



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

Ref: KSICL/STK.EX. BMTG/2018-19

25.05.2018

VICE PRESIDENT LISTING DEPARTMENT The National Stock Exchange of India Ltd. Exchange Plaza, 5th floor Plot No.C/1, G Block Bandra-Kurla Complex Bandra (E) – MUMBAI 400051.	Manager - Corporate Relationship Dept of Corp.Services Bombay Stock Exchange Ltd. Floor 25, P.J. Towers Dalal Street - Mumbai 400001
Scrip ID: KCPSUGIND –EQ	Scrip ID / Code: KCPSUGIND / 533192

Dear Sir,

Sub : Outcome of Board Meeting held on 25.05.2018 - reg.

Ref : Our letter Ref: KSICL/ADTD.ACCTS-BMTG /2018-19 dt. 15.05.2018.

We refer to the cited letter on the subject matter and wish to advise you as under:

Pursuant to Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company in its 126th Board meeting held on today, considered and approved inter-alia, the following businesses. The meeting commenced at 3.30 P.M., and concluded at 5.30 P.M.

1. Approved the Annual (standalone and consolidated) Audited Financial Results for the year ended 31.03.2018, along with the statement of Assets and Liabilities as on that date and took on record Auditor's Report thereon, as per Regulation 33 of SEBI (LODR) Regulations, 2015 (*standalone and consolidated audited financial statements for the year ended 31.3.2018, statements of assets and liabilities and auditor's report thereon, are attached*).

Further, the results would also be published in the newspapers (The Financial Express-English, and Malai Sudar (Tamil) in compliance with Regulation 47 of SEBI (LODR) Regulations, 2015.

2. The Board recommended a dividend of Re.0.10. per equity share of face value of Re.1/- each, for the financial year ended 31.03.2018, for approval of the shareholders at the ensuing 23rd Annual General Meeting of the Company.
3. The Board has recommended ratification of appointment of M/s. Suri & Siva, Chartered Accountants (FRN 004284S), as Statutory Auditors of the Company from the conclusion of the ensuing 23rd Annual General Meeting till the conclusion of 24th Annual General Meeting, subject to approval of the shareholders in the 23rd AGM.
4. Reappointment of Shri. Vinod R.Sethi, as Director, who retires by rotation and eligible for reappointment, subject to the approval of the shareholders at the ensuing 23rd AGM.

...2.



◇ 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 Fax : 08676 232640
- Lakshmpuram, Krishna Dist., A.P. - 521 131. Tel : 08671 222046 Fax : 08671 222640

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

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5. In terms of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we declare that the Statutory Auditors of the Company have issued Audit Reports with unmodified opinion for both Standalone and Consolidated financial results for the year ended 31.03.2018.
6. Approved the Notice and Board's Report for the ensuing 23rd Annual General Meeting and fixed the date of the AGM as 14th September 2018 at 10.00 AM., at Sadhguru Gnanananda Hall, Narada Gana Sabha, Alwarpet, Chennai 600018.
7. Approved the Book Closure date from 6th September 2018 to 14th September 2018 (both days inclusive) and cut-off for remote e-voting as 7th September 2018.
8. Approved the appointment of Mr. S.Manisekaran, Chartered Accountant, as Internal Auditor of the Company for the financial year 2018-19.
9. The Board took note of the Secretarial Audit Report placed before it.

