	636007	86735990
Charge for the year ended March 31, 2018		12852612	62967574	453530	3164004	5773992	405441	85617153
Deletions during the year					(1158596)	(3374465)	(20910)	(4553971)
As at 31 March 2018 (At Cost)	-	25652585	128320944	1313282	4914632	6577191	1020538	167799172
Charge for the year		11200382	60820276	290756	2641408	3714004	282353	78949178
Deletions during the year			(2736738)	(7784088)	(238586)	(1671786)	(146241)	(12577438)
As at 31 March 2019	-	36852967	186404482	(6180050)	7317454	8619409	1156650	234170912
Net Book Value								
As at 31 March 2019	169446985	218702839	504832699	209675	2666138	14589265	1746098	912193700
As at 31 March 2018	169446985	227133695	499594058	6404191	4604195	17740488	1864106	926787718

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

4 - Other Intangible Asset

Amount in Rs.

Description	Computer Software	Total
Cost or Valuation		
As at 31 March 2017 (At Cost)	16215127	16215127
Additions during the year	-	-
Deletions during the year	-	-
As at 31 March 2018 (At Cost)	16215127	16215127
Additions during the year	-	-
Deletions during the year	-	-
As at 31 March 2019 (At Cost)	16215127	16215127
Amortization and Impairment		
Depreciation as at 31.03.2017	3716828	3716828
Amortization for the year ended March 31, 2018	3789265	3789265
As at 31 March 2018	7506093	7506093
Amortization for the year	3789265	3789265
As at 31 March 2019	11295358	11295358
Net Book Value		
As at 31 March 2019	4919769	4919769
As at 31 March 2018	8709034	8709034

5 - Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Quoted Equity Instruments (Fair valued through PL)	786369202	841648185
Investments in Unquoted Equity Instruments (Valued at cost)	500000	2200000
Investments in an associate and Joint Venture/Subsidiary (Valued at Cost)	28500000	28500000
	815369202	872348185

5.1 Aggregate amount of quoted investments		
- Cost	534642641	506754558
- Market Value	786369202	841648185

5.2 Aggregate amount of unquoted investments		
- Cost	29000000	30700000

6 - Loans

Security Deposits (unsecured considered good)	3992829	6449813
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7 - Other Non Current Assets

Long Term Security Deposit (Unsecured and considered good)	41294009	39438939
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8 - Inventories

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	275716	474239
Work in progress	47251719	41137840
Finished goods	3603575340	1987460531
Stores and spares	38751532	45123360
Crops under cultivation	1445300	1186090
	3691299607	2075382060

9 - Investments

Investments in Mutual Funds (Fair valued through PL)	550304789	934064175
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10 - Trade Receivables

Unsecured Considered good	205378591	225940320
Considered Doubtful	2753857	2969595
	208132448	228909915
Less:		
Allowances for Doubtful debts	-2753857	-2969595
	205378591	225940320

11 - Cash and cash equivalents

i) Balances with banks:		
-In current accounts	21002196	21222032
ii) Cash on hand	1392781	1837429
	22394977	23059461

12 - Bank Balances other than Note 11 above

Bank Balances held as Margin Money	62387047	44214758
Unpaid Dividend account	28524363	27837354
	90911410	72052112

13 - Other Current Financial Assets

Unsecured, considered good;		
- Claims receivable	43781439	2004627
- Advance to Employees	10380519	10508029
	54161958	12512656

14 - Current Tax Assets

Current Tax Assets	-	12242858
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15 - Other Current Assets

Prepaid expenses	34084946	30948468
Balance with government authorities	6982373	-
Advances to Supplier	54484645	118865316
	95551964	149813784

16 - Equity Share Capital

Amount in Rs.

Authorised Share Capital	As at March 31, 2019	As at March 31, 2018
25,00,00,000 Equity Shares of Re.1/- each	2500000000	2500000000
Total	2500000000	2500000000
Issued, Subscribed And Paid Up		
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050
Total	113385050	113385050

16.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount Rs.	Nos.	Amount Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

16.2 Terms/rights attached to equity shares

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

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
Durgamba Investments Private Limited	43742656	38.58%	43742656	38.58%
Total	43742656	38.58%	43742656	38.58%

17 Other Equity

Amount in Rs.

Particulars	Surplus				Other Components of Equity	Total
	General Reserve	Investment allowance reserve utilised	Capital Profit	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2018	1120941895	4505000	15545110	1296967048	-737932	2437221121
Provision For Dividend and taxes	-			-13669698		-13669698
Profit / (Loss) for the period	-			101994148		101994148
Other Comprehensive Income for the Year					3456933	3456933
Balance as at March 31, 2019	1120941895	4505000	15545110	1385291498	2719001	2529002504

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

18 - Long Term Borrowings

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Unsecured Borrowings		
Fixed Deposits from Public	413413000	403524000

19 - Other Financial liabilities

Interest accrued but not due on fixed deposits	9186940	9221995
Security Deposit	2149252	2114218
	11336192	11336213

20 - Provisions

Provision for Employee Benefits	50099446	52293324
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21 - Deferred Tax Liability

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year Sub Total (A)	51000000	-
Deferred tax expense		
Origination and reversal of temporary differences (B)	102613254	(157128550)
Total (A + B)	153613254	(157128550)

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	(1856847)	291784
Total	(1856847)	291784

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Deferred Tax Liability		
Property, Plant & Equipment	136719406	143244367
Deferred tax Assets		
Current year business losses	42984302	153175310
On account of timing differences in recognition of expenditure between books of accounts and Taxation	22845755	23649810
Sub Total	65830057	176825120
Net Deferred Tax Assets/ (Liabilities)	(70889349)	33580753

Amount in Rs.

22 - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Demand Loans from Banks *	1222766450	1335190451
Short term unsecured loan from Bank	3000000000	-
	1522766450	1335190451

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

23 - Trade Payables

- Dues to Micro and Small Enterprises	-	-
- Others	1322168873	547486215
	1322168873	547486215

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

24 - Other Financial Liabilities

Current Maturities of long term debt	268795000	347802744
Unclaimed Dividends	15450448	10488083
Interest accrued but not due on borrowings	19517480	18854542
Unpaid matured deposits and interest accrued thereon	19256914	30792764
Outstanding Liabilities for Expenses	35724450	36785691
Earnest Money and Other Deposits	4338310	4338310
	363082602	449062134

25 - Other Current Liabilities

Statutory Liabilities	23218784	30441776
Advance from customers	15244874	2291550
	38463658	32733326

26 - Provision

Provision for Employee benefits	12524886	13073331
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27 - Current Tax Liabilities

Provision for taxation	40640795	-
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K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Amount in Rs.

28 - Revenue From Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products	3178338789	3299549988

29 - Other Income

Change in fair value of financial asset	-	362014945
Interest income from financial asset measured at amortised cost	556208	373170
Profit on sale of Investments	-	73237665
Interest Received	10014173	9906377
Dividend Income	38959806	44740056
Rent Received	4060076	5101574
Miscellaneous Receipts	16673368	7165899
Profit on sale of fixed assets (Net)	7949918	-
Compensation received from Metro Rail	14107634	-
Unclaimed Balance credited back	5018	94724
Claims Received	23092043	434377
Provision no longer required withdrawn	12252550	74508595
	127670794	577577382

30 - Cost of Materials Consumed

Consumption of raw materials	3479111047	2807387624
Consumption of stores and spares	118207008	83841117
	3597318055	2891228741
Consumption of Sugar Cane included in the above	3466046683	2756166800

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

Opening Balance		
Work in Progress	41137840	15677935
Finished goods	1987460531	2133152692
Crops under cultivation	1186090	1309876
Sub Total	2029784461	2150140503
Less Closing Balance		
Work in Progress	-47251719	-41137840
Finished goods	-3603575340	-1987460531
Crops under cultivation	-1445300	-1186090
Sub Total	-3652272359	-2029784461
TOTAL	-1622487898	120356042

32 - Employee benefits expense

Salaries, wages and bonus	295016941	276177002
Contribution to provident and other funds	31956669	34312076
Remuneration to whole time directors	10443291	11013154
Staff welfare expenses	23708867	29869101
	361125768	351371333

33 - Finance Cost

Amount in Rs.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest cost on financial liabilities measured at amortized cost	9872256	19520452
Others	176506139	124552222
	186378395	144072674

34 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	78949178	85617153
- Intangible Assets	3789265	3789265
	82738443	89406418

35 - Other expenses

Power and Fuel	21730720	23436081
Rental charges	402197	237402
Repairs and maintenance:		
- Buildings	10093087	19022505
- Machinery	113327147	96562934
- Others	10271902	13022602
Insurance	3079449	3213673
Payment made to auditors (Refer note below)	643707	674884
Legal and Professional Charges	4771817	12576912
Selling expenses	101678220	56127713
Director's Sitting Fees	1300000	1480000
Donations	1500000	1700000
Corporate Social Responsibility Expenditure (CSR)	1958841	2125577
Security Charges	12802598	12827243
Miscellaneous expenses	79228882	62682278
Loss on sale of Fixed Assets	-	90387
Loss relating to fair value of equity investments	81784273	-
Loss on sale of Investments	756578	-
	445329418	305780191

Payment made to statutory auditors :		
i. As Audit fees	442500	442500
ii. For other services	184600	210400
iii. For reimbursement of expenses	16607	21984
	643707	674884

Amount in Rs.

ADDITIONAL INFORMATION:**36. Value of Imports made by the Company during the financial year calculated on C.I.F. basis:**

	Particulars	2018 – 2019 Rs.	2017 – 2018 Rs.
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare parts	Nil	Nil
(iii)	Capital Goods	Nil	Nil

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

	Particulars	2018 – 2019	%	2017 – 2018	%
a)	Raw Materials:				
i)	Imported	NIL	-	NIL	-
ii)	Indigenous	3479111047	100.00	2807387624	100.00
	Total	3479111047	100.00	2807387624	100.00
b)	Spare parts and Components:				
i)	Imported	NIL	-	NIL	-
ii)	Indigenous	71100856	100.00	52388329	100.00
	Total	71100856	100.00	52388329	100.00

38. Under Section 135 of The Companies Act, 2013 the company is required to spend Rs. Nil/- during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company has spent Rs.19,58,841/-

39. Sale of Products and Services

PRODUCTS / SERVICES	Units	2018-2019		2017-2018	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	678724	2108781005	680313	2496436965
Molasses	MTs	10854	76308805	10198	97014981
Bagasse	MTs	97031	262878422	70484	150790748
Industrial / Anhydrous Alcohol	BLs	13499383	581429060	9664534	409040482
Bio Fertiliser	Qtls	134118	57312359	132524	61491398
Electrical Energy	Kwh	9610603	41970947	9247885	37603346
Calcium Lactate	Kgs	333600	32922100	317800	32268663
Others	-	-	16736091	-	14903405
TOTAL			3178338789		3299549988

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

PRODUCTS / SERVICES	Units	2018-2019		2017-2018	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	2083	6256945	2691	7686100
Molasses	MTs.	43416	299267353	32255	254248361
Bagasse	MTs.	230556	390748416	182137	305079392
Electrical energy	KWH	24749557	146764873	20314363	120464171
Steam	MTs.	396444	334185795	314586	262218568
Filter Cake	MTs.	33699	336988	27762	277615
Sugarcane - Agricultural Produce	MTs.	733	2393677	928	2523695
Bio Gas	M3	1679968	671987	1669414	667766
TOTAL			1180626034		953165668

Amount in Rs.

40. Raw Materials Consumed

PARTICULARS	Units	2018-2019		2017-2018	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar – Sugarcane	MTs	1125795	3471366223	868552	2760013316
Molasses	MTs	43814	301651862	38464	296639604
Others	-	-	14347926	-	15470476
Total	-	-	3787366011	-	3072123396
Less: Inter Divisional Transfers	-	-	308254964	-	264735772
Net Consumption			3479111047		2807387624

41. Opening Stock of Finished Goods

PARTICULARS	Units	As at 01.04.2018		As at 01.04.2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	652273	1719391628	516136	1847527315
Molasses	MTs	32080	193054431	29925	230198857
Industrial / Anhydrous Alcohol	BLs	1742303	61668169	1267122	43411163
Bio Fertiliser	Qtls	16410	9805865	4665	11603034
Others			3540438		412323
Total			1987460531		2133152692

42. Closing Stock of Finished Goods

PARTICULARS	Units	As at 31.03.2019		As at 31.03.2018	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	1040914	3359068869	652273	1719391628
Molasses	MTs	33628	225304317	32080	193054431
Industrial / Anhydrous Alcohol	BLs	274097	8585813	1742303	61668169
Bio Fertiliser	Qtls	15176	10110831	16410	9805865
Others			505510		3540438
Total			3603575340		1987460531

43. Particulars regarding capacity and production

Class of Goods		Capacity		Actual Production		
	Units	Licenced	Installed	2018-2019	2017-2018	
a. Sugar		(as certified by the management)				
	(i) Vuyyuru	tcd	7500	7500	803625	664020
	(ii) Lakshmipuram	tcd	4000	4000	265823	155121
	b. Molasses (By-Product)	MT's	-	-	55818	44608
	c. Industrial / Anhydrous Alcohol	BL per day	50000	50000	12031177	10139715
	d. Bio Fertiliser	Qtls	-	-	132884	144269
e. Electrical Power						

Amount in Rs.

