



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

Twenty Third Annual Report
2017 - 2018

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BOARD OF DIRECTORS

WHOLETIME DIRECTORS:

	DIN	
Shri.Vinod R. Sethi	00106598	Executive Chairman
Smt.Irmgard Velagapudi M. Rao	00091370	Managing Director
Smt.V.Kiran Rao	00091466	Executive Director

NON-WHOLETIME DIRECTORS:

Shri.Ranvir R.Shah	00041398	Independent Director
Dr.Vithal Rajan	00021571	Independent Director
Shri.M.S.V.M.Rao	00432640	Independent Director
Shri.Prathap K. Moturi	00020630	Independent Director
Shri K.R.Adivarahan	00019844	Independent Director

Board Committees

Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	C S R Committee
Chairman Shri.M.S.V.M.Rao Members Shri. Vinod R. Sethi Dr.Vithal Rajan Shri. Ranvir R.Shah Shri.Prathap K.Moturi Shri K.R.Adivarahan	Chairman Dr. Vithal Rajan Members Shri. Vinod R. Sethi Shri. Ranvir R.Shah Shri.K.R.Adivarahan	Chairman Shri.K.R.Adivarahan Members Smt.Irmgard Velagapudi M.Rao, Smt.V.Kiran Rao,	Chairperson Smt.Irmgard Velagapudi M.Rao Members Shri.Vinod R.Sethi Shri.M.S.V.M.Rao Shri.K.R.Adivarahan

Chief Financial Officer

Shri.R. Ganesan

Company Secretary & Compliance Officer

Shri.S.Chidambaram, B.Sc.,ACMA, ACS,

Auditors

M/s. Suri & Siva (FRN. 004284S)
Chartered Accountants
C-8, 3rd Floor, Shanti Apartments, New No.18,
1st Cross Street, TTK Road
Alwarpet, Chennai 600018

Cost Auditor

M/s. SRR & Associates, (Reg. No. 000992)
Cost Accountants,
No.20, Valluvar Street, 2nd Floor,
Thiru Nagar, Jafferkhanpet, Chennai 600083.

Secretarial Auditors

M/s. V.Mahesh & Associates - CP No. 2473
Company Secretaries
No.39/19, III floor, Aspen Court , 6th Main Road,
R.A. Puram - Chennai 600028

Internal Auditor

Mr.S.Manisekaran
Chartered Accountant,
'Venkatesam', No.20/22, Ramanujam Street,
Nungambakkam, Chennai 600034.

Bankers

State Bank of India
ICICI Bank Ltd
Axis Bank Ltd

Registered & Corporate Office

"Ramakrishna Buildings"
239, Anna Salai, Chennai - 600 006.
Telephone: 044-28555171-76 / E-mail: kcpsugar@vsnl.com
Website: www.kcpsugar.com

Plant Locations:

- Vuyyuru, Krishna Dist, Andhra Pradesh 521 165**
Sugar, Industrial Chemicals, Incidental Co-generation Power, Biotech, CO₂, Calcium Lactate Divisions.
- Lakshmipuram, Krishna Dist, Andhra Pradesh 521 131**
Sugar, Incidental Co-generation Power.

Registrars to Deposits

Being handled In-House at the Registered Office of the Company.

Registrars & Share Transfer Agent & Depository Registrars

M/s Integrated Registry Management Services Private Limited
2nd Floor, "Kences Towers", No.1,Ramakrishna Street,
North Usman Road, T.Nagar, Chennai - 600 017.
Ph: 28140801 to 28140803 Fax: 28142479
Email : corpserv@integratedindia.in
Website: www.integratedindia.in

FINANCIAL HIGHLIGHTS

Rs. in Lakhs – except Ratios

Particulars	Year Ended									
	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Share Capital	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85	1,133.85
Reserves and Surplus	24,372.21	24,769.55	20,818.26	20,283.62	22,427.96	20,789.08	18,239.51	16,519.46	15,925.95	14,546.49
Net Worth	25,506.06	25,903.40	21,952.11	21,417.47	23,561.81	21,922.93	19,373.36	17,653.31	17,059.80	15,680.34
Fixed Assets (Net)	9,384.20	10,135.12	9,879.55	10,713.37	11,318.80	11,713.94	12,243.89	13,102.44	13,698.22	13,959.19
Gross Income	38,771.27	46,290.34	39,917.43	41,645.59	35,716.56	43,460.93	34,760.85	22,109.35	26,306.43	19,954.65
Gross Profit / (Loss)	1,600.03	9,035.27	2,587.97	(1,301.80)	4,892.66	7,215.30	4,892.15	2,924.04	4,813.10	3,270.26
Depreciation	894.06	918.32	1,025.50	1,031.07	1,109.40	1,087.40	1,082.87	1,095.44	1,062.54	1,085.35
Finance Cost	1,440.73	1,128.40	684.45	421.38	455.47	567.58	*634.16	*500.57	319.62	360.18
Profit / (Loss) before Tax	(734.76)	6,988.55	878.02	(2,754.25)	3,327.79	5,560.32	3,175.12	1,328.03	3,430.94	1,824.73
Profit / (Loss) after Tax	836.53	5,488.75	875.81	(1617.00)	2,766.45	3,876.13	2,642.50	1,183.23	2,374.37	1,132.88
Other Comprehensive Income	(5.66)	(1.72)	Indian Accounting Standards (Ind As) was adopted for the first time from the F.Y.2017-18.							
Total Comprehensive Income	830.87	5,487.03								
Earnings per Share (Rs.)	0.73	4.84	0.77	(1.43)	2.44	3.42	2.33	1.04	2.09	0.999
Cash Earnings per Share (Rs.)	1.52	5.65	1.68	(0.52)	3.42	4.38	3.29	2.01	3.03	1.96
Book Value per Share (Rs.)	22.50	22.85	19.36	19.01	20.78	19.33	17.09	15.57	15.05	13.83
Dividends on Equity %	10.00	90.00	25.00	10.00	85.00	100.00	70.00	45.00	75.00	70.00
Long term Debt Equity Ratio (excluding working capital borrowings)	0.16	0.19	0.21	0.26	0.21	0.09	0.26	0.26	0.25	0.25

* Finance cost from Financial Year 2010-11 onwards consists of Interest and other borrowing costs as per Revised Sch.VI. Rest of the Financial Years, it represents only Interest.

SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY

SEASON	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
SUGAR UNIT, VUYYURU										
Cane Crushed in MTS	7,19,878	5,06,541	8,98,654	8,33,277	8,03,318	7,69,209	8,71,574	7,86,393	4,89,522	5,38,686
Sugar bagged in QTLS	6,89,152	4,73,740	8,53,870	7,90,620	8,21,468	7,78,220	8,59,940	8,05,960	4,64,110	5,64,150
Recovery (%)	9.60	9.38	9.49	9.49	10.24	10.10	9.88	10.25	9.50	10.45
SUGAR UNIT, LAKSHMIPURAM										
Cane Crushed in MTS	1,71,572	1,40,649	2,84,686	2,70,236	2,85,464	2,27,531	2,81,847	2,75,222	1,50,759	1,35,957
Sugar bagged in QTLS	1,55,121	1,14,241	2,53,263	2,34,100	2,74,470	2,06,768	2,41,447	2,50,160	1,29,206	1,22,686
Recovery (%)	9.06	8.12	8.90	8.67	9.62	9.11	8.87	9.09	8.58	9.05

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Investorservices@kcpsugar.com
www.kcpsugar.com

CIN: L15421TN1995PLC033198
"Ramakrishna Buildings"
No.239, Anna Salai
Chennai 600 006.
T: 91 44 28555171 – 176
F: 91 44 28546617

May 25, 2018

Dear Member,

You are cordially invited to attend the 23rd Annual General Meeting of the members of K.C.P.Sugar and Industries Corporation Limited ("the Company") to be held on 14th day of September 2018 at 10.00 AM at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018.

The Notice of the meeting, containing the business to be transacted, is attached. As per section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in pursuance of Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. The instructions for e-voting are attached.

Very truly yours,

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Enclosures:

11. Notice to the 23rd Annual General Meeting
2. Instruction for e-voting
3. Proxy form
4. Attendance slip.

NOTICE is hereby given that the Twenty third Annual General Meeting of the Members of the Company will be held at "Sathguru Gnanananda Hall" Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, on Friday, September 14, 2018 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri. Vinod R.Sethi (DIN: 00106598), who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. Remuneration to Cost Auditor:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that the Company do hereby confirm and ratify in terms of section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications) or re-enactment thereof, the remuneration of Rs.2,25,000/- (Rupees Two lakhs and twenty five thousand only) plus GST as applicable and reimbursement of travel and out of pocket expenses, approved by the Board of Directors on the recommendations of the Audit Committee, to SRR Associates, Cost Accountants, Chennai (FRN 000992) for conducting the audit of cost records of the Company for the financial year ending 31st March 2019."

// BY ORDER OF THE BOARD //

Place : Chennai

VINOD R. SETHI

Date : 25.05.2018

EXECUTIVE CHAIRMAN

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The **proxy form**, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per section 105 of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other member.

- b.** During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the company.
- c.** Members / Proxies / authorized representatives are requested to hand over the duly filled in Attendance Slip attached with this notice at the registration counter. Members holding shares in dematerialized form are requested to furnish their client ID / DP ID numbers for identification.
- d.** The Register of Directors and key-management personnel and their shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- e.** A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.

Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1)

of the Companies Act, 2013, are available for inspection at the Registered Office of the Company during business hours on all days, except Saturdays, Sundays and Public Holidays, upto the date of the Annual General Meeting.

- f. The Register of Contracts or Agreements in which the directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- g. **The Register of Members, Register of Beneficial Owners and Share Transfer Books** of the Company will remain closed from 6th day of September 2018 to 14th day of September 2018, both days inclusive, for the purpose of payment of dividend for the financial year ended March 31, 2018 and the AGM.
- h. **Dividend on equity shares**, recommended by the Board, if approved by the shareholders at the AGM, will be paid on or after 14.09.2018 but within the stipulated time of 30 days from the date of declaration:
 - i. to those Members whose names appear on the Register of Members of the Company as on 14th September 2018 or to their Mandates; and
 - ii. in respect of **shares held in electronic form**, the dividend will be paid to the beneficial owners of shares as on that date as per the details furnished by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.
- i. **M/s. Integrated Registry Management Services Pvt. Ltd**, Kences Towers, II Floor, No.1 Ramakrishna Street, T.Nagar, Chennai 600 017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
- j. Securities and Exchange Board of India has made **trading** in the shares of the company **compulsory in dematerialized form** for all investors. Members are requested to open a Beneficiary owner account with a Depository Participant, if not done so far.
- k. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Pvt. Ltd, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants:
 - i. Name of the Sole / First joint holder and the Folio Number.
 - ii. Particulars of Bank Account, viz, Name of the Bank, Name of the Branch, and Complete address of the Bank with PIN code, Account type and the Bank Account Number.
 - iii. Dividend warrants for physical payment will be issued by the Company payable at par at the designated branches of the bank, with a validity period of 3 months. Hence, members are advised to encash the warrants within the validity period.
 - iv. Dividend, on approval by the shareholders at the AGM, will be paid without deduction of tax, to shareholders. Taxability of dividend in the hands of recipients is as per the extant tax law.
- l. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if Members want to change/correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for addition/deletion/change in bank account details furnished by Depository Participants to the Company.**
- m. **Electronic Clearing System (ECS)** credit has been moved completely to the National Electronic Clearing System (NECS) platform through core banking system, effective from 01.10.2009. Accordingly, dividend will be credited to the shareholders bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholders to the Depository / Company, as the case may be, the Company will print details available in its records on the Dividend Warrants to be issued to such shareholders. This service provides instantaneous credit to the shareholders and also protects against fraudulent interception and encashment of dividend warrants, besides eliminating dependence on the postal system, loss or damage of dividend warrants in transit and correspondence relating revalidation / issue of duplicate warrants.

- n. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar the details of all such folios together with the Share Certificates for **consolidation of their holdings into a single folio**.
- o. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their request in Form No. SH-13 pursuant to Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014. Members holding shares in physical form can submit Form SH-13 to the Company's Registrar & Transfer Agents, M/s. Integrated Registry Management Services Private Limited, and the members holding shares in electronic form can submit the Form SH-13 to their respective Depository Participants.
- p. Shareholders who have **not lodged their old share certificates of "The K.C.P.Ltd"** for exchange of new share certificates of both the Companies in terms of the approved Scheme of Arrangement are requested to surrender the same to The K.C.P.Ltd, No.2, Dr.P.V.Churian Crescent, Chennai – 600 008 at the earliest with a copy marked to the Registrar. New share certificates of this Company will be despatched after receipt of confirmation from The K.C.P.Ltd.
- q. Members are requested to **bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting Hall, as a measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
- r. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested to **address their queries in writing** to the Secretarial Division **at least two weeks before the Meeting** so that the information may be made available at the Meeting.
- s. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.
- t. The soft copy of full Annual Report is being sent by electronic mode to all the members whose e-mail address is registered with the Company / Depository Participant. If a member opts for the hard copy of the Annual Report, the same will be sent to such member. For members who have not registered their e-mail address, hard copies of the full Annual Report are being sent by the permitted mode.
- u. **Remote E-voting:** Pursuant to section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended on 19.03.2015, the Company provides facility for its members to exercise their voting right by electronic means, and the business set out in the Notice may be transacted through such e-voting. Cut off date for remote e-voting is 7th September, 2018. Detailed instructions for e-voting is given in the Annexure.
- v. **Voting at AGM:** The Company also provides facility for voting through polling paper at the venue of the Annual General Meeting in pursuance of Rule 20 of Companies (Management & Administration) Rules, 2015 read with clause 7 of Secretarial Standard 2 on General Meetings. Members who have availed the facility of remote e-voting cannot avail this facility but can attend the meeting.
- w. Distribution of Gift, Gift Coupons or cash in lieu of gifts to members at or in connection with the General Meeting, is not permitted as per clause 14 of Secretarial Standard 2 on General Meetings., issued by the Institute of Company Secretaries of India.
- x. Details of Director seeking reappointment at the forthcoming Annual General Meeting [in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015] (*Item 3 of this Notice*) :

<i>Name of Director</i>	<i>Shri. Vinod R. Sethi</i>
<i>Date of Birth</i>	<i>22.05.1962</i>
<i>Nationality</i>	<i>Indian</i>
<i>Date of appointment on the Board</i>	<i>26.10.2005</i>

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Qualifications	B.Tech.(Chem.Engg.); MBA (Finance); Beta Gamma Sigma Graduate from New York University.
Expertise in specific functional area	An alumnus of IIT, Mumbai, MBA (Finance) and Beta Gamma Sigma Graduate from New York University. Has rich experience in investment banking for more than a decade, heading the Indian business of Morgan Stanley Investment Management Inc, New York.
No. of shares held in the Company	93010
List of Directorships held in other Companies	United Phosphorus Ltd – Director Advanta Ltd - Director
Chairman / Member in the Committees of the Boards of Companies in which she / he is a director.	Member, Audit Committee – Advanta Ltd.
Directorships relate to Directorship in other Indian public companies and Committee memberships relate to Audit Committee and Stakeholders Relationship Committee of Public Limited companies (whether listed or not).	

aa. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:**i. Item 4 – Remuneration to Cost Auditor:**

The Board of Directors, on the recommendations of Audit Committee, has approved the reappointment and remuneration of M/s. SRR & Associates, Cost Accountants, Chennai (FRN 000992) as Cost Auditors to conduct the audit the cost records of the Company for the financial year ending 31.03.2019. The Firm has confirmed that its appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that the Firm is free from any disqualification specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a Certificate from the said Firm certifying its independence and arms length relationship with the Company. The remuneration of Rs.2,25,000/- plus GST as applicable and reimbursement of out of pocket expenses, as determined by the Board based on the recommendations of the Audit Committee, is now placed for ratification by the shareholders at this AGM in pursuance of section 148(3) of the Companies Act, 2013, read with rule 14 of the Companies (Audit & Auditors) Rules, 2014:

Product	Factory
Sugar	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Electricity	Vuyyuru and Lakshmipuram (both in Krishna Dist., A.P).
Industrial Alcohol	Vuyyuru at Krishna Dist., A.P.
Bio-fertilizers	Vuyyuru at Krishna Dist., A.P.
Calcium Lactate	Vuyyuru at Krishna Dist., A.P.
Carbon Dioxide	Vuyyuru at Krishna Dist., A.P.

Copies of the relevant resolutions of the Audit Committee and the Board are available for inspection by members on any working day between 11.00 AM and 1.00 PM.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

// BY ORDER OF THE BOARD //

Place : Chennai

Date : 25.05.2018

VINOD R. SETHI

EXECUTIVE CHAIRMAN

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 23rd Annual Report and the audited financial statements for the year ended 31st March 2018.

1. FINANCIAL RESULTS:

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Physical Performance		
Cane crushed – in Tonnes	868552	740826
Sugar bagged – In Quintals	819141	683988
Financial Performance – Rs. Crores		
Turnover	425.27	519.29
Other Income	57.76	33.88
Profit Before Tax	(7.35)	69.89
Profit After Tax	8.37	54.89
Earnings per share	0.73	4.84

2. PERFORMANCE:

During the financial year under review your Company recorded a Turnover of Rs. 425.27 crores (Prev. Year: Rs. 519.29 cr.) including Excise Duty of Rs. 4.84 crores (Prev. Year: Rs. 22.33 cr.) and Inter-divisional transfers of Rs. 95.32 crores (Prev. year: Rs. 90.27 cr.). The profit before finance cost and depreciation is Rs. 16.00 crores. Loss before tax is Rs. 7.35 crores and after adjustments relating to Deferred Tax, the Profit after tax is Rs. 8.36 crores.

3. DIVIDEND:

The Board of Directors recommends a dividend of Re. 0.10 per equity share of face value of Re. 1/- each on the Paid-up Equity Capital for the year ended 31.03.2018 as against Re. 0.90 per equity share, approved for the previous year ended 31.03.2017. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

4. SHARE CAPITAL AND RESERVES:

The share capital of the Company is Rs. 11.33 crores. Other equity as at 01.04.2017 was Rs. 247.70 Crores. After transferring profit for the financial year 2017-18 i.e. Rs. 8.36 Crores and after adjusting provision for dividend and tax thereon Rs. 12.28 Crores and other comprehensive income less tax of (Rs. 0.06 Crores) other equity as at 31 March, 2018 stood at Rs. 243.72 Crores.

5. SUBSIDIARY COMPANIES:

Your Company has two wholly-owned Subsidiaries, viz, The Eimco-K.C.P. Limited and KCP Sugars Agricultural Research Farms Limited. Both the wholly-owned subsidiaries are unlisted companies and do not fall under the category 'Material Subsidiary' in terms of Regulations 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no Associated Companies within the meaning of section 2(6) of the Companies Act, 2013 and there has been no material change in the nature of business of the subsidiaries. A statement containing salient features of the financial statement of subsidiaries in Form AOC-1, forms part of the Board's Report - Annexure X to Board's Report.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A comprehensive discussion and analysis report on the industry's structure as well as on the financial and operational performance of the Company is contained in the Management Discussion and Analysis Report, which forms an integral part of the Board's Report (Annexure I).

7. CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Corporate Governance Report together with the Certificate from the Company's Statutory Auditors

confirming the compliance of conditions on Corporate Governance is given in Annexure II to Board's Report.

8. EXTRACT OF ANNUAL RETURN:

In pursuance of section 134(3) of the Companies Act, 2013, the extract of the Annual Return has provided under section 92(3) of the Companies Act, 2016, is given in Annexure III.

9. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required by Section 134 of the Companies Act, 2013, your Directors certify as follows:

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there-from;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 and of the Profit of the Company for that year;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis.
- v. That the directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There is no loan / guarantee / investment covered under section 186 of the Companies Act, 2013, during the financial year 2017-18. In pursuance of Rule 11 of Companies (Meetings of Board and its powers) Rules, 2014, the requirement of section 186(3) is not applicable.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has entered into Rental Lease Agreements with related parties in the ordinary course of business and on arms length basis. The value of such transactions is well within

the threshold limit prescribed under Rule 15 of Companies (Meetings of Board & its powers) Rules, 2014 and hence outside the ambit of section 188 of the Companies Act, 2013. Disclosure of particulars of contracts / arrangements entered into by the Company with the related parties in pursuance of section 188(1) of the Companies Act in Form AOC-2, forms part of the Board's Report.

12. MATERIAL CHANGES AND COMMITMENT:

There is no change in the nature of business of the Company during the financial year under review. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of Board's Report.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTGO:

Information relating to Conservation of Energy, Technology absorption, Foreign Exchange inflow and outgo, as required under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014, is furnished in Annexure IV.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR policy of the Company and the details about the measures taken by the Company on CSR activities during the financial year as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, have been disclosed in Annexure V, in pursuance of section 135 of the Companies Act, 2013.

15. PARTICULARS OF EMPLOYEES:

Statement required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not attached to this Report as none of the employees was in receipt of remuneration as prescribed under this Section and Rules.

The information required pursuant to section 197 of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished in Annexure VI.

16. PERSONNEL AND INDUSTRIAL RELATIONS:

The Employee relations scenario continued to be harmonious and congenial. Acknowledging this, your Company has been awarded for outstanding efforts in maintaining cordial Industrial Relations and Labour Welfare by Government of Andhra Pradesh.

17. DIRECTORS:**Director retiring by rotation:**

Shri. Vinod R.Sethi, Director, who retires by rotation at this AGM and is eligible for reappointment, is proposed to be reappointed as Director at this AGM. The Board recommends his reappointment and accordingly, resolution seeking approval of members for his reappointment has been included in the Notice for the forthcoming Annual General Meeting along with his brief profile.

18. AUDITORS:

M/s. Suri & Siva (FRN 004284S), Chartered Accountants, were first appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on 15.09.2017. In terms of their appointment, they are holding office of Statutory Auditors of the Company upto the conclusion of the 27th Annual General Meeting, subject to ratification by members at every AGM. M/s. Suri & Siva, Chartered Accountants, have confirmed that their appointment is within the limits specified under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be appointed as statutory auditors of the Company in terms of the provisions of the proviso to section 139(1), section 141(2) and section 141(3) of the Companies Act, 2013 read with the provisions of the Companies (Audit & Auditors) Rules, 2014.

The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

As the Annual Ratification of the appointment of Statutory Auditors at every Annual General Meeting in pursuance of proviso to section 139(1) and Rule 3(7) of Companies (Audit & Auditors) Rules, 2014, has been dispensed with, with effect from 7th May 2018, the Company has not placed the matter relating to appointment of Auditors for ratification before the members at this Annual General Meeting.

19. COST AUDIT:

M/s. SRR & Associates, Cost Accountants, Chennai, (FRN 000992), had been appointed by the Board of Directors of the Company as Cost Auditor to conduct the Cost Audit in respect of Sugar, Industrial Alcohol, Electricity, Fertilizer, Calcium Lactate and CO₂ for the financial year 2016-17, and their remuneration was ratified by the members at the 22nd Annual General Meeting held on 15.09.2017. The Cost Audit Reports for 2017-18 are due for submission on or before 27.09.2018.

The Cost Audit reports for 2016-17 were e-filed with the Ministry of Corporate Affairs, New Delhi, vide, SRN G-52301405 dt. 07.09.2017.

M/s SRR & Associates confirmed that its appointment is within the limits of section 148 of the Companies Act, 2013 and has also certified that the Firm is free from any disqualifications specified under section 148 of the Companies Act, 2013. The Audit Committee has also received a certificate from the said Firm of Cost Auditors certifying its independence and arms length relationship with the Company.

20. SECRETARIAL AUDIT & SECRETARIAL STANDARDS:

In pursuance of section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 09.02.2018 appointed M/s. V.Mahesh & Associates, Company Secretaries in practice, as Secretarial Auditor for the financial year 2017-18 and their report is annexed with the Board's Report. (*refer Annex. VII*). Pursuant to section 118(10) of the Companies Act, 2013, the Company observes Secretarial Standards 1 and 2 relating to Board Meetings and General Meetings, prescribed by the Institute of Company Secretaries of

India.

There are no disqualifications, reservations or adverse remarks or disclaimers in the Statutory Auditors, Cost Auditor and Secretarial Auditor's Report.

The Company, since inception, remains in the regime of unqualified financial statements. The Company will comply with SEBI circular dt. 13.08.2012 and Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and submit Form A along with Annual Report.

21. INTERNAL AUDIT:

Pursuant to Section 138(1) of the Companies Act, 2013, the Company has appointed Shri.S.Manisekaran, Chartered Accountant (Membership No.026400) to conduct internal audit of the Company for the financial year 2018-19. The Internal Auditor reports to the Audit Committee and submits his reports on quarterly basis.

22. CREDIT RATING:

Credit Analysis & Research Ltd (CARE) has reaffirmed the Credit Rating on your Company as 'CARE 'A' (Single A) for long term bank facilities and reaffirmed 'CARE A1' (A One) for short term bank facilities and for Fixed Deposit it is CARE A (FD) [Single A (Fixed Deposit)] assigned to your Company for the current year. The ratings for the financial year 2018-19 are awaited on this date. Measured through industry yardstick these ratings are considered to be having adequate degree of safety for a sugar mill.

23. ISO CERTIFICATION:

Your Company has been certified consecutively for the past nine years under BS EN ISO 22000:2005, BS EN ISO 9001:2000, and OHSAS 18001:2007 for Manufacture of sugar, associated products and site activities, and Occupational Health and Safety Management system by Lloyd's Registry Quality Assurance Limited.

24. FIXED DEPOSITS:

As on 31.03.2018 your Company had held deposits of Rs. 68.78 crores (including unclaimed deposits) as against Rs.51.67 crores as on 31.03.2017. As at 31.03.2018, there were matured and unclaimed deposits amounting to Rs. 1.35 crores in respect of 124 deposits. As on the date of this report, amount of unclaimed deposits is Rs.0.57 crores.

In compliance with the provisions of Investors Education and Protection Fund constituted under Section 124 of the Companies Act, 2013, the Company has transferred 1 deposit amounting to Rs.0.30 lakhs which remained unclaimed beyond the period of seven years from the date of maturity to the Investor Education and Protection Fund.

25. ACKNOWLEDGEMENT:

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Cane growers, the Shareholders, Banks, Institutions, Central and State governments, Depositors, Sugar Dealers, Business Associates, as also other regulatory authorities for their continued support and cooperation.

Your Directors would also to place on record their sincere appreciation for the total commitment, dedication and hard work put in by all the employees, which contributed to the Company's progress during the year under review.

For and on behalf of the Board of Directors

Place : Chennai

Date : 25.05.2018

VINOD R. SETHI

EXECUTIVE CHAIRMAN

Annexure I to Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. Sugar Industry - Opportunities, Threats and Future Outlook:

Opportunities:

The long term outlook for sugar remains positive and promising on account of:

- ❖ Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- ❖ Growing energy consumption in India allowing the sugar industry to play a vital role.
- ❖ Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- ❖ Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- ❖ More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- ❖ Growing demand for bio manure, which works as the perfect soil conditioner Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- ❖ Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- ❖ The spurt in cane procurement prices is expected to remain volatile for a couple of years.
- ❖ Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.
- ❖ Sugar weightage in WPI.
- ❖ Short crushing season.
- ❖ Shrinkage of sugarcane area under cultivation due to growing urbanisation and availability of many alternate cash crops.

Future Outlook:

The future outlook of sugar would depend on the following:

- ❖ Development of high breed varieties of sugarcane suitable for Indian climatic conditions and to achieve vertical growth in sugarcane productivity.
- ❖ Development of suitable sugarcane harvesting machine for Indian soil conditions and operable in fragmented land holdings.
- ❖ Swift adaptation of new cultivation method for mechanised harvesting.
- ❖ Agro-climatic conditions in major sugar-producing states.
- ❖ Permitting Green Energy producers to market directly to third parties.

b. REVIEW OF OPERATIONS:

i. SUGAR UNITS AT VUYYURU AND LAKSHMIPURAM:

The summary of cane crushed, sugar bagged, etc. of both the Sugar Units for the last two seasons and financial year wise are presented herein below:

SEASONWISE

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

UNIT / SEASON PARTICULARS	VUYYURU		LAKSHMIPURAM	
	2017-18	2016-17	2017-18	2016-17
Crushing commenced on	03.12.2017	10.12.2016	07.12.2017	20.12.2016
Crushing completed on	08.04.2018	02.03.2017	03.03.2018	21.02.2017
No. of days	127	84	74	63
Cane crushed (in MT)	719878	506541	171572	140649
Sugar Bagged (in qtls)	689152	473740	155121	114241
Recovery (%)	9.60%	9.38%	9.06%	8.12%

FINANCIAL YEARWISE

UNIT/YEAR ENDED DETAILS	VUYYURU		LAKSHMIPURAM	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
2016-17 Season - From / To		06.12.2016 to 02.03.2017		20.12.2016 to 21.02.2017
2017-18 Season - From / To	03.12.2017 to 31.03.2018	**	17.12.2017 to 03.03.2018	**
No. of days	119	140	74	63
Cane crushed (in MT)	696980	600177	171572	140649
Sugar Bagged (in qtls)	664020	569747	155121	114241
Recovery (%)	9.68%	9.49%	9.06	8.12%

ii. INDUSTRIAL CHEMICALS & ANHYDROUS ALCOHOL / COGENERATION / OTHER UNITS:

Vuyyuru Distillery Unit produced 104.33 lakh litres during the year ended 31.03.2018 as against 118.67 lakh litres during the previous financial year. As against this, the said Unit sold 96.65 lakh litres valued at Rs. 39.43 crores during the year under review as against 103.41 lakh litres valued at Rs. 47.45 crores during the previous year.

