


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

REGD OFFICE : "RAMAKRISHNA BUILDINGS", NO.239,ANNA SALAI, CHENNAI 600 006

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2016**

SL NO	PARTICULARS	STANDALONE						AMT RS IN LAKHS	
		For the 3 months ended			For the year ended			CONSOLIDATED	
		Audited (Refer Note 'e')	Unaudited	Audited (Refer Note 'e')	Audited	Audited	for the Year ended		
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	Audited	Audited	
						31.03.2016	31.03.2015		
	<b>Part I</b>								
1	<b>Income from Operations:</b>								
	(a) Net Sales / Income from Operations	18979.84	13766.69	15812.54	51027.41	51552.16	54173.34	54953.21	
	(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	<b>Total Income from Operations (Nett)</b>	<b>18979.84</b>	<b>13766.69</b>	<b>15812.54</b>	<b>51027.41</b>	<b>51552.16</b>	<b>54173.34</b>	<b>54953.21</b>	
2	<b>Expenses</b>								
	a. Cost of Materials consumed	25239.76	6865.17	25355.41	34372.26	33952.41	36076.68	35513.73	
	b. Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	-20408.23	3062.26	-17509.76	-2779.47	4009.36	-3019.21	4007.52	
	d. Employee benefits expense	2252.25	663.34	2209.82	3256.17	3197.50	3817.02	3705.51	
	e. Depreciation and amortisation expense	615.97	252.06	646.49	1025.50	1031.06	1076.06	1096.56	
	f. Other Expenses	10329.86	2667.70	9036.74	14492.77	12588.39	15422.46	13744.06	
	<b>Total Expenses</b>	<b>18029.61</b>	<b>13510.53</b>	<b>19738.70</b>	<b>50367.23</b>	<b>54778.72</b>	<b>53373.01</b>	<b>58067.38</b>	
3	<b>Profit from Operations before Other Income, finance costs and exceptional items (1-2)</b>	<b>950.23</b>	<b>256.16</b>	<b>-3926.16</b>	<b>660.18</b>	<b>-3226.56</b>	<b>800.33</b>	<b>-3114.17</b>	
4	<b>Other Income</b>	<b>143.55</b>	<b>498.99</b>	<b>137.70</b>	<b>902.29</b>	<b>893.69</b>	<b>1288.51</b>	<b>1099.99</b>	
5	<b>Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3 + 4)</b>	<b>1093.78</b>	<b>755.15</b>	<b>-3788.46</b>	<b>1562.47</b>	<b>-2332.87</b>	<b>2088.84</b>	<b>-2014.18</b>	
6	<b>Finance costs</b>	<b>209.31</b>	<b>116.48</b>	<b>110.20</b>	<b>684.45</b>	<b>421.38</b>	<b>716.53</b>	<b>450.44</b>	
7	<b>Profit after finance costs but before Exceptional Items (5 - 6)</b>	<b>884.47</b>	<b>638.67</b>	<b>-3898.66</b>	<b>878.02</b>	<b>-2754.25</b>	<b>1372.31</b>	<b>-2464.62</b>	
8	<b>Exceptional Items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
9	<b>Profit / (Loss) from Ordinary Activities before tax (7 + 8)</b>	<b>884.47</b>	<b>638.67</b>	<b>-3898.66</b>	<b>878.02</b>	<b>-2754.25</b>	<b>1372.31</b>	<b>-2464.62</b>	
10	<b>Tax Expense</b>	<b>159.93</b>	<b>0.00</b>	<b>-1587.80</b>	<b>2.21</b>	<b>-1137.80</b>	<b>359.59</b>	<b>1072.40</b>	
	Tax relating to earlier years	0.00	0.00	0.85	0.00	0.85	-175.51	0.85	
11	<b>Net Profit / (Loss) from Ordinary activities after Tax (9 - 10)</b>	<b>724.54</b>	<b>638.67</b>	<b>-2311.71</b>	<b>875.81</b>	<b>-1617.30</b>	<b>1188.23</b>	<b>-1393.07</b>	
12	<b>Extraordinary Item (net of tax expenses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
13	<b>Net Profit / (Loss) for the period (11 - 12)</b>	<b>724.54</b>	<b>638.67</b>	<b>-2311.71</b>	<b>875.81</b>	<b>-1617.30</b>	<b>1188.23</b>	<b>-1393.07</b>	
14	<b>Paid up Equity Share Capital (Face Value Re.1/-)</b>	<b>1133.85</b>	<b>1133.85</b>	<b>1133.85</b>	<b>1133.85</b>	<b>1133.85</b>	<b>1133.85</b>	<b>1133.85</b>	