		Amount in Rs			
Class of Goods		Capacity		Actual Production	
	Units	Licenced	Installed	2018-2019	2017-2018
(i) Incidental Co - Generation Power Plant. Vuyyuru	Kwh	15 MW	15 MW	33979903	29902572
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	Kwh	5 MW	5 MW	6971548	4401305

44. Contingent Liabilities :

- a. Outstanding Guarantees issued by banks on behalf of the company is Rs. 4,63,24,938/- (PY Rs. 3,46,17,938/-)
- b. Demands raised on the company by the respective authorities are as under:

Particulars	As at March 31,2019	As at March 31,2018
Share transmission	1105851	1105851
Labour cases	7294202	7165166
Non enrollment of contract labour for the purpose of contribution to Provided Fund	11094580	11094580
Case on Duty relating to Captive Power Generation and sale to grid	57887181	57887181
Value Added Tax case	3793799	1661339
Income Tax Case	47030100	47030100
Central Excise Duty on Sale of Bagasse	-	10678712
Total	128205713	136622929

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

45. Additional information pursuant to Schedule III of the Companies Act, 2013

S. No	Particulars	As at March 31,2019	As at March 31,2018
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	Nil	Nil
	(ii) Tours and Travels	Nil	Nil
	(iii) Others	Nil	Nil

46. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2019:

S.No	Particulars	As at March 31,2019	As at March 31,2018
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil

S.No	Particulars	As at March 31,2019	As at March 31,2018
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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

Disclosure requirements of Indian Accounting Standards

47. Disclosures in respect of Ind AS 107 - Financial Instruments

a. Financial Instruments by Categories

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

Amount in Rs.
March 31, 2019

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

Amount in Rs.
March 31, 2018

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Loans	6449813		
Other Non current assets	39438939		
Non-Current Investments		872348185	
Current Trade Receivables	225940320		
Cash & Cash Equivalents	23059461		
Other Bank Balances	72052112		
Current Investments		934064175	
Other Financial Assets	12512656		
Liabilities:			
Term loan (Non-Current)	403524000		
Other Long term financial liabilities	11336213		
Other Financial Liabilities	449062134		
Borrowings	1335190451		
Trade Payables	547486215		

b. Fair Value Hierarchy

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

c. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

Particulars	For the year 31.03.2019				For the year 31.03.2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	815369202			815369202	872348185			872348185
Investments in Quoted Mutual Funds	550304789			550304789	934064175			934064175

48. Financial risk management

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

Market risk

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

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

Securities Prices Risk:

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

Credit Risk

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

Trade receivables

The company has outstanding trade receivables amounting to Rs.20,53,78,591/ and Rs. 22,59,40,320 as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

Credit risk exposure:

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

Amount in Rs.

Particulars	March 31, 2019		March 31, 2018	
	Gross	Impairment	Gross	Impairment
0 to 180 days	175102031		188573490	-
More than 180 days	33030417	2753857	40336425	2969595

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

Liquidity Risk

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

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

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

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

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

Amount in Rs.

Particulars	31.03.2019		31.03.2018	
	Payable within 1 year	More than 1 year	Payable within 1 year	More than 1 year
Loan from Bank	-	-	77027744	-
Deposits from Public	2749780000	413413000	284324000	403524000

Interest Rate Risk

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

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

Particulars	31.03.2019	31.03.2018
Fixed Rate Instruments		-
Financial Asset		
- Margin Money with Bank	62387047	44214758
Financial Liabilities		
- Term Loan from Bank	0	77027744
Variable Rate Instruments		
- Demand Loan from bank	1522766450	1335190451

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Expenses arising on account of variable rate of interest on short term borrowings	96187990	54717282
Impact on :		
Increase in 100 basis point	1875760	13351905
Decrease in 100 basis points	(1875760)	(13351905)

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

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

Capital management

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

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

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

Particulars	Amount in Rs.	
	As at 31st March, 2019	As at 31st March, 2018
Total Debt*	413413000	403524000
Cash and cash equivalent	(22394977)	(23059461)
Net Debt	391018023	380464539
Total Equity	2642387554	2550606171
Net debt to equity ratio	0.15	0.15

*Debt represents loan from banks and deposits from public.

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

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

a) Provident Fund:

The company's Provident Fund is managed by its own Trust in respect of Vuyyuru and Regd. Office, and by Regional Provident Fund Commissioner relating to Lakshmipuram unit. The company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

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

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

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

Movement in defined benefit obligation:

Movement in defined benefit obligation:		Amount in Rs.
Particulars	31.03.2019	31.03.2018
Defined benefit obligation - Beginning of the year	150113859	140061803
Current service cost	6955626	6704575
Interest Cost	11819140	10931755
Past Service Cost	-	1290787
Benefits Paid	-15777163	-9733249
Re-measurements - actuarial loss/(gain)	-5313780	858188
Defined benefit obligation - End of the year	147797682	150113859

Movement in plan asset:

Particulars	31.03.2019	31.03.2018
Fair value of plan assets at beginning of year	121962418	115057236
Employer contributions	6932881	7628386
Benefits paid	-15777163	-9733249
Re-measurements - Return on plan assets	9242150	9010045
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	122360286	121962418

Amount Recognized in Statement of Profit and Loss

Amount in Rs.

Particulars	31.03.2019	31.03.2018
Current service cost	6955626	6704575
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-9242150	-9010045
Net Interest on Net Defined Benefit Liability/(assets)	11819140	10931755
Past service cost	-	1290787
Cost Recognized in P&L	9532616	9917072

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2019	31.03.2018
Actuarial (gain)/loss due to assumption changes	(5313780)	858188
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	(5313780)	858188

Actuarial Assumption

Particulars	31.03.2019	31.03.2018
Discount rate	8.00%	7.58%
Rate of salary increase	7.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.8	8.5

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

Description	At the beginning of the year	Addition.	Used	At the end of the year
Provision for leave encashment	37215215	9334885	9363161	37186939
Provision for gratuity	28151441	1813329	4527375	25437395
Provision for Income Tax	187500000	51000000		238500000

March 31,2018

Description	At the beginning of the year	Addition.	Used	At the end of the year
	Amount in Rs.			
Provision for leave encashment	34752611	9608546	7145942	37215215
Provision for gratuity	25004565	7008375	3861499	28151441
Provision for Income Tax	187500000	-	-	187500000
Proposed Dividend	-	102046545	102046545	-
Tax on Proposed Dividend	-	20774274	20774274	-

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

Loans and Advances to Subsidiary Companies	Outstanding as at Rs.		Maximum amount outstanding during the year ended - Rs.	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
The Eimco-K.C.P.Ltd.	Nil	Nil	Nil	Nil
KCP Sugars Agricultural Research Farms Ltd.	Nil	Nil	Nil	Nil

52. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

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

1.Subsidiaries	a) The Eimco-K.C.P.Ltd., Chennai, India. b) KCP Sugars Agricultural Research Farms Ltd. Chennai, India.
2.Key Management Personnel	a) Shri. Vinod R. Sethi, Executive Chairman b) Smt. Irmgard Velagapudi Managing Director. c) Smt. Kiran Velagapudi, Executive Director. d) Shri.R.Ganesan, Chief Financial Officer. e) Shri.S.Chidambaram, General Manager (Accounts) and Company Secretary

(B). Transactions During the year

Amount in Rs.

Particulars	Subsidiaries		Key Management Personnel	
	2018 - 19	2017 - 18	2018 - 19	2017 - 18
Rent Received	360000	360000	1500000	1500000
Remuneration paid to Key Management Personnel			13162247	13897788
Advances given	-	-		-
Advances received	-	-		-
Interest on fixed deposit paid to Key Management Personnel			3055431	3075894
(C). Closing balances as on 31/03/2018				
Party				
(a) The Eimco KCP Ltd.	-	-	-	-
(b) KCP Sugars agricultural Research Farms Ltd.				
(c) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(d) Share Capital held by key Management Personnel.	-	-	2128610	2098610
(e) Fixed deposit held by key Management Personnel.		-	32740000	32740000

The accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

NOTES TO FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

53. SEGMENT REPORTING

(i) The Company has identified the reportable segments as on 31-03-2018 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

	PARTICULARS	PRIMARY SEGMENT									
		SUGAR		CHEMICALS		POWER & FUEL		OTHERS		TOTAL	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Segment Revenue										
	External Revenue	2449893485	2747304735	628973748	453145509	41970947	37603346	57500609	61496398	3178338789	3299549988
	Inter Segment Revenue	699003379	569815164	3512906	5711740	478109749	377638765	0	0	1180626034	953165669
	Total Revenues	3148896864	3317119899	632486654	458857249	520080696	415242111	57500609	61496398	4358964823	4252715657
2	Segment Results										
	Profit before depreciation, finance cost and taxation	318532358	(387683557)	153998976	6562472	106293340	86573183	33219018	32338606	612043692	-203079296
	Less : Finance Cost	161244135	113807241	13229988	9007973	859013	648577	1173003	1075122	176506139	124538913
	Less : Unallocable Finance Cost									9872256	19533761
	Less: Depreciation and Amortizations	41265012	46761143	17167244	17655790	21791324	21531513	2514863	3457972	82738443	89406418
	Less: Impairment on Capital Assets					0	0			0	0
3	Unallocable Expenditure									87319452	(363082812)
	Less : Tax									153613254	-157128550
	Total Profit									101994148	83652974
4	Capital Employed										
	Segment Assets	4457096529	2813379314	188916653	271216173	221283407	220316638	30124100	32104894	4897420689	3337017019
5	Unallocable Assets									1524929263	2022263028
6	Segment Liabilities	2923454083	2054566368	27508329	24987215	5099775	5839661	6513398	7051295	2962575585	2092444539
7	Unallocable Liabilities									817386814	716229337
8	Capital Employed									2642387553	2550606171
9	Capital Expenditure	64389950	10113688	0	0	80801	2079548	2978265	88785034	67449016	100978271

1. The operations of the company predominantly relate to manufacture of Sugar,Electrical Energy,Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate.
2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers.
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

NOTES TO FINANCIAL STATEMENTS

ii) Geographical Segment:

Amount in Rs.

Particulars	Current Reporting Period 2018-2019	Previous Reporting Period 2017-2018
Sales within India	3178338789	3299549988
Sales outside India	-	-
Total	3178338789	3299549988

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

Amount in Rs.

Particulars	Carrying amounts of segment assets		Additions to fixed assets & Intangible assets	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Located in India	6487772805	5395305165	67449016	15619353
Located outside India	-	-	-	-
Total	6487772805	5395305165	67449016	15619353



THE EIMCO-K.C.P. LTD

Fifty First Annual Report

2018 – 2019

CIN : U27209TN1967PLC005550

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi DIN: 00091370
Vice Chairperson	Smt. Kiran Velagapudi DIN: 00091466
Directors	Shri. P Manohar DIN: 08389896 Shri. R. Ganesan DIN: 00020597
Auditors	M/s. Suri & Siva (FRN. 004284S) Chartered Accountants C-8, 3rd Floor, Shanti Apartments, New No.18, 1st Cross Street, TTK Road Alwarpet, Chennai 600018
Bankers	Axis Bank Limited Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings", 239, Anna Salai, Chennai 600 006.
Works	11-A, 3 rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.



NOTICE TO SHAREHOLDERS

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty First Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Thursday, 12th day of September 2019 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Smt. Kiran Velegapudi (DIN: 00091466), who retires by rotation and is eligible for reappointment.
- 3 To appoint Suri & Siva, Chartered Accountants (FRN0042484S) as Statutory Auditors to hold office from the conclusion of this 51st Annual General Meeting till the conclusion of 52nd Annual General Meeting on such remuneration as fixed by the Board of Directors.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

IRMGARD VELAGAPUDI

DIN: 00091370

CHAIRPERSON

Place : Chennai
Date : 29.05.2019

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

IRMGARD VELAGAPUDI

DIN: 00091370

CHAIRPERSON

Place : Chennai
Date : 29.05.2019

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their Report for the year ended 31st March 2019 together with Balance Sheet and Profit and Loss Account for the year ended on that date

REVIEW OF OPERATIONS

During the period under review, the Company has received Orders totaling to Rs.3284.99 lakhs as compared to Rs.4290.72 lakhs during the previous year. From the enclosed Annual Accounts it may be noted that the income earned from the sale of products and services by the Company for the year ended 31st March 2019 was Rs.4142.92 lakhs as against Rs. 2668.00 lakhs in the previous year. The profit before tax was at Rs.836.71 lakhs for the year under review as against profit of Rs.434.71 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs.610.52 lakhs. After the adjustment of re-measurement of Actuarial Profit of Rs.7.46 lakhs (net of tax) under Other Comprehensive Income for the financial year 2018-19, the Total Comprehensive Income for the financial year 2018-19 is Rs.617.99 lakhs

DIVIDEND

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

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

This Industry is not energy intensive with maximum demand being much below 250 KVA. Consequently there is very little scope of conservation of energy

PARTICULARS OF EMPLOYEES

Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming a part of Director's Report for the year ended 31st March 2018 is not applicable as there was no employee covered by the same

EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO

Our Exports earnings during the year 2018-19 was Rs.2436.35 lakhs (PY.: Rs. 929.94 lakhs). During the period under review the Company has incurred Expenditure in foreign currency amounting to Rs.374.48 lakhs towards foreign travel and import which Research and Development has been carried out by the Company.

DIRECTORS

At the forthcoming Annual General Meeting Smt. Kiran Velagapudi (DIN00091466) retires by rotation and is Eligible for re-appointment.

STAFF RELATIONS

Industrial Relations with Staff and Workers continue to be cordial.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 of the Companies Act 2013, your Directors certify as follows :

- i) that in the preparation of the annual accounts, the Applicable Accounting Standards have been followed and that there were no material departures therefrom;
- ii) that Directors had selected such accounting policies and applied them consistently and made judgements 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 ended 31st March 2019 and of the profit of the Company for that year.
- iii) 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 Detecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis;
- v) that the Directors had devised proper system to ensure compliance with the provisions of all applicable law and that such systems were adequate and operating effectively.

AUDITORS

M/s Suri & Siva, Chartered Accounts, Chennai, (FRN 004284S) retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members approval is being sought to the reappointment of M/s Suri & Siva as the Statutory Auditors and to authorize the Board of Directors, to determine the remuneration payable to the Auditors.