The Bio-fertilizer unit at Vuyyuru sold about 1.33 lakh Qtls valued at Rs. 6.15 crores as against 1.70 lakh Qtls valued at Rs. 6.28 crores during the previous year.

Cogeneration Unit at Vuyyuru produced 29,903 MW of power during the financial year under review as against 26,710 MW in the previous year, and the Lakshmipuram Unit produced 4,401 MW of power as against 3,898 MW in the previous year. In all, total export of electrical energy was 9,248 MW resulting in a turnover of Rs. 3.76 crores as against 9,152 MW at a turnover of Rs. 3.67 crores during the previous year. The Calcium Lactate plant contributed Rs. 3.12 crores towards its turnover of the Company as against a turnover of Rs. 3.41 crores during the previous year.

c. INTERNAL CONTROL SYSTEMS:

Internal financial controls laid down by the Board of Directors are adequate and operating effectively. The Company has a well-established internal control system in place to ensure smooth functioning of operations. The control mechanism involves well-documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures. The Internal Auditor periodically reviews and makes continuous assessments of the adequacy and effectiveness of the internal control and systems. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditor and take corrective action wherever necessary. The Company is committed in its endeavour to ensure an effective

internal control environment that provides assurance on the effectiveness of operations, statutory compliance, and reliability of financial reporting and security of assets.

d. HUMAN RESOURCES:

The Company had 813 employees, including non-seasonal employees at the sugar units, as on 31.03.2018. The Company ensures high standards of safety for its employees and periodically conducts meetings to minimize operational hazards. The Company believes that people are the key to success and hence the human resources function pro-actively develops innovative and business focussed methods to attract, motivate, develop and retain talented, competitive manpower sources.

e. AWARDS:

During the year under review, your Company had received following Awards in the year 2017-18:

Vuyyuru Unit

- ❖ 2017 Best Management Award – from Sri N.Chandrababu Naidu, Chief Minister of Andhra Pradesh on May Day 1st May 2017 at Vijayawada.
- ❖ Runner-National Safety Award (Under Scheme VIII) – Based on Lowest Average Frequency Rate in Industry (Distillery) Performance Year 2015 – Awarded on 17.09.2017 at New Delhi by Minister of Labour, Government of India.
- ❖ Runner – National Safety Award (Under Scheme-III) – Based on Lowest Average Frequency Rate in Industry for the year 2015 – Awarded on 17.09.2017 at New Delhi by Minister of Labour, Government of India.

Lakshmipuram Unit

- ❖ Winner – National Safety Award (Under Scheme III) – Based on Lowest Average Frequency Rate in Industry for the year 2015 – Awarded on 17.09.2017 at New Delhi by Minister of Labour, Government of India.

f. OTHERS:

The valid licences for Air and Water (prevention and control of pollution) from APPCB are in place in respect of all Units at Vuyyuru and Lakshmipuram, Krishna District, Andhra Pradesh. The Company also takes adequate steps to safeguard the environment.

g. RISK MANAGEMENT:

The Company has an effective risk management under which all probable risks are periodically identified, assessed and acted upon to minimize and mitigate their impact. These processes are subject to periodical review by the Management. Some of the risks identified are enumerated below:

i. Raw Material Risk:

Sugarcane being the main raw material for sugar, any disturbance in its timely availability will have a substantial impact on the operational cost. This in turn has a significant adverse effect since the market value does not factor the variable cost determined by the climatic conditions and the cane economics.

Mitigation Measure:

The Company always maintains healthy relationship with its farmers. It is one among very few companies in sugar industry paying its farmers within the stipulated time. The risk of raw material short supply is mitigated to a large extent by the goodwill and reputation for ethical dealings earned by the Company since inception. The experiments in farm mechanisation, drip irrigation, improved cane varieties, carefully monitored scheduling of cane planting and harvesting boost the confidence of the Company in mitigation of the risk.

ii. Policy Risk:

Central and State governments regulate the cane policies and they have a larger control on this industry by determining the raw material price and also influence the sugar selling price. The controls exercised by the Union and State governments over command area demarcation from time to time. Molasses movement control.

Mitigation Measure:

The Company is a member of South Indian Sugar Mills Association (SISMA) and works closely with it towards developing appropriate policy recommendations to represent the industry needs to the government. Formulation of policy on Ethanol doping, review of cogeneration policy, and review of sugar weightage in WPI are some of the issues addressed in close liaison with SISMA.

iii. Cyclicity / Commodity Risk:

The sugar price is determined by the cyclicity of the sugar business and hence it affects the profitability. Sugar being a commodity traded across the world, its price is influenced by the various factors including the normal supply and demand.

Mitigation Measure:

The Company takes the following measures, which enable the Company to insulate itself against price risk.

- More focus on value-added downstream products
- Integration of sugar with cogeneration power and alcohol.

h. CAUTIONARY NOTE:

It is explicitly stated that some of the statements in this Management Discussion and Analysis report may be "forward looking" within the meaning of applicable laws and regulations. It may so happen that the actual events or results may be different from what the Board of Directors / Management perceives in terms of the future performance and outlook due to factors having a bearing on them and which are unforeseeable.

Annexure II to Board's Report

1. Company's philosophy on Code of Governance

The Company firmly believes in high standards of corporate governance and adheres to sound corporate practices, constantly striving to improve them and adopt the best practices. The Company's objective is to go an extra mile beyond mere compliance of the statutory requirement. The Company is deeply committed to upholding the core values of integrity, transparency, responsibility, effective internal control and quality in all its activities and processes.

2. Board of Directors

1.1 Composition:

- ❖ In pursuance of section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. At present, the Board consists of eight members, with three promoter Directors (Executive) and four Independent Directors and one Non-Executive Director. Two of the whole-time Directors are women.
- ❖ The day-to-day management of the Company rests with the Managing Director.
- ❖ The Independent Directors on the Board are experienced and competent persons from their respective fields. They take active part at the Board and Committee Meetings which add value in the decision making process of the Board of Directors.
- ❖ None of the Directors on the Board is a Member of more than 10 Committees or act as Chairman of more than 5 Committees across all the Companies in which he/she is a Director as required under Regulation 26 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- ❖ None of the Directors serve as an independent director in more than seven listed companies.
- ❖ None of the whole-time directors serve as an independent director in more than three listed companies.
- ❖ The Independent Directors have confirmed that they satisfy the criteria of independence as required under section 149(7) of the Companies Act, 2013 and as stipulated under Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- ❖ No Independent Director is a relative of any other Director.

1.2 Board Meetings / AGM - Attendance and Directorships / Committee Memberships:

Name of Director	Category of Directorship	No. of Board Mtgs. attended	Attend-ance at the last AGM On 15.09.2017	**No. of Directorships, Committee Membership / Chairmanship in other public companies		
				Directorship	Committee Membership	Committee Chairmanship
Shri.Vinod R.Sethi DIN 00106598	Whole-time Director / Executive Chairman / Promoter Group	5	Yes	2	1	--
Smt.Irmgard Velagapudi M.Rao DIN 00091370	Promoter and Managing Director	5	Yes	--	--	--
Smt.V.Kiran Rao DIN 00091466	Promoter and Executive Director	5	Yes	--	--	--

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Shri.Ranvir R. Shah DIN 00041398	Non-Wholetime Independent Director	5	Yes	--	--	--
Dr.Vithal Rajan DIN 00021571	Non-Wholetime Independent Director	4	No	--	--	--
Shri.M.S.V.M.Rao DIN 00432640	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri.Prathap K.Moturi DIN 0020630	Non-Wholetime Independent Director	5	Yes	--	--	--
Shri.K.R.Adivarahan DIN 00019844	Non-Wholetime Independent Director	5	Yes	--	--	--

**** In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees & Shareholders / Investors Grievance Committees of all Public Limited Companies governed by Companies Act, 1956, have been considered.**

- ❖ Shri. Vinod R.Sethi, Smt. Irmgard Velagapudi M.Rao and Smt. V.Kiran Rao are relatives.
- ❖ Independent Directors do not have any direct or indirect material pecuniary relationship with the Company and they meet all the criteria of independence as provided in section 149(6) of the Companies Act, 2013, read with rules made thereunder and comply with the code for independent directors as per schedule IV of the Companies Act, 2013 and regulation 25 of SEBI (LODR) Regulations, 2015.
- ❖ None of the Directors received any loans / advances from the Company during the year under review, as per section 185 of the Companies Act, 2013.

❖ Board Meetings held during the year :

In compliance with section 173 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, there were five Board Meetings held during the financial year 2017 - 18 on the following dates, and there was not a gap of 120 days between two consecutive Board Meetings:

1.	29.05.2017	4.	09.11.2017
2.	11.08.2017	5	09.02.2018
3.	15.09.2017		

No Board Meeting was conducted through video conferencing or other audio visual means.

❖ BOARD PROCEDURES

Adequate notice of every board meeting is given to every director in writing at his/her address registered with the Company in pursuance of section 173(3) of the Companies Act, 2013. The Board Meetings are governed by well-structured agenda containing necessary information and details, which is circulated well in advance. Issues emerging on exigencies are at times placed at the Board Meeting with prior approval of the Chairman of the meeting and with the consent all directors present.

Review of compliance report relating to all laws applicable to the Company, is being done periodically by the Board of Directors. Instances of non-compliances, if any, are noted by the Board and appropriate remedial measures are taken. The reports which are required to be placed before the Board of Directors in pursuance of Regulation 17 of SEBI (LODR) Regulations, 2015, are placed before the Board at regular intervals. An action taken report on the resolutions passed / decisions taken at a board meeting, is placed before the Board in its next meeting.

❖ **BOARD EVALUATION:**

During the financial year, the Board of Directors adopted a formal mechanism for evaluation of its performance as well as that of its Committees and individual Directors including Chairman of the Board. Through a structured evaluation process covering various aspects of the Board's functioning such as governance issues, performance of specific duties and obligations, experience and competencies. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board based on the parameters such as attendance at Board / Committee Meetings, contribution at Board / Committee Meetings and guidance given to Management and also based on questionnaire and feedback from all the Directors as a whole, Committee and self-evaluation.

A separate meeting of Independent Directors was convened on 09.02.2018 which reviewed the performance of the Board as a whole, the Non-Independent Directors and the Chairman of the Board. After the conclusion of the Independent Directors Meeting, the feedback of Independent Directors were discussed by the Chairman of Nomination and Remuneration Committee with the Chairman of the Board, covering the performance of the Board as a whole, performance of Non-Independent Directors and the performance of Chairman of the Board.

The performance evaluation of the Board was carried out based on the following:

- ❖ Board's structure and composition
- ❖ Establishment and Delineation of responsibilities to Committees
- ❖ Efficacy of communication with external stakeholders
- ❖ Effectiveness of Board process, information and functioning.

The Performance Evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated.

❖ **INDUCTION AND TRAINING OF BOARD MEMBERS:**

On induction to the Board, the concerned director is issued a letter of appointment which spells out in detail, the terms of appointment, duties, responsibilities and other commitments. Each newly appointed director is taken through a formal induction programme which includes interactive sessions with Executive Committee members, functional heads and visit to the manufacturing site. The Managing Director and the Chairman of the Board apprise the appointee regarding the subtle aspects of Company's manufacturing, marketing, finance and other activities. The CFO and the Company Secretary brief the appointee regarding financial, legal and compliance related responsibilities.

3. Audit Committee

❖ **Composition and Terms of Reference :**

The Audit Committee presently comprises of six members, viz, five Non-Wholetime Independent Directors, and one Whole-time Director. The Chairman of the Audit Committee is Shri. M.S.V.M.Rao, an Independent Director, and is present at the Annual General Meetings of the Company. Shri. Vinod R. Sethi, Executive Chairman, Dr.Vithal Rajan, Shri.Prathap K.Moturi, Shri. Ranvir R.Shah, and Shri. K.R.Adivarahan (Independent Directors), are presently its other members. The composition of Audit Committee is in compliance with section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The Terms of Reference of the Audit Committee:

- a. The Committee has oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommends for appointment, remuneration and terms of appointment of auditors of the company.
- c. Approves payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviews with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement being a part of the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.

- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
- iv. Significant adjustments made in the financial statement arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions
- vii. Qualifications in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the company with related parties.
- i. Scrutiny of inter-corporate loans and investments.
- j. Valuation of undertakings or assets of the company, wherever it is necessary.
- k. Evaluation of internal financial controls and risk management systems.
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n. Discussion with internal auditors of any significant findings and follow up thereon.
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r. To review the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc, of the candidate.
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u. Managing Director and Chief Financial Officer are present at the Audit Committee Meetings as permanent invitees. Internal Auditor, representatives of Statutory Auditor, Cost Auditor are also present in most of the meetings.

❖ **Meetings and attendance during the year:**

There were four meetings of the Audit Committee during the year, viz., on 29.05.2017, 11.08.2017, 09.11.2017, and 09.02.2018. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.M.S.V.M.Rao	4

Shri. Vinod R.Sethi	4
Dr Vithal Rajan	4
Shri. Prathap K. Moturi	4
Shr. Ranvir R.Shah	4
Shri. K.R.Adivarahan	4

4. Nomination & Remuneration COMMITTEE :

The Nomination and Remuneration Committee is chaired by Dr.Vithal Rajan, an Independent Director. The other three members of the Committee are Shri. Vinod R. Sethi, a whole-time Director, Shri. Ranvir R.Shah, an Independent Director, and Shri.K.R.Adivarahan, an Independent Director. The composition of Nomination & Remuneration Committee is in compliance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The terms of reference in pursuance of section 178 of the Companies Act, 2013, includes the following:

- ❖ Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment / removal, and shall carry out evaluation of every director's performance.
- ❖ Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- ❖ Committee while formulating the policy, shall ensure:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the company successfully.
 - ii. Relationship of remuneration to performance is clear and needs appropriate performance bench-marks
 - iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
 - iv. Evaluation of Independent Directors and the Board.

The Whole-time Directors are paid salaries, allowances/perquisites, and in addition, commission if it arises, within the limits under the Companies Act, 2013 and subject to the further limits, if any as approved by the Shareholders. The remuneration paid to the Whole-time Directors during 2017-18 is as below:

(Rs. in Lakhs)

Directors	Salary & Allowance	Contribution to PF	Contribution to Gratuity	Perquisites	Commission	Total
Shri.Vinod R.Sethi	12.00	1.44	0.46	0.29	59.50	73.69
Smt.Irmgard Velagapudi M.Rao	48.00	**	**	**	25.98	73.98
Smt.V.Kiran Rao	36.00	4.32	7.16	0.92	32.38	80.78

The Committee did not meet during the financial year 2017 – 18.

The Non Executive Directors are paid a sitting fees of Rs.30,000/- per Meeting of the Board and Rs.20,000/- per meeting of the Committee attended by them apart from daily allowance and out of pocket expenses. In addition, pursuant to Section 197 of the Companies Act, 2013, they are entitled to a remuneration by way of Commission not exceeding in aggregate, 1% of the net profits of the Company, subject to a maximum limit of Rs.1,75,000/- (Rupees One lakh and seventy five thousand only) per Director, for each of the financial years

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

from 2016-17 to 2018-19, in terms of the approval granted by the Shareholders at the Twenty first Annual General Meeting held on 21.09.2016.

The details of the remuneration paid to the Non- Executive Directors during the year 2017 - 18 are given below:

(Rs. in Lakhs)

Directors	Commission	Sitting Fees	Total
Shri. Ranvir R.Shah	1.75	2.70	4.45
Dr.Vithal Rajan	1.75	2.40	4.15
Shri.M.S.V.M.Rao	1.75	2.50	4.25
Shri.Prathap K. Moturi	1.75	2.50	4.25
Shri.K.A.Rangaswamy (upto 21.09.2016)	0.83	**	0.83
Shri K.R. Adivarahan (from 21.09.2016)	0.92	4.70	5.62
Total	8.75	14.80	23.55

5. SHAREHOLDINGS OF NON EXECUTIVE DIRECTORS:

The Shareholdings of the Non-Executive Directors are as below:

Directors	No. of shares held (F.V.of Re.1/-each)
Shri. Ranvir R. Shah	6,38,609
Dr.Vithal Rajan	Nil
Shri.M.S.V.M.Rao	10
Shri.Prathap K. Moturi	Nil
Shri.K.R. Adivarahan	1060

6. STAKEHOLDERS RELATIONSHIP Committee:

The Stakeholders Relationship Committee is vested with the powers to look into the problems / grievances of Shareholders/Investors as per SEBI norms. The Chairman of the Committee is Shri. K.R.Adivarahan a Non-Wholetime Director, with Smt.Irmgard Velagapudi M.Rao, and Smt.V.Kiran Rao, who are whole-time directors, as its other Members. The composition of Stakeholders Relationship Committee is in compliance with section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The Committee normally meets once / twice in a month based on the volume of transfers. The terms of reference encompasses:

- To approve requests for share transfers, transmissions, transpositions, dematerialization, split and duplicate shares.
- To review and take all necessary steps for redressal of investor's grievances and complaints as may be required in the interests of the investors.

There were 10 meetings of the Stakeholders Relationship Committee held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Meetings attended
Shri.K.R. Adivarahan	10
Smt.Irmgard Velagapudi M.Rao	9
Smt.V.Kiran Rao	10

Shri.S.Chidambaram, General Manager (Accounts) & Company Secretary, is the Compliance Officer of the Company. M/s. Integrated Enterprises (India) Ltd are the Registrars, Transfer Agents and Depository Registrars of the Company for physical / electronic shares. All transfer of shares received by the Company/Registrars during the year has been processed. During the year, 238 queries / complaints were received from the shareholders, all of which have been resolved.

Nature of Queries / Complaint	During the year ended 31.03.2018	
	Received	Attended to
Non-receipt of Certificates	0	0
Non-receipt of Interest / Dividend Warrants/ Cheques / Drafts	18	18
Issue of Duplicate Share Certificates	5	5
Issuance of Duplicate Dividend Warrant / Cheque / Drafts / Revalidation	77	77
Correction in Share Cert./Dividend Warrant / Cheque / Drafts	24	24
Non-Receipt of Annual Report	1	1
General queries-request for change of address, procedure for transmission of shares/procedure for loss of share certificates/ Nomination	113	113
TOTAL	238	238

In pursuance of Regulation 13 of SEBI (LODR) Regulations, 2015, the Company ensures that adequate steps are taken for expeditious redressal of investor complaints. The Company is registered on SCORES platform in order to handle investor complaints electronically. The Company also files a statement giving status of investor complaints with NSE and BSE on a quarterly basis. Action Taken Report (ATR) with supporting documents is submitted in SCORES.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has been voluntarily doing lot of social welfare activities in and around the places of Company's operations even before the Corporate Social Responsibility activities were made mandatory as per section 135 of the Companies Act, 2013. However, in compliance with the statutory provisions as per section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee has been constituted by the Board of Directors at its meeting held on 30.10.2013 with Smt.Irmgard Velagapudi, Whole-time Director, as the Committee's Chairperson, and Shri.Vinod R.Sethi, Whole-time Director, Shri.M.S.V.M.Rao, and Shri.K.R.Adivarahan, Non-whole-time Directors, as members.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

As part of corporate social responsibility, the Company has been involving and participating in various events by organizing rallies, processions, campaigns to propagate and sensitize employees, colony residents and public of vicinity on the eve of:

- World Environment Day
- National Safety Day
- Celebration of Fire Service Week
- Celebration of World Health Day
- World Earth Hour.

The Company has been organizing Mega Health Checkup camps every year in coordination with Rotary Club, NGOs, to identify types of diseases by proper diagnosis and distribute medicines by involving doctors of corporate hospitals in various disciplines. Saplings plantation programme was organized by undertaking plantation in and around Vuyyuru, surrounding villages and our manufacturing facilities for the development of green cover. Further, the Company had developed avenue plantation on both sides of the highways and along the interior roads in Krishna District and this is an ongoing process every year.

The Company has been digging re-charge wells to conserve the water and also widely encouraging drip irrigation as part of best water management practices by enlightening the farmers. The Company has subsidized to the farmers to an extent of 25% of the cost of the re-charge bore wells.

As part of development of organic farming, the company has been propagating the use of Bio-fertilizers manufactured in the Company's Biotech facilities for application to the crops for better output and yield which enriches the land health and fertility. Bio insecticides are being used widely to discourage chemical insecticides.

The Company has also been putting its efforts to supply clean potable drinking water in participation with Naandi Foundation and other NGO's to nearby villages and educational institutions.

The Company has also been organizing every year Veterinary Camps, Eye Camps in massive scale in entire Krishna District. Further, blood donation camps were organized and also were arranging blood donors to the needy patients among the Company's employees.

The Company has been donating for the construction of panchayat buildings, police stations, fire stations, veterinary hospitals, cyclone shelters, school buildings. The Company is also conducting periodically Immunization camps, family welfare camps and AIDS and polio awareness camps, etc.

The Company has been conducting awareness programmes on pulse polio programme, AIDS, Population Day, World Olympic Day, etc, through involvement of voluntary organizations like Rotary Club, Lions Club, and Inner Wheel Club of Vuyyuru.

The Company has been organizing camps / rehabilitation centres for fire and flood victims by providing food / utensils / cloths / medicines in times of natural calamities and fire accidents.

The Company is donating liberally directly and through Rotary Club, NGOs and other Government agencies, for promotion of the following community development activities:

- ❖ Building houses for poor.
- ❖ Building Bus shelters and low cost individual toilets
- ❖ Building roads, bridges and culverts for better connectivity.
- ❖ Helping Educational Institutions and children of rural areas to promote literacy
- ❖ Liberally donating relief fund in times of natural disasters
- ❖ Environment and safety awareness sessions conducted in nearby schools and villages.
- ❖ Financial assistance to poor patients for surgery, treatment, etc.

Report on CSR activities in pursuance of Companies (Corporate Social Responsibility) Rules, 2014, is furnished in Annexure V to this Report.

The CSR Committee met on 09.11.2017 and 09.02.2018 to review Company's CSR activities in the specified areas.

8. RISK MANAGEMENT COMMITTEE:

As the constitution of Risk Management Committee is applicable only to top 100 listed companies, determined on the basis of market capitalization as at the end of the immediate previous financial year, the Company is not mandated to constitute a Risk Management Committee. However, the Board of Directors of the Company on its own, had laid down procedures for Risk Assessment and Minimization.

9. Venue and Time OF LAST three Annual General MEETINGS:

AGM for the financial year ended	Date / Time	No of Special resolutions	Members Present	
			in Person	By Proxy
31.03.2015	20.08.2015 at 10.30 a.m.	4	659	8
31.03.2016	21.09.2016 at 10.30 a.m.	1	567	10
31.03.2017	15.09.2017 at 10.00 a.m.	0	502	4

- a. All the three AGMs were held at "Sathguru Gnanananda Hall", Narada Gana Sabha, 314, TTK Road, Alwarpet, Chennai 600018.
- b. No postal ballots were required to be used for voting on any of the items of business at the above meetings. At the ensuing AGM, there is no item on the agenda that needs approval by postal ballot.

10. Disclosures:

❖ CEO and CFO Certification -

The Managing Director and the Chief Financial Officer have provided the compliance certificate to the Board of Directors as specified under Part B of Schedule II in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015, which was placed before the Board at its Meeting on 25.05.2018 - Annexure VIII to Board's Report.

❖ Related Party Transactions:

All transactions entered into by the Company with Related Parties during the financial year 2017-18 were in ordinary course of business and on arms length basis. The details of Related Party transactions are set out in Note No.40 in the Notes to the Finance Statements, forming part of the Annual Report. All the Related Party transactions undertaken by the Company were in compliance with section 188 of the Companies Act, 2013, read with Regulation 23 of SEBI (LODR) Regulations, 2015. All related party transactions have prior approval of the Audit Committee as required under Regulation 23(2) of SEBI (LODR) Regulations, 2015. Particulars of Contracts / Agreements entered into by the Company with Related Parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under Third proviso to section 188(1) are furnished in Form No.AOC-2. (refer Annexure IX).

❖ Compliance with Corporate Governance Norms & Transfer / Transmission / Transposition of Securities Norms:

The Company has complied with mandatory requirements of the Code of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) Regulations, 2015 with the Stock Exchanges. The Company has submitted its Compliance Report in the prescribed format to the Stock Exchanges for the quarters ended 30.06.2017, 30.09.2017, 31.12.2017 and 31.03.2018. The statutory auditors have certified that the Company has complied with the Corporate Governance norms as stipulated under para (E) of Schedule V of the Listing Regulations with the Stock Exchanges. The said certificate is annexed to the Directors Report.

Details of Compliance as per Regulation 27 of SEBI (LODR) Regulations, 2015:

Particulars	Regulation No. `	Compliance Status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'.	16(1)(b) & 25(6)	Yes
Board Composition	17(1)	Yes
Meeting of Board of Directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees / Compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes

Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transactions	23(1),(5),(6),(7), (8)	NA - There is no material related party transactions as per regulation 23(1).
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2),(3)	Yes - Approval of Audit Committee & Board is obtained for routine related party transactions within the threshold limit.
Approval for material related party transactions	23(4)	NA
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5), & (6)	24(2),(3),(4) - Yes 24(5) & (6) - NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel.	26(3)	Yes
Disclosure of shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management Personnel.	26(2) & 26(5)	Yes

Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Chartered Accountant carries out the Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors, within the stipulated time.

Electronic Filing

NEAPS:

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through NSE Electronic Application Processing System (NEAPS) effective from quarter ended 31.12.2011.

BSE Listing Centre

Quarterly Reports to be filed with the National Stock Exchange Ltd are filed through BSE Listing Centre effective from the financial year 2016-17.

Quarterly Financial Results:

In pursuance of Regulation 33 of SEBI (LODR) Regulations, 2015, quarterly financial results as approved by the Board on the recommendations of Audit Committee, are communicated to Stock Exchanges through NEAPS

/ BSE Listing Centre after conclusion of the Board Meeting. The results are also published in the prescribed format in English newspaper and one vernacular newspaper, having wide circulation. The results are also immediately posted on the Company's website.

❖ **Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for the Members of the Board as well as to all connected persons in pursuance of Disclosures under Regulation 17 of SEBI (LODR) Regulations, 2015. The Managing Director has confirmed and declared that all the Members of the Board as well as all connected persons have affirmed compliance with the Code of Conduct. The Codes have been posted on the Company's website www.kcpsugar.com. All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2017-18. The declaration to this effect signed by the Managing Director of the Company forms a part of this report.

❖ **Prevention of Insider Trading:**

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all the Directors / Officers and Designated Employees. The Code also aims to prevent dealing in the shares by persons having access to unpublished information. The trading window shall remain closed during the period when designated persons in terms of regulations can reasonably be expected to have possession of unpublished prize sensitive information which in any event shall not be earlier than 48 hours after the information becomes generally available. The Company Secretary is designated as compliance officer for this purpose.

11. Means of COMMUNICATION :

- ❖ The quarterly, half yearly and annual results are generally published in widely circulating national & local dailies such as *The Financial Express* (in English) and *Malai Sudar* (in Tamil).
- ❖ The Company has a website, www.kcpsugar.com under Regulation 46 of SEBI (LODR) Regulations, 2015. There were no presentations made to the institutional investors or analysts.

❖ **DOCUMENTS PLACED ON COMPANY'S WEBSITE (www.kcpsugar.com)**

Details of the Company's business.

Terms and conditions of appointment of Independent Directors

Composition of various Committees of the Board of Directors

Code of Conduct of Board of Directors and Senior Management Personnel.

Details of unpaid dividend as per section 124.

Corporate Social Responsibility Policy as per section 135(4)(a).

Stand-alone and Consolidated Financial statements of the Company along with relevant documents as per the 3rd proviso to section 136(1).

Separate audited accounts in respect of subsidiaries as per the 4th proviso to section 136(1).

Financial information including (1) Notice of meeting of the Board of Directors where financial results are discussed; (2) Financial results on the conclusion of meeting of the Board of Directors where the financial results are approved, together with the Limited Review Reports issued by the Statutory Auditors.

Details of Vigil Mechanism for Directors and Employees to report genuine concerns as per section 177(10) & Regulation 22 of SEBI (LODR), Regulations, 2015.

Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015, and Code of Fair Disclosure and Conduct.

Shareholding pattern.

The Company ensures that the contents of the website are correct and updates, changes, if any, in the contents of the website, periodically.

- ❖ As required under Regulation 46(2)(j) of SEBI (LODR) Regulations, 2015, has created a dedicated email ID investorservices@kcpsugar.com for registration and redressal of investor's grievances.

12. Vigil Mechanism

The Company has established a Vigil Mechanism for Directors and Employees to report their genuine concerns, in pursuance of section 177(9) of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015, and Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014. The whistle mechanism policy has been uploaded in the Company's website. The said Vigil Mechanism policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

No complaint under this facility was received during the financial year 2017-18.

