

Amount in Rupees

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non - Current Assets			
(a) Property, Plant and Equipment	3	64759073	66375063
(b) Capital Work-in-progress		-	191100
(c) Other Intangible Assets	4	20049	89107
(d) Intangible Assets under development		4666902	2785485
(e) Financial Assets			
(i) Investments	5	48469191	45800000
(ii) Loans	6	585131	587631
(f) Deferred tax Assets (Net)	7	4345391	2794527
(g) Other Non - Current Assets	8	3031589	2800149
Current Assets			
(a) Inventories	9	81627749	95061944
(b) Financial Assets			
(i) Investments	10	94752617	65102882
(ii) Trade Receivables	11	131438104	78949278
(iii) Cash and Cash Equivalents	12	29783274	36127157
(iv) Bank Balances other than (iii) above	13	25723799	22123348
(v) Other Financial Assets	14	78418	100615
(c) Other Current Assets	15	40790302	53645391
Total Assets		530071589	472533677
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	6000000	6000000
(b) Other Equity	17	354419053	306343479
Liabilities			
Non - Current Liabilities			
(a) Provisions	18	46899230	33967142
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		57358645	30888804
(ii) Other Financial Liabilities	20	3480496	10945027
(b) Other Current Liabilities	21	39942123	55861160
(c) Provisions	22	12841769	12949182
(d) Current Tax Liabilities (Net)	23	9130273	15578883
Total Equity and Liabilities		530071589	472533677

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Suri & Siva**

Chartered Accountants

Firm Regn No.: 004284S

V.SIVAKUMAR

Partner

Membership No.022379

Place: Chennai

Date : 23/07/2020

IRMGARD VELAGAPUDIChairperson
DIN: 00091370**KIRAN VELAGAPUDI**Vice Chairperson
DIN: 00091466



Amount in Rupees

Particulars	Note	For Year Ended March 31, 2020	For Year Ended March 31, 2019
I Revenue from Operations	24	379487869	414291704
II Other income	25	25645231	28503408
III Total Income (I+II)		405133100	442795112
IV Expenses			
Cost of material consumed	26	169329836	139897487
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	15226999	23181160
Employee benefits expense	28	58384050	64398858
Finance costs	29	3697569	11261956
Depreciation and Amortisation	30	6378787	4167927
Other expenses	31	87231132	116216429
Total expenses (IV)		340248373	359123817
V Profit/(loss) before exceptional items and tax		64884727	83671295
VI Exceptional items		-	-
VII Profit/(loss) before tax		64884727	83671295
VIII Tax expense			
- Current Tax		18500000	23500000
- Deferred Tax		(1430242)	(257125)
- Provision for taxation relating to earlier years (Net)		(619251)	(624559)
IX Profit/(loss) for the period		48434220	61052979
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/(losses)		(479268)	1047952
Income tax expense on above		120622	(302229)
		(358646)	745723
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		48075574	61798702
XII Earnings per equity share			
(1) Basic		80.13	103.00
(2) Diluted		80.13	103.00

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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 : 23/07/2020

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI
Chairperson
DIN: 00091370

KIRAN VELAGAPUDI
Vice Chairperson
DIN: 00091466

Amount in Rupees

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For Year Ended March 31, 2020	For Year Ended March 31, 2019
Cash Flows From Operating Activities		
Profit / (Loss) before Tax	64884727	83671295
Adjustments:		
- Interest income	(3150800)	(3593227)
- Profit on sale of assets	(6786)	(2414)
- Loss on sale of assets	2536	-
- Excess Provision credited back	(1459709)	(7352196)
- Credit Balances written back	(793975)	-
- Loss from Partnership firm	1330809	-
- ECL on Trade Receivables	5678035	-
- Adjustment for OCI	(479268)	1047952
- Dividend Income	(3649735)	(3164012)
- Depreciation and amortization	6378787	4167927
Operating cash flow before working capital changes	68734621	74775325
Changes in		
- Decrease/(Increase) In Trade Receivables	(58166861)	(17339964)
- Decrease/(Increase) In Inventory	13434195	27232014
- Decrease/(Increase) In Other current Financial Asset(s)	22197	67504
- Decrease/(Increase) In Other current Asset(s)	12855089	(18543491)
- Decrease/(Increase) In Current investments	(29649735)	(2076579)
- Decrease/(Increase) In non-current financial assets-Loans	2500	-62500
- Decrease/(Increase) In Other non-current asset	(231440)	-
- Decrease/(Increase) In Long term Provisions	14391797	9993469
- Decrease/(Increase) In Trade Payables current	27263816	(43417980)
- Decrease/(Increase) In other current liabilities	(15919037)	(34935530)
- Decrease/(Increase) In Other financial liabilities current	(7464531)	3849275
- Decrease/(Increase) In Short Term provisions current	(107413)	556663
Income taxes paid	(24329359)	(10878198)
Cash generated from / (used in) operations	835839	(10779992)
Cash flows from investing activities		
Investment in Patnership firm	(4000000)	(45800000)
Purchase of fixed assets	(6395469)	(9901427)
Proceeds from sale of fixed assets	15664	6000
Dividend Income	3649735	3164012
Decrease / (Increase) in margin money deposit	(3600451)	4402629
Interest received	3150800	3593227
Net cash generated from/(used in) investing activities [B]	(7179721)	(44535559)
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	(6343882)	(55315551)
Cash and cash equivalents at the beginning of the year	36127157	91442710
Cash and cash equivalents at the end of the year	29783274	36127157
Components of cash and cash equivalents (refer note 12)		
Cash on hand & Balances with Bank	29783274	36127157
Total cash and cash equivalents	29783274	36127157