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15	Reserves excl. revaluation reserves as per Balance Sheet of previous Accounting Year.	* * *	* * *	* * *	20283.62	22427.96	22022.56	23953.91
16	Earnings per share (EPS) (a) Basic and diluted EPS before Extraordinary items for the period, for the year to-date and for the previous year (not to be annualized)	0.64	0.56	-2.04	0.77	-1.43	1.05	-1.23
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to-date and for the previous year (not to be annualized)	0.64	0.56	-2.04	0.77	-1.43	1.05	-1.23
<b>Part II - Select Information for the Quarter and Year ended 31.03.2016</b>								
A	<b>Particulars of shareholding -</b>							
1	Public Shareholding - No. of Shares	67769584	67769584	67817084	67769584	67817084	67769584	67817084
	- Percentage of holding	59.77	59.77	59.81	59.77	59.81	59.77	59.81
2	<b>Promoters and Promoter Group Shareholding</b>							
	(a) Pledged / Encumbered							
	- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a percent of the total shareholding of Promoter & Promoter Group).	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a percent of the total share capital of the Company)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Non-Encumbered							
	- Number of shares	45615466	45615466	45567966	45615466	45567966	45615466	45567966
	- Percentage of shares (as a percent of the total shareholding of Promoter & Promoter Group).	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a percent of the total share capital of the Company)	40.23	40.23	40.19	40.23	40.19	40.23	40.19
	<b>B. INVESTOR COMPLAINTS</b>	<b>Three months ended 31.03.2016</b>						
	Pending at the beginning of the Quarter	Nil						
	Received during the quarter	40						
	Disposed of during the quarter	40						
	Remaining unresolved at the end of qtr.	Nil						





**NOTES:**

<b>a.</b>	The Board of Directors has recommended a dividend of Re.0.25 per equity share of face value Re.1/-(P.Y. Re.0.10 per share), aggregating to Rs. 341.17 lakhs (including Corporate Dividend Tax of Rs.57.71 lakhs for the year ended 31.03.2016.
<b>b.</b>	The Register of Members and Share Transfer Books of the Company will remain closed from 14.09.2016 to 21.09.2016, both days inclusive, in connection with the Twenty first Annual General Meeting of the Company to be held on 21.09.2016.
<b>c.</b>	Net sales for the year ended 31.03.2016 includes an amount of Rs11984.98 lakhs (P.Y.Rs.10804.91 lakhs); Raw materials also includes an amount of Rs.2586.80 lakhs (P.Y.Rs.2260.54 lakhs); Power and Fuel under 'Other Expenses' includes an amount of Rs.9398.18 lakhs (P.Y.Rs.8544.37 lakhs) all on account of inter divisional transfers, which is largely on account of the incidental cogeneration plants at Vuyyuru and Lakshnipuram units and Distillery at Vuyyuru Unit.
<b>d.</b>	Consolidated Accounts include the results of the wholly-owned subsidiaries, viz, The Eimco-K.C.P.Ltd and KCP Sugars Agricultural dResearch Farms Ltd; Under Segment Reporting "Engineering Equipments" represents The Eimco-K.C.P.Ltd results as the same is a reportable segment, pursuant to AS 17 issued by the Institute of Chartered Accountants of India.
<b>e.</b>	The figures for the quarter ended 31.03.2016 and 31.03.2015, are balancing figure between Audited Figures in respect of full financial year and the published year-to-date figures upto the third quarter of the relevant financial year.
<b>f.</b>	Previous Quarters / Year's figures have been regrouped/rearranged wherever necessary to conform to the classification for the current quarter / year.
<b>g.</b>	The above Results were reviewed by the Audit Committee on 26.05.2016 and approved by the Board of Directors at its Meeting held on the same day. There are no qualifications by the Auditors in the Audited Accounts.