13. Preservation of Documents:

The Company has a policy in line with Regulation 9 of SEBI (LODR) Regulations, 2015, for preservation of documents maintained in electronic / physical form.

14. Peer Review of Auditors:

Pursuant to Regulation 33(d) of SEBI (LODR) Regulations, 2015, the statutory auditors of the Company have confirmed that they have subjected themselves to Peer Review Process of the Institute of Chartered Accountants of India and they hold the valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

15. Business Responsibility Report:

Inclusion of Business Responsibility Report as a part of Annual Report of the listed entities as mandated by SEBI Circular dt. 13.08.2012 and under Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, is not applicable to the Company as only the top 500 listed entities are only covered at present.

16. General Shareholder Information :

❖ **AGM: Date, Time and Venue:** 23rd Annual General Meeting is scheduled on 14th day of September 2018 at 10.00 a.m. at "Sathguru Gnanananda Hall", Narada Gana Sabha, No.314, T.T.K.Road, Chennai 600018.

❖ Date of Book Closure

For the year ended 31.03.2018	Book Closure Date (s)	Dividend paid / payable
Dividend Payment date	06.09.2018 to 14.09.2018 (both dates inclusive)	The Board of Directors at their Meeting held on 25.05.2018 has recommended a dividend of Re. 0.10 per equity share of face value Re.1/-, subject to the approval of Shareholders at the ensuing Annual General Meeting. On approval thereof, this dividend will be paid to the Shareholders on or after 14.09. 2018 but within the statutory time limit.
Cut off date for remote e-voting	7th September, 2018 (Friday)	

❖ **Tentative Financial calendar** : i Financial Year – 1st April to 31st March.

ii. First Quarter Results on or before 14.08.2018.

iii. Half-yearly Results on or before 14.11.2018.

iv. Third Quarter Results before 14.02.2019.

v. Results for the year ending 31.03.2019 on or before 30.05.2019.

❖ **Listing on Stock Exchanges** : National Stock Exchange of India Ltd and

The Bombay Stock Exchange Ltd.

Annual listing fees have been paid to the National Stock Exchange and there is no amount outstanding as on date.

❖ **Custodial Charges**

: The Company has already paid Custodial Charges to NSDL and CDSL for the financial year 2018-19.

❖ **PAN requirement**

Shareholders who hold shares in physical mode are requested to convert their holding to demat mode considering the merits of depository system.

:SEBI vide its circular dt. 27.04.2007 made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the transaction amount. Further, SEBI vide its circular dt. 20.05.2009 made it mandatory to furnish a copy of the PAN card of the Transferee to the Company / RTA for registration of transfer of shares of the Listed Companies in physical form and off market / private transactions. Furnishing a copy of PAN card for transmission / transposition of shares has been made mandatory by SEBI vide its circular dt. 27.01.2010.

Investors are requested to take note of the aforesaid circulars.

❖ **Stock Code - Physical**

: “**KCPSUGIND**” on both the National Stock

Exchange and Bombay Stock Exchange (*Scrip No. 533192*)

❖ **De-mat ISIN Number**

: **INE790B01024**. (*The Equity shares of the Company are traded in 'Compulsory Demat' form.*)

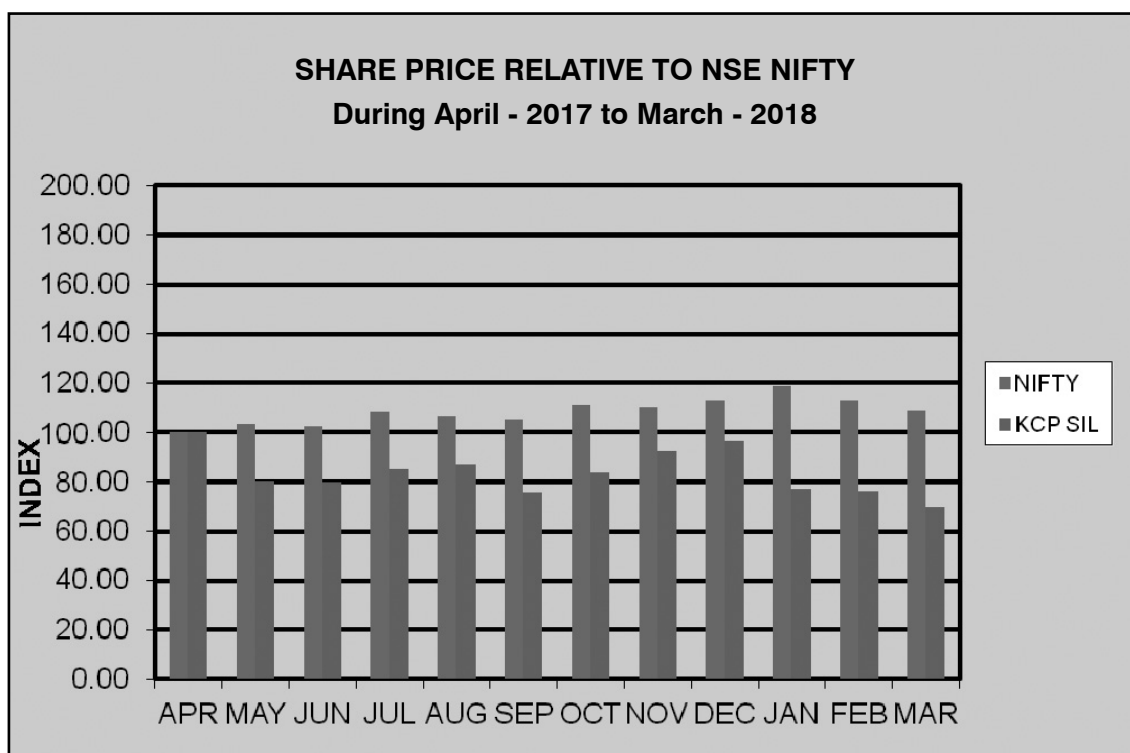
❖ **CIN**

: **L15421TN1995PLC033198**

❖ **High / Low of market price of the Company's shares (*Face Value Re.1/-*) traded on the National Stock Exchange and Bombay Stock Exchange, during the financial year 2017 – 18 is furnished below:**

(Rs. per share)

Period	High		Low		Period	High		Low	
	NSE	BSE	NSE	BSE		NSE	BSE	NSE	BSE
April '17	40.15	40.10	36.20	36.05	October '17	30.65	30.65	27.30	27.40
May '17	36.75	36.75	29.00	29.05	November '17	31.90	34.40	28.20	28.50
June '17	31.80	31.85	27.55	27.65	December '17	37.90	38.00	30.85	29.20
July '17	34.55	34.60	29.50	29.45	January '18	37.80	37.90	27.00	27.05
August '17	33.15	33.10	26.70	26.80	February '18	29.75	29.80	25.00	25.40
Sept '17	32.40	32.40	27.05	27.10	March '18	27.85	27.60	22.60	22.85



Registrar /Transfer Agents/

:Integrated Registry Management Services Pvt. Ltd.

Depository Registrars

Kences Towers, 2nd Floor, 1,Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017. Tel : 28140801 to 03 : Fax : 28142479

❖ **Share Transfer System:**

The shares of the Company are included in the list of shares under the compulsory dematerialization and are transferable through the depository system. All documents received for physical transfer of shares are processed by the Registrar and Transfer Agents and are approved by the Stakeholders' Relationship Committee which normally meets twice / once in a month depending on the volume of transfers. Share transfers are registered and returned within a maximum of 15 days from the date of lodgment, if documents are complete in all respects. There is no pending share transfer request as on 31.03.2018.

❖ **Nomination facility:**

Shareholders holding shares in physical form intending to make a Nomination are requested to submit Form No.SH-13 prescribed under Rule 19 of the Companies (Share Capital & Debentures) Rules, 2014 to the Company's Registrar and Transfer Agent. Shareholders holding share in electronic form can submit the said form to their respective Depository Participants. The said form can be obtained on request from the Company or can be downloaded from MCA website.

❖ Distribution of Shareholding and shareholding pattern as on 31.03.2018:

a. By number of Shares held:

No of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
Upto 5000	27434	94.61	17041039	15.02
5001 – 10000	760	2.62	5725652	5.05
10001 – 20000	347	1.20	5092689	4.49
20001 – 30000	145	0.50	3571633	3.15
30001 – 40000	81	0.28	2852181	2.52
40001 – 50000	58	0.20	2628123	2.32
50001 – 100000	94	0.32	6452633	5.69
100001 and above.	79	0.27	70021100	61.76
TOTAL	28998	100.00	11,33,85,050	100.00

b. By ownership:

NAME OF THE COMPANY : K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED										
Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)										
(i) Category-wise Shareholding										
Category of Shareholder		No. of shares held at the beginning of the year (as on 01.04.2017)				No. of shares held at the end of the year (as on 31.03.2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	1882110	0	1882110	1.660	2097110	0	2097110	1.850	
b	Central Government									
c	State Government									
d	Bodies Corporate	43734156	0	43734156	38.570	43742656		43742656	38.580	
e	Financial Institutions/Banks									
f	Any other(specify)									
	SUB TOTAL A(1)	45616266	0	45616266	40.230	45839766		45839766	40.430	0.200
(2)	Foreign									
a	Individual(Non resident/ foreign)									
b	Bodies corporate									
c	Institutions									
d	Qualified Foreign Investor									
e	Any other(specify)									
	SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	45616266	0	45616266	40.230	45839766		45839766	40.430	0.200
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	4750	6470	11220	0.010	4750	0	4750	0.000	
b	Financial Institutions/Banks	255685	21340	277025	0.240	227084	4840	231924	0.200	
c	Central Government	500	0	500	0.000	500	0	500	0.000	
d	State Government(s)									
e	Venture Capital Funds									
f	Insurance Companies									
g	Foreign Institutional Investors	0	500	500	0.000					
h	Foreign Venture Capital Investors									
i	Qualified Foreign Investor									
j	Any other(specify) FOREIGN PORTFOLIO INVESTOR	316608	0	316608	0.280	1822	0	1822	0.000	
	SUB TOTAL B(1)	577543	28310	605853	0.530	234156	4840	238996	0.200	-0.320
(2)	Non-Institutions									
a	Bodies Corporate(Indian/foreign/Overseas)	11553857	386510	11940367	10.530	9410824	342460	9753284	8.600	
b	Individuals(Redident/NRI/Foreign National)									
(i)	Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	32928867	5832113	38760980	34.190	35132713	4803303	39936016	35.220	
(ii)	Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	13777484	1451180	15228664	13.430	14421852	1235090	15656942	13.810	
c	Any other(specify)									
	Clearing Member	1191250	0	1191250	1.050	718703	0	718703	0.630	
	LLP	12900	0	12900	0.010	123460	0	123460	0.110	
	TRUST	28770	0	28770	0.030	44078	0	44078	0.040	
	IEPF	0	0	0	0.000	1073805	0	1073805	0.950	0.130
	SUB TOTAL B(2)	59493128	7669803	67162931	59.230	60925435	6380853	67306288	59.360	0.130
	Total Public Share Holding (B)=B(1)+B(2)	60070671	7698113	67768784	59.770	61159591	6385693	67545284	59.570	-0.200
	TOTAL (A) + (B)	105686937	7698113	113385050	100.000	106999357	6385693	113385050	100.00	0.000
C	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A) + (B) + (C)	105686937	7698113	113385050	100.000	106999357	6385693	113385050	100.00	0.000

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)		% Change during the year	
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DURGAMBA INVESTMENT PRIVATE LIMITED	43734156	38.571	0	43742656	38.579	0	0.01
2	SMT. IRMGARD VELAGAPUDI	1583280	1.396	0	1738280	1.533	0	0.14
3	SMT.KIRAN VELAGAPUDI	265820	0.234	0	265820	0.234	0	0.00
4	MR. VINOD SETHI	33010	0.029	0	93010	0.082	0	0.05
	TOTAL	45616266	40.23	0	45839766	40.43	0	0.20

(iii) Change in Promoters Shareholding

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Share holding during the year				
1	M/S DURGAMBA INVESTMENT PRIVATE LIMITED				
	PAN :AABCD5483A				
	Opening Balance as on 01/04/2017	43734156	38.571		
	05/02/2018	8500	0.007	43742656	38.579
	Closing Balance as on 31/03/2018			43742656	38.579
2	MRS. IRMGARD VELAGAPUDI				
	PAN :AAFPI6691A				
	Opening Balance as on 01/04/2017	1583280	1.396		
	31/01/2018	10000	0.009	1593280	1.405
	01/02/2018	10000	0.009	1603280	1.414
	20/02/2018	10000	0.009	1613280	1.423
	21/02/2018	20000	0.018	1633280	1.440
	22/02/2018	10000	0.009	1643280	1.449
	26/02/2018	5000	0.004	1648280	1.454
	06/03/2018	10000	0.009	1658280	1.463
	07/03/2018	10000	0.009	1668280	1.471
	08/03/2018	10000	0.009	1678280	1.480
	09/03/2018	20000	0.018	1698280	1.498
	12/03/2018	10000	0.009	1708280	1.507
	13/03/2018	10000	0.009	1718280	1.515
	14/03/2018	5000	0.004	1723280	1.520
	19/03/2018	5000	0.004	1728280	1.524
	20/03/2018	5000	0.004	1733280	1.529
	26/03/2018	5000	0.004	1738280	1.533

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	Closing Balance as on 31/03/2018			1738280	1.533
3	MR VINOD SETHI				
	PAN :BESPS5774Q				
	Opening Balance as on 01/04/2017	33010	0.029		
	01/02/2018	10000	0.009	43010	0.038
	21/02/2018	30000	0.026	73010	0.064
	22/02/2018	10000	0.009	83010	0.073
	26/02/2018	5000	0.004	88010	0.078
	12/03/2018	5000	0.004	93010	0.082
	Closing Balance as on 31/03/2018			93010	0.082
(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	V. R. K. GRANDSON'S INVESTMENT PRIVATE LTD.				
	PAN :AAACV3678A				
	Opening Balance as on 01/04/2017	5726605	5.051		
	07/04/2017	-1584	-0.001	5725021	5.049
	19/05/2017	-24000	-0.021	5701021	5.028
	16/06/2017	-100000	-0.088	5601021	4.940
	23/06/2017	-97597	-0.086	5503424	4.854
	30/06/2017	-30800	-0.027	5472624	4.827
	11/08/2017	-76150	-0.067	5396474	4.759
	13/10/2017	-61740	-0.054	5334734	4.705
	20/10/2017	-6500	-0.006	5328234	4.699
	27/10/2017	-23500	-0.021	5304734	4.679
	31/10/2017	-15000	-0.013	5289734	4.665
	03/11/2017	-13500	-0.012	5276234	4.653
	29/12/2017	-44077	-0.039	5232157	4.615
	05/01/2018	-25000	-0.022	5207157	4.592
	12/01/2018	-22544	-0.020	5184613	4.573
	Closing Balance as on 31/03/2018			5184613	4.573
2	INDIA INFOLINE LIMITED				
	PAN :AAACI7397D				
	Opening Balance as on 01/04/2017	1705518	1.504		
	07/04/2017	-1150	-0.001	1704368	1.503
	14/04/2017	1321	0.001	1705689	1.504
	21/04/2017	-1703239	-1.502	2450	0.002
	28/04/2017	1686062	1.487	1688512	1.489
	05/05/2017	-5165	-0.005	1683347	1.485
	12/05/2017	-18693	-0.016	1664654	1.468
	19/05/2017	-1664254	-1.468	400	0.000
	26/05/2017	1664298	1.468	1664698	1.468

	02/06/2017	-514581	-0.454	1150117	1.014
	09/06/2017	-487717	-0.430	662400	0.584
	16/06/2017	350	0.000	662750	0.585
	23/06/2017	-170	0.000	662580	0.584
	30/06/2017	9820	0.009	672400	0.593
	07/07/2017	-9500	-0.008	662900	0.585
	14/07/2017	-100	0.000	662800	0.585
	21/07/2017	1040	0.001	663840	0.585
	28/07/2017	560	0.000	664400	0.586
	04/08/2017	3040	0.003	667440	0.589
	11/08/2017	-40	0.000	667400	0.589
	18/08/2017	-2684	-0.002	664716	0.586
	25/08/2017	1275	0.001	665991	0.587
	01/09/2017	5070	0.004	671061	0.592
	07/09/2017	-8661	-0.008	662400	0.584
	08/09/2017	12960	0.011	675360	0.596
	15/09/2017	-5748	-0.005	669612	0.591
	22/09/2017	-5153	-0.005	664459	0.586
	30/09/2017	-1909	-0.002	662550	0.584
	06/10/2017	-150	0.000	662400	0.584
	13/10/2017	1691	0.001	664091	0.586
	20/10/2017	-1691	-0.001	662400	0.584
	27/10/2017	5380	0.005	667780	0.589
	31/10/2017	-130	0.000	667650	0.589
	03/11/2017	-667150	-0.588	500	0.000
	10/11/2017	662000	0.584	662500	0.584
	17/11/2017	251	0.000	662751	0.585
	24/11/2017	149	0.000	662900	0.585
	01/12/2017	9688	0.009	672588	0.593
	08/12/2017	-9893	-0.009	662695	0.584
	15/12/2017	-245	0.000	662450	0.584
	22/12/2017	-78915	-0.070	583535	0.515
	29/12/2017	265	0.000	583800	0.515
	05/01/2018	196	0.000	583996	0.515
	12/01/2018	-9135	-0.008	574861	0.507
	19/01/2018	2300	0.002	577161	0.509
	26/01/2018	15597	0.014	592758	0.523
	02/02/2018	-175344	-0.155	417414	0.368
	09/02/2018	-218729	-0.193	198685	0.175
	16/02/2018	-3815	-0.003	194870	0.172
	23/02/2018	2795	0.002	197665	0.174
	02/03/2018	-4945	-0.004	192720	0.170
	09/03/2018	1941	0.002	194661	0.172
	16/03/2018	-1727	-0.002	192934	0.170
	23/03/2018	-673	-0.001	192261	0.170

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	30/03/2018	5043	0.004	197304	0.174
	Closing Balance as on 31/03/2018			197304	0.174
3	Indian Syntans Investments (P) Ltd				
	PAN :AAACI1775K				
	Opening Balance as on 01/04/2017	950000	0.838		
	Closing Balance as on 31/03/2018			950000	0.838
4	PADMINI RAJAN				
	PAN :ACOPR5427J				
	Opening Balance as on 01/04/2017	893000	0.788		
	Closing Balance as on 31/03/2018			893000	0.788
5	SAKUNTHALA DEVI BOPPANA				
	PAN :AFWPB3847H				
	Opening Balance as on 01/04/2017	858600	0.757		
	Closing Balance as on 31/03/2018			858600	0.757
6	BOPPANA VINAY KUMAR				
	PAN :AFXPB0044B				
	Opening Balance as on 01/04/2017	855250	0.754		
	Closing Balance as on 31/03/2018			855250	0.754
7	KOGANTY SRIHARI RAO				
	PAN :ASNPK3180C				
	Opening Balance as on 01/04/2017	541113	0.477		
	Closing Balance as on 31/03/2018			541113	0.477
8	RANI S B				
	PAN :APXPS6609D				
	Opening Balance as on 01/04/2017	509060	0.449		
	22/12/2017	128280	0.113	637340	0.562
	Closing Balance as on 31/03/2018			637340	0.562
9	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU				
	PAN :R00053				
	Opening Balance as on 01/04/2017	468270	0.413		
	Closing Balance as on 31/03/2018			468270	0.413
10	CHARU D SHAH				
	PAN :AAJPC2173K				
	Opening Balance as on 01/04/2017	425000	0.375		
	Closing Balance as on 31/03/2018			425000	0.375
11	HAROON MAHMUD ADAM				
	PAN :AABPA0755F				
	Opening Balance as on 01/04/2017	358000	0.316		
	09/06/2017	10000	0.009	368000	0.325
	16/06/2017	30000	0.026	398000	0.351
	07/07/2017	-40000	-0.035	358000	0.316
	31/10/2017	50000	0.044	408000	0.360
	01/12/2017	-35000	-0.031	373000	0.329
	29/12/2017	-15000	-0.013	358000	0.316
	05/01/2018	-2250	-0.002	355750	0.314

	12/01/2018	-50000	-0.044	305750	0.270
	Closing Balance as on 31/03/2018			305750	0.270
12	V L INDIRA DUTT				
	PAN :AAAPD6756A				
	Opening Balance as on 01/04/2017	325000	0.287		
	Closing Balance as on 31/03/2018			325000	0.287
13	PREMIER INVESTMENT FUND LIMITED				
	PAN :AACCP9387L				
	Opening Balance as on 01/04/2017	316608	0.279		
	02/06/2017	-11517	-0.010	305091	0.269
	03/06/2017	-305091	-0.269	0	0.000
	Closing Balance as on 31/03/2018			0	0.000
14	MALINI L NARASIMHAN				
	PAN :AAAPN8023G				
	Opening Balance as on 01/04/2017	310120	0.274		
	Closing Balance as on 31/03/2018			310120	0.274
15	VIVEK KUMAR				
	PAN :ABYPK7069G				
	Opening Balance as on 01/04/2017	175000	0.154		
	16/06/2017	125000	0.110	300000	0.265
	20/10/2017	30000	0.026	330000	0.291
	26/01/2018	-17769	-0.016	312231	0.275
	Closing Balance as on 31/03/2018			312231	0.275
16	HARSHA L SANGHVI				
	PAN :ALFPS8751G				
	Opening Balance as on 01/04/2017	156125	0.138		
	23/03/2018	15969	0.014	172094	0.152
	30/03/2018	139906	0.123	312000	0.275
	Closing Balance as on 31/03/2018			312000	0.275
17	NEESHA HARICHAND TOLANI				
	PAN :BAFPT7798L				
	Opening Balance as on 30/12/2017	300000	0.265		
	09/02/2018	55000	0.049	355000	0.313
	16/02/2018	20000	0.018	375000	0.331
	16/03/2018	125000	0.110	500000	0.441
	23/03/2018	25000	0.022	525000	0.463
	Closing Balance as on 31/03/2018			525000	0.463
18	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	PAN :EXEMPTCATG				
	Opening Balance as on 02/12/2017	1073805	0.947		
	Closing Balance as on 31/03/2018				0.947

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(v) Shareholding of Directors and key managerial personnel							
Sl No.	Name of Director and KMP	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1	ADIVARAHAN K R						
	PAN :ADOPA8601L						
	Opening Balance as on 31/03/2017	1060	0.001				
	Closing Balance as on 31/03/2018					1060	0.001
2	RANVIR R SHAH						
	PAN :AAMPS5511Q						
	Opening Balance as on 01/04/2017	370232	0.327				
	28/04/2017			27400	0.024	397632	0.351
	05/05/2017			18129	0.016	415761	0.367
	12/05/2017			25500	0.022	441261	0.389
	19/05/2017			11371	0.010	452632	0.399
	07/07/2017			45000	0.040	497632	0.439
	28/07/2017			16000	0.014	513632	0.453
	04/08/2017			19249	0.017	532881	0.470
	11/08/2017			39751	0.035	572632	0.505
	01/09/2017			5977	0.005	578609	0.510
	02/02/2018			35000	0.031	613609	0.541
	09/03/2018			10000	0.009	623609	0.550
	16/03/2018			15000	0.013	638609	0.563
	Closing Balance as on 31/03/2018					638609	0.563
3	R GANESAN						
	PAN :AAAPG2506Q						
	Opening Balance as on 01/04/2017	1500	0.001				
	Closing Balance as on 31/03/2018					1500	0.001
4	SIDDHARTH VENKATA MARKANDEYA RAO MANIKYARAO						
	PAN :AFOPM9785K						
	Opening Balance as on 01/04/2017	10	0.000				
	Closing Balance as on 31/03/2018					10	0.000

❖ Shares in Physical and Electronic form:

Shareholders in	No.of Shareholders	%	No.of Shares	%
Physical Mode	2706	9.33	6385693	5.63
- Sub-Total	2706	9.33	6385693	5.63
Electronic Mode				
- NSDL	16413	56.60	86754073	76.51
- CDSL	9879	34.07	20245284	17.86
- Sub-Total	26292	90.67	106999357	94.37
Grand Total	28998	100.00	113385050	100.00

❖ The Company has not so far issued any GDRs/ADRs/Warrants or any other convertible instruments.

❖ Top ten individual shareholders of the Company other than Promoter category as on 31.03.2018:

Sl. No	Name of the Shareholder	Shares	% to Capital
1	Padmini Rajan	893000	0.79
2	Sakunthala Devi Boppana	858600	0.76
3	Boppana Vinay Kumar	855250	0.75
4	Rani S.B.	637340	0.56
5	Koganty Srihari Rao	541113	0.48
6	Neesha Harichand Tolani	525000	0.46
7	Diwan Bahadur PSG Rangaswamy Naidu	468270	0.41
8	Charu D. Shah	425000	0.37
9	V.L.Indira Dutt	325000	0.29
10	Vivek Kumar	312231	0.28
		5840804	5.15

❖ **Unclaimed Shares**

In accordance with clause 5A(II) of the Listing Agreement and SEBI Circular No. CIR/CFD/10.2010 dt. 16.12.2010, the Company has identified 41 folios comprising of 41,200 equity shares of face value of Re.1/- each, which were unclaimed as on 31.03.2018. The voting rights in respect of these unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares. The status as on 31.03.2018 is as under:

Particulars of Unclaimed shares	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding in the suspense account lying as on 01-04-2017	200	225860
LESS: Number of shareholders who approached the company for transfer of shares from suspense account during the period	2	8570
LESS: Shares were transferred from Unclaimed Securities suspense account to Investor Education and Protection Fund during the period	157	176090
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31-03-2018	41	41200

In terms of the provisions of Section 124 of the Companies Act, 2013 [section 205-A(5) of the Companies Act, 1956], the amount of dividend remaining unclaimed / unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the **Investor Education and Protection Fund (IEPF)**. Accordingly, dividend for the financial year ended 31.03.2010 had been transferred to IEPF during the financial year 2017-18. Dividend for the financial year ended 31st March, 2011 and thereafter, which remain unclaimed for a period of seven years will be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government.

Information in respect of such unclaimed dividend and the due date for transfer to the said Fund is given below:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2011	29.09.2011	28.09.2018	27.10.2018
31.03.2012	28.09.2012	27.09.2019	26.10.2019
31.03.2013	30.08.2013	29.08.2020	27.09.2020
31.03.2014	11.09.2014	10.09.2021	09.10.2021
31.03.2015	20.08.2015	19.08.2022	18.09.2022
31.03.2016	21.09.2016	20.09.2023	19.10.2023
31.03.2017	15.09.2017	14.09.2024	13.10.2024

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Members are informed that the dividend for the financial year 2010-11 shall become due for transfer to IEPF on 28.09.2018. Any member who has not claimed dividend in respect of the said financial year is requested to approach the Company / Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 21.09.2018. The Company has already sent reminders to all such members at their registered address in this regard. The details of Unclaimed Dividend are available in the Company's website.

❖ **Plant Locations** The Company has got Sugar, Distillery, Ethanol, Biotech, Incidental Cogeneration, CO₂, Calcium Lactate units at Vuyyuru; Sugar and Incidental Cogeneration units at Lakshmipuram, both in Krishna District, Andhra Pradesh.

❖ **Address for Correspondence** Shareholders correspondence should be addressed to Registrar and Share Transfer Agents at the address mentioned above. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. Shareholders may also contact Shri.S.Chidambaram, General Manager (Accounts) & Company Secretary at the Registered Office of the Company for any assistance.

Tel.Nos. 28555171 – 76 Extn: 117

E-mail id: kcpsugar@vsnl.com. An exclusive

e-mail ID investorservices@kcpsugar.com has been created for registering investors complaints.

For and on behalf of the Board of Directors

Place : Chennai
Date : 25.05.2018

VINOD R. SETHI
EXECUTIVE CHAIRMAN

Request to Shareholders

Section 88(1)(a) of the Companies Act, 2013, read with rule 3(1) of the Companies (Management & Administration) Rules, 2014 requires the Company to keep the Register of Members in Form No.MGT-1. As compared to the existing Register of members under the old Act, the new Law calls for certain additional information to be recorded. In order that the company is facilitated to comply with the same, shareholders are requested to send the following information to our Registrars and Transfer Agents, Integrated Registry Management Services Pvt.Ltd., Kences Towers, 2nd Floor, 1,Ramakrishna Road, North Usman Road, T.Nagar, Chennai 600017, for updating their records in the Register of Members:

1.	Name of the Member	2.	Folio / DP ID – Client ID
3.	Email address	4.	Permanent Account Number (PAN)
5.	CIN (in the case of Company)	6.	Unique Identification Number
7.	Father's / Mother's / Spouse's name	8.	Occupation
9.	Status	10.	Nationality
11.	In case of minor, name of guardian and date of birth of minor	12.	Instructions, if any, for sending Notice, etc.

Shareholders, who have not furnished the said particulars, are requested to furnish the same at the earliest.

DECLARATION

[Pursuant to Para D of Schedule V of the SEBI (LODR) Regulations, 2015]

I, IRMGARD VELAGAPUDI M.RAO, Managing Director of K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company, have affirmed compliance with the code of conduct of Board of Directors and senior management personnel for the financial year 2017-18.