Thanking you,

Yours faithfully,

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



S. CHIDAMBARAM
GENERAL MANAGER (ACCTS) & COMPANY SECRETARY

Encl: a/a



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 31.03.2018								
pursuant to Regulation 33 of SEBI (LODR) Regulations, 2015.								
S L N O	PARTICULARS	STANDALONE					AMT RS IN LAKHS	
		For the 3 months ended			For the year ended		CONSOLIDATED	
		Unaudited	Unaudited	Unaudited	Audited	Audited	for the Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	Audited	Audited
						31.03.2018	31.03.2017	
	PART I							
I	Revenue from Operations:	7269.28	7501.53	10013.45	32995.50	42902.47	35677.15	46788.29
II	Other Income	-195.42	2493.39	1522.19	5775.77	3387.87	6186.13	3561.13
III	Total Income (I + II)	7073.86	9994.92	11535.64	38771.27	46290.34	41863.28	50349.42
IV	Expenses							
	Cost of Materials consumed	21456.08	7343.95	15226.77	28912.29	23176.06	30401.75	24971.59
	Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-13187.98	-1044.44	-11547.28	1203.56	4749.80	693.13	5027.23
	Excise Duty on sale of Goods	483.88	0.00	578.52	483.88	2232.90	536.10	2571.14
	Employee benefits expense	2502.91	791.32	2987.83	3513.71	4303.10	4120.15	4864.83
	Finance Costs	480.10	231.73	411.10	1440.73	1128.40	1478.70	1152.51
	Depreciation and amortisation expense	549.20	213.95	557.25	894.06	918.32	940.47	970.55
	Other Expenses	1310.19	365.71	2809.72	3057.80	2793.21	3993.81	3423.79
	Total Expenses	13594.38	7902.22	11023.91	39506.03	39301.79	42164.11	42981.64
V	Profit / (Loss) before Exceptional Items & Tax (III - IV)	-6520.52	2092.70	511.73	-734.76	6988.55	-300.83	7367.78
VI	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VII	Profit / (Loss) before Tax (V - VI)	-6520.52	2092.70	511.73	-734.76	6988.55	-300.83	7367.78
VIII	Tax Expense							
	Current Tax	-270.00	0.00	119.73	0.00	1000.73	110.50	-1125.73
	Deferred Tax	-1571.29	0.00	-63.09	-1571.29	499.07	-1561.29	-499.80
	Reversal of excess provision for taxation relating to earlier years	0.00	0.00	-0.01	0.00	-0.01	0.00	-25.65
IX	Profit / (Loss) for the period from continuing Operations (VII - VIII)	-4679.23	2092.70	455.08	836.53	5488.75	1149.96	5716.60
X	Profit / (Loss) from Discontinued Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	Tax Expense of Discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Profit / (Loss) from Discontinued Operations after Tax (X - XI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIII	Profit / (Loss) for the period (IX + XII)	-4679.23	2092.70	455.08	836.53	5488.75	1149.96	5716.60
XIV	Other Comprehensive Income							
	A. Items that will not be reclassified to Profit / (Loss)							
	(i) Remeasurement of defined benefit plan - Actuarial gains / (Losses)	0.00	0.00	0.00	-8.58	-2.45	-36.45	-5.54
	(ii) Income Tax on above	0.00	0.00	0.00	2.92	0.73	12.39	1.79
	(iii) Equity instruments through other comprehensive income	0.00	0.00	0.00			85.65	99.11
	Other Comprehensive Income	0	0	0	-5.66	-1.72	61.59	95.36

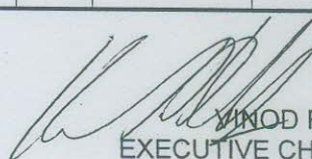


XV	Total comprehensive income for the period (comprising profit and other comprehensive income for the period)	-4679.23	2092.70	455.08	830.87	5487.03	1211.55	5811.96
XV I	Paid up Equity Share Capital (Face Value Re.1/-)	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
XV II	Reserves excl. revaluation reserves as at previous balance sheet date	**	**	**	25903.40 (as on 31.03.2017)	20757.54 (as on 31.03.2016)	28195.75 (as on 31.03.2017)	22724.95 (as on 31.03.2016)
XV III	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)	-4.13	1.85	0.40	0.73	4.84	1.07	5.13
	(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)	-4.13	1.85	0.40	0.73	4.84	1.07	5.13



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NOTES :

