



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

CIN: L15421TN1995PLC033198

**Twenty Fifth Annual Report
2019 – 2020**

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

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

NON WHOLE-TIME DIRECTORS**DIN**

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

Committees of Board of Directors

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

Registered and Corporate Office

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

Date of Incorporation**11/10/1995****Plant Locations**

- Vuyyuru, Krishna District, Andhra Pradesh**
Sugar, Incidental Cogeneration Power, Industrial Alcohol, Ethanol, Bio-Fertilizers, CO2 and Calcium Lactate
- Lakshmiapuram, Krishna District, Andhra Pradesh**
Sugar and Incidental Cogeneration Power

Subsidiaries

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

**Bankers**

State Bank of India
 ICICI Bank Ltd.
 Axis Bank Ltd.
 HDFC Bank Ltd
 Kotak Mahindra Bank Ltd

Chief Financial Officer**Mr.R.Ganesan****Company Secretary and Compliance Officer****Mr.S.Chidambaram, B.Sc., ACMA., ACS.,****Statutory Auditor****M/s.Suri & Siva (FRN: 004284S)**

Chartered Accountants,
 C – 8, 3rd Floor, Shanti Apartments,
 New No.18, 1st Cross Street,
 T.T.K.Road, Alwarpet, Chennai - 600 018.

Cost Auditor**M/s.SRR & Associates (FRN: 000992)**

Cost Accountants,
 No.20, Valluvar Street, 2nd Floor,
 Thiru Nagar, Jafferkanpet, Chennai - 600 083.

Secretarial Auditor**Ms.Jayashree S Iyer (M.No.: 10394)**

Practising Company Secretary,
 New No.10, Old No.41, Kirupasankari Street,
 West Mambalam, Chennai - 600 033.

Internal Auditor**Mr.S.Manisekaran (M.No.: 026400)**

Chartered Accountant,
 'Venkatesam', No.20/22, Ramanujam Street,
 Nungambakkam, Chennai - 600 034.

Registrars to Deposits

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

Share Transfer Agent and Depository Registrar

Integrated Registry Management Services Private Limited
 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street,
 T.Nagar, Chennai – 600 017.

Tel : 044 - 28140801 to 03

Fax : 044 - 28142479

e-mail: corpserv@integratedindia.in

Particulars	Year Ended									
	(Rs. in Lakhs (except Ratios))									
	31.03.2020	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
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	24054.55	25290.02	24372.21	24769.55	20818.26	20283.62	22427.96	20789.08	18239.51	16519.46
Net Worth	25188.40	26423.87	25506.06	25903.40	21952.11	21417.47	23561.81	21922.93	19373.36	17653.31
Fixed Assets (Net)	8598.51	9171.14	9384.20	10135.12	9879.55	10713.37	11318.80	11713.94	12243.89	13102.44
Gross Income	36577.37	33060.10	8771.27	46290.34	39917.43	41645.59	35716.56	43460.93	34760.85	22109.35
Gross Profit / (Loss)	1159.50	5247.23	1600.03	9035.27	2587.97	(1301.80)	4892.66	7215.30	4892.15	2924.04
Depreciation	739.49	827.38	894.06	918.32	1025.50	1031.07	1109.40	1087.40	1082.87	1095.44
Finance Cost	2148.91	1863.78	1440.73	1128.40	684.45	421.38	455.47	567.58	*634.16	*500.57
Profit / (Loss) before Tax	(1728.90)	2556.07	(734.76)	6988.55	878.02	(2754.25)	3327.79	5560.32	3175.12	1328.03
Profit / (Loss) after Tax	(1115.07)	1019.94	836.53	5488.75	875.81	(1617.00)	2766.45	3876.13	2642.50	1183.23
Other Comprehensive Income	16.29	34.57	(5.66)	(1.72)	Indian Accounting Standards (Ind AS) was adopted for the first time from the F.Y. 2017 - 2018					
Total Comprehensive Income	(1098.78)	1054.51	830.87	5487.03						
Earnings per Share (Rs.)	(0.97)	0.93	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33	1.04
Cash Earnings per Share (Rs.)	(0.32)	1.66	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29	2.01
Book Value per Share (Rs.)	22.21	23.30	22.50	21.08	19.36	19.01	20.78	19.33	17.09	15.57
Dividend on Equity %	10.00	10.00	10.00	90.00	25.00	10.00	85.00	100.00	70.00	45.00
Debt Equity Ratio	0.31	0.18	0.16	0.19	0.21	0.26	0.21	0.09	0.26	0.26