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

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M. RAO
Managing Director

ANNEXURE III TO BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2018.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15421TN1995PLC033198
Registration Date	11th October 1995.
Name of the Company	K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED
Category / Sub-Category of the Company	Public Company Limited by Shares.
Address of the Registered Office and contact details	<p>"Ramakrishna Buildings", No.239 (Old No.183), Anna Salai, Chennai 600006.</p> <p>Telephone: 044-28555171 – 176 Fax: 044-28546617 E-mail: Kcpsugar@vsnl.com Website: www.kcpsugar.com</p>
Whether Listed Company [Yes / No]	YES
Name, Address and Contract details of Registrar and Transfer Agent, if any.	<p>M/s. Integrated Registry Management Services Private Limited 2nd Floor, 'Kences Towers', No.1, Ramakrishna Street – off North Usman Road T.Nagar – Chennai 600017.</p> <p>Telephone: 044-28140801 – 803 Fax: 044-28142479 E-mail: corpserv@integratedindia.in Website: www.iepindia.com</p>

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY:

S.No.	Name and Description of main products / services	NIC Code of the Products / Service	% to total turnover of the Company
1	Sugar	10721	80.80%

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	The Eimco-K.C.P.Ltd.	U27209TN1967PLC005550	Subsidiary	100	2(87)
2.	KCP Sugars Agricultural Research Farms Ltd.	U73100TN1998PLC041501	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

NAME OF THE COMPANY : K.C.P SUGAR AND INDUSTRIES CORPORATION LIMITED										
Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)										
(i) Category-wise Shareholding										
Category of Shareholder		No. of shares held at the beginning of the year (as on 01.04.2017)				No. of shares held at the end of the year (as on 31.03.2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
a	Individual/Hindu Undivided Family	1882110	0	1882110	1.660	2097110	0	2097110	1.850	
b	Central Government									
c	State Government									
d	Bodies Corporate	43734156	0	43734156	38.570	43742656		43742656	38.580	
e	Financial Institutions/Banks									
f	Any other(specify)									
	SUB TOTAL A(1)	45616266	0	45616266	40.230	45839766		45839766	40.430	0.200
(2)	Foreign									
a	Individual(Non resident/ foreign)									
b	Bodies corporate									
c	Institutions									
d	Qualified Foreign Investor									
e	Any other(specify)									
	SUB TOTAL A(2)	0	0	0	0.000	0	0	0	0.000	
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	45616266	0	45616266	40.230	45839766		45839766	40.430	0.200
B	Public Shareholding									
(1)	Institutions									
a	Mutual funds/UTI	4750	6470	11220	0.010	4750	0	4750	0.000	

b	Financial Institutions/Banks	255685	21340	277025	0.240	227084	4840	231924	0.200	
c	Central Government	500	0	500	0.000	500	0	500	0.000	
d	State Government(s)									
e	Venture Capital Funds									
f	Insurance Companies									
g	Foreign Institutional Investors	0	500	500	0.000					
h	Foreign Venture Capital Investors									
i	Qualified Foreign Investor									
j	Any other(specify) FOREIGN PORTFOLIO INVESTOR	316608	0	316608	0.280	1822	0	1822	0.000	
	SUB TOTAL B(1)	577543	28310	605853	0.530	234156	4840	238996	0.200	-0.320

(2)	Non-Institutions									
a	Bodies Corporate(Indian/foreign/Overseas)	11553857	386510	11940367	10.530	9410824	342460	9753284	8.600	
b	Individuals(Redident/NRI/Foreign National)									
(i)	Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	32928867	5832113	38760980	34.190	35132713	4803303	39936016	35.220	
(ii)	Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	13777484	1451180	15228664	13.430	14421852	1235090	15656942	13.810	
c	Any other(specify)									
	Clearing Member	1191250	0	1191250	1.050	718703	0	718703	0.630	
	LLP	12900	0	12900	0.010	123460	0	123460	0.110	
	TRUST	28770	0	28770	0.030	44078	0	44078	0.040	
	IEPF	0	0	0	0.000	1073805	0	1073805	0.950	0.130
	SUB TOTAL B(2)	59493128	7669803	67162931	59.230	60925435	6380853	67306288	59.360	0.130
	Total Public Share Holding (B)=B(1)+B(2)	60070671	7698113	67768784	59.770	61159591	6385693	67545284	59.570	-0.200
	TOTAL (A) + (B)	105686937	7698113	113385050	100.000	106999357	6385693	113385050	100.00	0.000
C	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A) + (B) + (C)	105686937	7698113	113385050	100.000	106999357	6385693	113385050	100.00	0.000

(ii) Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)		% Change during the year	
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DURGAMBA INVESTMENT PRIVATE LIMITED	43734156	38.571	0	43742656	38.579	0	0.01
2	SMT. IRMGARD VELAGAPUDI	1583280	1.396	0	1738280	1.533	0	0.14
3	SMT.KIRAN VELAGAPUDI	265820	0.234	0	265820	0.234	0	0.00
4	MR. VINOD SETHI	33010	0.029	0	93010	0.082	0	0.05
	TOTAL	45616266	40.23	0	45839766	40.43	0	0.20

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(iii) Change in Promoters Shareholding					
Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Share holding during the year				
1	M/S DURGAMBA INVESTMENT PRIVATE LIMITED				
	PAN :AABCD5483A				
	Opening Balance as on 01/04/2017	43734156	38.571		
	05/02/2018	8500	0.007	43742656	38.579
	Closing Balance as on 31/03/2018			43742656	38.579
2	MRS. IRMGARD VELAGAPUDI				
	PAN :AAFPI6691A				
	Opening Balance as on 01/04/2017	1583280	1.396		
	31/01/2018	10000	0.009	1593280	1.405
	01/02/2018	10000	0.009	1603280	1.414
	20/02/2018	10000	0.009	1613280	1.423
	21/02/2018	20000	0.018	1633280	1.440
	22/02/2018	10000	0.009	1643280	1.449
	26/02/2018	5000	0.004	1648280	1.454
	06/03/2018	10000	0.009	1658280	1.463
	07/03/2018	10000	0.009	1668280	1.471
	08/03/2018	10000	0.009	1678280	1.480
	09/03/2018	20000	0.018	1698280	1.498
	12/03/2018	10000	0.009	1708280	1.507
	13/03/2018	10000	0.009	1718280	1.515
	14/03/2018	5000	0.004	1723280	1.520
	19/03/2018	5000	0.004	1728280	1.524
	20/03/2018	5000	0.004	1733280	1.529
	26/03/2018	5000	0.004	1738280	1.533
	Closing Balance as on 31/03/2018			1738280	1.533
3	MR VINOD SETHI				
	PAN :BESPS5774Q				
	Opening Balance as on 01/04/2017	33010	0.029		
	01/02/2018	10000	0.009	43010	0.038
	21/02/2018	30000	0.026	73010	0.064
	22/02/2018	10000	0.009	83010	0.073
	26/02/2018	5000	0.004	88010	0.078
	12/03/2018	5000	0.004	93010	0.082
	Closing Balance as on 31/03/2018			93010	0.082

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year (as on 31.03.2018)	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	V. R. K. GRANDSONS INVESTMENT PRIVATE LTD.				
	PAN :AAACV3678A				
	Opening Balance as on 01/04/2017	5726605	5.051		
	07/04/2017	-1584	-0.001	5725021	5.049
	19/05/2017	-24000	-0.021	5701021	5.028
	16/06/2017	-100000	-0.088	5601021	4.940
	23/06/2017	-97597	-0.086	5503424	4.854
	30/06/2017	-30800	-0.027	5472624	4.827
	11/08/2017	-76150	-0.067	5396474	4.759
	13/10/2017	-61740	-0.054	5334734	4.705
	20/10/2017	-6500	-0.006	5328234	4.699
	27/10/2017	-23500	-0.021	5304734	4.679
	31/10/2017	-15000	-0.013	5289734	4.665
	03/11/2017	-13500	-0.012	5276234	4.653
	29/12/2017	-44077	-0.039	5232157	4.615
	05/01/2018	-25000	-0.022	5207157	4.592
	12/01/2018	-22544	-0.020	5184613	4.573
	Closing Balance as on 31/03/2018			5184613	4.573
2	INDIA INFOLINE LIMITED				
	PAN :AAACI7397D				
	Opening Balance as on 01/04/2017	1705518	1.504		
	07/04/2017	-1150	-0.001	1704368	1.503
	14/04/2017	1321	0.001	1705689	1.504
	21/04/2017	-1703239	-1.502	2450	0.002
	28/04/2017	1686062	1.487	1688512	1.489
	05/05/2017	-5165	-0.005	1683347	1.485
	12/05/2017	-18693	-0.016	1664654	1.468
	19/05/2017	-1664254	-1.468	400	0.000
	26/05/2017	1664298	1.468	1664698	1.468
	02/06/2017	-514581	-0.454	1150117	1.014
	09/06/2017	-487717	-0.430	662400	0.584
	16/06/2017	350	0.000	662750	0.585
	23/06/2017	-170	0.000	662580	0.584
	30/06/2017	9820	0.009	672400	0.593
	07/07/2017	-9500	-0.008	662900	0.585
	14/07/2017	-100	0.000	662800	0.585
	21/07/2017	1040	0.001	663840	0.585
	28/07/2017	560	0.000	664400	0.586
	04/08/2017	3040	0.003	667440	0.589
	11/08/2017	-40	0.000	667400	0.589
	18/08/2017	-2684	-0.002	664716	0.586
	25/08/2017	1275	0.001	665991	0.587

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ANNEXURE TO THE DIRECTORS' REPORT (Contd.,)

	01/09/2017	5070	0.004	671061	0.592
	07/09/2017	-8661	-0.008	662400	0.584
	08/09/2017	12960	0.011	675360	0.596
	15/09/2017	-5748	-0.005	669612	0.591
	22/09/2017	-5153	-0.005	664459	0.586
	30/09/2017	-1909	-0.002	662550	0.584
	06/10/2017	-150	0.000	662400	0.584
	13/10/2017	1691	0.001	664091	0.586
	20/10/2017	-1691	-0.001	662400	0.584
	27/10/2017	5380	0.005	667780	0.589
	31/10/2017	-130	0.000	667650	0.589
	03/11/2017	-667150	-0.588	500	0.000
	10/11/2017	662000	0.584	662500	0.584
	17/11/2017	251	0.000	662751	0.585
	24/11/2017	149	0.000	662900	0.585
	01/12/2017	9688	0.009	672588	0.593
	08/12/2017	-9893	-0.009	662695	0.584
	15/12/2017	-245	0.000	662450	0.584
	22/12/2017	-78915	-0.070	583535	0.515
	29/12/2017	265	0.000	583800	0.515
	05/01/2018	196	0.000	583996	0.515
	12/01/2018	-9135	-0.008	574861	0.507
	19/01/2018	2300	0.002	577161	0.509
	26/01/2018	15597	0.014	592758	0.523
	02/02/2018	-175344	-0.155	417414	0.368
	09/02/2018	-218729	-0.193	198685	0.175
	16/02/2018	-3815	-0.003	194870	0.172
	23/02/2018	2795	0.002	197665	0.174
	02/03/2018	-4945	-0.004	192720	0.170
	09/03/2018	1941	0.002	194661	0.172
	16/03/2018	-1727	-0.002	192934	0.170
	23/03/2018	-673	-0.001	192261	0.170
	30/03/2018	5043	0.004	197304	0.174
	Closing Balance as on 31/03/2018			197304	0.174
3	Indian Syntans Investments (P) Ltd				
	PAN :AAACI1775K				
	Opening Balance as on 01/04/2017	950000	0.838		
	Closing Balance as on 31/03/2018			950000	0.838
4	PADMINI RAJAN				
	PAN :ACOPR5427J				
	Opening Balance as on 01/04/2017	893000	0.788		
	Closing Balance as on 31/03/2018			893000	0.788
5	SAKUNTHALA DEVI BOPPANA				
	PAN :AFWPB3847H				
	Opening Balance as on 01/04/2017	858600	0.757		

	Closing Balance as on 31/03/2018			858600	0.757
6	BOPPANA VINAY KUMAR				
	PAN :AFXPB0044B				
	Opening Balance as on 01/04/2017	855250	0.754		
	Closing Balance as on 31/03/2018			855250	0.754
7	KOGANTY SRIHARI RAO				
	PAN :ASNPK3180C				
	Opening Balance as on 01/04/2017	541113	0.477		
	Closing Balance as on 31/03/2018			541113	0.477
8	RANI S B				
	PAN :APXPS6609D				
	Opening Balance as on 01/04/2017	509060	0.449		
	22/12/2017	128280	0.113	637340	0.562
	Closing Balance as on 31/03/2018			637340	0.562
9	DIWAN BAHADUR P.S.G. RANGASWAMY NAIDU				
	PAN :R00053				
	Opening Balance as on 01/04/2017	468270	0.413		
	Closing Balance as on 31/03/2018			468270	0.413
10	CHARU D SHAH				
	PAN :AAJPC2173K				
	Opening Balance as on 01/04/2017	425000	0.375		
	Closing Balance as on 31/03/2018			425000	0.375
11	HAROON MAHMUD ADAM				
	PAN :AABPA0755F				
	Opening Balance as on 01/04/2017	358000	0.316		
	09/06/2017	10000	0.009	368000	0.325
	16/06/2017	30000	0.026	398000	0.351
	07/07/2017	-40000	-0.035	358000	0.316
	31/10/2017	50000	0.044	408000	0.360
	01/12/2017	-35000	-0.031	373000	0.329
	29/12/2017	-15000	-0.013	358000	0.316
	05/01/2018	-2250	-0.002	355750	0.314
	12/01/2018	-50000	-0.044	305750	0.270
	Closing Balance as on 31/03/2018			305750	0.270
12	V L INDIRA DUTT				
	PAN :AAPD6756A				
	Opening Balance as on 01/04/2017	325000	0.287		
	Closing Balance as on 31/03/2018			325000	0.287
13	PREMIER INVESTMENT FUND LIMITED				
	PAN :AACCP9387L				
	Opening Balance as on 01/04/2017	316608	0.279		
	02/06/2017	-11517	-0.010	305091	0.269
	03/06/2017	-305091	-0.269	0	0.000
	Closing Balance as on 31/03/2018			0	0.000

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14	MALINI L NARASIMHAN				
	PAN :AAPN8023G				
	Opening Balance as on 01/04/2017	310120	0.274		
	Closing Balance as on 31/03/2018			310120	0.274
15	VIVEK KUMAR				
	PAN :ABYPK7069G				
	Opening Balance as on 01/04/2017	175000	0.154		
	16/06/2017	125000	0.110	300000	0.265
	20/10/2017	30000	0.026	330000	0.291
	26/01/2018	-17769	-0.016	312231	0.275
	Closing Balance as on 31/03/2018			312231	0.275
16	HARSHA L SANGHVI				
	PAN :ALFPS8751G				
	Opening Balance as on 01/04/2017	156125	0.138		
	23/03/2018	15969	0.014	172094	0.152
	30/03/2018	139906	0.123	312000	0.275
	Closing Balance as on 31/03/2018			312000	0.275
17	NEESHA HARICHAND TOLANI				
	PAN :BAFPT7798L				
	Opening Balance as on 30/12/2017	300000	0.265		
	09/02/2018	55000	0.049	355000	0.313
	16/02/2018	20000	0.018	375000	0.331
	16/03/2018	125000	0.110	500000	0.441
	23/03/2018	25000	0.022	525000	0.463
	Closing Balance as on 31/03/2018			525000	0.463
18	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	PAN :EXEMPTCATG				
	Opening Balance as on 02/12/2017	1073805	0.947		
	Closing Balance as on 31/03/2018			1073805	0.947

(v) Shareholding of Directors and key managerial personnel						
Sl No.	Name of Director and KMP	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2018)
		No. of Shares	% of total shares of the Company			No. of Shares % of total shares of the Company
1	ADIVARAHAN K R					
	PAN :ADOPA8601L					
	Opening Balance as on 31/03/2017	1060	0.001			
	Closing Balance as on 31/03/2018					1060 0.001
2	RANVIR R SHAH					
	PAN :AAMPS5511Q					
	Opening Balance as on 01/04/2017	370232	0.327			

	28/04/2017			27400	0.024	397632	0.351
	05/05/2017			18129	0.016	415761	0.367
	12/05/2017			25500	0.022	441261	0.389
	19/05/2017			11371	0.010	452632	0.399
	07/07/2017			45000	0.040	497632	0.439
	28/07/2017			16000	0.014	513632	0.453
	04/08/2017			19249	0.017	532881	0.470
	11/08/2017			39751	0.035	572632	0.505
	01/09/2017			5977	0.005	578609	0.510
	02/02/2018			35000	0.031	613609	0.541
	09/03/2018			10000	0.009	623609	0.550
	16/03/2018			15000	0.013	638609	0.563
	Closing Balance as on 31/03/2018					638609	0.563
3	R GANESAN						
	PAN :AAAPG2506Q						
	Opening Balance as on 01/04/2017	1500	0.001				
	Closing Balance as on 31/03/2018					1500	0.001
4	SIDDHARTH VENKATA MARKANDEYA RAO MANIKYARAO						
	PAN :AFOPM9785K						
	Opening Balance as on 01/04/2017	10	0.000				
	Closing Balance as on 31/03/2018					10	0.000

VI. Indebtedness:**Rs.in Crores**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i. Principal Amount	91.83	0.00	50.98	142.81
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	0.00	0.34	1.26	1.60
TOTAL (i + ii + iii)	91.83	0.34	52.24	144.41
Change in Indebtedness during the financial year				
Addition →	49.39	0.00	17.80	67.19
Reduction →	0.00	0.00	0.00	0.00
Net Change	49.39	0.00	17.80	67.19
Indebtedness at the end of the financial year:				
i. Principal Amount	141.22	0.00	68.78	210.00
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	0.00	0.34	2.31	2.31
TOTAL (i + ii + iii)	141.22	0.34	71.09	212.31

VII. Remuneration of Directors and Key Managerial Personnel:**A. Remuneration to Managing Director, Whole-time Directors:**

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S. No.	Particulars of Remuneration	Name of MD / WTD			Total Amt.(Rs. In Lakhs)
		Irmgard Velagapudi – Managing Dir.	Vinod R.Sethi – Wholetime Dir.	V. Kiran Rao – Wholetime Dir.	
1.	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	48.00	12.00	36.00	96.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.29	0.92	1.21
	c. Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission – as percentage of profit (pertaining to 2016-17)	25.98	59.50	32.38	117.86
5.	Others – PF & Gratuity	0.00	1.90	11.02	12.92
	TOTAL (A)	73.98	73.69	80.32	227.99
	Ceiling as per the Act	10% of Nett Profit			

B. Remuneration to Other Directors:

S. No.	Particulars of Remuneration	Name of Directors						Total Amt – Rs./Lakhs
		Dr.Vithal Rajan	Sri. Ranvir R.Shah	Sri.M.S.V.M. Rao	Sri.Prathap K.Moturi	Sri. K.A. Rangaswamy	Sri. K.R. Adivarahan	
1.	Independent Directors							
	Fee for attending Board /Committee Meetings	2.40	2.70	2.50	2.50	0.00	4.70	14.80
	Commission (pertaining to 2016-17)	1.75	1.75	1.75	1.75	0.83	0.92	8.75
	Others							
	Total (1)	4.15	4.45	4.25	4.25	0.83	5.62	23.55
	Overall Ceiling as per the Act	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	1% of Net profit	

C. Remuneration to Key Managerial Personnel other than MD/WT/Manager:

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total – Rs./Lakhs
		C F O	Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	15.82	13.03	28.85
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary u/s 1&(3) of Income-tax Act, 1961.	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
5.	Others	0.00	0.00	0.00
	TOTAL	15.82	13.03	28.85

VIII. Penalties / Punishments / Compounding of offences (Under the Companies Act): - NONE -

ANNEXURE IV TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH rule 8(3) of the COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

Measures taken, additional proposals and impact on reduction of energy consumption:

Measures taken for reduction of Energy consumption:

Vuyyuru Unit:

1. Saving of bagasse @ 10.75% on cane by implementation of steam and power conservation measures in the plant.
2. Run of motor VFD drive feed pumps for boiler which saved 400 kwh/hr, amounting to Rs.20 lakhs.
3. To run Boiler Motorized Feed Water Pumps instead of Steam Turbines. Total Energy saved was 3 Lakhs K.Cal of Energy consumption was reduced per hour.
4. Installation of VFD to 12 MW Condenser Cooling Water Pump Motor. Total saving is 45 KW per hour.
5. Multiple effect evaporator bodies configuration was rearranged along with the addition of 1300 M2 HS Evaporator Body for TEVC III effect, resulting in reduction in steam consumption.
6. Sulphited Juice heating was done with low pressure 3rd effect vapour instead of 2nd effect and achieved reduction in thermal energy consumption.
7. Reduction in steam consumption by 3% on cane in 5 and 6 points.

Additional Proposals and Impact on reduction of energy consumption:

1. Installation of Vapour line Juince Heater for Raw Juice 1st stage heating.
2. Quadruple 2nd vapour provision for Sulphited Juice 1st Stage heating.
3. Second Vapour provision for clear juice 1st stage heating.
4. Installation of E melting system for Film Type Sulphur Burners.
5. Installation of Horizontal Melter in place of vertical melter.
6. Installation of cooling tower and storage pond for excess hot condensate collection, storage and its reuse.

ANNEXURE – FORM A

(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

	SUGAR UNITS AT			
	VUYYURU		LAKSHMIPURAM	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
A) Power and Fuel Consumption				
Electricity				
a. Purchased				
Units KWH	879611	1048896	625855	681220
Total Amount Rs.	7715938	7662100	5086171	5176385
Rate / Unit Rs.	8.77	7.30	8.13	7.60
b. Own Generation				

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

i. Through Diesel Generator :				
Units KWH	17274	21970	8804	10224
Unit per ltr. Of Diesel Oil	2.79	3.13	2.24	2.84
Cost / Unit Rs.	21.06	17.00	26.78	20.58
ii. Through SteamTurbine/ Generator :				
Unit KWH	29960800	26841200	4420436	3912872
KWH per tonne of bagasse	271.59	261.19	176.87	183.42
Cost / Unit	3.09	2.79	2.71	4.85
B. Consumption per unit of production				
Electricity KWH (per Tonne)	249.31	254.11	276.76	315.27

B. TECHNOLOGY ABSORPTION:

FORM 'B' – FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH AND DEVELOPMENT (R & D)

1 & 2 SPECIFIC AREA IN WHICH RESEARCH AND DEVELOPMENT IS CARRIED OUT BY THE COMPANY AND BENEFITS DERIVED THEREFROM:**Vuyyuru Unit:**

- ❖ After evaluating of 40 varieties, the Company selected and released 3 varieties, viz, IRM-3, 2008V257 and 2012V123 for commercial cultivation.
- ❖ For 2017-18, in 92% of the area was applied with organic manures and main component used was IRMA BIO WONDER to improve soil fertility and crop productivity. With the help of these organic manures, the Company has achieved 40 MTs average yield. Organic carbon percentage was increased from 0.55% (2017-17) to 0.83 (2017-18).
- ❖ For 2017-18 season, 31 lakh single bud seedlings were supplied to cane growers for direct seedling planting. The main advantage of this method is cost reduction and productivity improvement. The results at ground level are good and with this results, the Company will supply 1 crore seedling for next year.
- ❖ At present Indian agriculture is facing lot of labour problem at every operation, to overcome this problem in sugarcane cultivation, the Company implemented mechanization from planting to harvesting. Nearly 400 acres of area was planted with wider row spacing and in these plots inter cultivation, earthing up, fertilizer application, spraying of pesticides and weedicides were carried out by mini tractors. Harvesting of the cane in these fields will be done with mechanical harvester.

Benefits derived:

Stabilization of sugar cane area and crushing of more quantity of cane.

3. FUTURE PLAN OF ACTION:

- ❖ Introducing the latest sugar cane unloading Tipplers resulting in saving of around 75 man days per day, i.e., $75 \times 320 \times 150 \text{ days} = \text{Rs.}36.0 \text{ Lakhs}$ at cane yard and around 18 man days per day i.e., $18 \times 320 \times 150 \text{ days} = \text{Rs.}8.64 \text{ Lakhs}$.
- ❖ The fields planted with single bud raised seedlings have synchronized tillering as well as good cane girth. The cost of planting and seed material cost was reduced significantly.

4. EXPENDITURE ON R & D: **Amt. in Rs.**

a. Capital	---
b. Recurring	2,04,664
c. Staff Cost	25,58,044
d. Total	27,62,708

Total R & D expenditure as a % age of total turnover: 0.08 %

5. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings	Rs. NIL
Foreign Exchange outgo	Rs. NIL

For and on behalf of the Board of Directors

Place : Chennai

VINOD R. SETHI

Date : 25.05.2018

EXECUTIVE CHAIRMAN

ANNEXURE V TO BOARD'S REPORT**REPORT ON CSR ACTIVITIES***[pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]*

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects.	<p>The Company's CSR policy attempts to supplement the efforts of the Government in equitably delivering the benefits of growth and attempts to strike a balance between developmental growth and welfare based development. The Company's CSR activities broadly relate to:</p> <ol style="list-style-type: none"> 1. Promoting health care including preventive health care and sanitation and making available safe drinking water; 2. Promoting education and employment enhancing vocational skills; 3. Eradication of poverty and ensuring better living conditions; 4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water; 5. Conducting relief operations in natural disaster hit areas and contrition to Government Disaster Relief Fund. 6. Joining hands with NGSs and Registered Trusts to achieve a balance of economic, environment and social imperatives.
2.	The Composition of the CSR Committee	<p>Smt.Irmgard Velagapudi M.Rao – Chairperson</p> <p>Sri.Vinod R.Sethi – Member</p> <p>Sri.M.S.V.M.Rao – Member.</p> <p>Sri.K.R.Adivarahan – Member.</p>
3.	Average net profit of the Company for last three financial years (Amount in Lakhs)	Rs.161.36 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) (Amt in Lakhs)	Rs.3.23 Lakhs
5.	Details of CSR spent during the financial year.	
	(a) Total amount spent for the F.Y.	Rs. 21.26 Lakhs
	(b) Amount unspent, if any;	**
	(c) Manner in which the amount spent during the financial year.	Environmental sustainability & Promotion of Education.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amt. Outlay (budget) project or program-wise (Rs./ Lakhs)	Amt spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency.
1	2	3	4	5	6	7	8
1.	Promotion of Health care / sanitation	Health and Sanitation	Vuyyuru, Krishna Dist., Andhra Pradesh	NIL	NIL	NIL	--
2.	Environmental sustainability	Ensuring pollution-free environment	Vuyyuru, Krishna Dist., Andhra Pradesh	3.00	NIL	22.30	Direct
3.	Promotion of Education and enhancement of vocational skills.	Education.	Vuyyuru, Krishna Dist., Andhra Pradesh	15.00	21.26	41.54	Direct
4.	Eradication of poverty and ensuring better living conditions.	Economic and social equality.	Vuyyuru, Krishna Dist., Andhra Pradesh	2.00	NIL	10.00	..

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

MANAGING DIRECTOR &

CHAIRPERSON OF CSR COMMITTEE

ANNEXURE VI TO BOARD'S REPORT*(In pursuance of Section 134 of the Companies Act, 2013)***1. DISCLOSURE UNDER SECTION 197 (12) OF COMPANIES ACT, 2013, READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

a. The ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2016-17.

b.

S.No.	Particulars	Ratio
1	Managing Director	8:1
2.	Executive Director	6:1
3.	Executive Chairman	2:1

c. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year.2015-16.

(Rs.in Lakhs)

S. No.	DIRECTORS / CFO / CS	REMUNERATION PAID FOR		VARIATION
		2017-18	2016-17	
	DIRECTORS			
1.	Smt.Irmgard Velagapudi M.Rao	73.98	48.00	NIL Commission on adjusted Net profit was paid in the FY 2016-17.
2.	Shri.Vinod R.Sethi	73.69	14.48	
3.	Smt.V.Kiran Rao	80.32	41.60	
4.	Shri.K.A.Rangaswamy (upto 21.09.16)	0.83	2.20	
5.	Dr.Vithal Rajan	4.15	2.50	
6.	Shri. Ranvir R.Shah	4.45	2.00	
7.	Shri. M.S.V.M. Rao	4.25	2.50	
8.	Shri.Prathap K. Moturi	4.25	2.50	
9.	Shri.K.R.Adivarahan (from 21.09.16)	5.62	2.10	
	C F O / C S			
1.	Shri.R.Ganesan, C F O	15.82	15.96	
2.	Shri.S.Chidambaram, C.S.	13.03	13.23	

d. The percentage increase in the median remuneration of employees in the financial year 2017-18.

Six (6) per cent

e. No.of permanent employees on the Rolls of the Company:

813

f. Explanation on the relationship between the average increase in remuneration and company performance.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

g. Comparison of the remuneration of key managerial personnel against the performance of the Company.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

h. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase / decrease in the market quotations of the shares of the Company in comparison with the rate at which the company has come out with the last public offer:

PARTICULARS	UNIT	AS ON 31.03.2018	AS ON 31.03.2017	VARIATION
Closing rate of Share at NSE	Rs..	25.35	34.40	-9.05
EPS Consolidated	Rs.	1.07	3.00	-1.93
Market Capitalisation	Rs./Lakhs	28743.11	39004.46	-10261.35
Price Earnings Ratio	Ratio	23.69	11.47	12.22

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Salary escalation for employees other than the managerial personnel in the last financial year: Six (6) per cent. – same as Managerial personnel. This is determined in line with the industry norms.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company.