As required under the provisions of section 141 (3) of the Companies Act, 2013, the Company has obtained a written Certificate from them to the effect that their appointment, if made, would be in conformity with the limits specified under the said section.

For THE EIMCO-K.C.P. LIMITED

IRMGARD VELAGAPUDI

**DIN: 00091370
CHAIRPERSON**

Place : Chennai
Date : 29.05.2019



INDEPENDENT AUDITOR'S REPORT

To The Members of THE EIMCO-K.C.P. LTD

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of THE EIMCO K.C.P Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

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 the section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, its Profit (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 ethical 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/ loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no.33 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
3. As required by the Companies (Auditor's report) Order, 2016 ("the Order) issued by the Central Government in terms of Section 143(11) of the act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

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

V.SIVAKUMAR
Partner
Membership number: 022379

Place: Chennai
Date: 29.05.2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
- (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a),iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts and records maintained by the company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of



the Company, the Company has not paid/provided for managerial remuneration. Hence, reporting under section 197 read with Schedule V to the Act is not applicable.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

V.SIVAKUMAR
Partner
Membership number: 022379

Place: Chennai
Date: 29.05.2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of THE EIMCO-K.C.P. LTD ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

V.SIVAKUMAR
Partner
Membership number: 022379

Place: Chennai
 Date: 29.05.2019



BALANCE SHEET AS AT MARCH 31, 2019

		Amount in Rs.	
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	66375063	63710839
(b) Capital work-in-progress		191100	-
(c) Other Intangible assets	4	89107	-
(d) Intangible assets under development		2785485	-
(e) Financial assets			
(i) Investments	5	45800000	-
(ii) Loans	6	587631	525131
(f) Deferred tax assets, (net)	7	2794527	2839632
(g) Other non-current assets	8	2800149	2800149
Current assets			
(a) Inventories	9	95061944	122293958
(b) Financial Assets			
(i) Investments	10	65102882	63026303
(ii) Trade receivables	11	78949278	61609314
(iii) Cash and cash equivalents	12	36127157	91442710
(iv) Bank Balances other than (iii) above	13	22123348	26525977
(v) Other financial assets	14	100615	168119
(c) Other current assets	15	53645391	35101900
Total Assets		472533677	470044032
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	6000000	6000000
(b) Other equity	17	306343479	244544778
Liabilities			
Non-current liabilities			
(a) Provisions	18	33967142	31325869
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		30888804	74306784
(ii) Other financial liabilities	20	10945027	7095752
(a) Other current liabilities	21	55861160	90796690
(b) Provisions	22	12949182	12392519
(c) Current Tax Liabilities (Net)	23	15578883	3581640
Total Equity and Liabilities		472533677	470044032

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of our even date attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379
Chennai
Date: 29.05.2019

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
DIN: 00091370
Chairperson

KIRAN VELAGAPUDI
DIN: 00091466
Vice Chairperson

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2019

Amount in Rs.			
Particulars	Note	For Year Ended March 31, 2019	For Year Ended March 31, 2018
I Revenue from Operations	24	414291704	266800078
II Other income	25	28503408	40915781
III Total Income (I+II)		442795112	307715859
IV Expenses			
Cost of material consumed	26	139897487	148946417
"Changes in inventories of finished goods, work-in-progress and stock-in-trade"	27	23181160	(50563942)
Excise duty on sale of goods		-	5222358
Employee benefits expense	28	64398858	60372748
Finance costs	29	11261956	3797220
Depreciation and Amortisation	30	4167927	4382759
Other expenses	31	116216429	92086998
Total expenses (IV)		359123817	264244558
V Profit/(loss) before exceptional items and tax		83671295	43471301
VI Exceptional items		-	-
VII Profit/(loss) before tax		83671295	43471301
VIII Tax expense			
- Current Tax		23500000	11050000
- Deferred Tax		(257125)	999688
- Provision for taxation relating to earlier years (Net)		(624559)	-
IX Profit/(loss) for the period		61052979	31421613
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		1047952	(2787586)
Income tax expense on above		(302229)	947779
		745723	(1839807)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		61798702	29581806
XII Earnings per equity share			
(1) Basic		101.75	52.37
(2) Diluted		101.75	52.37

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of our even date attached

For and on behalf of the Board of Directors

Suri & Siva

Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI

DIN: 00091370
Chairperson

V.SIVAKUMAR

Partner
Membership No. 022379

Chennai
Date: 29.05.2019

KIRAN VELAGAPUDI

DIN: 00091466
Vice Chairperson



Note 1. Corporate Information

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 29th May 2019.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgements

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

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

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

- ❖ **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- ❖ **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- ❖ **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

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

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

(d) Revenue recognition :

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

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

Interest

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

Dividend

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

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

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

- ii. **Gratuity Fund**

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

- iii. **Compensated Absences**

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



iv. Other Employee Benefits:

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

(f) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

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

Intangible assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the company's firewall and other firewall support services. Intangible assets are initially measured at acquisition cost including any directly attributable costs for its intended use.

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

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

Class of Assets	Estimated useful life
Software & allied equipment	5 Years

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

(g) Impairment of assets:

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

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

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

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

(h) Foreign Currency Translation :**Initial Recognition**

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

Subsequent Recognition

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

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

(i) Assets taken on lease:

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

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

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

(j) Inventories:

Inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.



Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Government Grants

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

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

(l) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

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

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

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

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

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

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

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

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

Contingent assets are not recognized in the financial statements

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

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

(o) Cash Flow Statement:

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

(p) Earnings Per Share:

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

(q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

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

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

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



(r) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



3 - Property, Plant & Equipment

Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 01st April 2017	42776981	10814289	12076165	1622117	636509	1714465	363015	70003541
Additions during the year	-	414491	-	1060400	141133	54300	24633	1694957
Deletions during the year	-	-	-	-	-	-	-	-
As at 31st March 2018	42776981	11228780	12076165	2682517	777642	1768765	387648	71698498
Additions during the year	-	1151621	3213200	2045199	179334	55670	189618	6834642
Deletions during the year	-	-	-	-	71715	-	-	71715
As at 31 March 2019 (At Cost)	42776981	12380401	15289365	4727716	885261	1824435	577266	78461425
Depreciation and amortization								
As at 01st April 2017	-	893145	2234610	803444	231099	(606390)	48992	3604900
Additions during the year	-	930512	1999201	571901	206956	598910	75279	4382759
Deletions during the year	-	-	-	-	-	-	-	-
As at 31st March 2018	-	1823657	4233811	1375345	438055	(7480)	124271	7987659
Charge for the year	-	878720	1775327	790994	203587	462826	55380	4166834
Deletions during the year	-	-	-	-	68129	-	-	68129
As at 31 March 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Net Book Value								
As at 31 March 2019	42776981	9678024	9280227	2561377	311748	1369089	397615	66375063
As at 31 March 2018	42776981	9405123	7842354	1307172	339587	1776245	263377	63710839

Capital Work-in-Progress

Particulars	Plant & Machinery	Total
As at 01st April 2017	-	-
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2018	-	-
Additions during the year	191100	191100
Deletions during the year	-	-
As at 31 March 2019 (At Cost)	191100	191100

4 - Other Intangible Asset

Amount in Rs.

Description	Computer Software	Total
Cost or Valuation		
As at 31 March 2017 (At Cost)	147034	147034
Additions during the year	-	-
As at 31 March 2018 (At Cost)	147034	147034
Additions during the year	90200	90200
As at 31 March 2019 (At Cost)	237234	237234
Amortization and Impairment		
Amortization for the year ended March 31, 2017	147034	147034
Amortization for the year	-	-
As at 31 March 2018	147034	147034
Amortization for the year	1093	1093
As at 31 March 2019	148127	148127
Net Book Value		
As at 31 March 2019	89107	89107
As at 31 March 2018	-	-

Intangible Assets under Development

Description	Computer Software	Total
As at 01st April 2017	-	-
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2018	-	-
Additions during the year	2785485	2785485
Deletions during the year	-	-
As at 31 March 2019 (At Cost)	2785485	2785485

5 - Non Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Partnership firm (Quality Engineering Works)	45800000	-
Total	45800000	-

Additional Information :

Name of the partners, their share and their capital in Quality Engineering Works (Firm) As at 31.03.2019

Name of the Partners	% Share	Capital Share
Mr. K. Rajendra Prasad	5.00%	2500000
The EIMCO KCP Ltd	94.00%	45800000
KCP Sugars Agricultural Researchs Farms Limited	1.00%	200000
Total	100.00%	48500000



6 - Loans (Non-current)

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Long Term Security Deposit	587631	525131
Total	587631	525131

7 - Deferred Tax Asset(s)

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year	23500000	11050000
Sub Total (A)	23500000	11050000
Deferred tax expense		
Origination and reversal of temporary differences	(257125)	999688
Change in accounting policy		
Sub Total (B)	(257125)	999688
Total (A+B)	23242875	12049688

Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Defined benefit plan actuarial gains (losses)	(302229)	947779
Total	(302229)	947779

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability		
Others	307614	120650
Sub Total	307614	120650
Deferred tax Assets		
Property, Plant & Equipment	888578	929252
On account of timing differences in recognition of expenditure	2213563	2031030
Sub Total	3102141	2960282
Net Deferred Tax Assets/ (Liabilities)	2794527	2839632

Amount in Rs.

8 - Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax refund receivable	2800149	2800149
Total	2800149	2800149

9 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials and components	35199338	39191232
Work in Progress	39990485	76679355
Finished goods	19362353	5854643
Loose tools	509768	568728
Total	95061944	122293958

10 - Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Mutual funds	65102882	63026303
Total	65102882	63026303

11 - Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Secured Considered Good		
Unsecured Considered good	78949278	61609314
Considered Doubtful	1199325	1199325
Less:		
Impairment for Trade receivable under expected credit loss model	(1199325)	(1199325)
Total	78949278	61609314



Amount in Rs.

12 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
i) Balances with banks:		
-In current accounts	4631027	10310807
-In Fixed Deposits	31397315	81018218
ii) Cash on hand	98815	113685
Total	36127157	91442710

13 - Bank Balances other than Schedule 12 above

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Balances held as Margin Money Deposits	22123348	26525977
Total	22123348	26525977

14 - Other Current Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
i) Unsecured, considered good;		
- Loans and Advances to Employees	-	4811
- Interest accrued on Fixed Deposit	100615	163308
Total	100615	168119

15 - Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured considered good		
Balance with government authorities	41711243	30692893
Prepaid Expenses	689828	603293
Advances to Supplier	11203243	3805714
Travel Advance	41077	-
Total	53645391	35101900

16 - Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
Total	10000000	10000000
Issued, Subscribed And Paid Up		
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000
Total	6000000	6000000

Amount in Rs.

16.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	600000	6000000	600000	6000000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	600000	6000000	600000	6000000

16.2 Terms/rights attached to equity shares

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

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K C P SUGARS & INDUSTRIES CORPORATION LTD	600000	100.00%	600000	100.00%
Total	600000	100.00%	600000	100.00%

17 Other Equity

For the year ended March 31, 2019

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2018	11301382	235286959	(2043563)	244544778
Total Comprehensive Income for the Year	-	61052979	-	61052979
Other Comprehensive Income for the Year			745723	745723
Balance as at March 31, 2019	11301382	296339938	(1297841)	306343479



Amount in Rs.
For the year ended March 31, 2018

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	11301382	203865346	(203757)	214962972
Total Comprehensive Income for the Year	-	31421613	-	31421613
Other Comprehensive Income for the Year	-	-	(1839807)	(1839807)
Balance as at March 31, 2018	11301382	235286959	(2043563)	244544778

18 - Provisions(Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits :-		
- Gratuity & Leave Encashment	5410292	5473506
- Provisions for Liquidated Damages	28556850	25852363
Total	33967142	31325869

19 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Dues to Micro and Small Enterprises (Refer Note 35)	-	-
- Others	30888804	74306784
Total	30888804	74306784

The company has not received any information from suppliers regarding their status under 'The micro, small or medium enterprises development Act, 2006' as at 31st March 2019.

20 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of long term debt		
Unclaimed Dividends		
Payable to Employees	10945027	7095752
Total	10945027	7095752

Amount in Rs.

21 - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	1205917	3719777
Advance from customers	54655243	87076913
Total	55861160	90796690

22 - Provision (Short term)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee benefits	2811609	2254946
Provision for Defeat Liability period	10137573	10137573
Total	12949182	12392519

23 - Current Tax Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income tax (Net)	15578883	3581640
Total	15578883	3581640

24 - Revenue From Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products (Including Excise Duty)	411776866	248593551
Sale of Services	1934460	16914263
Other operating revenue	580378	1292264
Total	414291704	266800078

25 - Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial asset	3593227	5091516
Miscellaneous Receipts	234620	2529620
Duty Drawback Incentive	1665380	-
Packing & Forwarding Charges	945841	3062827
Difference in Foreign Exchange	11545718	1149686
Provision no longer required withdrawn	7352196	24719457
Credit Balance Written Back	-	1540093
Dividend Income from Mutual Funds	3164012	2822582
Profit on Sale of Assets	2414	-
Total	28503408	40915781



26 - Cost of materials Consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance		
Raw Materials and Components	39191232	23747455
Add: Cost of		
Raw Materials and Components	135905593	164390194
Less Closing Stock		
Raw Materials and Components	(35199338)	(39191232)
Total	139897487	148946417

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance		
Work in Progress	76679355	24102814
Finished goods	5854643	7867242
Less Closing Balance		
Work in Progress	(39990485)	(76679355)
Finished Goods	(19362353)	(5854643)
Total	23181160	(50563942)

28 - Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	56776497	52819482
Contribution to provident and other funds	4037569	3538234
Staff welfare expenses	3584792	4015032
Total	64398858	60372748

29 - Finance Cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bank Guarantee Commission and other charges	3061596	3797220
Forward Cover Cancellation Charges	8200360	-
Total	11261956	3797220

30 - Depreciation and Amortisation

Amount in Rs.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation / Amortisation for the year		
- Tangible Assets	4166834	4382759
- Intangible Assets	1093	-
Total	4167927	4382759

31 - Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Labour Charges	37508852	24009176
Contract Labour Charges	2879564	1984880
Power and Fuel	2219164	2554398
Rental charges	360000	373500
Repairs and maintenance		
- Workshop	2220066	2743208
- Machinery	219340	213461
- Office	528995	2682981
- Others	229007	155529
Insurance	365206	843605
Rates and taxes	509225	1024394
Travel and conveyance	1692368	1490886
Research, inspection and testing charges	123189	252373
Payment made to auditors (Refer note below)	63894	61883
Legal and Professional Charges	1930429	15006408
Sales expenses	20807825	22895496
Short Provision made during earlier years	-	575
Performance and delivery guarantee claims	12678044	12250428
Security Charges	2035863	2007970
Telephone Charges	855264	871944
Irrecoverable loans and advances written off	-	12653
Import of Services (Sales Commission & Other Services)	26201724	-
Miscellaneous expenses	2788410	651250
Total	116216429	92086998

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment made to statutory auditors :		
i. As auditors	50000	50000
ii. For taxation matters	-	-
iii. For other services	5000	5000
iv. For reimbursement of expenses	8894	4872



32. Sale of Products and Rendering of Services:

Amount in Rs.