a.	The Board of Directors has recommended a dividend of Re.0.10 per equity share of face value Re.1/-(P.Y. Re.0.90 per share), aggregating to Rs.136.47 akhs (including Corporate Dividend Tax of Rs. 23.08. lakhs for the year ended 31.03.2018.																				
b.	The Register of Members and Share Transfer Books of the Company will remain closed from 06.09.2018 to 14.09.2018 , both days inclusive, in connection with the Twenty third Annual General Meeting of the Company to be held on 14.09.2018 .																				
c.	Net sales for the year ended 31.03.2018 includes an amount of Rs.9531.66 lakhs (P.Y.Rs.9026.93 lakhs) Inter-divisional transfers; Materials consumed also includes an amount of Rs.2647.36 lakhs (P.Y.Rs.2355.04 lakhs); Power and Fuel under 'Other Expenses' includes an amount of Rs. 6884.30 lakhs (P.Y.Rs.6671.89 lakhs) all on account of inter divisional transfers, which is largely on account of the incidental cogeneration plants at Vuyyuru and Lakshmipuram units and Distillery at Vuyyuru Unit.																				
d.	Consolidated Accounts include the results of the wholly-owned subsidiaries, viz, The Eimco-K.C.P.Ltd and KCP Sugars Agricultural Research 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.																				
e.	The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per section 133 of the Companies Act, 2013 notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company adopted Ind AS from 01.04.2017 and accordingly these financial results (including for all the periods presented in accordance with Ind AS 101 - first time adoption of Indian Accounting Standards) have been prepared. The format for Unaudited Quarterly Results in SEBI Circular CIR/CFD/CMD/15/2015 dt. 30.11.2015 has been modified to comply with requirements of SEBI Circular dt. 05.07.2016, Ind AS and Schedule III (Divn II) to the Companies Act, 2013 applicable to Companies that are required to comply with Ind AS.																				
f.	The results for the previous periods have been regrouped / reclassified wherever necessary to comply with Ind AS requirements.																				
g.	Note on Reconciliation of Statement of Profit are provided as under:																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Particulars</th> <th colspan="2" style="text-align: center;">Rs./Lakhs</th> </tr> <tr> <th style="text-align: center;">Y.E. 31.03.2018</th> <th style="text-align: center;">Y.E. 31.03.2017</th> </tr> </thead> <tbody> <tr> <td>Profit / (Loss) as per IGAAP</td> <td style="text-align: right;">(2595.04)</td> <td style="text-align: right;">3174.05</td> </tr> <tr> <td>Adjustments:</td> <td></td> <td></td> </tr> <tr> <td>Amortised cost computation of loans outstanding</td> <td style="text-align: right;">-194.24</td> <td style="text-align: right;">-280.72</td> </tr> <tr> <td>Fair valuation of Equity Shares</td> <td style="text-align: right;">3620.15</td> <td style="text-align: right;">2593.7</td> </tr> <tr> <td>Profit for the year/Period as per Ind AS</td> <td style="text-align: right;">830.87</td> <td style="text-align: right;">5487.03</td> </tr> </tbody> </table>	Particulars	Rs./Lakhs		Y.E. 31.03.2018	Y.E. 31.03.2017	Profit / (Loss) as per IGAAP	(2595.04)	3174.05	Adjustments:			Amortised cost computation of loans outstanding	-194.24	-280.72	Fair valuation of Equity Shares	3620.15	2593.7	Profit for the year/Period as per Ind AS	830.87	5487.03
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h.	The above Audited Financial results were reviewed by the Audit Committee on 25.05.2018 and approved at the meeting of Board of Directors held on the same day.																				
// BY ORDER OF THE BOARD //																					
Place :	Chennai																				
Date :	25.05.2018																				
 VINOD R. SETHI EXECUTIVE CHAIRMAN																					



QUARTERLY REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER SEBI (LODR) REGULATIONS, 2015.

