

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

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CIN - L15421TN1995PLC033198

Ref : KSICL/STK.EX./2020-21

18.08.2020

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th floor
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
MUMBAI 400051.

Dear Sir/Madam,

With reference to your email dt.14.08.2020 seeking clarification on closure of one of our manufacturing units at Lakshmipuram, Krishna Dist, Andhra Pradesh, we wish to clarify the following:

Query No.1

Turnover and operational loss of Lakshmipuram unit in Financial year 2019-20 (Rs. in lakhs)		Total turnover and operational loss of the Company in financial year 2019-20 (Rs in lakhs)		Percentage % of Lakshmipuram unit turnover and operational loss to total turnover and operational of the Company	
Turnover	Operational loss	Turnover	Operational loss	Turnover	Operational loss
7275.88	543.87	35453.62	535.57	20.52%	101.55%

Remarks:

The turnover of Lakshmipuram unit in 2019-20 relates to production in the sugar season 2018-19 as production in a year is sold over a period of 12 to 18 months in the subsequent year.

The operational loss of Lakshmipuram unit is mainly due to inadequate supply of sugar cane resulting in under utilization of production capacity.

Query No.2

In principle approval for closure of Lakshmipuram unit has been accorded by the Board of Director at its Meeting held on 10.08.2020.

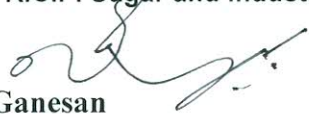
As the modalities and procedural formalities relating to closure of Lakshmipuram unit are being worked out, we are unable to furnish the precise date of closure of the unit. We expect to complete the same within a couple of months. Hence, the estimated date of closure cannot be furnished at this juncture. Once, the entire process is completed we will keep the Stock Exchange informed.

The operations of Lakshmipuram unit are temporarily suspended and the sugar cane available in the command of Lakshmipuram is diverted to Company's bigger manufacturing unit at Vuyyuru close to Lakshmipuram unit in order to achieve optimum utilization of production capacity at Vuyyuru unit and to thereby minimize operational loss of the Company.

Thanking You

Yours faithfully

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


R Ganesan
Chief Financial Officer

◇ 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 232001/02	Fax : 08676 232640
	- Lakshmipuram,	Krishna Dist., A.P. - 521 131.	Tel : 08671 222046	Fax : 08671 222640