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2019 - 20	2018 - 19	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
Aggregate Cane Crushed (in MTS)	705446	1182414	891450	647190	1183340	1103513	1088782	996740	1153421	1061615
Aggregate Sugar Bagged (in QTLS)	641239	1126728	844273	587981	1107133	1024720	1095938	984988	1101387	1056120
Average Recovery (%)	9.09	9.53	9.47	9.09	9.36	9.29	10.07	9.88	9.55	9.95



secretarial@kcpsugar.com
www.kcpsugar.com

K.C.P.Sugar and Industries Corporation Limited

CIN: L15421TN1995PLC033198

'Ramakrishna Buildings'

No.239, Anna Salai,

Chennai - 600 006.

July 23, 2020

Dear Member,

On account of pandemic caused by Covid-19 and corresponding guidance notification of Ministry of Corporate Affairs (MCA) and in thought of consequential impact, your Company is holding the ensuing Annual General Meeting through Video Conferencing.

You are cordially invited to attend the 25th Annual General Meeting of the Company to be held through Video Conferencing on Friday, the 25th Day of September, 2020 at 10.00 AM.

The Notice of the Annual General Meeting, containing the business to be transacted thereat along with all Supporting Documents, is enclosed herewith. The instructions for joining and participating in the Annual General Meeting to be held through Video Conferencing are provided therein.

Members can cast their votes by electronic means on all the resolutions set forth in the Notice of the Annual General Meeting. The Instructions for e-Voting is enclosed herewith.

Wish you a healthy way ahead.

Stay Safe. Stay Healthy.

Very truly yours,

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598

NOTICE is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of K.C.P.Sugar and Industries Corporation Limited will be held through Video Conferencing on Friday, the 25th Day of September, 2020 at the Registered Office of the Company at No.239, Anna Salai, Chennai – 600 006 at 10 AM to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Audited Consolidated Financial Statements of the Company and its Subsidiaries for the financial year ended 31/03/2020 together with the Reports of Auditor and Board of Directors thereon;
2. To declare Dividend at the rate of 10% on the face value of the Equity Shares of the Company;
3. To appoint a Director, in the place of Mr.Vinod R.Sethi (DIN:00106598) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **Reappointment of Ms.Irmgard Velagapudi (DIN:00091370) as the Managing Director of the Company:**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013 and applicable Rules notified there under and other applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and further in accordance with Articles 147 and 148 of the Articles of Association of the Company, Ms.Irmgard Velagapudi (DIN:00091370), be and is hereby reappointed as the Managing Director of the Company for a period of 5 years commencing from 29/03/2020 to 28/03/2025 on the terms and conditions set forth herein below:

(i)	Salary	Rs.4,00,000/- (Rupees Four Lakhs Only) per month
(ii)	Perquisites	<ul style="list-style-type: none"> · Provision of Car(s) with driver(s) for official purpose (Cost incurred on usage of Car for personal purpose shall be charged to the Appointee Managing Director); · Provision of Landline Phone at the residence and Mobile including long distance calls made for official purpose. (Cost of long distance calls made for personal purpose shall be charged to the Appointee Managing Director).

(iii)	Commission	In addition to Salary and Perquisites as mentioned above, Appointee Managing Director shall be entitled to Commission of such amount derived in the manner given below: <i>"Commission = 3% of net profits of the Company for that financial year minus [Salary + Perquisites, as specified above]"</i>
(iv)	Minimum Remuneration	In any financial year, when there is no profit or the profit is inadequate in terms of applicable provisions of the Companies Act, 2013, Minimum Remuneration of Salary and Perquisites as given above shall be paid subject to a maximum permissible limits set out in Item (A) of Section II of Part II of Schedule V of the Companies Act, 2013. In such case, Appointee Managing Director shall not be entitled to any commission. Such Minimum Remuneration shall be paid for a period not exceeding 3 (Three) years, as may be applicable during the said tenure of appointment."