L N O	PARTICULARS	STANDALONE					(Rs.in Lakhs)
		For the three quarter ended			For the year ended		CONSOLIDATED
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	Year ended
		Unaudited	Unaudited	Unaudited	Audited	Audited	31.03.2018
						Audited	
1	SEGMENT WISE REVENUE						
	a) Sugar	8147.42	8104.12	10046.26	34064.93	42508.83	34064.93
	b) Chemicals	1662.69	242.04	2191.85	4592.43	5284.40	4592.43
	c) Power & Fuel	3124.09	1052.83	2583.43	4177.39	3997.08	4177.39
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	3077.16
	e) Others	225.55	158.98	489.98	615.99	933.25	634.44
	f) Unallocated	(260.31)	2477.51	1135.41	4852.19	2593.71	4848.59
	TOTAL	12899.44	12035.48	16446.93	48302.93	55317.27	51394.94
	Less: Inter Segment Revenue	5825.58	2040.56	4911.29	9531.66	9026.93	9531.66
	Sales / Income from Operations	7073.86	9994.92	11535.64	38771.27	46290.34	41863.28
2	SEGMENT RESULT - PROFIT / LOSS BEFORE TAX AND INTEREST FROM EACH SEGMENT						
	a) Sugar	(6132.36)	-193.32	(888.60)	(4344.45)	4372.55	(4344.45)
	b) Chemicals	368.58	-70.24	195.46	480.37	746.05	480.37
	c) Power & Fuel	416.53	237.55	355.42	650.42	549.18	650.42
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	476.28
	e) Others	101.71	84.75	45.86	288.81	285.18	287.96
	f) Unallocated	(794.88)	2265.69	1214.69	3630.82	2163.99	3627.29
	TOTAL	(6040.42)	2324.43	922.83	705.97	8116.95	1177.87
	Add: (1) Finance Cost	480.10	231.73	411.10	1440.73	1128.40	1478.70
	(2) Other un-allocable expenditure net off unallocable Income	0.00			0.00	0.00	0.00
		480.10	231.73	411.10	1440.73	1128.40	1478.70
	Total Profit Before Tax	(6520.52)	2092.70	511.73	(734.76)	6988.55	(300.83)
	Tax	1841.29	0.00	56.65	1571.29	(1499.80)	(1450.79)
	Profit After Tax	(4679.23)	2092.70	455.08	836.53	5488.75	1149.96
3	Segment Assets						
	a) Sugar	28133.79	19969.00	29525.16	28133.79	29525.16	28133.79
	b) Chemicals	2712.16	2580.14	2508.11	2712.16	2508.11	2712.16
	c) Power & Fuel	2203.17	2446.41	2291.06	2203.17	2291.06	2203.17
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	4700.44
	e) Others	321.05	336.21	365.28	321.05	365.28	773.78
	f) Unallocated	20222.63	21773.68	16260.84	20222.63	16260.84	19937.63
	Total	53592.80	47105.44	50950.45	53592.80	50950.45	58460.97
	Segment Liabilities						
	a) Sugar	20545.67	7905.75	17322.35	20545.67	17322.35	20545.66
	b) Chemicals	249.87	265.01	213.72	249.87	213.72	249.87
	c) Power & Fuel	58.40	84.18	41.39	58.40	41.39	58.40
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	2194.99
	e) Others	70.51	65.43	54.83	70.51	54.83	70.66
	f) Unallocated	7162.29	8543.27	7414.76	7162.29	7414.76	7162.29
	Total	28086.74	16863.64	25047.05	28086.74	25047.05	30281.87
4	CAPITAL EMPLOYED (Segment Assets - Liabilities)						
	a) Sugar	7588.12	12063.25	12202.81	7588.12	12202.81	7588.13
	b) Chemicals	2462.29	2315.13	2294.39	2462.29	2294.39	2462.29
	c) Power & Fuel	2144.77	2362.23	2249.67	2144.77	2249.67	2144.77
	d) Engineering Equipments	0.00	0.00	0.00	0.00	0.00	2505.45

e) Others	250.54	270.78	310.45	250.54	310.45	703.12
f) Unallocated	13060.34	13230.41	8846.08	13060.34	8846.08	12775.34
Total Capital Employed in Segments	25506.06	30241.80	25903.40	25506.06	25903.40	28179.10

STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	Rs. / LAKHS					
	STANDALONE			CONSOLIDATED		
	Year Ended		As at	Year Ended		As at
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
ASSETS						
Non-current assets						
(a) Property, plant and equipment	9267.88	9918.12	9664.83	9951.82	10631.51	10360.23
(b) Capital work-in-progress	29.23	92.02	60.78	29.23	92.02	60.78
(c) Other Intangible assets	87.09	124.98	153.94	87.09	124.98	155.41
(d) Non-current financial assets						
(i) Investments	8723.48	6229.07	3282.14	8780.41	6200.35	3171.06
(ii) Trade receivables	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Other non current financial assets	458.89	439.17	86.15	464.14	446.33	92.56
(e) Deferred tax assets, (net)	335.81	0.00	0.00	364.21	0.00	0.00
(f) Other non-current assets	0.00	0.00	0.00	0.00	0.00	0.00
Current assets						
(a) Inventories	20753.82	21949.91	26747.28	21983.94	22515.09	27635.91
(b) Financial Assets						
(i) Current Investments	9340.64	7936.29		9970.90	8538.33	418.89
(ii) Trade receivables	2259.40	2328.77	4420.59	2875.50	3296.32	5420.55
(iii) Cash and cash equivalents	230.59	192.75	747.77	1197.32	697.44	1388.38
(iv) Bank Balances other than (ii) above	720.52	652.89	694.96	985.78	903.03	927.84
(v) Other current financial assets	105.08	34.86	35.73	105.13	36.75	36.89
(c) Current Tax Assets (Net)	0.00	0.00	0.00	0.00	0.00	0.00
(d) Other current assets	1775.69	1051.62	900.63	2160.82	1286.23	1077.82
Total Assets	54088.12	50950.45	46794.80	58956.29	54768.38	50746.32
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	1133.85	1133.85	1133.85	1133.85	1133.85	1133.85
(b) Other equity	24372.21	24769.55	19623.69	27045.24	27061.9	21591.1
LIABILITIES						
Non-current liabilities						
(a) Financial Liabilities						
(i) Long term Borrowings	4035.24	4955.15	3672.18	4035.24	4955.15	3672.18
(ii) Other Non- Current Financial liabilities	113.36	145.29	190.88	113.36	145.29	190.88
(b) Long term Provisions	522.93	478.06	413.78	836.19	945.71	869.44
(c) Other Non-Current liabilities						
(d) Deferred tax liabilities (net)	0.00	1238.40	739.32	0.00	1209.48	710.73
Current liabilities						
(a) Financial Liabilities						
(i) Short term Borrowings	16059.66	8084.09	5496.58	16059.65	8084.09	5496.59
(ii) Trade payables	5474.86	5771.70	11292.35	6217.93	6243.68	11694.33
(iii) Other financial liabilities	1782.87	2185.55	1719.38	1853.98	2191.81	1727.49
(b) Other current liabilities	327.33	1775.98	2409.34	1235.30	2224.10	3318.14
(c) Short Term provisions	130.74	119.51	103.45	254.66	238.78	222.06
(d) Current Tax Liabilities (Net)	135.07	293.32	0.00	170.89	334.54	119.53
Total Equity and Liabilities	54088.12	50950.45	46794.80	58956.29	54768.38	50746.32