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

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For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI

Chairperson

DIN: 00091370

KIRAN VELAGAPUDI

Vice Chairperson

DIN: 00091466

1 - Corporate Information

The EIMCO-K.C.P. 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 K.C.P.SUGARAND INDUSTRIES CORPLTD.

The financial statements were approved by the Board of Directors and authorised for issue on 23rd July 2020.

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 un discounted basis and recognised based on entitlement thereof.

(f) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (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 that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the 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 and Equipment	Amount in Rupees							
	Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures
As at 01st April 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 31st March 2019	42776981	12380401	15289365	4727716	885261	1824435	577266	78461425
Additions during the year	-	-	2319856	1010591	243797	840000	290908	4705152
Deletions during the year	-	-	-	60456	-	140000	-	200456
As at 31 March 2020 (At Cost)	42776981	12380401	17609221	5677851	1129058	2524435	868174	82966121
Depreciation and amortization								
As at 01st April 2018	-	1823657	4233811	1375345	438055	(7480)	124271	7987659
Additions during the year	-	878720	1775327	790994	203587	462826	55380	4166834
Deletions during the year	-	-	-	-	68129	-	-	68129
As at 31st March 2019	-	2702377	6009138	2166339	573513	455346	179651	12086364
Charge for the year	-	908252	2474057	2013921	183755	561297	168447	6309729
Deletions during the year	-	-	-	56042	-	133000	-	189042
As at 31st March 2020	-	3610629	8483195	4124218	757268	883643	348098	18207051
Net Book Value								
As at 31 March 2020	42776981	8769772	9126026	1553633	371790	1640792	520076	64759073
As at 31 March 2019	42776981	9678024	9280227	2561377	311748	1369089	397615	66375063



Capital Work-in-Progress

Amount in Rupees

Particulars	Plant & Machinery	Total
As at 01st April 2018	191100	191100
Additions during the year	-	-
Deletions during the year	-	-
As at 31st March 2019	191100	191100
Additions during the year	-	-
Deletions during the year	191100	191100
As at 31st March 2020 (at cost)	-	-

4 - Other Intangible Assets

Particulars	Computer Software	Total
Cost or Valuation		
As at 31 March 2018 (At Cost)	147034	147034
Additions during the year	90200	90200
As at 31 March 2019 (At Cost)	237234	237234
Additions during the year	-	-
As at 31 March 2020 (At Cost)	237234	237234
Amortization and Impairment		
Amortization for the year ended March 31, 2018	147034	147034
Amortization for the year	1093	1093
As at 31 March 2019	148127	148127
Amortization for the year	69058	69058
As at 31 March 2020	217185	217185
Net Book Value		
As at 31 March 2020	20049	20049
As at 31 March 2019	89107	89107

Intangible Assets under Development

Particulars	Computer Software	Total
As at 01st April 2018	-	-
Additions during the year	2785485	2785485
Deletions during the year	-	-
As at 31st March 2019	2785485	2785485
Additions during the year	1881417	1881417
Deletions during the year	-	-
As at 31st March 2020 (At Cost)	4666902	4666902

5 - Non-Current Investments

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Partnership Firm (Quality Engineering Works)	48469191	45800000

Additional Information:

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

As at 31.03.2020

Name of the Partners	% Share	Capital Share
The EIMCO - K.C.P. Ltd	99.60%	48469191
KCP Sugars Agricultural Research Farms Limited	0.40%	185842
Total	100.00%	48655033

6 - Loans (Non-Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Long Term Security Deposit	585131	587631

7 - Deferred Tax Assets / (Liabilities)

