

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS OF
K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED**

1. We have reviewed the accompanying statement of Standalone unaudited financial results of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED**, (' the Company') for the Quarter ended 31st December, 2018.('the Statement'),being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The financial statement has been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of chartered Accounts of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited to making inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *In respect of the company's Sugar units, the incidental Co-generation units attached to the Sugar units and Research and Development unit, part of the expenses incurred towards staff costs and manufacturing expenses (included in other expenses) and depreciation have been recognized as such during the quarter ending 31st December, 2018 only to the extent they are relatable to the production of sugar manufactured and electric energy generated during the said quarter. In the opinion of the Company's Management, the remaining expenses are relatable to the sugar to be produced and electric energy to be generated in the remaining period of the current sugar season and will be absorbed at the end of the last quarter. The expenses so deferred are as follows.*

Rupees in Lakhs.

i) Other Expenditure	4601.33
ii) Depreciation	283.05



4. *It has been explained to us by the Company's Management that, the Sugar Industry and the incidental co-generation activity being a seasonal in nature and since the sugar season does not match with the Company's financial year, recognition of expenses strictly in the period in which they have been incurred would result in substantial distortion of the financial results in different quarters of the financial year. It is therefore, the consistent practice followed by the company, to identify such expenses incurred during the off-season that are relatable to the coming season, and to defer them and recognize them only in the season period.*
5. Based on our review conducted as explained in paragraph 2 above and after duly considering the practice of recognizing the expenses in the manner explained in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying unaudited interim financial results has not been prepared in accordance with recognition and measurement principles laid down in the applicable Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Chennai
8th February 2019

For SURI & SIVA
Chartered Accountants
FRN: 004284S



V. Sivakumar
Partner
M.No 22379