The salary increase is determined in the normal course of business and in line with the industry norms. It does not have any direct correlation with the Company's performance.

- k. Key parameters for any variable component of remuneration availed by the directors.

The Whole-time Directors are eligible for Commission on profits at 3% each only when the Company earns profit. In the absence of profit or inadequacy of profits in any financial year, Commission on profits is not payable to the Whole-time Directors. Necessar provision has been made towards commission on profits as computed in accordance with section 198 of the Companies Act, 2013.

In respect of Non-Wholetime Directors, Members at the 21st Annual General Meeting held on 21.09.2016 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013, subject to a limit of Rs.1,75,000/- per director for each of the three financial years ending with 31st March 2019. Necessary provision has been made towards commission on profits in accordance with section 197 of the Companies Act, 2013.

- l. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

NOT APPLICABLE

- m. Affirmation that the remuneration is as per the remuneration policy of the Company.

Yes. Remuneration is as per the remuneration policy of the Company.

2. Pecuniary Relationship or Transactions of Non-Executive Directors

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

ANNEXURE VII**FORM MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

Ramakrishna Building, New No.239 (old No.183)

Anna Salai, Chennai- 600 006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information furnished by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period (01st April, 2017 to 31st March, 2018) covering the Financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) Other laws specifically applicable to the Company (apart from General Laws such as Factories Act 1948 , Minimum wages Act 1948 etc) are as follows:
 - a. Boilers Act 1923
 - b. Essential Commodities Act 1955
 - c. Sugar (Control Order) , 1966
 - d. Sugarcane (Control Order) , 1966

However during the year under purview there were no instances attracting the following Laws/regulations

1. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

2. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
4. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
5. (The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We have also checked the compliance with the applicable clauses pertaining to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;
- (iii) SEBI (Listing obligations and disclosure requirements) Regulations, 2015

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Additional Director Mr. Karaikurichi Rangaswamy Adivarahan who was appointed in the FY 16-17 has been appointed as Independent Director after due regularisation in the Annual General Meeting held on 15.09.2017.

Adequate notice was given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on agenda are being sent at least 7 days in advance in the manner provided under the Act and Secretarial Standards (SS-1), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board were taken upon the approval of majority of the members of the Board and the same was recorded in the minutes and duly signed by the Chairman.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We also state that the Company has entered into uniform Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited pursuant to Clause 109 of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 and have made the necessary compliance

V. Mahesh
Practicing Company Secretary

Place: Chennai
Date: 16.05.2018

M. No. F 4162
C.P No. : 2473

ANNEXURE – A

To,

The Members,

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

Ramakrishna Building, New No.239 (old No.183)

Anna Salai, Chennai- 600 006

Our Secretarial Audit report dated Monday, 16th May 2018 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

V. Mahesh
Practicing Company Secretary

Place: Chennai

Date: 16.05.2018

M. No. F 4162

C.P No. : 2473

ANNEXURE VIII TO BOARD'S REPORT

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To:

The Board of Directors

K.C.P. Sugar and Industries Corporation Ltd.

As stipulated under Regulation 17(8) of SEBI (LODR) Regulations, 2015, we hereby certify that::

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. That there are no significant changes, in internal control over financial reporting during the year;
 - b. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. That there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai

Date : May 25, 2018

IRMGARD VELAGAPUDI M.RAO
MANAGING DIRECTOR

R. GANESAN
CHIEF FINANCIAL OFFICER

ANNEXURE IX TO BOARD'S REPORT**FORM NO.AOC-2**

[Pursuant to section 134(3)(h) of the Companies Act, 2013 & Rule 8(2)
Of the Companies (Accounts) Rules, 2014]

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS / ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO SECTION 188(1) OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM LENGTH TRANSACTIONS UNDER 3RD PROVISIO THERETO.

1. Details of Contracts or Arrangements or Transactions not at Arms Length basis - NIL
2. Details of Contracts or Arrangements or Transactions at Arms Length basis.

1.	Name of Related Party and nature of relationship	The Eimco-K.C.P.Limited (wholly-owned subsidiary)	KCP Sugars Agricultural Research Farms Ltd. (wholly-owned Subsidiary)	M/s. Amethyst Cafe Pvt. Ltd. (Entity in which Directors of the Company are interested)	M/s. Outhouse (Entity in which Directors of the Company are interested)
2.	Nature of Contract / Arrangement / Transaction	Leasing of Property	NIL	Leasing of Property	Leasing of Property
3.	Duration of Contract / Arrangement / Transaction	11 Months	Not Applicable	11 Months	11 Months
4.	Salient Terms of the Contract / Arrangement / Transaction	Leasing of premises on rental basis, option to renew for further periods by mutual consent.	Not Applicable	Leasing of premises on rental basis, option to renew for further periods by mutual consent.	Leasing of premises on rental basis, option to renew for further periods by mutual consent.
5.	Date of approval by the Audit Committee / Board	28.07.2016 (period covered: 01.09.2016 to 31.07.2017) 11.08.2017 (period covered: 01.08.2017 to 30.06.2018)	Not Applicable	26.05.2016 (period covered: 01.06.2016 to 30.04.2017) 09.02.2017 (period covered: 01.05.2017 to 31.03.2018) 09.02.2018 (period covered: 3 Yrs - 01.04.2018 to 31.03.2021)	26.05.2016 (period covered: 01.08.2016 to 30.06.2017) 29.05.2017 (period covered: 01.07.2017 to 31.05.2018)
6.	Amount paid as Advance, if any.	NIL	Not Applicable	Rs.3.00 Lakhs	Rs.1.25 lakhs

Place: Chennai

Date: 25.05.2018

VINOD R. SETHI

EXECUTIVE CHAIRMAN

ANNEXURE - X**Form AOC-1****Statement containing salient features of the financial statement of subsidiaries***[Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]***Part 'A': Subsidiaries****(Amt – Rs./Lakhs)**

S.No.	PARTICULARS	THE EIMCO-K.C.PLTD	KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.
1.	Sl. No.	1	2
2.	Reporting period for the subsidiary concerned	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
3.	Reporting Currency	Indian Rupees	Indian Rupees
4.	Share Capital	60.00	225.00
5.	Reserves & Surplus	2445.45	227.58
6.	Total Assets	4700.44	452.73
7.	Total Liabilities	4700.44	452.73
8.	Investments	630.26	341.93
9.	Turnover	2668.00	13.64
10.	Profit before taxation	434.71	(0.78)
11.	Provision for taxation	120.50	0.00
12.	Profit after taxation	314.21	(0.78)
13.	Total Comprehensive Income	295.82	84.87
14.	Proposed Dividend	0.00	0.00
15.	% of shareholding	100.00	100.00

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 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.

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 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.

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	1661339	April 2009 to March 2014	Sales Tax Appellate Tribunal, Vizag
Central Excise Act, 1944	Central Excise (Sugar Cess)	308144	January 2011 to September 2016	Commissioner of Central Excise & Service Tax, Guntur
Central Excise Act, 1944	Central Excise (Bagasse)	10678712	March 2015 to June 2017	Commissioner of Central Excise & Service Tax, Guntur
Income Tax Act, 1961	Income Tax & Interest	59701340	Financial Year 2013-14	Commissioner of Income Tax (Appeals), Chennai.

- (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 given 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 given 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.

Chennai

Dated 25-05-2018

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN: L15421TN1995PLC033198

Amount in Rs.

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	926787718	991811869	966482605
(b) Capital work-in-progress		2923297	9201720	6078214
(c) Other Intangible assets	4	8709034	12498299	15394027
(d) Non-current financial assets				
(i) Investments	5	872348185	622907000	328214453
(ii) Other non current financial assets	6	45888752	43917042	8614600
(e) Deferred tax assets (net)	19	33580753	-	-
Current assets				
(a) Inventories	7	2075382060	2194991163	2674727798
(b) Financial Assets				
(i) Current Investments	8	934064175	793628844	-
(ii) Trade receivables	9	225940320	232877136	442059144
(iii) Cash and cash equivalents	10	23059461	19274467	74777592
(iv) Bank Balances other than (iii) above	11	72052112	65288990	69495748
(v) Other current financial assets	12	10508029	3486552	3572788
(c) Other current assets	13	177568540	105162301	90062849
Total Assets		5408812436	5095045383	4679479818
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	113385050	113385050	113385050
(b) Other Equity	15	2437221121	2476955324	1962368930
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	16	403524000	495515292	367217724
(ii) Other Non- Current Financial liabilities	17	11336213	14529379	19088089
(b) Long term Provisions	18	52293324	47805739	41378108
(c) Deferred tax liabilities (net)	19	-	123839581	73931803
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	20	1605965451	808409132	549658565
(ii) Trade Payables	21	547486215	577169481	1129235225
(iii) Other Financial Liabilities	22	178287134	218555346	171937913
(b) Other Current Liabilities	23	32733326	177597575	240933884
(c) Short Term Provisions	24	13073331	11951435	10344527
(d) Current Tax Liabilities (Net)	25	13507271	29332049	-
Total Equity and Liabilities		5408812436	5095045383	4679479818

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & SivaChartered Accountants
Firm Regn No. 004284S**IRMGARD VELAGAPUDI M. RAO**

Managing Director

V.SIVAKUMARPartner
Membership No. 022379Chennai
Date: 25.05.2018**R.GANESAN**
Chief Financial Officer**S.CHIDAMBARAM**
Company Secretary**V. KIRAN RAO**
Executive Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		Amount in Rs.	
Statement of profit or loss for the year ended March 31, 2018			
Particulars	Note	For Year Ended March 31, 2018	For Year Ended March 31, 2017
I. Revenue from operations	26	3299549988	4290246702
II. Other income	27	577577382	338787620
III. Total Income (I+II)		3877127370	4629034322
IV. Expenses			
Cost of material consumed	28	2891228741	2317606394
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	120356042	474980451
Excise duty on sale of goods		48387547	223289954
Employee Benefits Expense	30	351371333	430309655
Finance Costs	31	144072674	112839631
Depreciation and Amortisation	32	89406418	91832303
Other Expenses	33	305780191	279320977
Total expenses (IV)		3950602946	3930179365
V. Profit/(loss) before exceptional items and tax (III - IV)		(73475576)	698854957
VI. Exceptional items		-	-
VII. Profit/(loss) Before tax (V - VI)		(73475576)	698854957
VIII. Tax expense			
- Current Tax		-	100073512
- Deferred Tax		(157128550)	49907777
- Reversal of excess provision for taxation relating to earlier years		-	(1149)
IX. Profit / (Loss) After Tax (VII - VIII)		83652974	548874817
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(858188)	(245040)
Income tax expense on above		291784	73512
		(566404)	(171528)
XI. Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period) (IX±X)		83086570	548703289
XII. Earnings per equity share			
(1) Basic		0.74	4.84
(2) Diluted		0.74	4.84

The accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

V. KIRAN RAO
Executive Director

Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000	250000000
Total	250000000	250000000	250000000
Issued, Subscribed and Paid Up			
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050	113385050
Total	113385050	113385050	113385050

Other Equity

For the year ended March 31, 2018

Particulars	Reserves and Surplus				Other Components of Equity	Total
	General Reserve	Investment allowance reserve utilised	Capital redemption reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability / Asset	
Balance as at April 01, 2017	1120941895	4505000	15545110	1336134847	-171528	2476955324
Provision For Dividend and taxes	-			-122820773	-	-122820773
Profit / (Loss) for the period	-			83652974		83652974
Other Comprehensive Income for the Year					-566404	-566404
Balance as at March 31, 2018	1120941895	4505000	15545110	1296967048	-737932	2437221121

For the year ended March 31, 2017

Particulars	Reserves and Surplus				Other Components of Equity	Total
	General Reserve	Investment allowance reserve utilised	Capital redemption reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2016	1120941895	4505000	15545110	821376925	-	1962368930
Provision For Dividend and taxes	-			-34116895	-	-34116895
Profit / (Loss) for the period	-			548874817	-	548874817
Other Comprehensive Income for the Year	-				-171528	-171528
Balance as at March 31, 2017	1120941895	4505000	15545110	1336134847	-171528	2476955324

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
A. Cash flows from operating activities		
Total Income for the Period(PBT)	-73475576	698854957
Adjustments:		
- Interest income	-373170	-
- Loss/(Profit) on sale of fixed assets	90387	-123117
- Gain on sale of Investments	-73237665	-
- Adjustment for Prior period taxes		
- Adjustment for OCI	-858188	-245040
- Interest expense	19520452	28072569
- Provision for Dividend(s)	-122820773	-34116895
- Fair Value Adjustment	-400950278	-277999495
- Depreciation and amortization	89406418	91832303
Operating cash flow before working capital changes	-562698392	506275282
Changes in		
- Decrease/(Increase) In Trade Receivables	6936815	209182007
- Decrease/(Increase) In Inventory	119609104	479736635
- Decrease/(Increase) In Other current Financial Asset(s)	-7021477	86235
- Decrease/(Increase) In Other current Asset(s)	-72406239	-15099452
- Decrease/(Increase) In non-current trade receivables	-	-
- Decrease/(Increase) In Other non-current financial assets	-1971710	-35302442
- Decrease/(Increase) In Other non-current asset	-	-
(Decrease)/Increase In Long term Provisions	4487585	6427631
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	-29683266	-552065744
(Decrease)/Increase In other current liabilities	-144864249	-63336309
(Decrease)/Increase In Other financial liabilities current	-40268212	46617432
(Decrease)/Increase In Short Term provisions current	1121896	1606908
(Decrease)/Increase In Other Non Current Liabilities	-3193166	-4558711
Income taxes paid	-15824778	-70666802
Cash generated from / (used in) operations	-745776090	508902671
B. Cash flows from investing activities		
Purchase of fixed assets	-15619353	-117445093
Proceeds from sale of fixed assets	1214387	178866
Investment made in current and Non Current Investments	-512629933	-810321896
Proceeds from sale of Investments	596941361	-
Interest received	373170	-
Net cash generated from/(used in) investing activities [B]	70279631	-927588123
C. Cash flows from Financing activities		
Proceeds from / (repayment of) long term and short term borrowings	705565026	387048136
Preference dividend paid (including dividend distribution tax)		
Interest paid	-19520452	-28072569
Net cash used in Financing activities	686044574	358975567
Increase in cash and cash equivalents	10548116	-59709885
Cash and cash equivalents at the beginning of the year	84563457	144273341
Cash and cash equivalents at the end of the year	95111573	84563456
Components of cash and cash equivalents (refer note 10)		
Cash on hand	1837429	1305202
Balances with banks	93274145	83258255
Total cash and cash equivalents	95111574	84563457

The notes referred to above form an integral part of the unaudited interim condensed consolidated financial statements
In accordance with our report attached For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date:25.05.2018 **R.GANESAN**
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

V. KIRAN RAO
Executive Director

Note 1. Corporate Information

K.C.P Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India . Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and CO₂. Company has two sugar factories located in Krishna District, Andra Pradesh having an aggregate crushing capacity of 11,500 tons per day. It has its registered office at 239/183, Ramakrishna Buildings, Anna Salai, Chennai, Tamil Nadu 600006, India.

The financial statements were approved by the Board of Directors and authorised for issue on 25.05.2018

Note 2. Significant Accounting Policies**(a) Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 53&54. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and net defined benefit liability, that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- ❖ **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- ❖ **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used

to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- ❖ **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there may be changes in the statement of profit or loss.
- ❖ Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore there may be changes in the statement of profit or loss.
- ❖ **Fair value measurement financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by estimated cost of trading.
- ❖ **Litigation:** From time to time, the Company is subject to legal proceedings. The ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- ❖ **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Functional currency :

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currencies.

(e) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprise of sale of sugar, and other sugar auxiliary products. Revenue is recognised when following conditions are satisfied:

- ❖ the company transfers to the buyer the significant risks and rewards of ownership of the goods
- ❖ the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ❖ the amount of revenue can be measured reliable
- ❖ it is probable that the economic benefits associated with the transaction will flow to the entity; and
- ❖ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(f) Employee Benefits (other than for persons engaged through contractors:

i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. **Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. **Compensated Absences**

Entitlement to annual leave is recognised when it accrues to employees. The Company determines the liability for such accumulated leave at each Balance Sheet date and the same is charged to revenue accordingly

iv. **Other Employee Benefits**

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(g) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method except for asset situated at Registered Office, which are depreciated by written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the depreciable assets is in accordance with rules prescribed under part "C" of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Software and Licences	5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(j) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(k) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(l) Inventories:

- ❖ Finished goods are valued as follows and increased by Excise Duty thereon as applicable.
 - All finished goods are valued at lower of weighted average cost or net realizable value.
 - Molasses, a byproduct is valued at estimated net realizable value.
- ❖ Crops under cultivation are valued at cost.
- ❖ Work in progress is valued at lower of weighted average cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.
- ❖ Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

(m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability

during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(o) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.43.

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(q) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(s) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the Managing Director.

The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities"

All operating segments, operating results are reviewed regularly by the Companies Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

(u) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments are classified as FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial LiabilitiesClassification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

NOTES TO FINANCIAL STATEMENTS (CONTD.)



3 - Property Plant and Equipments

Description	Land	Buildings	Plant and equipment	Tramways & Railways Sidings	Computers & Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 1 April 2016 (Deemed Cost)	85720560	240975440	603429815	7717473	7233577	19714299	1691441	966482605
Additions during the year	83726425	4186499	18382401		2807342	4342694	55126	113500487
Deletions during the year					(46333)	(1388899)		(1435232)
As at 31 March 2017 (At Cost)	169446985	245161939	621812216	7717473	9994586	22668094	1746567	1078547860
Additions during the year		7624341	6102786		683034	6327738	1159877	21897776
Deletions during the year					(1158793)	(4678153)	(21800)	(5858746)
As at 31 March 2018 (At Cost)	169446985	252786280	627915002	7717473	9518827	24317679	2884644	1094586890
Depreciation and amortization								
Charge for the year ended March 31, 2017		12799973	65353370	859752	2949794	5516578	636007	88115475
Deletions during the year					(40570)	(1338914)		(1379484)
As at 31 March 2017 (At Cost)	-	12799973	65353370	859752	2909224	4177664	636007	86735990
Charge for the year		12852612	62967574	453530	3164004	5773992	405441	85617153
Deletions during the year					(1158596)	(3374465)	(20910)	(4553971)
As at 31 March 2018	-	25652585	128320944	1313282	4914632	6577191	1020538	167799172
Net Book Value								
As at 31 March 2018	169446985	227133695	499594058	6404191	4604195	17740488	1864106	926787718
As at 31 March 2017	169446985	232361966	556458845	6857721	7085362	18490430	1110560	991811869
As at 01 April 2016	85720560	240975440	603429815	7717473	7233577	19714299	1691441	966482605

3.1. Cost of Freehold Land includes Land in respect of which the transfer of title deeds in the name of K.C.P. Sugar and Industries Corporation Ltd is pending.

Amount in Rs.

4 - Other Intangible Asset

Description	Computer Software	Total
Cost or Valuation		-
As at 1 April 2016 (Deemed cost)	15394027	15394027
Additions during the year	821100	821100
As at 31 March 2017 (At Cost)	16215127	16215127
Additions during the year	-	-
As at 31 March 2018 (At Cost)	16215127	16215127
Amortization and Impairment		
Amortization for the year ended March 31, 2017	3716828	3716828
As at 31 March 2017	3716828	3716828
Amortization for the year	3789265	3789265
As at 31 March 2018	7506093	7506093
Net Book Value		
As at 31 March 2018	8709034	8709034
As at 31 March 2017	12498299	12498299
As at 01 April 2016	15394027	15394027

5 - Non Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Equity Instruments (Fair valued through PL)	843848185	594407000	299714453
Investments in Subsidiaries (Valued at Cost)	28500000	28500000	28500000
Total	872348185	622907000	328214453

5.1 Aggregate amount of quoted investments			
- Cost	506754558	442365738	407043842
- Market Value	841648185	592207000	297514453

5.2 Aggregate amount of unquoted investments			
- Cost	30700000	30700000	30700000

6 - Other Non Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term Security Deposit	45888752	43917042	8614600

Amount in Rs.

7 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials	474239	359807	614478
Work in progress	40968765	15677935	64018583
Finished goods	1987885694	2133152692	2559154428
Stores and spares	45123360	44490853	48992366
Crops under cultivation	930002	1309876	1947943
Total	2075382060	2194991163	2674727798

8 - Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Mutual Funds (Fair valued through PL)	934064175	793628844	-

9 - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Unsecured Considered good	225940320	232877136	442059144
Considered Doubtful	2969595	2969595	3590987
Less:			
Allowances for Doubtful debts	(2969595)	(2969595)	(3590987)
Total	225940320	232877136	442059144

10 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with banks:			
-In current accounts	21222032	17969265	73348219
ii) Cash on hand	1837429	1305202	1429373
Total	23059461	19274467	74777592

11 - Bank Balances other than 10 above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Balances held as Margin Money	44214758	44217039	49780963
Unpaid Dividend account	27837354	21071951	19714785
Total	72052112	65288990	69495748

12 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good;			
- Advance to Employees	10508029	3486552	3572788

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Amount in Rs.

13 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured considered good			
Balance with government authorities	25750129	27926687	18966419
Advances to Supplier	151818411	77235614	71096430
Total	177568540	105162301	90062849

14 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000	250000000
Total	250000000	250000000	250000000
Issued, Subscribed and Paid Up			
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050	113385050
Total	113385050	113385050	113385050

14.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

14.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.1/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 Details of Shareholders holding more than 5% of shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Durgamba Investments Private Limited	43742656	38.58%	43734156	38.57%	43734156	38.57%
V.R.K. Grandsons Investments Private Limited	-	-	5726605	5.05%	9578330	8.45%
Total	43742656	38.58%	49460761	43.62%	53312486	47.02%

Amount in Rs.

15 Other Equity

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Capital Redemption Reserve	15545110	15545110	15545110
Investment Allowance Reserve Utilised	4505000	4505000	4505000
General Reserve	1120941895	1120941895	1120941895
Retained Earnings	1296967048	1336134847	821376925
Other Comprehensive Income	(737932)	(171528)	-
Total	2437221121	2476955324	1962368930

16 - Long Term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Secured Loans			
Secured loans from banks	-	57507292	124234724
Unsecured Loans			
Fixed Deposits from Public	403524000	438008000	242983000
Total	403524000	495515292	367217724

17 - Other Non Current Financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued but not due on fixed deposits	9221995	9502680	13479779
Security Deposit	2114218	5026699	5608310
Total	11336213	14529379	19088089

18 - Long Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits	52293324	47805739	41378108

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Amount in Rs.

19 - Deferred Tax Liability

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current income tax		
Current year	-	100073512
Sub Total (A)	-	100073512
Deferred tax expense		
Origination and reversal of temporary differences	(157128550)	49907777
Sub Total (B)	(157128550)	49907777
Total (A+B)	(157128550)	149981289

Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Defined benefit plan actuarial gains (losses)	291784	73512

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Property, Plant & Equipment	143244367	156522277	167788486
Deferred tax Assets			
Current year business losses	153175310		
On account of timing differences in recognition of expenditure between books of accounts and Taxation	23649810	32682696	93856683
Sub Total	176825120	32682696	93856683
Net Deferred Tax Assets/ (Liabilities)	33580753	(123839581)	(73931803)

Amount in Rs.

20 - Short Term borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured Demand Loans from Banks (Refer note below)	1335190451	736596132	391287565
Fixed Deposits obtained from public maturing within one year.	270775000	71813000	158371000
Total	1605965451	808409132	549658565

Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a second charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmipuram.

21 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables			
- Dues to Micro and Small Enterprises	-	-	-
- Others	547486215	577169481	1129235225
Total	547486215	577169481	1129235225

22 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of long term debt	77027744	94800000	94800000
Unclaimed Dividends	10488083	10804038	12980343
Interest accrued but not due on borrowings	18854542	16035757	20282012
Unpaid matured deposits and interest accrued thereon	30792764	17186913	6734442
Outstanding Liabilities for Expenses	36785691	79508638	36239502
Earnest Money and Other Deposits	4338310	220000	901614
Total	178287134	218555346	171937913

23 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	30441776	165666569	237452680
Advance from customers	2291550	11931006	3481204
Total	32733326	177597575	240933884

24 - Short term provision

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee benefits	13073331	11951435	10344527

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Amount in Rs.

25 - Current Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income Tax	-	100000000	-
Less: Advance Tax and TDS Credits		-70667951	
Previous Year Income Tax Provision	13507271		
Total	13507271	29332049	-

26 - Revenue From Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (Including Excise Duty)	3299549988	4290246702

27 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Change in fair value of financial asset	362014945	259370651
Interest income from financial asset measured at amortised cost	373170	-
Profit on sale of Investments	73237665	-
Interest on Fixed Deposit	9906377	40258798
Dividend Income	44740056	25687030
Rent Received	5101574	6256240
Miscellaneous Receipts	7165899	5603473
Profit on sale of fixed assets (Net)	-	123117
Unclaimed Balance credited back	94724	122330
Claims Received	434377	881662
Provision no longer required withdrawn	74508595	484319
Total	577577382	338787620

28 - Cost of Materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of raw materials	2807387624	2249032160
Consumption of stores and spares	83841117	68574234
Total	2891228741	2317606394
Consumption of Sugar Cane included in the above	2376440931	2169912927

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

Amount in Rs.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Work in Progress	15677935	64018583
Finished goods	2133152692	2559154428
Crops under cultivation	1309876	1947943
Less Closing Balance		
Work in Progress	-40968765	-15677935
Finished goods	-1987885694	-2133152692
Crops under cultivation	-930002	-1309876
Total	120356042	474980451

30 - Employee Benefits Expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	276177002	331818741
Contribution to provident and other funds	34312076	43252154
Remuneration to whole time directors	11013154	22195155
Staff welfare expenses	29869101	33043605
Total	351371333	430309655

31 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost on financial liabilities measured at amortized cost	19520452	28072569
Others	124552222	84767062
Total	144072674	112839631

32 - Depreciation and Amortisation

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation / Amortisation for the year		
- Tangible Assets	85617153	88115475
- Intangible Assets	3789265	3716828
Total	89406418	91832303

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Amount in Rs.

33 - Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power and Fuel	23436081	34415418
Rental charges	237402	260954
Repairs and maintenance		
- Buildings	19022505	20599835
- Machinery	96562934	123582238
- Others	13022602	13038225
Insurance	3213673	3390508
Payment made to Auditors	674884	671209
Legal and Professional Charges	12576912	10166323
Selling expenses	56127713	25766112
Director's Sitting Fees	1480000	1380000
Commission to Non- Whole time directors	-	875479
Donations	1700000	100000
Corporate Social Responsibility Expenditure (CSR)	2125577	2757653
Security Charges	12827243	12905899
Miscellaneous expenses	62682278	29411124
Loss on sale of Fixed Assets	90387	-
Total	305780191	279320977

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As Audit Fee	442500	431250
ii. For other services	210400	220375
iii. For reimbursement of expenses	21984	19584
Total	674884	671209

34 Transition to IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

34.1 In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

34.2 A: Ind AS optional exemptions and mandatory exceptions availed

1. Deemed cost of Property Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of

Amount in Rs.

transition after making necessary adjustments as required to be made as per para 10 of Ind AS 101.

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value after making the necessary adjustments now required to be made as required by the Ind AS.

2. Evaluation of arrangements in the nature of lease

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

3. Revenue from Contracts with customers

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP as at the transition date.

34.3 B: Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in Mutual fund carried at FVPL
- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

34.4 C : First time adoption

The impact on First time adoption of Ind AS is set out in Note

1. Fair valuation of investments

Under IND AS investment in Equity and mutual funds is measured at fair value and the changes in value are recognised in profit and loss account

2. Re measurements of post-employment benefit obligations

Under Ind AS, re measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised net of tax in other comprehensive income, net of tax instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year.

3. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under the Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in the total revenue and total expenses for the year ended 31 March 2018. However there is no impact on total equity and profit.

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35. Value of Imports made by the Company during the financial year calculated on C.I.F. basis:

Amount in Rs.

	Particulars	2017 – 2018	2016 – 2017
(i)	Raw Materials	Nil	Nil
(ii)	Components and Spare parts	Nil	148450
(iii)	Capital Goods	Nil	Nil

36. Comparison between consumption of Imported and Indigenous raw materials, spare parts and components during the financial year:

	Particulars	2017 – 2018	%	2016 – 2017	%
a)	Raw Materials:				
i)	Imported	NIL		NIL	
ii)	Indigenous	2807387624	100.00	2249032160	100.00
	Total	2807387624	100 .00	2249032160	100.00
b)	Spare parts and Components:				
i)	Imported	-	-	148450	0.18
ii)	Indigenous	52388329	100.00	82770711	99.82
	Total	52388329	100.00	82919161	100.00

37. Under Section 135 of The Companies Act, 2013 the company is required to spend Rs.3,22,726/- during the year under review towards Corporate Social Responsibility (CSR) activities as framed by the Company in its Corporate Social Responsibility program. However, the Company has spent Rs.21,25,577/-

38. Sale of Products and Services

PRODUCTS / SERVICES	Units	2017-2018		2016-2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	680313	2496436965	919879	3473228035
Molasses	MTs	10198	97014981	14962	123317577
Bagasse	MTs	70484	150790748	38150	67211544
Industrial / Anhydrous Alcohol	BLs	9664534	409040482	10340564	474499692
Bio Fertiliser	Qtls	132524	61491398	170500	62763006
Electrical Energy	Kwh	9247885	37603346	9151890	36664059
Calcium Lactate	Kgs	3178000	32268663	336785	34059247
Others	-		14903405		18503542
TOTAL			3299549988		4290246702

Note: Sale of Products does not include the following inter unit transfers:

Amount in Rs.