// BY ORDER OF THE BOARD //

Place : Chennai  
Date : 26.05.2016



SMT.IRMGARD VELEGAPUDI M.RAO  
MANAGING DIRECTOR



**QUARTERLY REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

		(Rs.in Lakhs)						
SL NO	PARTICULARS	STANDALONE				CONSOLIDATED		
		For the three quarter ended			For the year ended		for the Year ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
<b>1</b>	<b>SEGMENT WISE REVENUE</b> <i>(sales + other income + excise duty)</i>							
	a) Sugar	12672.50	10686.62	10399.18	38483.90	42095.57	38483.89	42093.19
	b) Chemicals	1889.40	1899.07	1241.06	6523.50	3854.18	6523.50	3853.93
	c) Power & Fuel	4335.84	1078.85	4020.21	5709.52	5236.82	5709.52	5236.79
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	3525.13	3582.55
	e) Others	139.48	141.04	223.98	568.62	591.88	578.35	619.34
	f) Unallocated	86.17	460.10	65.81	644.16	667.40	641.46	667.40
	<b>TOTAL</b>	<b>19123.39</b>	<b>14265.68</b>	<b>15950.24</b>	<b>51929.70</b>	<b>52445.85</b>	<b>55461.85</b>	<b>56053.20</b>
	Less: Inter Segment Revenue	7811.74	2372.57	7426.98	11984.98	10804.91	11984.98	10804.91
	Sales / Income from Operations	11311.65	11893.11	8523.26	39944.72	41640.94	43476.87	45248.29
<b>2</b>	<b>SEGMENT RESULT - PROFIT / LOSS BEFORE TAX AND INTEREST FROM EACH SEGMENT</b>							
	a) Sugar	(98.50)	(279.57)	(4560.20)	(1197.61)	(3543.06)	(1199.79)	(3543.06)
	b) Chemicals	388.62	461.40	216.62	1459.84	159.01	1459.40	159.01
	c) Power & Fuel	750.88	167.12	622.56	1009.93	806.94	1009.89	806.94
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	531.78	303.01
	e) Others	31.91	101.89	67.68	290.31	244.24	287.56	259.92
	f) Unallocated	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL</b>	<b>1072.91</b>	<b>450.84</b>	<b>(3653.34)</b>	<b>1562.47</b>	<b>(2332.87)</b>	<b>2088.84</b>	<b>(2014.18)</b>
	Add: (1) Finance Cost	209.31	116.48	110.20	684.45	421.38	716.53	450.44
	(2) Other un-allocable expenditure net off unallocable Income	(20.87)	(304.31)	135.12	0.00	0.00	0.00	0.00
		188.44	(187.83)	245.32	684.45	421.38	716.53	450.44
	<b>Total Profit Before Tax</b>	<b>884.47</b>	<b>638.67</b>	<b>(3898.66)</b>	<b>878.02</b>	<b>(2754.25)</b>	<b>1372.31</b>	<b>(2464.62)</b>
<b>3</b>	<b>CAPITAL EMPLOYED (Segment Assets - Segment Liabilities)</b>							
	a) Sugar	16129.90	5273.77	14042.46	16129.90	14042.46	16129.89	14042.46
	b) Chemicals	2266.65	2899.82	2627.24	2266.65	2627.24	2266.65	2627.24
	c) Power & Fuel	2231.16	1746.59	2669.75	2231.16	2669.75	2231.17	2669.75
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	2091.37	1774.08
	e) Others	335.87	324.73	368.38	335.87	368.38	580.87	618.23
	f) Unallocated	988.53	11323.83	1709.64	988.53	1709.64	703.52	1424.65
	Total Capital Employed in Segments	21952.11	21568.74	21417.47	21952.11	21417.47	24003.47	23156.41