Tax recognised in Statement of Profit and Loss

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Current income tax		
Current year	18500000	23500000
Sub Total (A)	18500000	23500000
Deferred tax expense		
Origination and reversal of temporary differences	(1430242)	(257125)
Change in accounting policy		
Sub Total (B)	(1430242)	(257125)
Total (A+B)	17069758	23242875

Tax recognised in other comprehensive income

Defined benefit plan actuarial gains (losses)	120622	(302229)
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Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Deferred Tax Liability		
Others	299392	307614
Sub Total	299392	307614
Deferred tax Assets		
Property, Plant & Equipment	1158930	888578
On account of timing differences in recognition of expenditure	3485854	2213563
Sub Total	4644784	3102141
Net Deferred Tax Assets/ (Liabilities)	4345391	2794527



8 - Other Non Current Assets

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax refund receivable	3031589	2800149

9 - Inventories

Raw materials and components	37364468	35199338
Work in Progress	26339695	39990485
Finished goods	17786143	19362353
Loose tools	137442	509768
Total	81627749	95061944

10 - Investments (Current)

Investments in Mutual funds	94752617	65102882
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11 - Trade Receivables

Secured Considered Good		
Unsecured Considered good	131438104	78949278
Considered Doubtful	6877360	1199325
	138315464	80148603
Less:		
Impairment for Trade receivable under expected credit loss model	(6877360)	(1199325)
Total	131438104	78949278

12 - Cash and cash equivalents

i) Balances with banks:		
-In Current Accounts	14024461	4631027
-In Fixed Deposits	15637105	31397315
ii) Cash on hand	121708	98815
Total	29783274	36127157

13 - Bank Balances other than Schedule 12 above

Bank Balances held as Margin Money Deposits	25723799	22123348
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14 - Other Financial Assets (Current)

Amount in Rupees

Particulars	As at March 31, 2020	As at March 31, 2019
i) Unsecured, considered good;		
- Loans and Advances to Employees	-	-
- Interest accrued on Fixed Deposit	78418	100615
Total	78418	100615

15 - Other Current Assets

Unsecured considered good		
Balance with government authorities	37525612	41711243
Prepaid Expenses	76800	689828
Advances to Supplier	3187890	11203243
Travel Advance	-	41077
Total	40790302	53645391

16 - Equity Share Capital

<u>Authorised Share Capital</u>		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
Total	10000000	10000000
<u>Issued, Subscribed And Paid Up</u>		
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000
Total	6000000	6000000

16.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K.C.P.SUGARS AND INDUSTRIES CORP. LTD	600000	100.00%	600000	100.00%

**17 - Other Equity**

Amount in Rupees
For the year ended March 31, 2020

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, 2019	11301382	296339938	(1297841)	306343479
Total Comprehensive Income for the Year	-	48434220	-	48434220
Other Comprehensive Income for the Year			(358646)	(358646)
Balance as at March 31, 2020	11301382	344774158	(1656487)	354419053

18 - Provisions (Non Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits :-		
- Leave Encashment	5944946	5410292
- Provisions for Liquidated Damages	40954284	28556850
Total	46899230	33967142

19 - Trade Payables

- Dues to Micro and Small Enterprises (Refer Note 35)	-	-
- Others	57358645	30888804
Total	57358645	30888804

Based on the information available with the company, there are NIL number of suppliers are registered as Micro, Small or Medium enterprises under 'The micro, small or medium enterprises development Act, 2006' as at 30th September 2019.

20 - Other Financial Liabilities

Payable to Employees	3480496	10945027
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21 - Other Current Liabilities

Statutory Liabilities	581299	1205917
Advance from customers	39360824	54655243
Total	39942123	55861160

22 - Provision(Short Term)

Provision for Employee benefits	2704196	2811609
Provision for Defect Liability period	10137573	10137573
Total	12841769	12949182

23 - Current Tax Liabilities

Provision for Income tax (Net)	9130273	15578883
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24 - Revenue from Operations

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products	375067678	411776866
Sale of Services	3249377	1934460
Other operating revenue	1170814	580378
Total	379487869	414291704

25 - Other Income

Interest income from financial asset	3150800	3593227
Miscellaneous Receipts	2008912	234620
Duty Drawback Incentive	5097539	1665380
Packing & Forwarding Charges	1240029	945841
Difference in Foreign Exchange	972031	11545718
Provision no longer required withdrawn	1459709	7352196
Credit Balance Written Back	793975	-
Dividend Income from Mutual Funds	3649735	3164012
MEIS Licence Incentive	7265715	-
Profit on Sale of Assets	6786	2414
Total	25645231	28503408