PRODUCTS / SERVICES	Units	2017-2018		2016-2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	2691	7686100	2350	4700000
Molasses	MTs.	32255	254248361	33384	226329854
Bagasse	MTs.	182137	305079392	180621	301501693
Electrical energy	KWH	20314363	120464171	17828356	102334764
Steam	MTs.	314586	262218568	312717	262767881
Filter Cake	MTs.	27762	277615	44099	440994
Sugarcane - Agricultural Produce	MTs.	928	2523695	1576	4032711
Bio Gas	M ³	1669414	667766	1461702	584681
TOTAL			953165668		902692578

39. Raw Materials Consumed

PARTICULARS	Units	2017-2018		2016-2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar – Sugarcane	MTs	868552	2760013316	740826	2169885868
Distillery – Molasses	MTs	38464	296639604	42384	300943806
Others			15470476		13706046
Total			3072123396		2484535720
Less: Inter Divisional Transfers			264735772		235503560
Net Consumption			2807387624		2249032160

40. Opening Stock of Finished Goods

PARTICULARS	Units	As at 01.04.2018		As at 01.04.2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	516136	1847527315	754377	2311945567
Molasses	MTs	29925	230198857	39323	227463862
Industrial / Anhydrous Alcohol	BLs	1267122	43411163	283816	7765673
Bio Fertiliser	Qtls	4665	11603034	11171	10662295
Others		-	412323	-	1317031
Total			2133152692		2559154428

41. Closing Stock of Finished Goods

PARTICULARS	Units	As at 31.03.2018		As at 31.03.2017	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Sugar	Qtls	652273	1719391628	516136	1847527315
Molasses	MTs	32080	193054431	29925	230198857
Industrial / Anhydrous Alcohol	BLs	1742303	61668169	1267122	43411163
Bio Fertiliser	Qtls	16410	10231028	4665	11603034
Others		-	3540438	-	412323
Total			1987885694		2133152692

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Amount in Rs.

42. Particulars regarding Capacity and Production

Class of Goods	Capacity		Units	Actual Production	
	Licenced tpd	Installed tpd		2017-2018	2016-2017
	(as certified by the management)				
a. Sugar					
(i) Vuyyuru Unit	7500	7500	Qtls	664020	569747
(ii) Lakshmipuram	4000	4000	Qtls	155121	114241
b. Molasses (By-Product)	-	-	MT's	44608	38949
c. Industrial / Anhydrous Alcohol	50000	50000	BL per day	10139715	11866851
d. Bio Fertiliser	-	-	Qtls	144269	163993
e. Electrical Power					
(i) Incidental Co -Generation Power Plant. Vuyyuru	15 MW	15 MW	Kwh	29902572	26709656
(ii) Incidental Co - Generation Power Plant. Lakshmipuram	5 MW	5 MW	Kwh	4401305	3897804

43. Contingent Liabilities:

- a. Outstanding Guarantees issued by Banks on behalf of the company is Rs.3,46,17,938/- (PY Rs. 3,46,53,563/-)
- b. Demands raised on the company by the respective authorities are as under:

(Amount in Rs)

Particulars	As at March 31,2018	As at March 31,2017
Share transmission	1105851	1105851
Labour cases	7165166	4743945
Non enrollment of contract labour for the purpose of contribution to Provided Fund	11094580	11094580
Case on Duty relating to Captive Power Generation and sale to grid	57887181	57887181
Central Excise Case	-	308144
Value Added Tax case	1661339	1366538
Income Tax Case	47030100	47030100
Central Excise Duty on Sale of Bagasse	10678712	-
Total	136622929	123536339

Based on the expert opinions obtained, the Company had been advised not to make any provision in the Accounts.

44. Additional information pursuant to Schedule III of the Companies Act, 2013

(Amount in Rs)

Particulars	As at March 31, 2018	As at March 31, 2017
Expenditure in Foreign currency on:		
(i) Salary and allowance	Nil	Nil
(ii) Tours and Travels	Nil	611625
(iii) Others	Nil	148450

45. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018:

(Amount in Rs.)

S. No	Particulars	As at March 31, 2018	As at March 31, 2017
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	- -	- -
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the Act have not been given.

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Disclosure requirements of Indian Accounting Standards

46. Disclosures in respect of Ind AS 107 - Financial Instruments

a. Financial Instruments by Categories

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

Amount in Rs.)
As at March 31, 2018

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Non-Current Financial Assets	45888752		
Non-Current Investments		872348185	
Current Trade Receivables	225940320		
Cash & Cash Equivalents	23059461		
Other Bank Balances	72052112		
Current Investments		934064175	
Other Financial Assets	10508029		
Liabilities:			
Term loan (Non-Current)	403524000		
Other Long term financial liabilities	11336213		
Other Financial Liabilities	178287134		
Short Term Borrowings	1605965451		
Trade Payables	547486215		

As at March 31, 2017

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	43917042		
Non-Current Investments		622907000	
Current Trade Receivables	232877136		
Cash & Cash Equivalents	19274467		
Other Bank Balances	65288990		
Current Investments		793628844	
Other Current Financial Assets	3486552		
Liabilities:			
Term loan (Non-Current)	495515292		
Other Long term financial liabilities	14529379		
Other Financial Liabilities	218555346		
Short Term Borrowings	808409132		
Trade Payables	577169481		

As at April 1, 2016

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Long Term Financial Assets	8614600		
Non-Current Investments		328214453	
Current Trade Receivables	442059144		
Cash & Cash Equivalents	74777592		
Other Bank Balances	69495748		
Other Current Financial Assets	3572788		
Liabilities:			
Term loan (Non-Current)	367217724		
Other Long term financial liabilities	19088089		
Other Financial Liabilities	171937913		
Short Term Borrowings	549658565		
Trade Payables	1129235225		

b. Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

c. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

d. The following tables present fair value hierarchy of assets and liabilities measured at fair value:

(Amount in Rs)

Particulars	For the year 31.03.2018				For the year 31.03.2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	872348185			872348185	622907000			622907000
Investments in Quoted Mutual Funds	934064175			934064175	793628844			793628844

47. Financial risk management

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Securities Prices Risk:

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet as Fair Value through P&L. the company has investment in a form of Mutual funds and Equity shares. The company monitors the movement in the value of the Investments by observing the NAV.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables, Advances and deposit(s) made

Trade receivables

The company has outstanding trade receivables amounting to Rs. 22,59,40,321 and Rs. 23,28,77,136 as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Rs)

Particulars	March 31, 2018		March 31, 2017	
	Gross	Impairment	Gross	Impairment
0 to 180 days	40336426	-	128782090	-
More than 180 days	188573490	2969595	107064641	2969595

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loans, deposits from public and short term borrowings from Bank.

The company manages liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, repayment of loans and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include non-convertible debentures, optionally convertible debentures, Unsecured Loans from Promoters, Term Loans from Banks, Retentions & deposits.

The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table include both principal cash flows.

Particulars	31.03.2018		31.03.2017	
	Payable within 1 year	More than 1 year	Payable within 1 year	More than 1 year
Loan from Bank	77027744	-	94800000	57507292
Deposits from Public	284324000	403524000	78732000	438008000

Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest-bearing liabilities being short term borrowings.

The following table represents the contractual obligation and receivables to/from financial liabilities and financial assets respectively.

Particulars	31.03.2018	31.03.2017
Fixed Rate Instruments		-
Financial Asset		
- Margin Money with Bank	44214758	44217039
Financial Liabilities		
- Term Loan from Bank	77027744	152307292
Variable Rate Instruments		
- Demand Loan from bank	1335190451	736596132

The Company's variable interest rate exposure is mainly related to debt obligations arising from short debt borrowings

The interest expenses and impact on it on account of Increase/decrease of 100 basis points in interest rates at the balance sheet is provided in table below:

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Expenses arising on account of variable rate of interest on short term borrowings	54717282	23371539
Impact on :		
Increase in 100 basis point	13351905	7365961
Decrease in 100 basis points	(13351905)	(7365961)

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

The period end balances are not necessarily representative of the average debt outstanding during the period.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets or by adequate funding by the shareholders to absorb the losses of the Company.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

The Company's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Company's capital management is to maximize shareholders value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The capital gearing ratio is provided in table below:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total Debt*	403524000	495515292
Cash and cash equivalent	(23059461)	(19274467)
Net Debt	380464539	476240825
Total Equity	2550606171	2590340374
Net debt to equity ratio	0.15	0.18

*Debt represents long term loan from banks and deposits from public.

48. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

a. General description of various defined employee's benefits schemes are as under:

a) Provident Fund:

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

b. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

Movement in defined benefit obligation:

Movement in defined benefit obligation: (Amount in Rs.)		
Particulars	31.03.2018	31.03.2017
Defined benefit obligation - Beginning of the year	140061803	135238035
Current service cost	6704575	6456101
Interest Cost	10931755	10737735
Past Service Cost	1290787	-
Benefits Paid	-9733249	-12615108
Re-measurements - actuarial loss/(gain)	858188	245040
Defined benefit obligation – End of the year	150113859	140061803
Movement in plan asset:		
Particulars	31.03.2018	31.03.2017
Fair value of plan assets at beginning of year	115057236	115234498
Employer contributions	7628386	3452496
Benefits paid	-9733249	-12615108
Re-measurements – Return on plan assets	9010045	8985350
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	121962418	115057236

Amount Recognized in Statement of Profit and Loss

Particulars	31.03.2018	31.03.2017
Current service cost	6704575	6456101
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-9010045	-8985350
Net Interest on Net Defined Benefit Liability/(assets) (B)	10931755	10737735
Past service cost	1290787	-
Cost Recognized in P&L	9917072	8208486

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2018	31.03.2017
Actuarial (gain)/loss due to assumption changes	858188	245040
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	858188	245040

Actuarial Assumption

Particulars	31.03.2018	31.03.2017
Discount rate	7.58%	6.90%
Rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.5	8.7

49. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"

Description	At the beginning of the year	Addition.	Used	At the end of the year
Amount in Rs.				
Provision for leave encashment	34752611	9608546	7145942	37215215
Provision for gratuity	25004565	7008375	3861499	28151441
Provision for Income Tax	187500000	-	-	187500000
Dividend Paid	-	102046545	102046545	-
Tax on Dividend paid	-	20774274	20774274	-

Description	At the beginning of the year	Addition.	Used	At the end of the year
Amount in Rs.				
Provision for leave encashment	31719100	11240860	8207349	34752611
Provision for gratuity	20003535	8772957	3771929	25004563
Provision for Income Tax	87500000	100000000	-	187500000
Dividend Paid	-	28346263	28346263	-
Tax on Dividend paid	-	5770632	5770632	-

50. Disclosure required by Clause 32 of the Listing Agreement:

Loans and Advances to Subsidiary Companies	Outstanding as at		Maximum amount outstanding during the year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
The Eimco-K.C.P.Ltd.	Nil	Nil	Nil	Nil
KCP Sugars Agricultural Research Farms Ltd.	Nil	Nil	Nil	50,000

51. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

(A). Names of related parties and description of relationship:

1.Subsidiaries	a) The Eimco-K.C.P.Ltd., Chennai, India. b) KCP Sugars Agricultural Research Farms Ltd. Chennai, India.
2.Key Management Personnel	a) Shri. Vinod R. Sethi, Executive Chairman b) Smt. Irmgard Velagapudi M Rao, Managing Director. c) Smt.V. Kiran Rao, Executive Director. d) Shri.R.Ganesan, Chief Financial Officer. e) Shri.S.Chidambaram, General Manager (Finance) and Company Secretary

(B). Transactions During the year

Particulars	Subsidiaries		Key Management Personnel	
	2017 - 18	2016 - 17	2017 - 18	2016 - 17
Rent Received	360000	322500	1500000	1500000
Remuneration paid to Key Management Personnel			13897788	25114407
Advances given	-	50000	-	-
Advances received	-	50000	-	-
Interest on fixed deposit paid to Key Management Personnel			3075894	3096827
(C). Closing balances as on 31/03/2018				
Party				
(a) The Eimco KCP Ltd.	-	-	-	-
(b) KCP Sugars agricultural Research Farms Ltd.	-	-	-	-
(c) Share Capital held in Subsidiary Companies	28500000	28500000	-	-
(d) Share Capital held by key Management Personnel.	-	-	2098610	1882810
(e) Fixed deposit held by key Management Personnel.		-	32740000	32200000

52. Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
	IGAAP	GAAP Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	991811869		991811869
(b) Capital work-in-progress	9201720		9201720
(c) Other Intangible assets	12498299		12498299
(d) Non-current financial assets			
(i) Investments	473065738	149841262	622907000
(ii) Trade receivables	-	-	-
(iii) Other non-current financial assets	145426865	(101509823)	43917042
(e) Deferred tax assets, (net)			
(f) Other non-current assets			
Current assets			
(a) Inventories	2194991163		2194991163
(b) Financial Assets			
(i) Current Investments	793628844		793628844
(i) Trade receivables	232877136		232877136
(ii) Cash and cash equivalents	19274467		19274467
(iii) Bank Balances other than (ii) above	65288990		65288990
(iv) Other current financial assets	3486552		3486552
(c) Current Tax Assets (Net)	-		-
(d) Other current assets	89003735	16158565	105162301
Total Assets	5030555379	64490004	5095045383
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	113385050		113385050
(b) Other equity	2276410358	200544966	2476955324
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	524908000	(29392708)	495515292
(ii) Other Non- Current Financial liabilities	14529379		14529379
(b) Long term Provisions	47805739		47805739
(c) Other Non-Current liabilities	-		-
(d) Deferred tax liabilities (net)	123839581		123839581
Current liabilities			
(a) Financial Liabilities			

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

Amount in Rs.			
Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
	IGAAP	GAAP Adjustments	Ind AS
(i) Short term Borrowings	808409132		808409132
(ii) Trade payables	577169481		577169481
(iii) Other financial liabilities	218555346		218555346
(b) Other current liabilities	177597576		177597575
(c) Short Term provisions	134772254	(122820819)	11951435
(d) Current Tax Liabilities (Net)	13173483	16158565	29332049
Total Equity and Liabilities	5030555379	64690004	5095045383

Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
	IGAAP	GAAP Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	966482605		966482605
(b) Capital work-in-progress	6078214		6078214
(c) Other Intangible assets	15394027		15394027
(d) Non-current financial assets			
(i) Investments	437743841	(109529388)	328214453
(ii) Trade receivables			
(iii) Other non-current financial assets	110124423	(101509823)	8614600
(e) Deferred tax assets, (net)			
(f) Other non-current assets			
Current assets			
(a) Inventories	2674727798		2674727798
(b) Financial Assets			
(i) Current Investments	-		-
(ii) Trade receivables	442059144		442059144
(iii) Cash and cash equivalents	74777592		74777592
(iv) Bank Balances other than (ii) above	69495748		69495748
(v) Other current financial assets	3572788		3572788
(c) Other current assets	90062850		90062849
Total Assets	4890519030	(211039212)	4679479818

Amount in Rs.			
Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
	IGAAP	GAAP Adjustments	Ind AS
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	113385050		113385050
(b) Other equity	2081825970	(119457040)	1962368930
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	424683000	(57465276)	367217724
(ii) Other Non- Current Financial liabilities	19088089		19088089
(b) Long term Provisions	41378108		41378108
(c) Other Non-Current liabilities	-		
(d) Deferred tax liabilities (net)	73931803		73931803
Current liabilities			
(a) Financial Liabilities			
(i) Short term Borrowings	549658565		549658565
(ii) Trade payables	1129235225		1129235225
(iii) Other financial liabilities	171937913		171937913
(b) Other current liabilities	240933885		240933884
(c) Short Term provisions	44461422	(34116895)	10344527
(d) Current Tax Liabilities (Net)	-		-
Total Equity and Liabilities	4890519030	(211039212)	4679479818

53. Reconciliation of equity as previously reported under IGAAP to Ind AS

	(INR)	
	Component	Amount
Balance at April 1, 2016	IGAAP	2081825970
Adjustments		
Proposed Dividend	Non-Adjusting Event	34116895
Expected Credit Loss on Loans and Advances	Financial Instruments	(101509823)
Amortised cost computation of debentures and loans outstanding	Financial Instruments	57465276
Fair valuation of Equity Shares	Financial Instruments	(109529389)
Total		(119457039)
Balance at April 1, 2016	Ind AS	1962368930

Amount in Rs.

54. Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

Particulars	For Year Ended March 31, 2017	For Year Ended March 31, 2017	For Year Ended March 31, 2017
	IGAAP	GAAP Adjustments	Ind AS
I Revenue from operations	4066956748	223289954	4290246702
II Other income	79416970	259370650	338787620
III Total Income (I+II)	4146373718		4629034322
IV Expenses			
Cost of material consumed	2317606394		2317606394
Changes in inventories of finished goods, work-in-progress and stock-in-trade	474980451		474980451
Excise duty on sale of goods	-	223289954	223289954
Employee benefits expense	430309655		430309655
Finance costs	84767062	28072569	112839631
Depreciation and Amortisation	91832303		91832303
Other expenses	279320977		279320977
Total expenses (IV)	3678816841		3930179365
V Profit/(loss) before exceptional items and tax	467556877		698854957
VI Exceptional items			
VII Profit/(loss) Before Tax	467556877		698854957
VIII Tax Expense			
- Current Tax	100073512		100073512
- Deferred Tax	49907777		49907777
- Reversal of excess provision for taxation relating to earlier years	(1149)		(1149)
IX Profit/(loss) After Tax	317576737		548874817
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)	-	(245040)	(245040)
Income tax expense on above	-	73512	73512
	-		(171528)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)	317576737		548703289

Amount in Rs.

- a) Under the previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when approved by the members in a general meeting. The effect of this change is an increase in total equity as at April 1, 2016 of Rs. 3,41,16,895, but does not affect profit before tax and total profit for the year ended March 31, 2017.
- b) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial losses for the year ended March 31, 2017 were Rs. 171,528/- (Net of taxes)
- c) Under previous GAAP, Security deposits were carried at transaction cost, while under Ind AS, present value of these deposits are retained in the financial statement and balance value of these deposits are carried as pre-paid rent.
- d) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.
- e) Under previous GAAP, investments are carried at cost at the end of the reporting period. Under Ind AS, investments are carried at fair value through PL. The effect of this is reduction in total equity as at April 1, 2016 of (Rs.10,95,29,389), the effect of same on statement of profit and loss of March 31, 2017 is gain of is Rs.25,93,70,650/-
- f) Under Previous GAAP, Provision for bad and doubtful debts for the advances given are made on incurred loss model. Under Ind AS, provision is made on expected credit loss model.
- g) Under previous GAAP Financial liabilities were carried at book value, while under Ind AS fair value of the liabilities are computed and retained in Balance sheet and interest is accounted accordingly based in the repayment. This change has resulted in increase of equity as at 01April, 2016 to the tune of Rs.5,74,65,276, the same has resulted in additional expense of Rs.2,80,72,569 to the statement of profit and loss for the year ended March 31 2017.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

55. SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2018 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

	PARTICULARS	PRIMARY SEGMENT											
		SUGAR		CHEMICALS		POWER & FUEL		OTHERS		TOTAL		Previous Year	Current Year
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year		
1	Segment Revenue												
	External Revenue	2747304735	3667876908	453145509	522942729	376033346	36664059	61496398	62763006	3299549988	4290246702		
	Inter Segment Revenue	569815164	537005253	5711740	5273445	377638765	360413880	-	-	953165669	902692578		
	Total Revenues	3317119899	4204882161	458857249	528216174	415242111	397077939	61496398	62763006	4252715657	5192939280		
2	Segment Results												
	Profit before depreciation, finance cost and taxation	(387683557)	485164363	65692472	92034091	86573183	77778644	32338606	32150774	(203079296)	687127872		
	Less : Finance Cost	113807241	77257108	9007973	6426767	648577	399429	1075122	683758	124538913	84767062		
	Less : Unallocable Finance Cost									19533762	28072569		
	Less: Depreciation and Amortizations	46761143	47909478	17655790	17429003	21531513	22861135	3457972	3632687	89406418	91832303		
3	Less: Impairment on Capital Assets					-	-			-	-		
	Unallocable Expenditure									(363082811)	(216325507)		
	Less : Tax									(157128550)	149906628		
	Total Profit									83652974	548874817		
4	Capital Employed												
	Segment Assets	2813379314	2952516401	271216173	250810585	220316638	229106441	32104894	36528115	3337017019	3468961542		
5	Unallocable Assets									2022263028	1626083841		
6	Segment Liabilities	2054566368	1732234970	24987215	21371678	5839661	4139562	7051295	5482872	2092444539	1763229082		
7	Unallocable Liabilities									716229337	741475927		
8	Capital Employed	10113688	22909068	-	3671444	3740029	2079548	1765637	88785034	2550606171	2590340374		
9	Capital Expenditure									15619354	117445094		

1. The operations of the company predominantly relate to manufacture of Sugar, Electrical Energy, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO₂ and Calcium Lactate
2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers .
3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

NOTES TO FINANCIAL STATEMENTS

ii) Geographical Segment:

Particulars	Current Reporting Period 2017-2018	Previous Reporting Period 2016-2017
Sales within India	3299549988	4290246702
Sales outside India	-	-
Total	3299549988	4290246702

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:

Amount in Rs.

Particulars	Carrying amounts of segment assets		Additions to fixed assets & Intangible assets	
	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Located in India	5408812436	5095045383	15619353	117445094
Located outside India	-	-	-	-
Total	5408812436	5095045383	15619353	117445094



THE EIMCO-K.C.P. LTD

Fiftieth Annual Report

2017 – 2018

CIN : U27209TN1967PLC005550

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M.Rao
Vice Chairperson	Smt. V. Kiran Rao
Directors	Shri. J. Satyanarayana Shri. K. Kalyanaraman
Auditors	M/s. Suri & Siva (FRN. 004284S) Chartered Accountants C-8, 3rd Floor, Shanti Apartments, New No.18, 1st Cross Street, TTK Road Alwarpet, Chennai 600018
Bankers	Axis Bank Limited Canara Bank Corporation Bank
Registered and Corporate Office	“Ramakrishna Buildings”, 239, Anna Salai, Chennai 600 006.
Works	11-A, 3 rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Friday, 14th day of September 2018 at 3.00 p.m.. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Smt. Irmgard Velegapudi M.Rao, who retires by rotation and is eligible for reappointment.
- 3 To appoint Suri & Siva, Chartered Accountants (FRN0042484S) as Statutory Auditors to hold office from the conclusion of this 50th Annual General Meeting till the conclusion of 51st Annual General Meeting on such remuneration as fixed by the Board of Directors.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DULY COMPLETED, STAMPED AND LODGED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

// By Order of the Board //

For THE EIMCO-K.C.P. LIMITED

Place : Chennai
Date : 25.05.2018

IRMGARD VELAGAPUDI M. RAO
CHAIRPERSON

TO THE SHAREHOLDERS

Your Directors have pleasure in submitting their Report for the year ended 31st March 2018 together with Balance Sheet and Profit and Loss Account for the year ended on that date.

REVIEW OF OPERATIONS

During the period under review, the Company has received Orders totaling to Rs.4,290.72 lakhs as compared to Rs.3,300.30 lakhs during the previous year. From the enclosed Annual Accounts it may be noted that the income earned from the sale of products and services by the Company for the year ended 31st March 2018 was Rs.2,668.00 lakhs as against Rs. 3,877.56 lakhs in the previous year. The profit was at Rs.434.71 lakhs for the year under review as against profit of Rs.381.95 lakhs for the previous year. After providing for current and deferred taxation, the net profit for the year was Rs.314.22 lakhs. After the adjustment of Remeasurement of Actuarial Loss of Rs.18.40 lakhs (net of tax) under Other Comprehensive Income for the financial year 2017-18, the Total Comprehensive Income for the financial year 2017-18 is Rs.295.82 lakhs

DIVIDEND

Your Directors have not recommended any Dividend for the Financial Year under review with a view to conserve profits.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

This Industry is not energy intensive with maximum demand being much below 250 KVA. Consequently there is very little scope of conservation of energy.

PARTICULARS OF EMPLOYEES

Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming a part of Director's Report for the year ended 31st March 2018 is not applicable as there was no employee covered by the same.

EXPORTS & FOREIGN EXCHANGE EARNINGS & OUTGO

Our Exports earnings during the year 2017-18 was Rs.929.94 lakhs (PY.: Rs.523.50 lakhs). During the period under review the Company has incurred Expenditure in foreign currency amounting to Rs.271.79 lakhs towards foreign travel and import of components. There are no specific areas in which Research and Development has been carried out by the Company.

DIRECTORS

At the forthcoming Annual General Meeting Smt. Irmgard Velagapudi M.Rao retires by rotation and is Eligible for re-appointment.

STAFF RELATIONS

Industrial Relations with Staff and Workers continue to be cordial.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 of the Companies Act 2013, your Directors certify as follows:

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there were no material departures there from;
- ii) that Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 and of the profit of the Company for that year.
- iii) that the Directors had taken proper and sufficient care for the Maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for Detecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis;
- v) that the Directors had devised proper system to ensure compliance with the provisions of all applicable law and that such systems were adequate and operating effectively.

AUDITORS

M/s Suri & Siva, Chartered Accounts, Chennai, (FRN 004284S) retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members approval is being sought to the reappointment of M/s Suri & Siva as the Statutory Auditors and to authorize the Board of Directors, to determine the remuneration payable to the Auditors.

As required under the provisions of section 141 (3) of the Companies Act, 2013, the Company has obtained a written Certificate from them to the effect that their appointment, if made, would be in conformity with the limits specified under the said section.

For and on behalf of the Board of Directors

IRMGARD VELAGAPUDI M.RAO
CHAIRPERSON

Place : Chennai
Date : 25.05.2018



INDEPENDENT AUDITOR'S REPORT

To The Members of **THE EIMCO-K.C.P. LTD**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE EIMCO-K.C.P. LTD** ("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. 32 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.

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 **THE EIMCO-K.C.P. LTD** 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 **THE EIMCO-K.C.P. LTD** ("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 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.

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 **THE EIMCO-K.C.P. LTD** 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.
- (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) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (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 yearend 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.
- (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 given 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 given 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.

Chennai

Dated 25-05-2018



BALANCE SHEET

AS AT MARCH 31, 2018

				Amount in Rs.
Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	63710839	66398641	64173073
(b) Capital work-in-progress				
(c) Other Intangible assets	4	-	-	147034
(d) Non-current financial assets				
(i) Investments				
(ii) Trade receivables				
(iii) Other non current financial assets	5	525131	716156	641705
(e) Deferred tax assets, (net)	6	2839632	2891541	2858449
(f) Other non-current assets	7	2800149	2800149	2407156
Current assets				
(a) Inventories	8	122293958	56278026	88686882
(b) Financial Assets				
(i) Investments	9	63026303	60203721	41888581
(ii) Trade receivables	10	61609314	96755332	99995436
(iii) Cash and cash equivalents	11	91442710	45008648	60008860
(iv) Bank Balances other than (iii) above	12	26525977	25014098	23287964
(v) Other current financial assets	13	4811	88757	37510
(c) Current Tax Assets (Net)				
(d) Other current assets	14	35265208	20243427	14922697
Total Assets		470044032	376398496	399055347
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	6000000	6000000	6000000
(b) Other equity	16	244544778	214962972	191800137
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(b) Long term Provisions	17	31325869	46764959	45565812
(c) Other Non-Current liabilities				
(d) Deferred tax liabilities (net)		-	-	
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings				
(ii) Trade payables	18	74306784	47197993	40198293
(iii) Other financial liabilities	19	7095752	611094	797275
(b) Other current liabilities	20	90796690	44812659	90879873
(c) Short Term provisions	21	12392519	11926670	11861353
(d) Current Tax Liabilities (Net)	22	3581640	4122149	11952604
Total Equity and Liabilities		470044032	376398496	399055347

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Chairperson

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

V. KIRAN RAO
Vice Chairperson

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2018

Amount in Rs.			
Particulars	Note	For Year Ended March 31, 2018	For Year Ended March 31, 2017
I Revenue from operations	23	266800078	387756008
II Other income	24	40915781	17116598
III Total Income (I+II)		307715859	404872606
IV Expenses			
Cost of material consumed	25	148946417	179552694
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(50563942)	27805714
Excise duty on sale of goods		5222358	33824115
Employee benefits expense	27	60372748	55953250
Finance costs	28	3797220	2411056
Depreciation and Amortisation	29	4382759	4768816
Other expenses	30	92086998	62052410
Total expenses (IV)		264244558	366368055
V Profit/(loss) before exceptional items and tax		43471301	38504551
VI Exceptional items			
VII Profit/(loss) before tax		43471301	38504551
VIII Tax expense			
- Current Tax		11050000	12500000
- Deferred Tax		999688	71873
- Provision for taxation relating to earlier years		-	2566086
IX Profit/(loss) for the period		31421613	23366592
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/(losses)		(2787586)	(308722)
Income tax expense on above		947779	104965
		(1839807)	(203757)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period)		29581806	23162835
XII Earnings per equity share			
(1) Basic		52.37	38.94
(2) Diluted		52.37	38.94

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Chairperson

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

V. KIRAN RAO
Vice Chairperson



Note 1. Corporate Information

The EIMCO-K.C.P. Ltd is a Process Technology Company and leading manufacturer of Liquid – Solid Separation equipment for Industrial and Environmental Applications: Thickening, Clarification, Classification, Vacuum Filtration, Aeration Systems etc.