STATEMENT OF ASSETS AND LIABILITIES				
		Rs. / LAKHS		
PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended		Year Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>A) EQUITY AND LIABILITIES</b>				
1 Shareholders Funds -				
a. Share Capital	1,133.85	1,133.85	1,133.85	1,133.85
b. Reserves & Surplus	20818.26	20,283.62	22869.62	22,022.56
<b>Sub-Total - Shareholders' Funds</b>	21952.11	21,417.47	24,003.47	23,156.41
2 <b>Non-Current Liabilities</b>				
a. Long Term Borrowings	4,246.83	5,375.04	4,246.83	5,375.04
b. Deferred Tax Liabilities (Net)	739.32	558.96	710.73	536.14
c. Other Long Term Liabilities	190.88	77.06	190.88	77.06
d. Long Term Provisions	413.78	394.35	869.44	941.34
<b>Sub-Total - Non-Current Liabilities</b>	5,590.81	6,405.41	6,017.88	6,929.58
3 <b>Current Liabilities</b>				
a. Short Term Borrowings	5,496.59	4,524.88	5,496.59	4,524.88
b. Trade Payables	11,292.35	9,705.46	11,694.33	10,639.28
c. Other Current Liabilities	4,128.72	2,320.82	5,045.63	3,028.00
d. Short Term Provisions	444.61	232.65	581.38	298.86
<b>Sub-Total - Current Liabilities</b>	21362.27	16,783.81	22817.93	18,491.02
<b>TOTAL - EQUITY AND LIABILITIES</b>	48,905.19	44,606.69	52,839.28	48,577.01
<b>B) ASSETS</b>				
1 <b>Non-Current Assets</b>				
<b>a. Fixed Assets</b>				
i. Tangible Assets	9,664.83	10,477.49	10,360.23	10,766.87
ii. Intangible Assets	153.94		155.41	2.73
iii. Capital Work-in-Progress	60.78	66.48	60.78	66.48
iv. Intangible Assets under Dvlpmt	0.00	169.40	0.00	169.40
<b>b. Non-Current Investments</b>	4,377.44	3,979.17	4,236.93	3,838.67
c. Long Term Loans & Advances	86.15	57.63	116.63	87.62
d. Other Non-Current Assets	0.00	0.00	232.88	214.95
<b>Sub-Total - Non-Current Assets</b>	14,343.14	14,750.17	15,162.86	15,146.72
2 <b>Current Assets</b>				
a. Current Investments	0.00	0.00	418.89	714.09
b. Inventories	26,747.28	24,028.81	27,635.91	24,759.19
c. Trade Receivables	4,420.59	2,282.06	5,432.54	3,833.03
d. Cash and Cash Equivalents	1,442.73	1,094.00	2,083.34	1,561.13
e. Short Term Loans & Advances	1,951.45	2,451.65	2,105.74	2,562.85
<b>Sub-Total - Current Assets</b>	34,562.05	29,856.52	37,676.42	33,430.29
<b>TOTAL - ASSETS</b>	48,905.19	44,606.69	52,839.28	48,577.01

7/11/2016  






**INDEPENDENT AUDITOR'S REPORT**

**To the members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

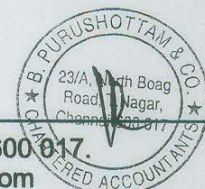
**Management's Responsibility for the Standalone Financial Statements**

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 and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

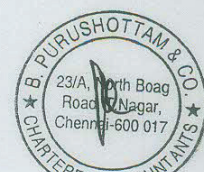
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### 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 Act, we give in the Annexure A , a statement on the matters specified in Para 3 and 4 of the said Order.
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 purposes of our audit.
  - (b) In our opinion, proper books of account 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, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



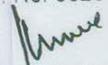


CHARTERED ACCOUNTANTS

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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"; and
- (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 27 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there is no provision required for 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.

Place : Chennai  
Date : 26.05.2016

For B.PURUSHOTTAM & CO.  
Chartered Accountants  
Regd. No. 002808S

  
K.V.N.S. KISHORE  
Partner  
M.No. 206734

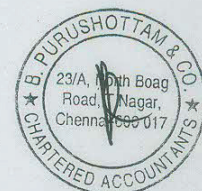




**Annexure - A to the Auditors' Report**

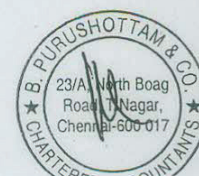
The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (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) The Company has granted a loan to the wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- a) In our opinion, the terms and conditions on which the loan had been granted to the wholly owned subsidiary listed in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company
- b) In the case of the loan granted to the wholly owned subsidiary, the borrower has repaid the loan as stipulated.
- (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 account 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, 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 except in case of Purchase tax - refer Note 42 to the financial statements. As explained to us, the Company didn't have any dues on account of Employee's State Insurance.
- 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, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 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, 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.