Particulars	2018-19	2017-18
Sales:		
Filters		
Numbers	9 Nos	4 Nos
Value	197928100	18460921
Thickeners, Components, Spares, Bar screens, etc. (Unit quantification not possible)	213848766	230132630
Scrap	580378	1292264
Total	412357244	249885875
Services:		
Service Charges	1524460	3198051
Design, Erection & Fabrication	410000	13716212
Total	1934460	16914263
Total (Sales and Services)	414291704	266800078

32.1 Raw Materials consumed

Particulars	2018-19		2017-18	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	71.04	16971836	243.88	45084285
Iron and Steel	348.37	20647061	526.30	22347047
Total (Sales and Services)	419.41	37618897	770.18	67431332

32.2 Particulars regarding Capacity and Production:

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business the installed Capacity cannot be quantified. Actual Production: 9 Nos. (PY. 4Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

33. Contingent Liabilities :

The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.11,60,72,504/- (P.Y.Rs. 16,64,82,216/-) are secured by hypothecation of entire current assets, both present and future, as primary security and entire fixed assets as collateral security.

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

Nature of Statute	As at March 31,2019	As at March 31,2018
E S I Cases	174489	174489
VAT / Sales Tax	-	-
CST Cases	-	-
Total	174489	174489

34. Additional information pursuant to Schedule III of the Companies Act, 2013

S. No	Particulars	As at March 31,2019	As at March 31,2018
A	Expenditure in Foreign currency on:		
(i)	Salary and allowance		
(ii)	Tours and Travels	617297	1075261
(iii)	Commission paid on Export sales	24437953	1619465
(iv)	Reimbursement of Expenses on Product Representation in abroad	767608	12922340
(v)	Repair Works	996163	-
(vi)	Import of Materials/ Equipment (CIF Value)		
a.	Capital goods		
b.	Components and spares	10629214	11563329
c.	Finished goods/Semi Finished goods		
d.	Raw Materials		
B	Earnings in Foreign Exchange:		
(i)	Exports	243634703	92994040

35. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2019:

S. No	Particulars	As at March 31,2019	As at March 31,2018
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil



Disclosure requirements of Indian Accounting Standards

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

36.1 Financial Instruments by Categories (attached in excel)

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

(Amount in Rs. as of March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	65102882	-
Current Trade Receivables	78949278	-	-
Cash & Cash Equivalents	36127157	-	-
Other Bank Balances	22123348	-	-
Loans(Security Deposit)	587631	-	-
Liabilities:			
Other Financial Liabilities	10945027	-	-
Working Capital Loans	-	-	-
Trade Payables	30888804	-	-

(Amount in Rs. as of March 31, 2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	63026303	-
Current Trade Receivables	61609314	-	-
Cash & Cash Equivalents	91442710	-	-
Other Bank Balances	26525977	-	-
Other Financial Assets	525131	-	-
Liabilities:			
Other Financial Liabilities	7095752	-	-
Working Capital Loans	-	-	-
Trade Payables	74306784	-	-

36.2 Fair Value Hierarchy

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

36.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

**36.4 The following tables present fair value hierarchy of assets and liabilities measured at fair value:
(Amount in Rs.)**

Particulars	For the year 31.03.2019				For the year 31.03.2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	65102882	-	-	65102882	63026303	-	-	63026303

37 Financial risk management

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

Market risk

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

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

Securities Prices Risk:

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

Credit Risk

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

Trade receivables

The company has outstanding trade receivables amounting to Rs. 7,89,49,278/- and Rs. 6,16,09,314/- as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured, and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Credit risk exposure:

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

(Amount in Rs.)

Particulars	31-Mar-19		31-Mar-18	
	Gross	Impairment	Gross	Impairment
0 to 180 days	43736043	-	32478005	-
180 days and more	36412560	1199325	30330634	1199325

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



Liquidity Risk

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

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

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

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

Foreign currency exchange rate risk

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

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

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

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

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

The following table sets forth information relating to foreign currency exposure as of March 31, 2019:

Particulars	Assets as at	
	As at March 31, 2019	As at March 31, 2018
USD	16286	117771
CAD	134750	-

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

USD sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Receivables:		
If INR rate over Other currency increases by 5%	(399203)	(377750)
If INR rate over Other currency decrease by 5%	399203	377750

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

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

a) Provident Fund:

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

b) Gratuity:

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

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

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

Movement in defined benefit obligation:

(Amount in Rs.)

Particulars	31.03.2019	31.03.2018
Defined benefit obligation - Beginning of the year	11947588	9266049
Current service cost	846874	638275
Interest Cost	955807	741284
Past Service Cost		
Benefits Paid	(1163989)	(1485706)
Re-measurements - actuarial loss/(gain)	(1047952)	2787686
Defined benefit obligation – End of the year	11538328	11947588

Movement in plan asset:

(Amount in Rs.)

Particulars	31.03.2019	31.03.2018
Fair value of plan assets at beginning of year	12365930	10119182
Employer contributions	482914	2937822
Benefits paid	(1163989)	(1485706)
Re-measurements – Return on plan assets	920096	794631
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	12604950	12365930

Amount Recognized in Statement of Profit and Loss

(Amount in Rs.)

Particulars	31.03.2019	31.03.2018
Current service cost	846874	638275
Net Interest on Net Defined Benefit Liability/(assets) (B)	955807	741284
Expected return on plan assets	(920096)	(794631)
Cost Recognized in P&L	882585	584928



Amount recognized in Other Comprehensive Income (OCI)		(Amount in Rs.)	
Particulars	31.03.2019	31.03.2018	
Actuarial (gain)/loss due to assumption changes	(1047952)	2787686	
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-	
Actuarial (gain)/loss recognized in OCI	(1047952)	2787686	

Actuarial Assumption

Particulars	31.03.2019	31.03.2018
Discount Rate	7.5%	8%
Rate of Salary increase	5%	5%

Category of investment in Plan assets

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

39 Operating Leases

Operating Lease Disclosures – As per AS-19 :

Rent expenses of Rs. 3,60,000/- (PY Rs.3,73,500/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

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

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

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

41.1 Managerial Remuneration:

Key Managerial Personnel

Smt.Irmgard Velagapudi M.Rao

Smt.Kiran.V.Rao

41.2 Related Parties:

Holding Company: KCP Sugar and Industries Corporation Ltd.,

a. Transactions during the year:

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

(Amount in Rs.)

Sl. No.	Particulars	31.03.2019	31.03.2018
1	Rent	360000	373500

b. Cumulative balances outstanding

Particulars	31.03.2019	31.03.2018
Debit balances outstanding	Nil	Nil
Credit balances outstanding	Nil	Nil

(Amount in Rs.)		
Particulars	For Year Ended March 31, 2019	For Year Ended March 31, 2018
Cash flows from operating activities		
Profit/(loss) before tax	83671295	43471301
Adjustments:		
- Interest income	(3593227)	(5091516)
- Profit on sale of assets	(2414)	-
- Balances written off	-	12653
- Excess Provision credited back	(7352196)	(24719457)
- Credit Balances written back	-	(1540093)
- Adjustment for OCI	1047952	(2787586)
- Dividend Income	(3164012)	(2822582)
- Depreciation and amortization	4167927	4382759
Operating cash flow before working capital changes	74775325	10905479
Changes in		
- Decrease/(Increase) In Trade Receivables	(17339964)	35146018
- Decrease/(Increase) In Inventory	27232014	(66015932)
- Decrease/(Increase) In Other current Financial Asset(s)	67504	83946
- Decrease/(Increase) In Other current Asset(s)	(18543491)	(15021781)
- Decrease/(Increase) In Current investments	(2076579)	(2822582)
- Decrease/(Increase) In Other non-current financial assets	(62500)	191025
- Decrease/(Increase) In Other non-current asset	-	(12653)
(Decrease)/Increase In Long term Provisions	9993469	9280367
(Decrease)/Increase In Trade Payables current	(43417980)	27108791
(Decrease)/Increase In other current liabilities	(34935530)	47524124
(Decrease)/Increase In Other financial liabilities current	3849275	6484658
(Decrease)/Increase In Short Term provisions current	556663	465849
Income taxes paid	(10878198)	(11590509)
Cash generated from / (used in) operations	(10779992)	41726800
Cash flows from investing activities		
Investment in Patnership firm	(45800000)	-
Purchase of fixed assets	(9901427)	(1694957)
Proceeds from sale of fixed assets	6000	-
Dividend Income	3164012	2822582
Decrease/(Increase) In margin money deposits	4402629	(1511879)
Interest received	3593227	5091516
Net cash generated from/(used in) investing activities [B]	(44535559)	4707262
Cash flows from financing activities		
Interest paid	-	-
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	(55315551)	46434062
Cash and cash equivalents at the beginning of the year	91442710	45008648
Cash and cash equivalents at the end of the year	36127157	91442710
Components of cash and cash equivalents (Refer note 12)		
Cash on hand & Balances with Bank	36127157	91442710
Total cash and cash equivalents	36127157	91442710

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of our even date attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379
Chennai
Date: 29.05.2019

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
DIN: 00091370
Chairperson

KIRAN VELAGAPUDI
DIN: 00091466
Vice Chairperson

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KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Twentieth Annual Report *2018-2019*

CIN : U73100TN1998PLC041501

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi
Directors	Shri. Vinod R. Sethi Shri. R. Ganesan
Auditors	M/s. Suri & Siva Chartered Accountants C-8, 3rd Floor, Shanti Apartments, New No.18, 1st Cross St, TTK Road Alwarpet, Chennai 600018.
Bankers	Corporation Bank
Registered and Corporate Office	"Ramakrishna Buildings" 239, Anna Salai, Chennai 600 006.
Farm	Thirupukuzhi and Melambi Villages Kanchipuram Dist, Tamil Nadu

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Thursday, 12th day of September 2019 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Shri.R. Ganesan, who retires by rotation and is eligible for reappointment.
- 3 To appoint Suri & Siva, Chartered Accountants (FRN0042484S) as Statutory Auditors to hold office from the conclusion of this 20th Annual General Meeting till the conclusion of 21st Annual General Meeting on such remuneration as fixed by the Board of Directors.

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

// By Order of the Board //

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

IRMGARD VELAGAPUDI

Date : 29.05.2019

CHAIRPERSON

DIRECTORS REPORT

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2019.

REVIEW OF OPERATIONS:

During the year ended 31.03.2019 the turnover and other income increased to Rs. 22.68 lakhs from Rs.18.45 lakhs. The Company earned a profit of Rs.0.89 lakhs as against the loss of Rs.0.78 lakhs in the previous year. The Reserves and Surplus as on 31.03.2019 was Rs.222.49 lakhs (P.Y.: Rs.227.58 lakhs), after adjusting the profit of Rs.0.89 lakhs and Other Comprehensive Income of Rs.(5.98) lakhs.

FIXED DEPOSITS:

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

DIRECTORS:

In accordance with the Companies Act 2013 and the Articles of Association of the Company, Shri.Vinod R.Sethi, Director, retires by rotation and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

Your Directors confirm:

- i that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii. that the Directors have 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 period ended 31st March 2018 and of the profit of the Company for that period ;
- iii. 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;
- iv. that the Directors have prepared the annual accounts on a going concern basis.
- v. 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.

STATUTORY STATEMENTS

The Statement containing Particulars of Employees required in terms of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been appended herewith as there is no employee covered by the same.

The statement pursuant to section 134(3)(m) of Companies Act, 2013, read with Companies (Disclosures of particulars in the Report of Directors) Rules, 1988, is not enclosed as the same does not apply to the Company.

AUDITORS:

In line with the holding Company, the Board of Directors recommends to the members, the appointment of M/s. Suri & Siva, Chartered Accountants (FRN 004284S) as the Statutory Auditor of the Company from the conclusion of this 19th AGM till the conclusion of 20th AGM.

As required under the provisions of section 141(3) of the Companies Act, 2013, the Company has obtained a written certificate from them to the effect that their appointment, if made, would be in conformity with the limits specified under the said section.