The financial statements were approved by the Board of Directors and authorised for issued on 25th May 2018.

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 42. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- ❖ **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- ❖ **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- ❖ **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and

liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

- ❖ Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- ❖ **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.
- ❖ **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- ❖ **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Revenue recognition :

Sales are stated at net of returns and sales tax. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer being the point of despatch. Revenue is measured at the fair value of the consideration received or receivable. Sales are inclusive of excise duty recovered and net of discount and rebates.

Revenue on rendering of the service, is recognised on completion of services on pervasive evidence of an arrangement exists, rates are fixed or are determinable and collectability is reasonably certain.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Employee Benefits (other than for persons engaged through contractors):

- i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts



notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an scheme operated in the company using the projected unit credit method, carried out at the Balance Sheet date.

(f) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(h) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(i) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(j) Inventories:

Inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realizable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits are deducted in determining the cost of purchase. Net realizable value represents the estimated selling price for the inventories less all estimated costs of completion and costs necessary to make the sale.

Finished goods and Work in Progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance



that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(l) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest

expense. Liability in respect of delivery guarantees is recognized in accounts in the year in which delay occurs as per the contract.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(n) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(o) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(p) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(q) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(r) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the



Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



3. Property, Plant & Equipments

Description	Land	Buildings	Plant and equipment	Computers	Office Equipment	Vehicles	Furniture and Fixtures	Total
As at 1 April 2016 (Deemed Cost)	42776981	10032201	8422292	1369373	577506	786507	208213	64173073
Additions during the year		782088	3653873	314574	59003	2007418	154802	6971758
Deletions during the year				(61830)		(1079460)		(1141290)
As at 31 March 2017 (At Cost)	42776981	10814289	12076165	1622117	636509	1714465	363015	70003541
Additions during the year		414491		1060400	141133	54300	24633	1694957
Deletions during the year								-
As at 31 March 2018 (At Cost)	42776981	11228780	12076165	2682517	777642	1768765	387648	71698498
Depreciation and amortization								
Charge for the year ended March 31, 2017		893145	2234610.00	865274	231099	348662	48992	4621782
Deletions during the year				(61830)		(955052)		(1016882)
As at 31 March 2017 (At Cost)	-	893145	2234610	803444	231099	(606390)	48992	3604900
Charge for the year		930512	1999201	571901	206956	598910	75279	4382759
Deletions during the year								-
As at 31 March 2018	-	1823657	4233811	1375345	438055	(7480)	124271	7987659
Net Book Value								
As at 31 March 2018	42776981	9405123	7842354	1307172	339587	1776245	263377	63710839
As at 31 March 2017	42776981	9921144	9841555	818673	405410	2320855	314023	66398641
As at 01 April 2016	42776981	10032201	8422292	1369373	577506	786507	208213	64173073

3.1. Cost of Freehold Land includes . 10,00,000/- in respect of which the transfer of title deeds in the THE EIMCO K.C.P. LTD is pending.

3.2 Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 01, 2016

Amount in Rs.

4 - Other Intangible Asset

Description	Computer Software	Total
Cost or Valuation		-
As at 1 April 2016 (Deemed cost)	147034	147034
Additions during the year		-
As at 31 March 2017 (At Cost)	147034	147034
Additions during the year		-
As at 31 March 2018 (At Cost)	147034	147034
Amortization and Impairment		-
Amortization for the year ended March 31, 2017	147034	147034
As at 31 March 2017	147034	147034
Amortization for the year		-
As at 31 March 2018	147034	147034
Net Book Value		
As at 31 March 2018	-	-
As at 31 March 2017	-	-
As at 01 April 2016	147034	147034

5 - Other Non Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term Security Deposit	525131	716156	641705
Total	525131	716156	641705

6 - Deferred Tax Asset(s)

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current income tax		
Current year	11050000	12500000
Sub Total (A)	11050000	12500000
Deferred tax expense		
Origination and reversal of temporary differences	999688	71873
Change in accounting policy		
Sub Total (B)	999688	71873
Total (A+B)	12049688	12571873



Amount in Rs.

Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2017	For the year Ended March 31, 2016
Defined benefit plan actuarial gains (losses)	947779	104965
Total	947779	104965

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Others	120650	282071	
Sub Total	120650	282071	-
Deferred tax Assets			
Property, Plant & Equipment	929252	937390	859612
On account of timing differences in recognition of expenditure	2031030	2236222	1998837
Sub Total	2960282	3173612	2858449
Net Deferred Tax Assets/ (Liabilities)	2839632	2891541	2858449

7 - Other Non Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax refund receivable	2800149	2800149	2407156
Total	2800149	2800149	2407156

8 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials and components	39191232	23747455	28388083
Work in Progress	76679355	24102814	50430268
Finished goods	5854643	7867242	9345502
Loose tools	568728	560515	523030
Total	122293958	56278026	88686882

Amount in Rs.

9 - Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Mutual funds	63026303	60203721	41888581
Total	63026303	60203721	41888581

10 - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Secured Considered Good			
Unsecured Considered good	62808639	97954656	101194760
Considered Doubtful			
Less:			
Impairment for Trade receivable under expected credit loss model	(1199325)	(1199325)	(1199325)
Retention money receivable - unsecured considered good			
Total	61609314	96755331	99995435

11 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with banks:			
-In current accounts	10310807	4393916	7563167
-In Fixed Deposits	81018218	40500169	52324011
ii) Cash on hand	113685	114563	121682
Total	91442710	45008648	60008860

12 - Bank Balances other than 11 above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Balances held as Margin Money	26525977	25014098	23287964
Total	26525977	25014098	23287964

13 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Unsecured, considered good;			
- Loans and Advances to Employees	4811	88757	37510
Total	4811	88757	37510



Amount in Rs.

14 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured considered good			
Balance with government authorities	30692893	17975511	10635804
Prepaid Expenses	603293	668542	797238
Advances to Supplier	3805714	578581	3434924
Interest accrued on Fixed Deposit	163308		
Prepayments - Deposits/Retention Money		1020793	54731
Total	35265208	20243427	14922697

15 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			-
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000	10000000
Total	10000000	10000000	10000000
Issued, Subscribed And Paid Up			-
6,00,000 Equity Shares of Rs.10/- each	6000000	6000000	6000000
Total	6000000	6000000	6000000

15.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	600000	6000000	600000	6000000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	600000	6000000	600000	6000000

15.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Amount in Rs.

15.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding	Nos. in Lakhs	% of Holding
K C P SUGARS & INDUSTRIES CORPORATION LTD	600000.00	100%	600000.00	100%	600000.00	100%
Total	600000.00	100%	600000.00	100%	600000.00	100%

16 Other Equity

For the year ended March 31, 2018

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	11301382	203865346	-203757	214962972
Total Comprehensive Income for the Year	-	31421613		31421613
Other Comprehensive Income for the Year			-1839807	-1839807
Balance as at March 31, 2018	11301382	235286959	-2043563	244544778

For the year ended March 31, 2017

Particulars	Reserves and Surplus		Other Components of Equity	Total
	General Reserve	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2016	11301382	180498755	-	191800137
Provision For Dividend and taxes	-		-	-
Total Comprehensive Income for the Year	-	23366592	-	23366592
Other Comprehensive Income for the Year	-		-203757	-203757
Balance as at March 31, 2017	11301382	203865346	-203757	214962972

17 - Long Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits :-			
- Gratuity & Leave Encashment	5473506	4974421	4321760
- Provisions for Liquidated Damages	25852363	41790538	41244052
Total	31325869	46764959	45565812



Amount in Rs.

18 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables			
- Dues to Micro and Small Enterprises			
- Others	74306784	47197993	40198293
Total	74306784	47197993	40198293

19 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of long term debt			
Unclaimed Dividends			
Payable to Employees	7095752	611094	797275
Total	7095752	611094	797275

20 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	3719777	3301150	3332658
Advance from customers	87076913	41511509	87547215
Total	90796690	44812659	90879873

21 - Short term provision

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee benefits	2254946	1789097	1723780
Provision for Defeat Liability period	10137573	10137573	10137573
Total	12392519	11926670	11861353

22 - Current Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income tax (Net)	3581640	4122149	11952604
Total	3581640	4122149	11952604.00

Amount in Rs.

23 - Revenue From Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (Including Excise Duty)	248593551	381843939
Sale of Services	16914263	4516850
Other operating revenue	1292264	1395219
Total	266800078	387756008

24 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	5,091,516	4,834,849
Miscellaneous Receipts	2,529,620	2,145,478
Packing & Forwarding Charges	3,062,827	1,940,608
Difference in Foreign Exchange	1,149,686	104,074
Provision no longer required withdrawn	24,719,457	4,185,437
Credit Balance Written Back	1,540,093	672,620
Dividend Income from Mutual Funds	2,822,582	2,815,140
Profit on Sale of Assets	-	418,392
Total	40,915,781	17,116,598

25 - Cost of materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Raw Materials and Components	23747455	28388083
Add: Cost of		
Raw Materials and Components	164390194	174912066
Less Closing Stock		
Raw Materials and Components	(39191232)	(23747455)
Total	148946417	179552694

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Work in Progress	24102814	50430268
Finished goods	7867242	9345502
Less Closing Balance		
Work in Progress	-76679355	-24102814
Finished Goods	-5854643	-7867242
Total	-50563942	27805714



27 - Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	52819482	51475249
Contribution to provident and other funds	3538234	1815924
Staff welfare expenses	4015032	2662077
Total	60372748	55953250

28 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost on financial liabilities measured at amortized cost	-	-
Bank Guarantee Commission and other charges	3797220	2411056
Total	3797220	2411056

29 - Depreciation and Amortisation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation / Amortisation for the year		
- Tangible Assets	4382759	4621782
- Intangible Assets	-	147034
Total	4382759	4768816

30 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Labour Charges	24009176	22506042
Contract Labour Charges	1984880	2262880
Power and Fuel	2554398	2403655
Rental charges	373500	370651
Repairs and maintenance		
- Workshop	2743208	1978422
- Machinery	213461	569906
- Office	2682981	1363961
- Others	155529	247436
Insurance	843605	244018
Rates and taxes	1024394	282166
Travel and conveyance	1490886	1349770
Research , inspection and testing charges	252373	120182
Payment made to auditors (Refer note below)	61883	59872
Legal and Professional Charges	15006408	1107127
Sales promotion expenses	22895496	13261588
Short Provision made during earlier years	575	64341

Particulars	Amount in Rs.	
	Year ended March 31, 2018	Year ended March 31, 2017
Performance and delivery guarantee claims	12250428	7789400
Security Charges	2007970	1974872
Telephone Charges	871944	899167
Irrecoverable loans and advances written off	12653	262331
Miscellaneous expenses	651250	2934623
Total	92086998	62052410

Particulars	Amount in Rs.	
	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As auditors	50000	50000
ii. For taxation matters		
iii. For other services	5000	5000
iv. For reimbursement of expenses	6883	4872

31 Transition to IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

31.1 In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

31.2A Ind AS optional exemptions and mandatory exceptions availed

1. Deemed cost of Property Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as required to be made as per para 10 of Ind AS 101.

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value after making the necessary adjustments now required to be made as required by the Ind AS.

2. Evaluation of arrangements in the nature of lease

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

3. Revenue from Contracts with customers

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP as at the transition date.



Amount in Rs.

31.2B Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in Mutual fund carried at FVPL
- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

32. Contingent Liabilities :

The Guarantees issued by the Company's Bankers in favour of the customers against advances from them and other obligations amounting to Rs.16,64,82,216/- (P.Y.Rs. 12,29,28,542/-) are secured by hypothecation of entire current assets, both present and future, as primary security and entire fixed assets as collateral security.

32.1 Demands raised on the company by the respective authorities are as under:

Nature of Statute	As at March 31,2018	As at March 31,2017
E S I Cases	174489	174489
VAT / Sales Tax	-	300948
CST Cases	-	8814761
Total	174489	9290198

32.2 Other matters:

Particulars	2017-18	2016-17
Sales:		
Filters		
Numbers	4 Nos	7 Nos
Value	18460921	143721627
Thickeners, Components, Spares, Bar screens, etc. (Unit quantification not possible)	230132630	238122312
Scrap	1292264	1395219
Total	249885875	383239158
Services:		
Service Charges	3198051	1222101
Design, Erection & Fabrication	13716212	3294749
Total	16914263	4516850
Total (Sales and Services)	26,68,00,078	387756008

32.3 Raw Materials consumed

Particulars	2017-18		2016-17	
	MT	Rs.	MT	Rs.
Stainless Steel	243.88	45084285	61.38	12183369
Iron and Steel	526.30	22347047	203.42	7670927
Total (Sales and Services)	770.18	67431332	264.80	19854296

32.4 Particulars regarding Capacity and Production:

The Business carried on by the company does not require any Industrial Licence. Owing to the nature of the company's Business, the installed Capacity cannot be quantified. Actual Production : 4 Nos.(PY. 7 Nos.) Filters, besides Washers, Classifiers, Clarifiers, Components, Spares etc.

33. Additional information pursuant to Schedule III of the Companies Act, 2013

S. No	Particulars	As at March 31,2018	As at March 31,2017
A	Expenditure in Foreign currency on:		
	(i) Salary and allowance	-	-
	(ii) Tours and Travels	1075261	756489
	(iii) Commission paid on Export sales	1619465	1123278
	(iv) Reimbursement of Expenses on Product Representation in abroad	12922340	308326
	(v) Import of Materials/ Equipment (CIF Value)		
	a. Capital goods	11563329	14406582
	b. Components and spares	-	-
	c. Finished goods/Semi Finished goods	-	-
	d. Raw Materials	-	-
B	Earnings in Foreign Exchange:		
	(i) Exports	92994040	52350709

34. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018:

S. No	Particulars	As at March 31,2018	As at March 31,2017
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	-	-
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil



Disclosure requirements of Indian Accounting Standards

35. Disclosures in respect of Ind AS 107 - Financial Instruments

35.1 Financial Instruments by Categories

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

(Amount in Rs. as of March 31, 2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	63026303	-
Current Trade Receivables	61609314	-	-
Cash & Cash Equivalents	91442710	-	-
Other Bank Balances	26525977	-	-
Other Financial Assets	529942	-	-
Liabilities:			
Other Financial Liabilities	7095752	-	-
Working Capital Loans	-	-	-
Trade Payables	74306784	-	-

(Amount in Rs. as of March 31, 2017)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	60203721	-
Current Trade Receivables	96755331	-	-
Cash & Cash Equivalents	45008648	-	-
Other Bank Balances	25014098	-	-
Other Financial Assets	804913	-	-
Liabilities:			
Other Financial Liabilities	611094	-	-
Working Capital Loans	-	-	-
Trade Payables	47197993	-	-

(Amount in Rs. as of April 1, 2016)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Current Investment	-	41888581	-
Current Trade Receivables	99995435	-	-
Cash & Cash Equivalents	60008860	-	-
Other Bank Balances	23287964	-	-
Other Financial Assets	679215	-	-
Liabilities:			
Other Financial Liabilities	797275	-	-
Working Capital Loans	-	-	-
Trade Payables	40198293	-	-

35.2 Fair Value Hierarchy

- ❖ Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ❖ Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ❖ Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

35.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

Use of quoted market prices for Listed instruments

35.4 The following tables present fair value hierarchy of assets and liabilities measured at fair value:
(Amount in Rs.)

Particulars	For the year 31.03.2018				For the year 31.03.2017				For the year 31.03.2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Investments in Quoted Mutual Funds	63026303	-	-	63026303	60203721	-	-	60203721	41888581	-	-	41888581

36 Financial risk management

The Company's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Securities Prices Risk:

The company's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet either Fair Value through P&L. the company has only one investment in a form of Mutual funds.



The company monitors the movement in the value of the mutual fund, by observing the NAV.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the Company's Trade Receivables, Retention Receivables, Advances and deposit(s) made

Trade receivables

The company has outstanding trade receivables amounting to Rs.6,16,09,314 and Rs..9,67,55,331 as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured, and are derived from revenue earned from customers. Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Rupee)

Particulars	31-Mar-18		31-Mar-17	
	Gross	Impairment	Gross	Impairment
0 to 180 days	32478005	-	64231034	-
180 days and more	30330634	1199325	33723622	1199325

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations, and Contribution in the form of share capital.

The company manage our liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, and deposits arising during the normal course of business as of each reporting date. The company maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include Retentions & deposits.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the company as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the company

The following table sets forth information relating to foreign currency exposure as of March 31, 2018:

Particulars	Assets as at	
	As at March 31, 2018	As at March 31, 2017
USD	117771	127431
SGD		188000

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the company's profit before tax as detailed in table below:

USD sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables:		
If INR rate over Other currency increases by 5%	(377750)	(450152)
If INR rate over Other currency decrease by 5%	377750	450152

37 Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

37.1 General description of various defined employee's benefits schemes are as under:

a) Provident Fund:

The company's Provident Fund is managed by Regional Provident Fund Commissioner. The company pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

37.2 The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

Movement in defined benefit obligation:

Particulars	(Amount in Rs.)	
	31.03.2018	31.03.2017
Defined benefit obligation - Beginning of the year	9266049	8170033
Current service cost	638275	590123
Interest Cost	741284	653603
Past Service Cost		-
Benefits Paid	(1485706)	(456482)
Re-measurements - actuarial loss/(gain)	2787686	308772
Defined benefit obligation – End of the year	11947588	9266049



Movement in plan asset:

(Amount in Rs.)

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at beginning of year	10119182.24	9313664
Employer contributions	2937821.89	504096
Benefits paid	(1485706)	(456482)
Re-measurements – Return on plan assets	794631.38	757905
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	12365929.51	10119182

Amount Recognized in Statement of Profit and Loss

Particulars	31.03.2018	31.03.2017
Current service cost	638275	590123
Net Interest on Net Defined Benefit Liability/(assets) (B)	741284	653603
Expected return on plan assets	(794631)	(757905)
Cost Recognized in P&L	584928	485821

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2018	31.03.2017
Actuarial (gain)/loss due to assumption changes	2787686	308772
Difference between Actual Return and Interest Income on Plan Assets-(gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	2787686	308772

Actuarial Assumption

Particulars	31.03.2018	31.03.2017
Discount rate	8%	8%
Rate of salary increase	5%	5%

Category of investment in Plan assets

Category of Investment	% of fair value of plan assets
Insurance Policies	100%

38 Operating Leases

Operating Lease Disclosures – As per AS-19 :

Rent expenses of Rs. 3,70,651/- (PY Rs.3,07,627/-) in respect of obligation under operating leases have been recognized in the Profit and Loss Account. There are no future obligations in respect of the operating leases

39 Disclosure in respect of Indian Accounting standard (Ind AS)-108: “Operating Segments”

Since the company primarily operates in one segment being manufacture of Filters. The Company has not derived revenues from any customer which amount to 10 per cent or more of Company’s revenues.

40 Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”

40.1 Managerial Remuneration:**Key Managerial Personnel**

Smt.Irmgard Velagapudi M.Rao, Chairperson

Smt.Kiran.V.Rao, Vice Chairperson

40.2 Related Parties:

Holding Company: KCP Sugar and Industries Corporation Ltd.,

a. Transactions during the year:

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

(Amount in Rs.)

Sl. No.	Particulars	31.03.2018	31.03.2017
1	Rent	360000	370651

b. Cumulative balances outstanding

Particulars	31.03.2018	31.03.2017
Debit balances outstanding	Nil	Nil
Credit balances outstanding	Nil	Nil

41 Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
	IGAAP	GAAP Adjustments	Ind AS
ASSETS			-
Non-current assets			-
(a) Property, plant and equipment	64173073	-	64173073
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	147034	-	147034
(d) Non-current financial assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Other non current financial assets	641705	-	641705
(e) Deferred tax assets, (net)	2858449	-	2858449
(f) Other non-current assets	2407156	-	2407156
Current assets	-	-	-
(a) Inventories	88686882	-	88686882
(b) Financial Assets	-	-	-
(i) Investments	41888581	-	41888581
(i) Trade receivables	101194760	(1199325)	99995435
(ii) Cash and cash equivalents	60008860	-	60008860
(iii) Bank Balances other than (ii) above	23287964	-	23287964
(iv) Other current financial assets	37510	-	37510
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	14922697	-	14922697
Total Assets	400254671	(1199325)	399055346



Amount in Rs.			
Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
EQUITY AND LIABILITIES	-	-	-
Equity	-	-	-
(a) Equity Share capital	6000000		6000000
(b) Other equity	203137035	(11336898)	191800137
LIABILITIES	-	-	-
Non-current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(b) Long term Provisions	45565812		45565812
(c) Other Non-Current liabilities	-	-	-
(d) Deferred tax liabilities (net)	-	-	-
Current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(i) Short term Borrowings	-	-	-
(ii) Trade payables	40198293	-	40198293
(iii) Other financial liabilities	797275	-	797275
(b) Other current liabilities	90879873	-	90879873
(c) Short Term provisions	1723780	10137573	11861353
(d) Current Tax Liabilities (Net)	11952604	-	11952604
Total Equity and Liabilities	400254671	(1199325)	399055347

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
	IGAAP	Ind AS Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	66398641	-	66398641
(b) Capital work-in-progress	-	-	-
(c) Other Intangible assets	-	-	-
(d) Non-current financial assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Other non current financial assets	716156	-	716156
(e) Deferred tax assets, (net)	2891541	-	2891541
(f) Other non-current assets	2800149	-	2800149
Current assets	-	-	-
(a) Inventories	56278026	-	56278026
(b) Financial Assets	-	-	-
(i) Investments	60203721	-	60203721
(i) Trade receivables	97954656	(1199325)	96755331
(ii) Cash and cash equivalents	45008648	-	45008648

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
(iii) Bank Balances other than (ii) above	25014098	-	25014098
(iv) Other current financial assets	88757	-	88757
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	20243427	-	20243427
Total Assets	377597820	(1199325)	376398495
EQUITY AND LIABILITIES	-	-	-
Equity	-	-	-
(a) Equity Share capital	6000000		6000000
(b) Other equity	226299870	(11336898)	214962972
LIABILITIES	-	-	-
Non-current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(b) Long term Provisions	46764959		46764959
(c) Other Non-Current liabilities	-	-	-
(d) Deferred tax liabilities (net)	-	-	-
Current liabilities	-	-	-
(a) Financial Liabilities	-	-	-
(i) Short term Borrowings	-	-	-
(ii) Trade payables	47197993	-	47197993
(iii) Other financial liabilities	611094	-	611094
(b) Other current liabilities	44812659	-	44812659
(c) Short Term provisions	1789097	10137573	11926670
(d) Current Tax Liabilities (Net)	4122149	-	4122149
Total Equity and Liabilities	377597820	(1199325)	376398496



42 Reconciliation of equity as previously reported under IGAAP to Ind AS

(All amounts are in Rs)	Component	01-Apr-16
		(INR)
		Amount
Balance as per IGAAP	IGAAP	203137035
Adjustments		
Expected Credit Losses	Financial Instruments	1199325
Provision for Defect liability period	Provision for Warranty	10137573
Balance as per Ind AS	Ind AS	191800137

- Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2017 is Rs. 2,03,757/- This change does not affect total equity for the year ended March 31, 2017.
- Under previous GAAP, discounting of provisions was not permitted and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has revisited the provisioning policy at the reporting dates resulting in the provisions being increased by Rs.1,01,37,573/- as at April 1, 2016. The net effect of these changes is an decreases in total equity as at April 01, 2016 for the same value.
- Under Previous GAAP, Provision for bad and doubtful debts are made on incurred loss model. Under Ind AS , provision for bad and doubtful debts are made on expected credit loss model. This change has resulted in additional provision of Rs. 11,99,325/- on April 1,2016

Amount in Rupees		
Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Cash flows from operating activities		
Total Income for the Period(PBT)	43471301	38504551
Adjustments:		
- Interest income	(5091516)	(4834849)
- Profit on sale of Fixed assets	-	(418392)
- Balances written off	12653	262331
- Excess Provision credited back	(24719457)	(4185437)
- Balances written back	(1540093)	(672670)
- Adjustment for OCI	(2787586)	(308722)
- Dividend Income	(2822582)	(2815140)
- Depreciation and amortization	4382759	4768816
Operating cash flow before working capital changes	10905479	30300488
Changes in		
- Decrease/(Increase) In Trade Receivables	35146018	3240104
- Decrease/(Increase) In Inventory	(66015932)	32408856
- Decrease/(Increase) In Other current Financial Asset(s)	83946	(51247)
- Decrease/(Increase) In Other current Asset(s)	(15021781)	(5320729)
- Decrease/(Increase) In Current investments	(2822582)	(18315140)
- Decrease/(Increase) In Other non-current financial assets	191025	(74451)
- Decrease/(Increase) In Other non-current asset	(12653)	(655324)
(Decrease)/Increase In Long term Provisions	9280367	5384584
(Decrease)/Increase In Trade Payables current	27108791	6999700
(Decrease)/Increase In other current liabilities	47524124	(45394544)
(Decrease)/Increase In Other financial liabilities current	6484658	(186181)
(Decrease)/Increase In Short Term provisions current	465849	65317
Income taxes paid	(11590509)	(22896542)
Cash generated from / (used in) operations	41726800	(14495109)
Cash flows from investing activities		
Purchase of fixed assets	(1694957)	(6971758)
Proceeds from sale of fixed assets	-	542800
Dividend Income	2822582	2815140
Interest received	5091516	4834849
Net cash generated from/(used in) investing activities [B]	6219141	1221031
Cash flows from financing activities		
Interest paid	-	-
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	47945941	(13274078)
Cash and cash equivalents at the beginning of the year	70022746	83296824
Cash and cash equivalents at the end of the year	117968687	70022746
	117968687	70022746
Components of cash and cash equivalents (refer note 11&12)		
Cash on hand	91442710	45008648
Balances with banks	26525977	25014098
Total cash and cash equivalents	117968687	70022746

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Chairperson

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

V. KIRAN RAO
Vice Chairperson

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KCP SUGARS AGRICULTURAL RESEARCH FARMS LIMITED

Nineteenth Annual Report **2017-2018**

CIN : U73100TN1998PLC041501

BOARD OF DIRECTORS

Chairperson	Smt. Irmgard Velagapudi M. Rao
Directors	Shri. Vinod R. Sethi Shri. R. Ganesan
Auditors	M/s. Suri & Siva Chartered Accountants C-8, 3rd Floor, Shanti Apartments, New No.18, 1st Cross St, TTK Road Alwarpet, Chennai 600018.
Bankers	Corporation Bank
Registered and Corporate Office	“Ramakrishna Buildings” 239, Anna Salai, Chennai 600 006.
Farm	Thirupukuzhi and Melambi Villages Kanchipuram Dist, Tamil Nadu

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at No.239, Anna Salai, Chennai 600006, on Friday, 14th day of September 2018 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
- 2 To appoint a Director in place of Shri.Vinod R.Sethi, who retires by rotation and is eligible for reappointment.
- 3 To appoint Suri & Siva, Chartered Accountants (FRN0042484S) as Statutory Auditors to hold office from the conclusion of this 19th Annual General Meeting till the conclusion of 20th Annual General Meeting on such remuneration as fixed by the Board of Directors.

NOTES :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

// By Order of the Board //

For **KCP SUGARS AGRICULTURAL RESEARCH FARMS LTD.**

Place : Chennai

IRMGARD VELAGAPUDI M. RAO

Date : 25.05.2018

CHAIRPERSON

DIRECTORS REPORT

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2018.

REVIEW OF OPERATIONS:

During the year ended 31.03.2018 the turnover and other income increased to Rs. 18.45 lakhs from Rs.13.58 lakhs. Despite increase in Turnover, the Company incurred a loss of Rs.0.78 lakhs as against the loss of Rs.5.81 lakhs in the previous year, due to increase in Operating Expenses. The Reserves and Surplus as on 31.03.2018 was Rs.227.58 lakhs (P.Y.: Rs.142.71 lakhs), after adjusting the loss of Rs.0.78 lakhs and Other Comprehensive Income of Rs.85.65 lakhs.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposits during the period under review.

DIRECTORS:

In accordance with the Companies Act 2013 and the Articles of Association of the Company, Shri.Vinod R.Sethi, Director, retires by rotation and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

Your Directors confirm:

- i that in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the period ended 31st March 2018 and of the profit of the Company for that period ;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.
- v. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY STATEMENTS

The Statement containing Particulars of Employees required in terms of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been appended herewith as there is no employee covered by the same.

The statement pursuant to section 134(3)(m) of Companies Act, 2013, read with Companies (Disclosures of particulars in the Report of Directors) Rules, 1988, is not enclosed as the same does not apply to the Company.