INDEPENDENT AUDITOR'S REPORT

To The Members of 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 comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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. In conducting 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 thereunder and the Order issued under section 143(11) of the Act.



We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 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 March 31, 2018, and its Profit, total comprehensive income, the changes in equity and its 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, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards prescribed under section 133 of the Act.

e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

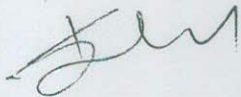
i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (refer note no. 42 to the financial statements).

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.

2. As required by the Companies (Auditor's report) Order, 2016 ("the Order) issued by the Central Government in terms of Section 143(11) of the act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For Suri & Siva
Chartered Accountants
(FRN 004284S)



V. Sivakumar
Partner
M No. 022379



Chennai
Dated 25-05-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 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 March 31, 2018 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 Board of Directors of the Company 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. 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.



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 judgement, 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.

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



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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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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.

For Suri & Siva
Chartered Accountants
(FRN 004284S)



V. Sivakumar
Partner
M No. 022379



Chennai
Dated 25-05-2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

(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) According to the information and explanations given to us, the company has not granted any loans, Secured or unsecured to the Companies, Firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause iii(a),iii(b) and iii (c) of the order are not applicable to the company for the year.

(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 accounts 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, goods and service 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.

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, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at the year end 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, goods and service 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, except the following amounts:

Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	16,61,339	April 2009 to March 2014	Sales Tax Appellate Tribunal, Vizag
Central Excise Act, 1944	Central Excise (Sugar Cess)	3,08,144	January 2011 to September 2016	Commissioner of Central Excise & Service Tax, Guntur
Central Excise Act, 1944	Central Excise (Bagasse)	1,06,78,712	March 2015 to June 2017	Commissioner of Central Excise & Service Tax, Guntur



Income Tax Act,1961	Income Tax & Interest	5,97,01,340	Financial Year 2013-14	Commissioner of Income Tax (Appeals), Chennai.
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(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.

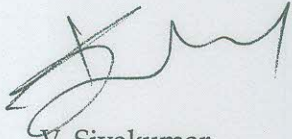
(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(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.

For Suri & Siva
Chartered Accountants
(FRN 004284S)



V. Sivakumar
Partner
M No. 022379



Chennai
Dated 25-05-2018

INDEPENDENT AUDITOR'S REPORT

To The Members of of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group 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 consolidated 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 Directors of the Company, as aforesaid

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 thereunder.

We conducted our audit of the consolidated financial statements 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 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 Company's 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2018, and its consolidated Profit, consolidated total comprehensive income, the consolidated statement of changes in equity and its 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, based on our audit 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 relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.



c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards prescribed under section 133 of the Act.

e) on the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 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 A" which is based on the auditor's reports of the company and its subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

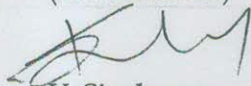
g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

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.

For Suri & Siva
Chartered Accountants
(FRN 004284S)



V. Sivakumar
Partner
M No. 022379



Chennai
Dated 25-05-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 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 March 31, 2018, we have audited the internal financial controls over financial reporting of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the 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 respective Companies 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 ("the 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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.

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

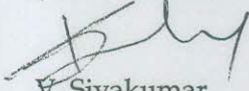


to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies 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

For Suri & Siva
Chartered Accountants
(FRN 004284S)


V. Sivakumar
Partner



Chennai
Dated 25-05-2018