For and on behalf of the Board of Directors

Place: Chennai

Date: 29.05.2019

IRMGARD VELAGAPUDI

CHAIRPERSON

INDEPENDENT AUDITOR'S REPORT**To The Members of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD****Report on the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **THE KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

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 the section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2019, its Loss (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 ethical 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/ loss, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD of even date)

- (i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets,
- (c) according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of Inventory at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a), iii(b) and iii (c) of the order are not applicable to the company for the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence we have no comments to offer.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the yearend for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of Income tax, sales tax, goods and service tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD** of even date)

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

We have audited the internal financial controls over financial reporting of **K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

Amount in Rs.			
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4630825	4683501
(b) Financial assets			
(i) Investments	4	33795412	34193347
Current assets			
(a) Inventories	5	516546	718220
(b) Financial Assets			
(i) Cash and cash equivalents	6	5426494	5229952
(c) Other current Assets	7	395072	447914
Total Assets		44764349	45272934
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	8	22500000	22500000
(b) Other equity	9	22249599	22758184
LIABILITIES			
Non-current liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	10	14750	14750
Total Equity and Liabilities		44764349	45272934

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI
Chairperson

R. Ganesan
Director

Amount in Rs.			
Particulars	Note	For Year Ended March 31, 2019	For Year Ended March 31, 2018
I Revenue from operations	11	1752147	1364457
II Other income	12	515555	480174
III Total Income (I+II)		2267702	1844631
IV Expenses			
Cost of material consumed	13	1351916	1554112
Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	201674	(478991)
Employee benefits expense	15	248490	271192
Depreciation and Amortisation	16	57474	257098
Other expenses	17	318798	319556
Total expenses (IV)		2178352	1922967
V Profit/(loss) before exceptional items and tax (III-IV)		89350	(78336)
VI Exceptional items		-	-
VII Profit/(loss) before tax		89350	(78336)
VIII Tax expense			
- Current Tax		-	-
- Deferred Tax		-	-
IX Profit/(loss) for the period		89350	(78336)
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(597935)	8565316
Remeasurements of defined benefit plan actuarial gains/(losses)		-	-
Income tax expense on above		-	-
XI Total Other Comprehensive Income		(597935)	8565316
XII Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		(508585)	8486980
XIII Earnings per equity share			
(1) Basic		0.04	-0.03
(2) Diluted		0.04	-0.03

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI
Chairperson

R. Ganesan
Director

Amount in Rs.

Other Equity

Particulars	Retained Earnings	Other Components of Equity	Total
		Fair value changes in Investment (Net)	
Balance as at March 31, 2018	4281505	18476679	22758184
Dividend and taxes	-	-	-
Profit / (Loss) for the period	89350		89350
Other Comprehensive Income for the Year		-597935	-597935
Balance as at March 31, 2019	4370855	17878744	22249599

As per our report of even date attached

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

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI
Chairperson

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

R. Ganesan
Director

Statement of Cash Flow for the year ended 31st March 2019 (CONTD.)

Particulars	Amount in Rs.	
	For Year Ended March 31, 2019	For Year Ended March 31, 2018
A. Cash flows from operating activities		
Total Income for the Period(PBT)	89350	-78336
Adjustments:		
- Fair Value Adjustment		
- Dividends Received	-219903	-162241
- OCI Adjustments	597935	-8565316
- Loss on Sale of Investments	-	-
- Interest received	-295652	-317933
- Fair Value Adjustment	-597935	8565316
- Depreciation and amortization	57474	257098
Operating cash flow before working capital changes	-368730	-301412
Changes in		
- Decrease/(Increase) In Trade Receivables	-	-
- Decrease/(Increase) In Inventory	201674	-478991
- Decrease/(Increase) In Other current Financial Asset(s)	-	100000
- (Decrease)/Increase In Other current financial liabilities	-	375
Cash generated from / (used in) operations	-167056	-680028
Less: Income tax paid	52842	-30713
Cash generated from / (used in) operations (Net)	-114214	-710741
B. Cash flows from investing activities		
Purchase of Fixed assets	-4798	-
Sale of investments	-	-
Investment made	-200000	-
Interest received	295652	317933
Dividend received	219903	162241
Net cash generated from/(used in) investing activities	310757	480174
C. Cash flows from financing activities		
Net cash used in financing activities		
Increase in cash and cash equivalents	196542	-230567
Cash and cash equivalents at the beginning of the year	5229952	5460519
Cash and cash equivalents at the end of the year	5426494	5229952
Components of cash and cash equivalents (refer note 6)		
Cash on hand	102576	62522
Balances with banks	5323918	5167430
Total cash and cash equivalents	5426494	5229952

The notes referred to above form an integral part of the unaudited interim condensed consolidated financial statements

As per our report of even date attached

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI
Chairperson

R. Ganesan
Director

Note 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 Companies is research relating to Agriculture.

Note 2. Significant Accounting Policies**(a) Statement of compliance:**

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

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgments

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

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

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

- Useful lives of property, plant and equipment and intangible assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Fair value measurement of derivative and other financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- Litigation: From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(d) Revenue recognition :

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

Revenue is recognised when following conditions are satisfied:

- The company transfers to the buyer the significant risks and rewards of ownership of the goods

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

Interest

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

Dividend

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

(e) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

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

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

(f) Impairment of assets:

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

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

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

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

(g) Inventories:

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

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

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

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

Contingent assets are not recognized in the financial statements.

(i) Deferred Tax :

Since the company is having no taxable income, it has not recognized any deferred tax asset in the books of accounts considering the concept of Prudence.

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

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

(k) Cash Flow Statement:

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

(l) Earnings Per Share:

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

(m) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

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

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

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

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

Financial Liabilities**Classification**

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

Initial recognition and measurement

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

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

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

3 - Property Plant and Equipments

Amount in Rs.

Description	Land	Buildings	Plant and Machinery	Fencing	Vehicles	Total
As at 31 March 2017	3686503	835179	847465	15321	9784	5394252
Additions during the year	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-
As at 31 March 2018(At Cost)	3686503	835179	847465	15321	9784	5394252
Additions during the year				-	4798	4798
Deletions during the year				-	-	-
As at 31 March 2019 (At Cost)	3686503	835179	847465	15321	14582	5399050
Depreciation and amortization						
Opening Depreciation as on 01.04.2017	-	16586	434498	-	2569	453653
Charge for the year ended March 31, 2018	-	16586	237987	-	2568	257098
Deletions during the year					-	-
As at 31 March 2018 (At Cost)	-	33129	672485	-	5137	710751
Charge for the year	-	16545	40929	-	-	57474
Deletions during the year	-	-	-	-	-	-
As at 31 March 2019	-	49674	713414	-	5137	768225
Net Book Value						
As at 31 March 2019	3686503	785505	134051	15321	9445	4630825
As at 31 March 2018	3686503	802050	174980	15321	4647	4683501

4 - Investments (Non- Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Quoted Equity Instruments (Fair valued through OCI)	33595412	34193347
Investments in Partnership Firm	200000	-
Total	33795412	34193347

Additional Information :

4.1 Aggregate amount of quoted investments		
- Cost	12411108	12411108
- Market Value	33595412	34193347

4.2 Name of the partners, their share and their capital in Quality Engineering Works (Firm) As at 31.03.2019

Name of the Partners	% Share	Capital Share
Mr. K. Rajendra Prasad	5.15%	2500000
The EIMCO KCP Ltd	94.44%	45800000
KCP Sugars Agricultural Researchs Farms Limited	0.41%	200000
Total	100.00%	48500000

5 - Inventories

Standing Crops & Others	516546	718220
Total	516546	718220

6 - Cash and cash equivalents

i) Balances with banks:		
-In current accounts	716216	820526
-In Fixed Deposits	4607702	4346904
ii) Cash on hand	102576	62522
Total	5426494	5229952

7 - Other Current Financial Assets

Income tax Refund receivable	395072	447914
Total	395072	447914

8 - Equity Share Capital

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
50,00,000 Equity Shares of Rs.10/- each	50000000	50000000
Total	50000000	50000000
Issued, Subscribed And Paid Up		
22,50,000 Equity Shares of Rs.10/- each	22500000	22500000
Total	22500000	22500000

8.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	2250000	22500000	2250000	22500000
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	2250000	22500000	2250000	22500000

8.2 Terms/rights attached to equity shares

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

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
K.C.P Sugar and Industries Corporation Ltd	2250000	100%	2250000	100%
Total	2250000	100%	2250000	100%

9. Other Equity

For the year ended March 31, 2019

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

Other Equity

Amount in Rs.

For the year ended March 31, 2018

Particulars	Other Components of Equity		Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2017	4359841	9911363	14271204
Profit / Loss for the period	-78336	-	-78336
Other Comprehensive Income for the Year		8565316	8565316
Balance as at March 31, 2018	4281505	18476679	22758184

10 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding Liabilities for Expenses	14750	14750
Total	14750	14750

11 - Revenue From Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products	1752147	1364457
Total	1752147	1364457

12 - Other Income

Interest income from financial asset measured at amortised cost	295652	317933
Dividend Income	219903	162241
Total	515555	480174

13 - Cost of material consumed

Cultivation Charges	92945	44712
Labour charges	306883	369225
Brick work expenses	952088	1140175
Total	1351916	1554112

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

Opening Balance		
Standing Crops	718220	239229
Less Closing Balance		
Standing Crops	-516546	-718220
Total	201674	-478991

15 - Employee benefits expense

Amount in Rs.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	237500	249000
Staff welfare expenses	10990	22192
Total	248490	271192

16 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	57474	257098
Total	57474	257098

17 - Other expenses

Pesticides / Fertilizers	67610	135886
Repairs and maintenance		
- Tractor	55327	91685
- Others	103304	39146
Payment made to auditors (Refer note below)	14750	14750
Legal and Professional Charges	51330	17730
Miscellaneous expenses	26477	20359
Total	318798	319556

Payment made to statutory auditors :		
i. As Audit Fee	14750	14750
ii. For taxation matters	-	-
iii. For other services	-	-
iv. For reimbursement of expenses	-	-

Disclosure requirements of Indian Accounting Standards**18. Disclosures in respect of Ind AS 107 - Financial Instruments****18.1 Financial Instruments by Categories**

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

March 31, 2019

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Investment	200000		33595412
Cash & Cash Equivalents	5426494		
Liabilities:			
Other Financial Liabilities	14750		

Amount in Rs.
March 31, 2018

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Investment			34193347
Cash & Cash Equivalents	5229952		
Liabilities:			
Other Financial Liabilities	14750		

19. Fair Value Hierarchy

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

19.1 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

(Amount in Rs.)

	For the year 31.03.2019				For the year 31.03.2018			
Particulars	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Securities	33795412	-	-	33795412	34193347	-	-	34193347

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

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

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit (loss) for the year, attributable to the owners of the company	89350	(78336)
Earnings used in calculation of basic earnings per share(A)		
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	2250000	2250000
Basic and Diluted EPS (A/B)	0.04	(0.03)

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For and On behalf of the Board

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

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI
Chairperson

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

R. Ganesan
Director

Consolidated Financial Statements

of

K.C.P. Sugar and Industries Corporation Limited

and

its Subsidiaries

2018 - 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of 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 (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including Other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act , 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit , consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) 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), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013 together with the independence requirements that are relevant to our audit of consolidated financial statements under the provisions of the Act and Rules made thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

SL No	Key Audit Matters	Substantive Audit Procedures
	<p>Evaluation of Uncertain Tax Positions :</p> <p>The Company has material uncertain tax positions including matters under disputes. These involve significant management judgment to determine the possible outcome of uncertain tax positions, consequently having an impact on related accounting and disclosures in the Consolidated financial statements.</p> <p>(Refer Note 44 to the Consolidated financial statements)</p>	<p>Our audit procedures include the following substantive audit procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions. • Obtained details of completed tax assessments and demands for the year ended march 31, 2019 from management. • Read and analyzed select key correspondences, external legal opinions and consultations by management for key uncertain tax positions. • Discussed with appropriate Senior management and evaluated management's key underlying key assumptions in estimating the tax provisions; and • Assessed management's estimate of the possible outcome of the disputed cases.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective 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 management 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 the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed 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, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies incorporated in India.