"RESOLVED FURTHER THAT the term of office of Ms.Irmgard Velagapudi as Managing Director of the Company is not subject to retirement by rotation."

"RESOLVED FURTHER THAT Ms.Irmgard Velagapudi, be and is hereby authorized to exercise such powers of management, as may be delegated to a Managing Director under the Companies Act, 2013 and / or by the Board of Directors of the Company, from time to time subject to the overall superintendence, control and direction of the Board of Directors of the Company."

5. Reappointment of Mr.Vinod R.Sethi (DIN: 00106598) as Whole-Time Director of the Company:

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 read with Schedule V of the Companies Act, 2013 and applicable Rules notified there under and other applicable provisions of the Companies Act, 2013 and Regulation 17 (6) (e) and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and further in accordance with Articles 147 and 148 of the Articles of Association of the Company, Mr.Vinod R.Sethi (DIN: 00106598), be and is hereby reappointed as Whole-Time Director of the Company, designated as Executive Chairman, for a period of 5 years commencing from 08/04/2020 to 07/04/2025 whose term of office is subject to retirement by rotation, on the terms and conditions set forth herein below:

(i)	Salary	Rs.1,00,000/- (Rupees One Lakh Only) per month
(ii)	Perquisites	<ul style="list-style-type: none"> • Contribution to Provident Fund; • Gratuity as per the Payment of Gratuity Act; • Mediclaim Insurance; • Personal Accident Insurance; • Provision of Car(s) with driver(s) for official purpose (Cost incurred on usage of Car for personal purpose shall be charged to the Appointee Whole Time Director); • Provision of Landline Phone at the residence and Mobile including long distance calls made for official purpose. (Cost of long distance calls made for personal purpose shall be charged to the Appointee Whole Time Director).
(iii)	Commission	<p>In addition to Salary and Perquisites as mentioned above, Appointee Whole Time Director shall be entitled to Commission of such amount derived in the manner given below:</p> <p><i>"Commission = 3% of net profits of the Company for that financial year minus [Salary + Perquisites, as specified above]"</i></p>
(iv)	Minimum Remuneration	<p>In any financial year, when there is no profit or the profit is inadequate in terms of applicable provisions of the Companies Act, 2013, Minimum Remuneration of Salary and Perquisites as given above shall be paid subject to a maximum permissible limits set out in Item (A) of Section II of Part II of Schedule V of the Companies Act, 2013. In such case, Appointee Whole Time Director shall not be entitled to any commission. Such Minimum Remuneration shall be paid for a period not exceeding 3 (Three) years, as may be applicable during the said tenure of appointment.</p> <p>In this connection, for the purpose of calculation of Minimum Remuneration, Contribution to Provident Fund and Gratuity within such limits as provided in Section IV of Schedule V of the Companies Act, 2013 shall not be included."</p>

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

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

“**RESOLVED THAT** in terms of Section 197 (10) of the Companies Act, 2013, the Minimum Remuneration paid to Ms.Irmgard Velagapudi, Managing Director and Mr.Vinod R.Sethi, Executive Chairman for the financial year 2019 – 2020, fourth year of inadequate profits, during their term covering 2015 – 2020, be and is hereby ratified.”

7. **Remuneration to Cost Auditor:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder, the remuneration of a sum of Rs.1,64,500/- (Rupees One Lakh Sixty Four Thousand and Five Hundred Only), exclusive of applicable GST and reimbursement of travel and out of pocket expenses to M/s.SRR & Associates, Cost Accountants, Chennai (FRN 000992), for conducting Cost Audit for the financial year ending 31/03/2021, approved by the Board of Directors based on the recommendation of Audit Committee, be and is hereby ratified.”

// BY ORDER OF THE BOARD//

Place : Chennai

Date : 23/07/2020

VINOD R.SETHI
EXECUTIVE CHAIRMAN
DIN: 00106598