26 - Cost of materials Consumed

Opening Balance		
Raw Materials and Components	35199338	39191232
Add: Cost of		
Raw Materials and Components	171494966	135905593
Less Closing Stock		
Raw Materials and Components	37364468	(35199338)
Total	169329836	139897487

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

Opening Balance		
Work in Progress	39990485	76679355
Finished goods	19362353	5854643
Less Closing Balance		
Work in Progress	(26339695)	(39990485)
Finished Goods	(17786143)	(19362353)
Total	15226999	23181160

28 - Employee benefits expense

Salaries, wages and bonus	50831359	56776497
Contribution to provident and other funds	3905645	4037569
Staff welfare expenses	3647046	3584792
Total	58384050	64398858

29 - Finance Cost

Bank Guarantee Commission and other charges	3697569	3061596
Forward Cover Cancellation Charges	-	8200360
Total	3697569	11261956



30 - Depreciation and Amortisation

Amount in Rupees

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation / Amortisation for the year		
- Tangible Assets	6309729	4166834
- Intangible Assets	69058	1093
Total	6378787	4167927

31 - Other expenses

Labour Charges	23392443	37508852
Contract Labour Charges	3457153	2879564
Power and Fuel	2210864	2219164
Rental charges	360000	360000
Repairs and maintenance		
- Workshop	3359466	2220066
- Machinery	536169	219340
- Office	853624	528995
- Others	207789	229007
Insurance	399327	365206
Rates and taxes	1242685	509225
Travel and conveyance	1521797	1692368
Research , inspection and testing charges	78315	123189
Payment made to auditors (Refer note below)	59047	63894
Legal and Professional Charges	1440594	1930429
Sales expenses	16970379	20807825
Performance and delivery guarantee claims	12556694	12678044
Security Charges	2194202	2035863
Telephone Charges	857803	855264
Irrecoverable loans and advances written off	18151	-
Import of Services (Sales Commission & Other Services)	4603279	26201724
Miscellaneous expenses	10911351	2788410
Total	87231132	116216429

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	4047	8894

32 - Sale of Products and Rendering of Services:*Amount in Rupees*

Particulars	2019-2020	2018-19
Sales:		
Filters		
Numbers	8 Nos	9 Nos
Value	71990584	197928100
Thickeners Components Spares Bar screens etc.(Unit quantification not possible)	303077064	213848766
Scrap	1170814	580378
Total	376238462	412357244
Services:		
Service Charges	3249377	1524460
Design Erection & Fabrication	-	410000
Total	3249377	1934460
Total (Sales and Services)	379487869	414291704

32.1. Raw Materials consumed

Particulars	2019-2020		2018-19	
	MT	Value in Rs.	MT	Value in Rs.
Stainless Steel	31.87	6162391	71.04	16971836
Iron and Steel	509.92	26296287	348.37	20647061
Total (Sales and Services)	541.79	32458678	419.41	37618897

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: **8 Nos.**(PY. 9Nos.) 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.13,02,46,861/- (P.Y.Rs. 11,60,72,504/-) are secured by hypothecation of entire current assets both present and future as primary security and entire fixed assets as collateral security.
- Corporate Guarantee for Rs.27 Crores furnished to HDFC BANK LTD as security for Working Capital Term Loan availed by holding company – K.C.P.SUGAR AND INDUSTRIES CORPORATION LTD.


33.1. Demands raised on the company by the respective authorities are as under:
Amount in Rupees

Nature of Statute	As at March 31, 2020	As at March 31, 2019
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
Amount in Rs.

S. No	Particulars	As at March 31, 2020	As at March 31, 2019
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	3148028	617297
	(iii) Commission paid on Export sales	2257776	24437953
	(iv) Reimbursement of Expenses on Product Representation in abroad	2086883	767608
	(v) Repair Works	258620	996163
	(vi) Seminar and Conference	593417	-
	(vii) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods		
	b. Components and spares	7450862	10629214
	c. Finished goods/Semi Finished goods		
	d. Raw Materials		
B	Earnings in Foreign Exchange:		
	(i) Exports	126682184	243634703

35 - Information in respect of Micro Small and Medium Enterprises as at March 31, 2020:

S. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro Small and Medium Enterprises Development Act 2006 along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprises Development Act 2006.	Nil	Nil

Disclosure requirements of Indian Accounting Standards

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

36.1. Financial Instruments by Categories(attached in excel)

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

Amount in Rupees

March 31, 2020

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:			
Current Investment		94752617	
Current Trade Receivables	131438104		
Cash & Cash Equivalents	29783274		
Other Bank Balances	25723799		
Loans(Security Deposit)	585131		
Liabilities:			
Other Financial Liabilities	3480496		
Working Capital Loans	-		
Trade Payables	57358645		

March 31, 2019

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		

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:

Particulars	31.03.2020				31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Quoted Mutual Funds	94752617			94752617	65102882			65102882



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 counter party resulting in a financial loss. It principally arises from the Company's Trade Receivables Retention Receivables Advances and deposit(s) made

Trade Receivables

The company has outstanding trade receivables amounting to Rs.13,83,15,464/- and Rs.8,01,48,603/- as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counter party fails to make contractual payment when they fall due.