Chennai

Dated 29-05-2019

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 29.05.2019

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

CIN: L15421TN1995PLC033198

BALANCE SHEET AS AT MARCH 31, 2019

Amount in Rs.			
Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	983199588	995182057
(b) Capital work-in-progress		191100	2923297
(c) Other Intangible assets	4	5008876	8709033
(d) Intangible Asset under Development		2785485	-
(e) Financial assets			
(i) Investments	5	866464614	878041532
(ii) Trade receivables			
(iii) Loans	6	4580460	6974944
(f) Deferred tax assets,	20	-	36420385
(g) Other non-current assets	7	44094158	39438939
Current assets			
(a) Inventories	8	3786878097	2198394238
(b) Financial Assets			
(i) Investments	9	615407671	997090480
(ii) Trade receivables	10	284327869	287549634
(iii) Cash and cash equivalents	11	63948628	119732123
(iv) Bank Balances other than (ii) above	12	113034758	98578090
(v) Other financial assets	13	54161958	10512840
(c) Other current assets	14	149693044	216081811
Total Assets		6973776306	5895629403
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	113385050	113385050
(b) Other equity	16	2857595585	2704524085
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	413413000	403524000
(ii) Other Financial liabilities	18	11336192	11336213
(b) Provisions	19	84066587	83619193
(c) Other Non-Current liabilities			
(d) Deferred tax liabilities	20	68094822	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1522766450	1335190451
(ii) Trade payables	22		
a) Total outstanding dues of micro and small enterprises			
b) Total outstanding dues of creditors other than micro and small enterprises		1353057677	621792999
(iii) Other financial liabilities	23	374042380	456172636
(b) Other current liabilities	24	94324817	123530015
(c) Short Term provisions	25	25474068	25465850
(d) Current Tax Liabilities	26	56219678	17088911
Total Equity and Liabilities		6973776306	5895629403

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

Amount in Rs.			
Particulars	Note	For Year Ended March 31, 2019	For Year Ended March 31, 2018
I Revenue from operations	27	3594382640	3567714523
II Other income	28	156329757	618613337
III Total Income (I+II)		3750712397	4186327860
IV Expenses			
Cost of material consumed	29	3738567458	3040175158
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1599105064)	69313109
Excise duty on sale of goods		-	53609905
Employee benefits expense	31	425773116	412015272
Finance costs	32	197640351	147869894
Depreciation and Amortisation	33	86963844	94046275
Other expenses	34	561504645	399380855
Total expenses (IV)		3411344350	4216410468
V Profit/(loss) before exceptional items and tax		339368047	(30082608)
VI Exceptional items		-	-
VII Profit/(loss) before tax		339368047	(30082608)
VIII Tax expense			
- Current Tax		74500000	11050000
- Deferred Tax		102356129	(156128861)
- Reversal of excess provision for taxation relating to earlier years		(624559)	-
IX Profit/(loss) for the period		163136477	114996253
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		(597935)	8565316
Remeasurements of defined benefit plan actuarial gains/(losses)		6361732	(3645774)
Income tax expense on above		(2159076)	1239563
		3604721	6159105
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		166741198	121155358
XII Earnings per equity share			
(1) Basic		1.44	1.01
(2) Diluted		1.44	1.01

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Statement of Cash Flow for the year ended 31st March 2019

Particulars	Amount in Rs.	
	As at March 31, 2019	As at March 31, 2018
Cash flows from operating activities		
Total Income for the Period(PBT)	339368047	-30082608
Adjustments:		
- Interest income	-14459260	-5782619
- Loss/(Profit) on sale of fixed assets	-7952332	90387
- Loss/(Profit) on sale of Investment	756578	-
- Balance Written off	-	-1527440
- Excess Provision Credited Back	-7352196	-24719457
- Gain on sale of Investments	-	-73237665
- Adjustment for OCI	5763797	-12211090
- Interest expense	9872256	19520452
- Dividend Income	-42343721	-
- Provision for Dividend(s)	-13669698	-122820773
- Fair Value Adjustment	82382208	-392384962
- Depreciation and amortization	86963844	94046275
Operating cash flow before working capital changes	439329523	-549109500
Changes in		
- Decrease/(Increase) In Trade Receivables	3221765	42082834
- Decrease/(Increase) In Inventory	-1588483859	53114181
- Decrease/(Increase) In Other current Financial Asset(s)	-41581798	-6837531
- Decrease/(Increase) In Other current Asset(s)	35718329	-87428020
- Decrease/(Increase) In Current Investments	-2076579	-2822582
- Decrease/(Increase) In Other non-current financial assets	2394484	-1780685
- Decrease/(Increase) In Other non-current asset	-1855070	-12633
(Decrease)/Increase In Long term Provisions	7799592	13767952
(Decrease)/Increase In non-current liabilities	-21	-
(Decrease)/Increase In Trade Payables current	731264677	-2574475
(Decrease)/Increase In other current liabilities	-29205196	-97340127
(Decrease)/Increase In Other financial liabilities current	-82130259	-33783179
(Decrease)/Increase In Short Term provisions current	8216	1587745
(Decrease)/Increase In Other Non Current Liabilities	-	-3193166
Income taxes paid	-8941704	-27446000
Cash generated from / (used in) operations	-973867423	-701775187
Cash flows from investing activities		
Investment in Partnership firm	-46000000	-
Purchase of fixed assets	-77355242	-17314310
Proceeds from sale of fixed assets	13973071	1214387
Dividend Income	42343721	-
Investment made in current and Non Current Investments	354490782	-512629933
Proceeds from sale of Investments	3706737	596941361
Interest received	14459260	5782619
Net cash generated from/(used in) investing activities	305618329	73994124
Cash flows from financing activities		
Proceeds from / (repayment of) long term and short term borrowings	197464999	705565026
Interest paid	-9872256	-19520452
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in financing activities	187592743	686044574
Increase in cash and cash equivalents	-41326828	58263491
Cash and cash equivalents at the beginning of the year	218310214	160046722
Cash and cash equivalents at the end of the year	176983386	218310213

CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Amount in Rs.	
	As at March 31, 2019	As at March 31, 2018
Components of cash and cash equivalents (refer note 10)		
Cash and cash equivalents	37622515	93342662
Balances with banks	139360871	124967552
Total cash and cash equivalents	176983386	218310214

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

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

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

1 - Equity

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
25,00,00,000 Equity Shares of Rs.1/- each	2500000000	2500000000
Total	2500000000	2500000000
Issued, Subscribed And Paid Up		
11,33,85,050 Equity Shares of Rs.1/- each Equity Shares	113385050	113385050
Total	113385050	113385050

1.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

1.2 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.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Durgamba Investments Private Limited	43742656	38.58%	43734156	38.57%
V.R.K. Grandsons Investments Private Limited	-	-	5726605	5.05%
Total	43742656	38.58%	49460761	43.62%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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Amount in Rs. March 31, 2019						
2 Other Equity						
Particulars	Reserves and Surplus			Other Components of Equity		
	General Reserve	Investment allowance reserve utilised	Capital Profit	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	Total
			Capital Redemption reserve			
Balance as at April 01, 2018	1132243277	4505000	15545110	1536535515	18476679	2704524085
Provision For Dividend and taxes	-	-	-	(13669698)	-	(13669698)
Profit / (Loss) for the period	-	-	-	163136477	-	163136477
Other Comprehensive Income for the Year	-	-	-	-	(597935)	3604721
Balance as at March 31, 2019	1132243277	4505000	15545110	1686002294	17878744	2857595585
For the year ended March 31, 2017						
Other Equity						
March 31, 2018						
Particulars	Reserves and Surplus			Other Components of Equity		
	General Reserve	Investment allowance reserve utilised	Capital Profit	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	Total
			Capital redemption reserve			
Balance as at April 01, 2017	1132243277	4505000	15545110	1544360035	9911363	2706189500
Provision For Dividend and taxes	-	-	-	(122820773)	-	(122820773)
Profit / (Loss) for the period	-	-	-	114996253	-	114996253
Other Comprehensive Income for the Year	-	-	-	-	8565316	6159105
Balance as at March 31, 2018	1132243277	4505000	15545110	1536535515	18476679	2704524085

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Corporate Information

K.C.P. Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India. Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and CO₂. Company has two sugar factories located in Krishna District Andhra Pradesh having an aggregate crushing capacity of 11,500 tons per day. K.C.P. Sugar and Industries Corporation Ltd has two wholly owned subsidiaries viz. The EIMCO-K.C.P. Limited engaged in manufacturing solid-liquid separation equipments and K.C.P. Sugars Agricultural Research Farms Limited engaged in research Activities relating to Agriculture. The Company has its registered office at 239/183, Ramakrishna Building, Anna Salai, Chennai, Tamil Nadu 600006, India.

The financial statements were approved by the Board of Directors and authorised for issued on 29.05.2019

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

(b) Basis of preparation and presentation:

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

(c) Critical accounting estimates and judgments

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

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

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

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

(d) Functional currency :

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

(e) Revenue recognition :

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

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

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

Interest

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

Dividend

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

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

i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. **Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or

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CONSOLIDATED FINANCIAL STATEMENTS

termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

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

iv. Other Employee Benefits

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

(g) Property, Plant and Equipment:

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

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

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

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

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

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

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

(h) Intangible Assets:

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

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

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

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

Class of Assets	Estimated Useful Life
Software and Licences	5 years

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

(i) Impairment of assets:

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

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

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

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

(j) Foreign Currency Translation :

Initial Recognition

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

Subsequent Recognition

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

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

(k) Assets taken on lease:

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

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

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

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Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(l) Inventories:

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

(m) Government Grants

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

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

(n) Income Taxes:

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

(i) Current tax:

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

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

(ii) Deferred tax :

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

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

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

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

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

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

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

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

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.45.

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

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

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

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

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

(r) Cash Flow Statement:

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

(s) Earnings Per Share:

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

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(t) Segment Reporting:

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

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

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

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

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

(u) Financial Instruments:

Financial Assets:

Classification

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost

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

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

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

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

Equity investments

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

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

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

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

Financial Liabilities

Classification

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

Initial recognition and measurement

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Equity instruments

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

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3 - Property Plant and Equipments

Description	Land	Buildings	Plant and equipment	Fencing	Tramways & Railways Sidings	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Amount in Rs.	
									Total	
As at 31 March 2017 (At Cost)	215910469	256811407	634735846	15321	7717473	12253212	24392343	2109582	1153945653	
Additions during the year	-	8038832	6102786	-	-	1884567	6382038	1184510	23592733	
Deletions during the year	-	-	-	-	-	(1158793)	(4678153)	(21800)	(5858746)	
As at 31 March 2018 (At Cost)	215910469	264850239	640838632	15321	7717473	12978986	26096228	3272292	1171679640	
Additions during the year	-	3921147	69300574	-	-	2927894	702020	360120	77211755	
Deletions during the year	-	-	(2765194)	-	(13687848)	(310311)	(1750557)	(152396)	(18666306)	
As at 31 March 2019 (At Cost)	215910469	268771386	707374012	15321	(5970375)	15596569	25047691	3480016	1230225089	
Depreciation and amortization										
Opening depreciation as on 01.04.2017	-	13709704	68022478	-	859752	3943767	3573843	685000	90794544	
Charge for the year ended March 31, 2018	-	13799667	65204762	-	453530	3942861	6375470	480720	90257010	
Deletions during the year	-	-	-	-	-	(1158596)	(3374465)	(20910)	(4553971)	
As at 31 March 2018 (At Cost)	-	27509371	133227240	-	1313282	6728032	6574848	1144810	176497583	
Charge for the year	-	12095647	62636532	-	290756	3635989	4176830	337733	83173486	
Deletions during the year	-	-	(2736738)	-	(7784088)	(306715)	(1671786)	(146241)	(12645567)	
As at 31 March 2019	-	39605018	193127034	-	(6180050)	10057306	9079892	1336302	247025501	
Net Book Value										
As at 31 March 2019	215910469	229166368	514246977	15321	209675	5539263	15967799	2143714	983199588	
As at 31 March 2018	215910469	237340868	507611392	15321	6404191	6250954	19521380	2127483	995182057	

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Amount in Rs.

Capital work-in- progress

Description	Plant & Machinery (WIP)	Total
As at 1st April 2017	0	0
Additions during the year	2923297	2923297
Deletion during the year	-	-
As at 31st March 2018	2923297	2923297
Additions during the year	191100	191100
Deletion during the year	2923297	2923297
As at 31 st March 2019	191100	191100

4 - Other Intangible Asset

Description	Computer Software	Total
As at 31 March 2017 (At Cost)	16362160	16362160
Addition during the year	-	-
As at 31 March 2018 (At Cost)	16362160	16362160
Addition during the year	90200	90200
As at 31 March 2019 (At Cost)	16452360	16452360
Amortization and Impairment		
Opening Amortization as at 31st March 2017	3863861	3863861
Amortization for the year	3789265	3789265
As at 31 March 2018	7653126	7653126
Amortization for the year	3790358	3790358
As at 31 March 2019	11443484	11443484
Net Book Value		
As at 31 March 2019	5008876	5008876
As at 31 March 2018	8709033	8709033

Intangible Assets under Development

Description	Computer software	Total
As at 1st April 2017	0	0
Additions during the year	-	-
Deletion during the year	-	-
As at 31st March 2018	0	0
Additions during the year	2785485	2785485
Deletion during the year	-	-
As at 31 st March 2019	2785485	2785485

5 - Non Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in Quoted Equity Instruments (Fair valued through PL)	819964614	875841532
Investments in an associate and Joint Venture/Subsidiary (Valued at Cost)	-	-
Investments in Unquoted Equity Instruments (Valued at cost)	500000	2200000
Investment in Partnership firm	46000000	-
Total	866464614	878041532

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Amount in Rs.	
	As at March 31, 2019	As at March 31, 2018
5.1 Aggregate amount of quoted investments		
- Cost	547053749	519165666
- Market Value	819964614	875841532
5.2 Aggregate amount of unquoted investments		
- Cost	500000	2200000

Additional Information :

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

As at 31.03.2019

Name of the Partners	% Share	Capital Share
Mr. K. Rajendra Prasad	5.15%	2500000
The EIMCO KCP Ltd	94.44%	45800000
KCP Sugars Agricultural Researchs Farms Limited	0.41%	200000
Total	100.00%	48500000

6 - Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits (unsecured considered good)	4580460	6974944
Total	4580460	6974944

7 - Other Non Current Assets

Long term security Deposit (Unsecured and considered good)	44094158	39438939
Total	44094158	39438939

8 - Inventories

Raw materials	35475054	39665471
Work in progress	87242204	117648120
Finished goods	3622937693	1993740337
Stores and spares	39261300	45692088
Crops under cultivation	1961846	1648222
Total	3786878097	2198394238

9 - Investments

Investments in Mutual Funds (Fair valued through PL)	615407671	997090480
Total	615407671	997090480

10 - Trade Receivables

Trade receivables		
Secured Considered Good		
Unsecured Considered good	284327869	288748959
Considered Doubtful	3953182	2969595
Less:		
Impairment for Trade receivable under expected credit loss model	(3953182)	(4168920)
Total	284327869	287549634

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CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

11 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
i) Balances with banks:		
-In current accounts	26349439	32353365
-In Fixed Deposits	36005017	85365122
ii) Cash on hand	1594172	2013636
Total	63948628	119732123

12 - Bank Balances other than 11 above

Bank Balances held as Margin Money	84510395	70740735
Unpaid Dividend account	28524363	27837355
Total	113034758	98578090

13 - Other Current Financial Assets

i) Unsecured, considered good;		
- Advance to Employees	10380519	10512840
- Claims receivable	43781439	-
Total	54161958	10512840

14 - Other Current Assets

Unsecured considered good		
Balance with government authorities	49088690	59691085
Advances to Supplier	65687888	155624125
Prepaid Expenses	34815851	603293
Interest accrued on Fixed Deposit	100615	163308
Prepayments - Deposits/Retention Money	-	-
Total	149693044	216081811

15 - Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital		
25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000
Total	250000000	250000000
Issued, Subscribed And Paid Up		
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050
Total	113385050	113385050

15.1 Movement in respect of Equity Shares is given below :

Amount in Rs.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

15.2 Terms/rights attached to equity shares

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

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

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

(Amount in Rs.)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
Durgamba Investments Private Limited	43742656.00	38.58%	43742656.00	38.58%
Total	43742656.00	38.58%	43742656.00	38.58%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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Amount in Rs. March 31, 2019						
16 Other Equity						
Particulars	Reserves and Surplus			Other Components of Equity		Total
	General Reserve	Investment allowance reserve utilised	Capital Profit	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	
Balance as at April 01, 2018	1132243277	4505000	15545110	(2781496)	18476679	2704524085
Dividend and taxes	-	-	-	-	-	(13669698)
Profit / (Loss) for the period	-	-	-	-	-	163136477
Other Comprehensive Income for the Year	-	-	-	4202656	(597935)	3604721
Balance as at March 31, 2019	1132243277	4505000	15545110	1421160	17878744	2857595585
For the year ended March 31, 2017						
Other Equity						
Particulars	Reserves and Surplus			Other Components of Equity		Total
	General Reserve	Investment allowance reserve utilised	Capital Profit	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	
Balance as at April 01, 2017	1132243277	4505000	15545110	(375285)	9911363	2706189500
Dividend and taxes	-	-	-	-	-	(122820773)
Profit / (Loss) for the period	-	-	-	-	-	114996253
Other Comprehensive Income for the Year	-	-	-	(2406211)	8565316	6159105
Balance as at March 31, 2018	1132243277	4505000	15545110	(2781496)	18476679	2704524085

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Amount in Rs.