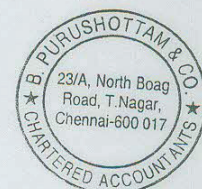
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has 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.

Place: Chennai

Date: 26.05.2016

For B.PURUSHOTTAM & CO.  
Chartered Accountants  
Regd. No. 002808S

*K.V.N.S. KISHORE*  
K.V.N.S. KISHORE  
Partner  
M.No. 206734





## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 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 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

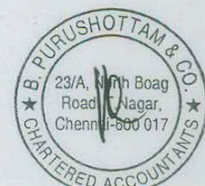
#### **Management's Responsibility for Internal Financial Controls**

The Company's management 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 ('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 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31 March 2016, 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.

PLACE : CHENNAI

DATE : 26.05.2016

For B. PURUSHOTTAM & CO.  
Chartered Accountants  
Reg No. 002808S

*[Signature]*  
K.V.N.S. KISHORE  
Partner  
M. No. 206734







INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS  
TO THE MEMBERS OF K.C.P SUGAR & INDUSTRIES CORPORATION LTD.

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of K.C.P SUGAR & INDUSTRIES CORPORATION LTD. ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. (here in after referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the company 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 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 Board of Directors of the Hoding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.





We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

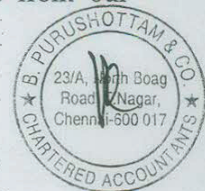
We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### 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.





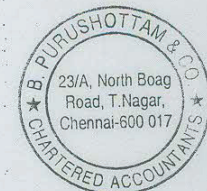
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Group incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2016 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"; and
- (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 Auditor's) Rules, 2014, 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 -28 to the consolidated financial statements.
  - 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 Group incorporated in India.

Place : Chennai

Date : 26.05.2016

For B. PURUSHOTTAM & CO.  
Chartered Accountants  
Regd. No. 002808S

*K.V.N.S. KISHORE*  
K.V.N.S. KISHORE  
Partner  
M.No. 206734





**Annexure - A to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 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 31 March 2016, we have audited the internal financial controls over financial reporting of K.C.P SUGAR & INDUSTRIES CORPORATION LTD. ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

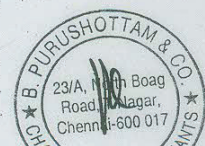
**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding 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 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 ("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 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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

**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**

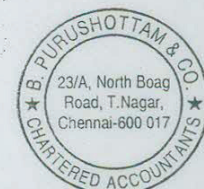
In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 ICAI.

Place : Chennai

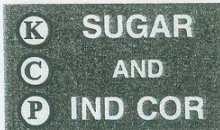
Date : 26.05.2016

For **B. PURUSHOTTAM & CO.**  
Chartered Accountants  
Regd. No. 002808S

*K.V.N.S. KISHORE*  
**K.V.N.S. KISHORE**  
Partner  
M.No. 206734







# 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

## FORM A

1.	Name of the Company	K.C.P.Sugar and Industries Corporation Limited
2.	Annual Financial Statement for the year ended	31 <sup>ST</sup> March 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	CEO / Managing Director →	For K.C.P. Sugar and Industries Corporation Ltd.  Mrs. Irmgard Velagapudi M. Rao Managing Director
	Chief Financial Officer →	For K.C.P. Sugar and Industries Corporation Ltd  S. GANESHAN Chief Financial Officer
	Auditor of the Company →	For B. PURUSHOTTAM & CO., Chartered Accountants Reg No. 002808S  K.V.N.S. KISHORE Partner M. No. 206734
	Audit Committee Chairman →	For K.C.P. Sugar and Industries Corporation Ltd.  Chairman Audit Committee

◇ Leading Manufacturers of Premium Grade Sugars, Rectified Spirit, Anhydrous Alcohol, Extranatural 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