Credit risk exposure:

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

Particulars	March 31, 2020		March 31, 2019	
	Gross	Impairment	Gross	Impairment
0 to 180 days	69541888	-	43736043	-
180 days and more	68773576	6877360	36412560	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 2020:

Particulars	Assets	
	As at March 31, 2020	As at March 31, 2019
USD	122790.18	16286
SGD	128594.42	-
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 & SGD sensitivity at year end	As at March 31, 2020	As at March 31, 2019
Receivables:		
If INR rate over Other currency increases by 5%	(791692)	(399203)
If INR rate over Other currency decrease by 5%	791692	399203

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 Rupees

Particulars	31.03.2020	31.03.2019
Defined benefit obligation - Beginning of the year	11538328	11947588
Current service cost	828594	846874
Interest Cost	865375	955807
Past Service Cost	-	-
Benefits Paid	(503292)	(1163989)
Re-measurements actuarial loss / (gain)	479264	(1047952)
Defined benefit obligation - End of the year	13208269	11538328

Movement in plan asset:

Fair value of plan assets at beginning of year	12604950	12365930
Employer contributions	1305791	482914
Benefits paid	(503292)	(1163989)
Re-measurements - Return on plan assets	990396	920096
Re-measurements- actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	14397845	12604950

Amount Recognized in Statement of Profit and Loss

Current service cost	828594	846874
Net Interest on Net Defined Benefit Liability / (assets) (B)	865375	955807
Expected return on plan assets	(990396)	(920096)
Cost Recognized in P&L	703573	882585

Amount recognized in Other Comprehensive Income (OCI)*Amount in Rupees*

Particulars	31.03.2020	31.03.2019
Actuarial (gain) / loss due to assumption changes	479264	(1047952)
Difference between Actual Return and Interest Income on Plan Assets - (gain) / loss	-	-
Actuarial (gain)/loss recognized in OCI	479264	(1047952)

Actuarial Assumption

Discount Rate	7.25%	7.5%
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. 360000/- (PY Rs.360000/-) 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: NIL****41.2. Related Parties:**

Holding Company: KCP Sugar and Industries Corporation Ltd.
Quality Engineering Works- Thuvakudi -Trichy

a. Transactions during the year:

Enterprises owned or significantly influenced by Key Management Personnel or their Relatives

Amount in Rs.

Sl. No.	Particulars	31.03.2020	31.03.2019
1	Rent	360000	360000



b. Cumulative balances outstanding

Amount in Rupees

Particulars	31.03.2020	31.03.2019
Debit balances outstanding	Nil	Nil
Credit balances outstanding	Nil	Nil

The Eimco - K.C.P. Limited is having control over the affairs of Quality Engineering Works

Quality Engineering Works- Thuvakudi- Trichy – Financial Information

S.no	Particulars	2019 - 2020 (Un-Audited)	2018 - 2019 (Audited)
1.	Reporting period for the related party	01.04.2019 to 31.03.2020	01.04.2018 to 31.03.2019
2.	Reporting Currency	Indian Rupees	Indian Rupees
3.	Capital	48469190	44469191
4.	Reserves & Surplus	-	-
5.	Total Assets	62736514	58126097
6.	Total Liabilities	62736514	58126097
7.	Investments	3056000	-
8.	Turnover	48176863	31475864
9.	Profit/Loss before Taxation	10101412	(8582291)
10.	Provision for Tax ation	-	-
11.	Profit after Taxation	-	-
12.	% of Share Holding	99.60%	95.00%

42 - Impact of COVID - 19 on our Business Operations:

As per the directions of Government of India the Government of Tamil Nadu had imposed Partial/Complete LOCK DOWN due to COVID - 19 on account of which the year end business and regular operations of business were completely affected.

Since the COVID - 19 PANDEMIC is continuing and the second phase of TOTAL LOCK DOWN has been announced the operations of the company is likely to be affected to some extent.

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 : 23/07/2020

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI

Chairperson
DIN: 00091370

KIRAN VELAGAPUDI

Vice Chairperson
DIN: 00091466