17 - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Secured Loans		
(i) Secured loans from Bank	-	-
Unsecured Loans		
Fixed Deposits from Public	413413000	403524000
Total	413413000	403524000

18 - Other Financial liabilities

Interest accrued but not due on fixed deposits	9186940	9221995
Security Deposit	2149252	2114218
Total	11336192	11336213

19 - Provisions

Provision for Employee Benefits :-		
- Gratuity	55509737	57766830
- Provisions for Liquidated Damages	28556850	25852363
Total	84066587	83619193

20 - Deferred Tax Liability

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2019	For the year Ended March 31, 2018
Current income tax		
Current year (A)	74500000	11050000
Deferred tax expense	-	-
Origination and reversal of temporary differences	102356129	(156128861)
Change in accounting policy	-	-
Sub Total (B)	102356129	(156128861)
Total (A + B)	176856129	(145078861)

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	(2159076)	1239563
Total	(2159076)	1239563

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Amount in Rs.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liability		
Property, Plant & Equipment	136719406	143244367
Others	307614	120650
Sub Total	137027020	143365017
Deferred tax Assets		
Current year business losses	42984302	153175310
Property, Plant & Equipment	888578	929252
On account of timing differences in recognition of expenditure between books of accounts and Taxation	25059318	25680840
Sub Total	68932198	179785402
Net Deferred Tax Assets/ (Liabilities)	(68094822)	36420385

21 - Borrowings

Secured Demand Loans from Banks (Refer note below)	1222766450	1335190451
Unsecured loan from bank	300000000	-
Total	1522766450	1335190451

Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a second charge created on movable fixed assets of Sugar units at Vuyuru and Lakshmipuram.

22 - Trade Payables

Trade payables		
- Dues to Micro and Small Enterprises	-	-
- Others	1353057677	621792999
Total	1353057677	621792999

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

23 - Other Financial Liabilities

Current Maturities of long term debt	268795000	347802744
Unclaimed Dividends	15450448	10488083
Interest accrued but not due on borrowings	19517480	18854542
Unpaid matured deposits and interest accrued thereon	19256915	30792764
Outstanding Liabilities for Expenses	35739200	36800440
Earnest Money and Other Deposits	4338310	4338311
Payable to Employees	10945027	7095752
Total	374042380	456172636

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

24 - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Liabilities	24424701	34161552
Advance from customers	69900116	89368463
Total	94324817	123530015

25 - Short term provision

Provision for Employee benefits	15336495	15328277
Provision for Defeat Liability period	10137573	10137573
Total	25474068	25465850

26 - Current Tax Liabilities

Provision for Income Tax	56219678	3581640
Less: Advance Tax and TDS Credits	-	-
Previous Year Income Tax Provision	-	13507271
Total	56219678	17088911

27 - Revenue From Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Products	3591867802	3549507996
Sale of Services	1934460	16914263
Other operating revenue	580378	1292264
Total	3594382640	3567714523

28 - Other Income

Change in fair value of financial asset	-	362014945
Interest income from financial asset measured at amortised cost	556208	373170
Profit on sale of Investments	-	73237665
Interest Received	13903052	15315826
Dividend Income	42343721	47724879
Packing & Forwarding Charges	945841	3062827
Rent Received	3700076	4741574
Difference in Foreign Exchanges	11545718	1149686
Miscellaneous Receipts	16907988	9695519
Profit on sale of fixed assets (Net)	7952332	-
Compensation received from Chennai Metro Rail	14107634	-
Duty Drawback Incentive	1665380	-
Unclaimed Balance credited back	5018	94724
Credit Balances written back	-	1540093
Claims Received	23092043	434377
Provision no longer required withdrawn	19604746	99228052
Total	156329757	618613337

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Amount in Rs.

29 - Cost of materials Consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance		
Raw Materials and Components	3519654195	24107262
Add: Cost of Raw Materials and Components	135905593	2971892250
Less Closing Stock		
Raw Materials and Components	(35199338)	(39665471)
Consumption of stores and spare parts	118207008	83841117
Total	3738567458	3040175158
Consumption of Sugar Cane included in the above	3466046683	2756166800

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

Opening Balance		
Work in Progress	117817195	39780749
Finished goods	1993315174	2141019934
Crops under cultivation	1904310	1549105
Less Closing Balance	-	-
Work in Progress	(87242204)	(117817195)
Finished goods	(3622937693)	(1993315174)
Crops under cultivation	(1961846)	(1904310)
Total	-1599105064	69313109

31 - Employee Benefits Expense

Salaries, wages and bonus	352030938	329245484
Contribution to provident and other funds	35994238	37850310
Remuneration to whole time directors	10443291	11013154
Staff welfare expenses	27304649	33906324
Total	425773116	412015272

32 - Finance Cost

Interest cost on financial liabilities measured at amortized cost	9872256	19520452
Others	187768095	128349442
Total	197640351	147869894

33 - Depreciation and Amortisation

Depreciation / Amortisation for the year		
- Tangible Assets	83173486	90257010
- Intangible Assets	3790358	3789265
Total	86963844	94046275

CONSOLIDATED FINANCIAL STATEMENTS



34 - Other expenses

Amount in Rs.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract Labour Charges	40388416	26363281
Power and Fuel	23949884	25990479
Rental charges	402197	250902
Repairs and maintenance	-	-
- Buildings	10093087	19022505
- Machinery	115547213	96776394
- Workshop	219340	2743208
- Office	528995	2682981
- Tractor	55327	91685
- Others	10604213	13217277
Insurance	3444655	4057278
Payment made to auditors	722351	751517
Legal and Professional Charges	6753576	27601050
Selling expenses	148687769	79023209
Director's Sitting Fees	1300000	1480000
Commission to Non- Whole time directors	-	-
Donations	1500000	1700000
Corporate Social Responsibility Expenditure (CSR)	1958841	2125577
Security Charges	14838461	14835212
Miscellaneous expenses	82043769	64494062
Rates and taxes	509225	1024394
Travel and conveyance	1692368	1490886
Research , inspection and testing charges	123189	252373
Short Provision made during earlier years	-	575
Performance and delivery guarantee claims	12678044	12250428
Telephone Charges	855264	871944
Irrecoverable loans and advances written off	-	12653
Cultivation Charges	-	44712
Pesticides / Fertilizers	67610	135886
Loss relating to fair value of equity investments	81784273	-
Loss on Sale of Investments	756578	-
Loss on sale of Fixed Assets	-	90387
Total	561504645	399380855
Payment made to statutory auditors :		
i. As Audit Fees	507250	507250
ii. For taxation matters	-	-
iii. For other services	189600	215400
iv. For reimbursement of expenses	25501	28867
Total	722351	751517

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CONSOLIDATED FINANCIAL STATEMENTS

35 Contingent Liabilities in respect of the group :

Amount in Rs.

Bank Guarantees - Rs.162397442/- (PY Rs. 201100154/-)

35.1 Demands raised by the respective authorities are as under:

Particulars	As at March 31,2019	As at March 31,2018
Share transmission	1105851	1105851
Labour cases	7294202	7165166
E.S.I Case	174489	174489
Nonenrolment of contract labour for contribution to Provided Fund	11094580	11094580
Case on Duty relating to Captive Power Generation and sale to grid	57887181	57887181
Value Added Tax case	3793799	1661339
Income Tax Case	47030100	47030100
Central Excise Duty Case	-	10678712
Total	128380202	136797418

36.Information in respect of Micro, Small and Medium Enterprises as at 31st March 2019:

S. No	Particulars	As at March 31,2019	As at March 31,2018
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	Nil	Nil
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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

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Amount in Rs.

Disclosure requirements of Indian Accounting Standards

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

37.1 Financial Instruments by Categories

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

(March 31, 2019)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Loans (Non Current Financial Assets)	4580460	832669202	33795412
Non-Current Investments			
Current Trade Receivables	284327869	615407671	
Cash & Cash Equivalents	63948628		
Other Bank Balances	113034758		
Current Investments			
Other Current Financial Assets	54161958		
Liabilities:			
Term loan (Non-Current)	413413000		
Other Long term financial liabilities	11336192		
Other Financial Liabilities	374042380		
Short Term Borrowings	1522766450		
Trade Payables	1353057677		

(March 31, 2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Loans (Non Current Financial Assets)	6974944	843848185	34193347
Non-Current Investments			
Current Trade Receivables	287549634	997090480	
Cash & Cash Equivalents	119732123		
Other Bank Balances	98578090		
Current Investments			
Other Current Financial Assets	10512840		
Liabilities:			
Term loan (Non-Current)	403524000		
Other Non Term financial liabilities	11336213		
Other Financial Liabilities	456172636		
Short Term Borrowings	1335190451		
Trade Payables	621792999		

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37.2 Fair Value Hierarchy

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

37.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

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

Particulars	For the year 31.03.2019				For the year 31.03.2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	820464614			820464614	878041532			878041532
Investments in Quoted Mutual Funds	615407671			615407671	997090480			997090480

38 Financial risk management

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

Market risk

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

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

Securities Prices Risk:

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

Credit Risk

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

Trade receivables

The group has outstanding trade receivables amounting to Rs. 28,43,27,869 and Rs. 28,75,49,634 as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

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

Amount in Rs.

Credit risk exposure:

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

Particulars	March 31, 2019		March 31, 2018	
	Gross	Impairment	Gross	Impairment
0 to 180 days	218838074	-	221051494	-
More than 180 days	69442977	3953182	70667060	4168920

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

Liquidity Risk`

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

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

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

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

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

The table include both principal cash flows.

Particulars	31.03.2019		31.03.2018	
	Payable with in 1 year	More than 1 year	Payable with in 1 year	More than 1 year
Loan from Bank	-	-	77027744	-
Deposits from Public	2749780000	413413000	284324000	403524000

Foreign currency exchange rate risk

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

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

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

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

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

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

The following table sets forth information relating to foreign currency exposure as of March 31, 2019:

Particulars	Assets as at	
	As at March 31, 2019	As at March 31, 2018
USD	16286	117771
SGD	134750	-

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

USD sensitivity at year end	As at March 31, 2019	As at March 31, 2018
Receivables:		
If INR rate over Other currency increases by 5%	(399203)	(377750)
If INR rate over Other currency decrease by 5%	399203	377750

Interest Rate Risk

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

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

Particulars	31.03.2019	31.03.2018
<u>Fixed Rate Instruments</u>		
Financial Asset		
-Margin Money with Bank	62387047	70740735
Financial Liabilities		
-Term Loan from Bank	0.00	77027744
<u>Variable Rate Instruments</u>		
-Demand Loan from bank	1522766450	1335190451

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Expenses arising on account of variable rate of interest on short term borrowings	96187990	54717282
Impact on :		
Increase in 100 basis point	1875760	13351905
Decrease in 100 basis points	(1875760)	(13351905)

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly

to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

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

Capital management

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

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

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

(Amount in Rs.)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Debt*	413413000	403524000
Cash and cash equivalent	-63948628	-119732123
Net Debt	349464372	283791877
Total Equity	2970980635	2817909135
Net debt to equity ratio	0.12	0.10

*Debt represents Long term loan from banks and deposits from public.

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

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

a) Provident Fund:

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

b) Gratuity:

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

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

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

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

Movement in defined benefit obligation:

(Amount in Rs.)

Particulars	31.03.2019	31.03.2018
Defined benefit obligation - Beginning of the year	162061447	149327852
Current service cost	7802500	7342850
Interest Cost	12774947	11673039
Past Service Cost	-	1290787
Benefits Paid	-16941152	-11218955
Re-measurements - actuarial loss/(gain)	-6361732	3645874
Defined benefit obligation – End of the year	159336010	162061447

Movement in plan asset:

Particulars	31.03.2019	31.03.2018
Fair value of plan assets at beginning of year	134328347	125176418
Employer contributions	7415795	10566208
Benefits paid	-16941152	-11218955
Re-measurements – Return on plan assets	10162246	9804677
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	134965236	134328347

Amount Recognized in Statement of Profit and Loss

Particulars	31.03.2019	31.03.2018
Current service cost	7802500	7342850
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-10162246	9804677
Net Interest on Net Defined Benefit Liability/(assets)	12774947	11673039
Past service cost	-	1290787
Cost Recognized in P&L	10415201	10501999

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2019	31.03.2018
Actuarial (gain)/loss due to assumption changes	-6361732	3645874
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	-6361732	3645874

CONSOLIDATED FINANCIAL STATEMENTS

Actuarial Assumption

Amount in Rs.

Particulars	31.03.2019	31.03.2018
Discount rate	7.58%	7.58%
Rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.5	8.5

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

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

1.Key Management Personnel

- Shri. Vinod R. Sethi, Executive Chairman
- Smt. Irmgard Velagapudi, Managing Director.
- Smt. Kiran Velagapudi, Executive Director.
- Shri.R.Ganesan, Chief Financial Officer.
- Shri.S.Chidambaram, General Manager Finance and Group Secretary

(B). Transactions During the year

Particulars	Key Management Personnel	
	2018 - 19	2017 - 18
Rent Received	1500000	1500000
Remuneration paid to Key Management Personnel	13162247	13897788
Interest on fixed deposit paid to Key Management Personnel	3055431	3075894

(C). Closing balances as on 31/03/2019

Particulars	Key Management Personnel	
	2018 - 19	2017 - 18
Share Capital held by key Management Personnel.	2128610	2098610
Fixed deposit held by key Management Personnel.	32740000	32740000

As per our report of even date attached

For and on behalf of the Board of Directors

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

IRMGARD VELAGAPUDI
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 29.05.2019

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

KIRAN VELAGAPUDI
Executive Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED CONSOLIDATED FINANCIAL STATEMENTS

52. SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2019 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

Amount in Rs.

	PARTICULARS	PRIMARY SEGMENT					TOTAL
		SUGAR	CHEMICALS	POWER & FUEL	ENGINEERING	OTHERS	
1	Segment Revenue						
	External Revenue	2449893485	628973748	41970947	414291704	59252756	3594382640
	Inter Segment Revenue	699003379	3512906	478109749	-	0	1180626034
	Total Revenues	3148896864	632486654	520080696	414291704	59252756	4775008674
2	Segment Results						
	Profit before depreciation, finance cost and taxation	318254495	153928058	106288597	99461178	33359364	711291693
	Less : Finance Cost	161244135	13229988	859013	11261956	1173003	187768096
	Less : Unallocable Finance Cost						9872256
	Less: Depreciation and Amortizations	41265012	17167244	21791324	4167927	2572337	86963844
	Less: Impairment on Capital Assets	-	-	-	-	-	-
3	Unallocable Expenditure	-	-	-	-	-	81857884
	Less : Tax	-	-	-	-	-	178088418
	Total Profit	-	-	-	-	-	166741198
	Capital Employed						
4	Segment Assets	4457096529	188916653	221283407	472533677	74888451	5414718717
5	Unallocable Assets	-	-	-	-	-	1496429263
6	Segment Liabilities	2923454083	27508329	5099775	160190198	6528147	3122780532
7	Unallocable Liabilities	-	-	-	-	-	817386814
8	Capital Employed	-	-	-	-	-	2970980634
9	Capital Expenditure	64389950	-	80801	7025742	2983063	74479556

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

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

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

Amount in Rs.

NOTES TO FINANCIAL STATEMENTS

ii) Geographical Segment:

Particulars		
	Current Reporting Period 2018-2019	Previous Reporting Period 2017-2018
Sales within India	3350747937	3474720483
Sales outside India	243634703	92994040
Total	3594382640	3567714523

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

	Carrying amounts of segment assets	Additions to fixed assets & Intangible assets
	Current reporting period	Current reporting period
Located in India	6973776306	74479556
Located outside India	-	-
Total	6973776306	74479556

ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

From (Please fill name and address of first holder) Date :

FOLIO NO :

--

Dear Sir,

Sub: Payment of Dividend thro' Electronic Clearing Service (ECS)

I hereby give my mandate to credit my dividend on the Shares held by me directly to my Bank account through the Electronic Clearing Service (ECS). As desired, I give below the particulars of my Bank account :

1.	NAME OF BANK										
2.	BRANCH NAME AND ADDRESS										
3.	ACCOUNT NO (as appearing on cheque book)										
4.	ACCOUNT TYPE (please tick)	<input type="checkbox"/> Savings <input type="checkbox"/> Current Account <input type="checkbox"/> Cash credit									
5.	LEDGER FOLIO NO OF THE BANK A/C (if appearing on cheque book)										
6.	9-DIGIT CODE NUMBER OF THE BANK & BRANCH APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK <small>(please attach a xerox copy of the cheque or bank cheque of your bank duly cancelled for ensuring the accuracy of the bank's name branch name and code number)</small>	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>									

I hereby declare that the particulars given above are correct and complete. If any transactions are delayed or not effected at all for reasons of incompleteness or correctness of information supplied as above, the Company will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by the Company, for payment of dividend to me.

I further undertake to inform the Company about any change in my Bank/Branch and account number.

DATE :

.....
(Signature of First holder)

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

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED No.239, Anna Salai, Chennai -600 006.
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(Detail's overleaf)

PAYMENT OF DIVIDEND THRO' ELECTRONIC CLEARING SERVICE (ECS)

The Securities and Exchange Board of India (SEBI) has made it mandatory for all listed company to offer ECS facilities. This facility has **several benefits including :**

1. **Instant credit** of the dividend amount directly to your designated bank account electronically.
2. **Prevents** in-transit interception of the warrant or its fraudulent encashment.
3. **Eliminates** the scop for loss/delay in receipt of the warrant.
4. **No extra** cost to the payee.

Instead of the earlier practice of issue of printed warrants being sent to the Shareholders, this mode of payment provides for direct credit dividend to the existing Bank account of the Shareholder(s) by electronic mode. The concerned Bank branch will credit your account and indicate the entry as " ECS" in your pass book/statement.

This mode of payment is optional and you have a right to withdraw the instructions or change them by giving us an advance notice of atleast eight weeks before the data of payment. The information furnished by you will be kept confidential and utilised only for the purpose of effecting the payment of dividend as may be applicable. The Company will not be liable for any credit/s made to any other account other than the Sharholders account because of the incorrect information given.

The facility of ECS is (RBI Centres) available in 15 cities as follows :

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram,

Though the facility is available only to a limited number of cities, we request all the Shareholders to provide us the details in the enclosed form, which would enable us to serve you better once the facility is extended to your city.

Wo would **request you to avail this facility by completing the relevant details in the ECS Mandate form printed on the reverse and return to us at the earliest alongwith a cancelled or photocopy or your cheque** pertaining to your account to which the dividend amount is to be credited.

In case you are holding shares in demat form, kindly advise your Depository participant directly to take note of your Bank account particulars/ECS mandate.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN:L15421TN1995PLC033198

"Ramakrishna Buildings", No.239, Anna Salai, Chennai 600006 – Tel: 91 44 28555171-176 /

Fax: 914428546617

Investorservices@kcpsugar.com / www.kcpsugar.com

24th Annual General Meeting – September 12, 2019

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Name of the Member(s)

Registered address

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Email

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Folio No. / Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID

I / We, being the member(s) of shares of the above named company, hereby appoint

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General meeting of the Company, to be held on Thursday, 12th September 2019 at 10.00 AM at "Sadguru Gnanananda Hall", Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March 2019. – Ordinary Resolution.			
2.	Approval of dividend at Re.0.10 per equity share for the financial year ended 31st March 2019. – Ordinary Resolution.			
3.	To appoint a Director in place of Smt V Kiran Velagapudi (DIN: 00091466) who retires by rotation, and being eligible, offers herself for reappointment. – Ordinary Resolution.			
SPECIAL BUSINESS				
4.	Reappointment of Dr Vithal Rajan (DIN: 00021571) as an Independent Director for a second term of five years 01.04.2019 to 31.03.2024. – Special Resolution			
5	Reappointment of Shri M S V M Rao (DIN: 00432640) as an Independent Director for a second term of five years 01.04.2019 to 31.03.2024. – Special Resolution			
6	Reappointment of Shri Prathap K Moturi (DIN:00020630) as an Independent Director for a second term of five years 01.04.2019 to 31.03.2024. – Special Resolution			
7	Payment of commission on profits to Non-whole Time Directors for a period of five financial years 2019-2020 to 2023-2024. – Special Resolution			
8	Ratification of Remuneration to Cost Auditors for the financial years 2019-2020. Ordinary Resolution			

Signed this.....day of2019.

..... /

Signature of member / Signature of the proxy holder

Affix
Revenue
Stamp of
Re. 1/-

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.
2. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
4. As per section 105 of the Companies Act, 2013, a person appointed as proxy shall act on behalf of such member or no. of members not exceeding fifty.

INSTRUCTIONS FOR REMOTE E-VOTING

Registered Folio No. / DP ID No. / Client ID No.	Number of shares held:
--	------------------------

Dear Member,

Sub: Instructions for e-voting

Pursuant to provisions of section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended on 19.03.2015, the Company is pleased to offer e-voting facility for the members to cast their votes using an electronic system from a place of their choice other than the venue of AGM, on all resolutions set forth in the Notice convening the 24th Annual General Meeting to be held on Thursday, 12 September 2019 at 10.00 a.m. IST. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (e-voting event number)	User ID	Password

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
September 09, 2019 at 9.00 a.m. IST	September 11, 2019 at 5.00 p.m. IST E-voting module will be disabled by NSDL for voting after 5.00 p.m. IST

The cut-off date for remote e-voting has been fixed as 5th day of September 2019.

Please read the instructions printed below before exercising your vote

Steps for e-voting

- ❖ Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
- ❖ Click on Shareholder-Login
- ❖ If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
- ❖ If you are logging in for the first time, please enter the User ID and Password provided in this document.
- ❖ The **Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
- ❖ Once the e-voting home page opens, click on **e-voting>Active Voting Cycles**.
- ❖ Select the **EVEN (E-voting Event Number)** of K.C.P. Sugar and Industries Corporation Limited (the number is provided in this document). Once you enter the number, the **Cast Vote** page will open. Now you are ready for e-voting.
- ❖ Cast your vote by selecting your favoured option and click **Submit**. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- ❖ Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer via email at: maheshvenki@vmacs.co.in with a copy marked to evoting@nsdl.co.in.
- ❖ In case of any queries, please refer to the **Frequently Asked Questions (FAQs)** for members and the **e-voting user manual** for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also contact NSDL via e-mail at evoting@nsdl.co.in.

B. VOTING BY BALLOT FORM AT THE AGM VENUE:

- ❖ The Company also offers facility for voting through polling paper at the venue of the Annual General Meeting.
- ❖ The members as on the cut-off date (5th September 2019), attending the Annual General Meeting are entitled to exercise their voting rights in case they had not already cast their vote through remote e-voting.
- ❖ Members who have cast their vote through e-voting are entitled to attend the Annual General Meeting if they so desire, **but cannot cast their vote at the venue of AGM.**

- ❖ The Chairman of the AGM will fix the time for voting at the meeting. The shareholders present in person or by proxy can vote at the venue of the meeting.

C. GENERAL INSTRUCTIONS:

- ❖ The e-voting period commences on 9th September 2019 (9.00 a.m.IST) and ends on 11th September 2019 (5.00 p.m.IST). During this period, shareholders of the Company holding shares either in physical form or in de-materialized form, as on the cut-off date (record date) of 5th September 2019, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ❖ The cut-off date for remote e-voting has been fixed as Thursday, the 5th day of September 2019. Members holding shares as on this cut-off date can cast their vote in any one of the two modes (Remote E-voting / Voting by ballot at AGM venue).
- ❖ In case of shareholders who have acquired shares and become members of the Company after the dispatch of AGM Notice, the Company would be dispatching the 24th Annual Report for the Financial Year 2018-19 to them as and when they become members. In addition, the Annual Report is also available in the Company's website. The said members may also follow the same procedure for voting.
- ❖ Voting rights of shareholders shall be in proportion to their shareholding in the Company as on the cut-off date (05th September 2019).
- ❖ In case a shareholder by an inadvertence or otherwise has voted under more than one option, his voting by only one mode through remote E-voting, or voting at the AGM venue will be considered in that seriatim.
- ❖ M/s.V.Mahesh & Associates, Practicing Company Secretaries, Chennai, have been appointed as Scrutinizer for both the two options for voting (Remote E-voting / Voting at AGM venue by ballot paper).
- ❖ The Scrutinizer will, after conclusion of voting at the AGM venue –
 - ❖ - First count the votes cast at the meeting through polling paper.
 - ❖ - Then unblock the votes cast through remote E-voting.

All the above will be done in the presence of two witnesses not in the employment of the Company.

The Scrutinizer will make a consolidate report (integrating the votes cast at the meeting, through remote e-voting) of the total votes cast in favour or against, if any, to the Chairman of the Meeting, not later than three days from the conclusion of the meeting.

- ❖ **Voting Results:** The Chairman or a person authorised by him in writing, shall declare the result of the voting based on the Scrutinizer's report.
- ❖ The results declared along with the Scrutinizer Report will be placed on the Company's website www.kcpsugar.com and on the website of NSDL immediately on declaration of result and also communicated to NSE and BSE.
- ❖ Subject to receipt of requisite number of votes, the resolution shall be deemed to have been passed on the date of AGM.
- ❖ These details and instructions form an integral part of the Notice for the Annual General meeting to be held on 12th September 2019.
- ❖ All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered office of the Company during business hours on all working days up to the date of declaration of the result of the 24th Annual General meeting of the Company.

Registered Office
'Ramakrishna Buildings'
No.239, Anna Salai,
Chennai 600006.

By order of the Board of Directors
for K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED

Chennai
May 29, 2019

Vinod R. Sethi
Executive Chairman
DIN: 00106598

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