AUDITORS:

In line with the holding Company, the Board of Directors recommends to the members, the appointment of M/s. Suri & Siva, Chartered Accountants (FRN 004284S) as the Statutory Auditor of the Company from the conclusion of this 19th AGM till the conclusion of 20th AGM.

As required under the provisions of section 141(3) of the Companies Act, 2013, the Company has obtained a written certificate from them to the effect that their appointment, if made, would be in conformity with the limits specified under the said section.

For and on behalf of the Board of Directors

Place: Chennai

Date: 25.05.2018

IRMGARD VELAGAPUDI M.RAO

CHAIRPERSON

INDEPENDENT AUDITOR'S REPORT**To The Members of K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **K.C.P SUGARS AGRICULTURAL RESEARCH FARMS LTD** ("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 Loss, 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 does not have any pending litigations which would impact its financial position.
 - 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.

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 SUGARS AGRICULTURAL RESEARCH FARMS LTD** 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 SUGARS AGRICULTURAL RESEARCH FARMS LTD** ("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 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.

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 SUGARS AGRICULTURAL RESEARCH FARMS LTD** 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.
- (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) The Company has not accepted deposits and hence the provisions of clause 3(v) of the Order is not applicable to the Company.
- (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 yearend 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.
- (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 given 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 given 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.

Chennai

Dated 25-05-2018

				Amount in Rs.
Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	1	4683501	4940599	5366907
Non-current financial assets				
(i) Investments	2	34193347	25628031	17391752
Current assets				
Inventories	3	718220	239229	176643
Financial Assets				
(i) Cash and cash equivalents	4	5229952	5460519	4052077
(ii) Other current financial assets	5	-	100000	78525
Current Tax Assets (Net)	6	447914	417201	389743
Total Assets		45272934	36785579	27455647
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	7	22500000	22500000	22500000
(b) Other equity	8	22758184	14271204	4941334
LIABILITIES				
Non-current liabilities				
Current liabilities				
Financial Liabilities		-	-	-
Other financial liabilities	9	14750	14375	14313
Total Equity and Liabilities		45272934	36785579	27455647

The significant accounting policies and accompanying notes form an integral part of these financial statements

As per our report of even date attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Chairperson

R. Ganesan
Director

		Amount in Rs.	
Particulars	Note	For Year Ended March 31, 2018	For Year Ended March 31, 2017
I Revenue from operations	10	1364457	826609
II Other income	11	480174	530903
III Total Income (I+II)		1844631	1357512
IV Expenses			
Changes in inventories of finished goods, work-in-progress and stock-in-trade	12	(478991)	(62586)
Employee Benefits Expense	13	271192	219871
Depreciation and Amortisation	14	257098	453653
Other Expenses	15	1873668	1328067
Total expenses (IV)		1922967	1939005
V Profit/(loss) before exceptional items and tax (III-IV)		(78336)	(581493)
VI Exceptional items		-	-
VII Profit/(loss) before tax (V-VI)		(78336)	(581493)
VIII Tax expense			
- Current Tax		-	-
- Deferred Tax		-	-
IX Profit/(loss) After Tax (VII-VIII)		(78336)	(581493)
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		8565316	9911363
Remeasurements of defined benefit plan actuarial gains/(losses)			
Income tax expense on above			
		8565316	9911363
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period) (IX±X)		8486980	9329870
XII Earnings per equity share			
(1) Basic		(0.03)	(0.26)
(2) Diluted		(0.03)	(0.26)

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Chairperson

R. Ganesan
Director

Amount in Rs.

Statement of Change in Equity for the year ended March 31, 2018

Particulars	Other Components of Equity			Total
	Share Capital	Retained Earnings	Fair value changes of Investment (Net)	
Balance as at April 01,2016	22500000	4941334	-	27441334
Profit / (Loss) for the period		(581493)	-	(581493)
Other Comprehensive Income for the Year			9911363	9911363
Balance as at March 31, 2017	22500000	4359841	9911363	36771204
Profit / (Loss) for the period		(78336)		(78336)
Other Comprehensive Income for the Year			8565316	8565316
Balance as at March 31, 2018	22500000	4281505	18476679	45258184

Note 1. Significant Accounting Policies**(a) Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 29. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

Refer Note 29 for the details of first-time adoption exemptions availed by the Company.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- ❖ **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- ❖ **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- ❖ **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date.

❖ **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(d) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

The Company operates loyalty programme, which allows its members to earn points based on their spending at the Hotels. The points so earned by the members are accumulated and the revenues are deferred on the basis of the fair value of the loyalty points (net of breakages) determined based on certain parameters. On redemption of the points, the revenue is recognised. Membership fees received from the loyalty program is recognized as revenue on time-proportion basis.

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Assets under finance leases as depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of the depreciable assets are in line with the Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic

benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(f) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(g) Inventories:

Standing crops are valued at cost. Other inventories are valued at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(h) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

(i) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(j) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the

effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(k) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(l) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

16 Transition to IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The Company's date of transition).

16.1 In preparing its first Ind AS financial statements in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory exceptions for the Company are as follows:

16.2 A: Ind AS optional exemptions and mandatory exceptions availed

1. Deemed cost of Property Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as required to be made as per para 10 of Ind AS 101.

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2. Evaluation of arrangements in the nature of lease

Ind AS 101 allows an entity to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to determine whether the arrangements existing contains a lease on the basis of the facts existing on transition date.

16.3 B: Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in

conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in Mutual fund carried at FVPL
- Impairment of financial assets based on expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

1 - Property Plant and Equipments

Description	Land	Buildings	Fencing	Plant and Machinery	Vehicles	Total
						-
As at 1 April 2016 (Deemed Cost)	3686503	835179	15321	820120	9784	5366907
Additions during the year				27345		27345
Deletions during the year						-
As at 31 March 2017 (At Cost)	3686503	835179	15321	847465	9784	5394252
Additions during the year						-
Deletions during the year						-
As at 31 March 2018 (At Cost)	3686503	835179	15321	847465	9784	5394252
Depreciation and amortization						
Charge for the year ended March 31, 2017		16586	-	434498	2569	453653
Deletions during the year						-
As at 31 March 2017 (At Cost)	-	16586	-	434498	2569	453653
Charge for the year		16543		237987	2568	257098
Deletions during the year						-
As at 31 March 2018	-	33129	-	672485	5137	710751
Net Book Value						
As at 31 March 2018	3686503	802050	15321	174980	4647	4683501
As at 31 March 2017	3686503	818593	15321	412967	7215	4940599
As at 01 April 2016	3686503	835179	15321	820120	9784	5366907

2. Non-Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Equity Instruments (Fair valued through OCI)	34193347	25628031	17391752
2.1 Aggregate amount of quoted investments			
- Cost	12411108	12411108	14449288
- Market Value	34193347	25628031	17391752

Amount in Rs.

3 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Standing Crops & Others	718220	239229	176643

4 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with banks:			
-In current accounts	820526	1335951	211602
-In Fixed Deposits	4346904	4070499	3824003
ii) Cash on hand	62522	54069	16472
Total	5229952	5460519	4052077

5 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dividend Receivable		-	78525
Other Deposits		100000	-
Total	-	100000	78525

6 - Current Tax Asset

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax Refund receivable	447914	417201	389743

7 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
50,00,000 Equity Shares of Rs.10/- each	50000000	50000000	50000000
Total	50000000	50000000	50000000
Issued, Subscribed And Paid Up			
22,50,000 Equity Shares of Rs.10/- each Equity Shares	22500000	22500000	22500000
Total	22500000	22500000	22500000

Amount in Rs.

7.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	2250000	22500000	2250000	22500000
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	2250000	22500000	2250000	22500000

7.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

7.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
K.C.P Sugar and Industries Corporation Ltd	2250000	100%	2250000	100%	2250000	100%
Total	2250000	100%	2250000	100%	2250000	100%

8. Other Equity

For the year ended March 31, 2018

Particulars	Reserves and Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01, 2017	4359841	9911363	14271204
Profit / Loss for the period	-78336		-78336
Other Comprehensive Income for the Year		8565316	8565316
Balance as at March 31, 2018	4281505	18476679	22758184

Amount in Rs.

Other Equity

For the year ended March 31, 2017

Particulars	Other Components of Equity		Total
	Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	
Balance as at April 01,2016	4941334	-	4941334
Provision For Dividend and taxes		-	-
Profit / Loss for the period	-581493	-	-581493
Other Comprehensive Income for the Year		9911363	9911363
Balance as at March 31, 2017	4359841	9911363	14271204

9 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Outstanding Liabilities for Expenses	14750	14375	14313

10 - Revenue From Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of agricultural products	1364457	826609

11 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income at from financial asset masured at amortised cost	317933	274820
Dividend Income	162241	253083
Miscellaneous Receipts	-	3000
Total	480174	530903

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Standing Crops	239229	176643
Less Closing Balance		
Standing Crops	-718220	-239229
Total	-478991	-62586

Amount in Rs.

13 - Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	249000	210500
Staff welfare expenses	22192	9371
Total	271192	219871

14 - Depreciation and Amortisation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation / Amortisation for the year		
- Tangible Assets	257098	453653

15 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cultivation Charges	44712	58260
Labour charges	369225	347955
Pesticides / Fertilizers	135886	103305
Repairs and maintenance		
- Tractor	91685	77496
- Others	39146	62158
Loss on Sale of Investments	-	73864
Brick work expenses	1140175	543547
Payment made to auditors	14750	14437
Legal and Professional Charges	17730	27891
Miscellaneous expenses	20359	19154
Total	1873668	1328067

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As Audit Fee	14750	14437
ii. For taxation matters	-	-
iii. For other services	-	-
iv. For reimbursement of expenses	-	-

Amount in Rs.

16. Category wise classification of Financial Instruments

Particulars	Note No.	2018	2017	2016	2018	2017	2016	2018	2017	2016
		Amortized cost	Amortized cost	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities at fair value through OCI
Assets:										
Current Investment								34193347	25628031	17391752
Cash & Cash Equivalents		5229952	5460519	4052077						
Liabilities:										
Other Financial Liabilities		14750	14375	14313						

Disclosure requirements of Indian Accounting Standards**17. Disclosures in respect of Ind AS 107 - Financial Instruments****17.1 Financial Instruments by Categories**

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

March 31,2018

	Note No.	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:				
Non Current Investment		-	-	34193347
Cash & Cash Equivalents		5229952	-	-
Liabilities:				
Other Financial Liabilities		14750	-	-

March 31,2017

Particulars	Note No.	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI
Assets:				
Non Current Investment		-	-	25628031
Cash & Cash Equivalents		5460519	-	-
Liabilities:				
Other Financial Liabilities		14375	-	-

Amount in Rs.
March 31, 2016

Particulars	Note No.	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:				
Non Current Investment		-	-	17391752
Cash & Cash Equivalents		4052077	-	-
Liabilities:				
Other Financial Liabilities		14313	-	-

17.2 Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

17.3 Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- ❖ Use of quoted market prices for Listed instruments

17.4 The following tables present fair value hierarchy of assets and liabilities measured at fair value:

(Amount in Rs.)

	For the year 31.03.2018				For the year 31.03.2017				For the year 31.03.2016			
Particulars	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets												
Investments in Quoted Securities	34193347			34193347	25628031			25628031	17391752			17391752

18. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(78336)	(581493)
Earnings used in calculation of basic earnings per share(A)		
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	2250000	2250000
Basic EPS(A/B) – Rs.	(0.03)	(0.26)

Amount in Rs.

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit (loss) for the year, attributable to the owners of the company	(78336)	(581493)
Earnings used in calculation of basic earnings per share(A)		
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	2250000	2250000
Basic EPS(A/B)	(0.03)	(0.26)

19. Disclosure Under Ind AS 101:

Reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

Reconciliation of Ind AS as on April 1, 2016			Amount in Rs.	
Particulars	Note	As at 01 April 2016	As at 01 April 2016	As at 01 April 2016
		IGAAP	Ind AS Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		5366907	-	5366907
Non-current financial assets				
(i) Investments		14449288	2942464	17391752
Current assets				
Inventories		176643	-	176643
- Cash and cash equivalents		4052077	-	4052077
- Other current financial assets		78525	-	78525
Current Tax Assets (Net)		389743	-	389743
Total Assets		24513183	2942464	27455647
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		22500000	-	22500000
Other Equity		1998870	2942464	4941334
LIABILITIES				
Non-current liabilities				
Current liabilities				
Financial Liabilities				
- Other financial liabilities		14313	-	14313
Total Equity and Liabilities		24513183	2942464	27455647

Reconciliation of Ind AS as on March 31, 2017

Amount in Rs.

Particulars	Note	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
		IGAAP	Ind AS Adjustment	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		4940599	-	4940599
Non-current financial assets				
(i) Investments		12411108	13216923	25628031
Current assets				
Inventories		239229	-	239229
- Cash and cash equivalents		5460519	-	5460519
- Other current financial assets		100000	-	100000
Current Tax Assets (Net)		417201	-	417201
Total Assets		23568656	13216923	36785579
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		22500000	-	22500000
Other Equity		1054281	13216923	14271204
LIABILITIES				
Non-current liabilities				
Current liabilities				
Financial Liabilities				
- Other financial liabilities		14375	-	14375
Total Equity and Liabilities		23568656	13216923	36785579

(i) Investments in Quoted Instruments:

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, investments in equity are measured at fair value and the changes in value are recognised in Other Comprehensive Income.

20. Reconciliation of other equity as previously reported under IGAAP to Ind AS

		01-Apr-16
Balance as per IGAAP	IGAAP	1998870
Adjustments		
Fair Value of Investment		2942464
Total		2942464
Balance as per Ind AS	Ind AS	4941334

Amount in Rs.

Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS:

Reconciliation of Ind AS Profit and loss Account for March 2017

Particulars	For Year Ended 31 March 2017	For Year Ended 31 March 2017	For Year Ended 31 March 2017
	IGAAP	Ind AS Adjustments	Ind AS
I Revenue from operations	826609	-	826609
II Other income	530903	-	530903
III Total Income (I+II)	1357512	-	1357512
IV Expenses			
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(62586)	-	(62586)
Employee benefits expense	219871	-	219871
Finance costs	1447	-	1447
Depreciation and Amortisation	453653	-	453653
Other expenses	1689715	(363095)	1326620
Total expenses (IV)	2302100	(363095)	1939005
V Profit/(loss) before exceptional items and tax (III-IV)	(944589)	363095	(581493)
VI Exceptional items	-	-	-
VII Profit/(loss) Before Tax (V-VI)	(944589)	363095	(581493)
VIII Tax expense			
- Current Tax	-	-	-
- Deferred Tax	-	-	-
IX Profit/(loss) After Tax (VII-VIII)	(944589)	363095	(581493)
X Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Equity instruments through other comprehensive income	-	9911363	9911363
Income tax expense on above	-	-	-
Total	-	9911363	9911363
Total Comprehensive Income for the period (IX±X)	(944589)	10274459	9329870

Explanations for Reconciliation of Statement of Profit & Loss as previously reported under IGAAP to IND AS
(Note provided for only Material items of reconciliation)

(ii) Other Comprehensive Income

Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; the impact of which is included under Other comprehensive income under Equity instruments through other comprehensive income to Rs. 99,11,363/-.

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
A. Cash flows from operating activities		
Total Income for the Period(PBT)	-78336	-581493
Adjustments:		
- Fair Value Adjustment		
- Dividends Received	-162241	-253082
- OCI Adjustments	-8565316	-9911363
- Loss on Sale of Investments	-	73864
- Interest received	-317933	-274820
- Fair Value Adjustment	8565316	9911363
- Depreciation and amortization	257098	453653
Operating cash flow before working capital changes	-301412	-581878
Changes in		
- Decrease/(Increase) In Trade Receivables	-	-
- Decrease/(Increase) In Inventory	-478991	-62586
- Decrease/(Increase) In Other current Financial Asset(s)	100000	-48933
(Decrease)/Increase In Other current financial liabilities	375	62
Cash generated from / (used in) operations	-680028	-693335
Less: Income tax paid	-30713	
Cash generated from / (used in) operations (Net)	-710741	
B. Cash flows from investing activities		
Purchase of Fixed assets	-	-27345
Sale of investments	-	1601220
Interest received	317933	274820
Dividend received	162241	253082
Net cash generated from/(used in) investing activities	480174	2101777
C. Cash flows from financing activities		
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	-230567	1408442
Cash and cash equivalents at the beginning of the year	5460519	4052077
Cash and cash equivalents at the end of the year	5229952	5460519
Components of cash and cash equivalents		
Cash on hand	62522	54069
Balances with banks	5167430	5406450
Total cash and cash equivalents	5229952	5460519

The notes referred to above form an integral part of the unaudited interim condensed consolidated financial statements

As per our report of even date attached

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR
Partner
Membership No. 022379

Place: Chennai
Date: 25.05.2018

For and on behalf of the Board of Directors
IRMGARD VELAGAPUDI M. RAO
Chairperson

R. Ganesan
Director

Consolidated Financial Statements

of

K.C.P. Sugar and Industries Corporation Limited

and

its Subsidiaries

2017 - 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.

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

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.

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

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

- (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

Chennai

Dated 25-05-2018

CONSOLIDATED FINANCIAL STATEMENTS

CIN: L15421TN1995PLC033198

Amount in Rs.				
Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	995182057	1063151109	1036022585
(b) Capital work-in-progress		2923297	9201720	6078214
(c) Other Intangible assets	4	8709033	12498298	15541061
(d) Non-current financial assets				
(i) Investments	5	878041532	620035031	317106205
(ii) Trade receivables				
(iii) Other non current financial assets	6	46413883	44633198	9256305
(e) Deferred Tax Assets (net)	19	36420385		
(f) Other non-current assets		-	-	-
Current assets				
(a) Inventories	7	2198394238	2251508420	2763591323
(b) Financial Assets				
(i) Current Investments	8	997090480	853832566	41888581
(ii) Trade receivables	9	287549634	329632467	542054579
(iii) Cash and cash equivalents	10	119732123	69743634	138838529
(iv) Bank Balances other than (ii) above	11	98578090	90303088	92783713
(v) Other current financial assets	12	10512840	3675309	3688823
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets	13	216081811	128623078	107782445
Total Assets		5895629403	5476837918	5074632363
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	113385050	113385050	113385050
(b) Other equity	15	2704524085	2706189501	2159110401
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Long term Borrowings	16	403524000	495515292	367217724
(ii) Other Non- Current Financial liabilities	17	11336213	14529379	19088089
(b) Long term Provisions	18	83619193	94570698	86943920
(c) Other Non-Current liabilities				
(d) Deferred tax liabilities (net)	19	-	120948040	71073354
Current liabilities				
(a) Financial Liabilities				
(i) Short term Borrowings	20	1605965451	808409132	549658565
(ii) Trade payables	21	621792999	624367474	1169433518
(iii) Other financial liabilities	22	185397636	219180814	172749501
(b) Other current liabilities	23	123530015	222410235	331813757
(c) Short Term provisions	24	25465850	23878105	22205880
(d) Current Tax Liabilities (Net)	25	17088911	33454198	11952604
Total Equity and Liabilities		5895629403	5476837918	5074632363

The significant accounting policies and accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

V. KIRAN RAO
Executive Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs.			
Particulars	Note	For Year Ended March 31, 2018	For Year Ended March 31, 2017
I Revenue from operations	26	3567714523	4678829319
II Other income	27	618613337	356112621
III Total Income (I+II)		4186327860	5034941940
IV Expenses			
Cost of material consumed	28	3040175158	2497159088
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	69313109	502723579
Excise duty on sale of goods		53609905	257114069
Employee benefits expense	30	412015272	486482776
Finance costs	31	147869894	115250686
Depreciation and Amortisation	32	94046275	97054773
Other expenses	33	399380855	342378952
Total expenses (IV)		4216410468	4298163923
V Profit/(loss) before exceptional items and tax (III-IV)		(30082608)	736778017
VI Exceptional items			
VII Profit/(loss) Before Tax (V-VI)		(30082608)	736778017
VIII Tax expense			
- Current Tax		11050000	112573512
- Deferred Tax		(156128861)	49979650
- Reversal of excess provision for taxation relating to earlier years		-	2564937
IX Profit/(loss) After Tax (VII-VIII)		114996253	571659918
X Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Equity instruments through other comprehensive income		8565316	9911363
Remeasurements of defined benefit plan actuarial gains/(losses)		(3645774)	(553762)
Income tax expense on above		1239563	178477
		6159105	9536078
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period) (IX±X)		121155358	581195996
XII Earnings per equity share			
(1) Basic		1.01	5.04
(2) Diluted		1.01	5.04

The accompanying notes form an integral part of these financial statements

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva
Chartered Accountants
Firm Regn No. 004284S

IRMGARD VELAGAPUDI M. RAO
Managing Director

V.SIVAKUMAR
Partner
Membership No. 022379

Chennai
Date: 25.05.2018

R.GANESAN
Chief Financial Officer

S.CHIDAMBARAM
Company Secretary

V. KIRAN RAO
Executive Director

1 - Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
25,00,00,000 Equity Shares of Rs.1/- each	250000000	250000000	250000000
Total	250000000	250000000	250000000
Issued, Subscribed And Paid Up			
11,33,85,050 Equity Shares of Rs.1/- each	113385050	113385050	113385050
Total	113385050	113385050	113385050

1.1 Movement in respect of Equity Shares is given below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount in Rs.	Nos.	Amount in Rs.
At the beginning of the period	113385050	113385050	113385050	113385050
(+) Issued during the period*	-	-	-	-
(-) Redeemed during the period	-	-	-	-
Outstanding at the end of the period	113385050	113385050	113385050	113385050

1.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	% of Holding	Nos.	% of Holding
Durgamba Investments Private Limited	43742656	38.58%	43734156	38.57%
V.R.K. Grandsons Investments Private Limited	-	-	5726605	5.05%
Total	43742656	38.58%	49460761	43.62%

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

2 Other Equity

Particulars	Reserves and Surplus				Other Components of Equity		Total
	General Reserve	Capital Profit		Retained Earnings	Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	
		Forfeited Shares (Transferred from Share Capital)	On Redemption of Preference Shares issued by erstwhile Gangadharan Appliances Limited to IFCI				
Balance as at April 01,2017	1132243277	4505000	15545110	1544360036	(375285)	9911363	2706189501
Provision For Dividend and taxes	-	-	-	-122820774	-	-	-122820774
Profit / (Loss) for the period	-	-	-	114996253	-	-	114996253
Other Comprehensive Income for the Year	-	-	-	-	-2406211	8565316	6159105
Balance as at March 31, 2017	1132243277	4505000	15545110	1536535515	(2781495)	8565316	2704524085

For the year ended March 31, 2017

Other Equity

Particulars		Reserves and Surplus				Other Components of Equity		Total
		General Reserve	Investment allowance reserve utilised	Capital Profit		Remeasurement of Net Defined benefit Liability/ Asset	Fair value changes of Investment (Net)	
				Capital redemption reserve	Retained Earnings			
Balance as at April 01, 2016		1132243277	4505000	15545110	1006817014	-	-	2159110401
Provision For Dividend and taxes		-	-	-	-34116895	-	-	-34116895
Profit / (Loss) for the period		-	-	-	571659918	-	-	571659918
Other Comprehensive Income for the Year		-	-	-	-	(375285)	9911363	9536078
Balance as at March 31, 2017		1132243277	4505000	15545110	1544360036	(375285)	9911363	2706189501

CONSOLIDATED FINANCIAL STATEMENTS

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CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

Particulars	Amount in Rs.	
	For Year Ended March 31, 2018	For Year Ended March 31, 2017
A. Cash flows from operating activities		
Total Income for the Period(PBT)	(30082611)	736778015
Adjustments:	-	-
- Interest income	(5782619)	(5109669)
- Loss/(Profit) on sale of fixed assets	90387	(541509)
- Balance Written off	(1527440)	(410339)
- Excess Provision Credited Back	(24719457)	(4185437)
- Gain on sale of Investments	(73237665)	(73864)
- Adjustment for Prior period taxes	-	-
- Adjustment for OCI	(12211090)	(10465125)
- Interest expense	19520452	28072569
- Provision for Dividend(s)	(122820773)	(34116895)
- Fair Value Adjustment	(392384962)	(268088132)
- Depreciation and amortization	94046275	97054772
Operating cash flow before working capital changes	(549109502)	538914386
Changes in		
- Decrease/(Increase) In Trade Receivables	42082834	212422111
- Decrease/(Increase) In Inventory	53114181	512082905
- Decrease/(Increase) In Other current Financial Asset(s)	(6837531)	(13945)
- Decrease/(Increase) In Other current Asset(s)	(87428020)	(20420181)
- Decrease/(Increase) In Current Investments	(2822582)	(18315140)
- Decrease/(Increase) In non-current trade receivables	-	-
- Decrease/(Increase) In Other non-current financial assets	(1780685)	(35376893)
- Decrease/(Increase) In Other non-current asset	(12633)	(655324)
(Decrease)/Increase In Long term Provisions	13767952	11812215
(Decrease)/Increase In non-current liabilities	-	-
(Decrease)/Increase In Trade Payables current	(2574475)	(545066044)
(Decrease)/Increase In other current liabilities	(97340125)	(108730853)
(Decrease)/Increase In Other financial liabilities current	(33783179)	46431313
(Decrease)/Increase In Short Term provisions current	1587745	1672225
(Decrease)/Increase In Other Non Current Liabilities	(3193166)	(4558711)
Income taxes paid	(27446000)	(93563344)
Cash generated from / (used in) operations	(701775187)	496634721
B. Cash flows from investing activities		
Purchase of fixed assets	(17314310)	(124416851)
Proceeds from sale of fixed assets	1214387	721666
Investment made in current and Non Current Investments	(512629933)	(810321896)
Proceeds from sale of Investments	596941361	-
Interest received	5782619	4834849
Net cash generated from/(used in) investing activities [B]	73994123	(929182232)
C. Cash flows from Financing activities		
Interest paid	(19520452)	(28072569)
Proceeds from long term loans	-	-
Repayment of long term loans	-	-
Net cash used in Financing activities	686044574	358975567
Increase in cash and cash equivalents	58263492	(71575521)
Cash and cash equivalents at the beginning of the year	160046722	231622242
Cash and cash equivalents at the end of the year	218310214	160046721
Components of cash and cash equivalents (refer note 10)		
Cash on hand	93342662	46367919
Balances with banks	124967552	113678803
Total cash and cash equivalents	218310214	160046722

In accordance with our report attached

For and on behalf of the Board of Directors

Suri & Siva

Chartered Accountants
Firm Regn No. 004284S

V.SIVAKUMAR

Partner
Membership No. 022379

IRMGARD VELAGAPUDI M. RAO

Managing Director

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Corporate Information

K.C.P Sugar and Industries Corporation Ltd is a listed entity, one among the leading sugar manufacturing companies in India . Its allied business consists of manufacturing and marketing of Rectified Spirit, Extra Neutral Alcohol, Ethanol, Incidental Cogeneration of Power, Organic Manure, Mycorrhiza Vam, Calcium Lactate and CO₂. Company has two sugar factories located in Krishna District Andhra Pradesh having an aggregate crushing capacity of 11,500 tons per day. It has its registered office at 239/183, Ramakrishna Building, Anna Salai, Chennai, Tamil Nadu 600006, India.

The financial statements were approved by the Board of Directors and authorised for issued on 25.05.2018

Note 2. Significant Accounting Policies

(a) Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, notified under Sec 133 of The Companies Act, 2013. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2018 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 54. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and net defined benefit liability, that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

(c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Fair value measurement financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the Balance Sheet date. Fair value of financial instruments, that are traded in active market is determined from market prices as reduced by estimated cost of trading.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(d) Functional currency :

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currencies.

(e) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprise of sale of sugar, and other sugar auxiliary products. Revenue is recognised when following conditions are satisfied:

- the company transfers to the buyer the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliable
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(f) Employee Benefits (other than for persons engaged through contractors):

- Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions

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CONSOLIDATED FINANCIAL STATEMENTS

at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Compensated Absences

Entitlement to annual leave is recognised when it accrues to employees. The Company determines the liability for such accumulated leave at each Balance Sheet date and the same is charged to revenue accordingly

iv. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(g) Property, Plant and Equipment:

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p) below). Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method except for asset situated at Registered Office, which are depreciated by written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of the depreciable assets is in accordance with rules prescribed under part "C" of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Software and Licences	5 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Impairment of assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(j) Foreign Currency Translation :**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign

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currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(k) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(l) Inventories:

- Finished goods are valued as follows and increased by Excise Duty thereon as applicable.
 - o All finished goods are valued at lower of weighted average cost or net realizable value.
 - o Molasses, a byproduct is valued at estimated net realizable value.
- Crops under cultivation are valued at cost.
- Work in progress is valued at lower of weighted average cost or net realisable value of the finished goods duly adjusted according to the percentage of progress.
- Raw materials, stores, spares, materials in transit are valued at weighted average cost. However, when the net realizable value of the finished goods they are used in is less than the cost of the finished goods and if the replacement cost of such materials etc. is less than their holding cost in such an event, they are valued at replacement cost.

(m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(o) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities are not recognized in these financial statements, but are disclosed in Note No.45.

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest

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method.

(q) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(s) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the Managing Director.

The Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities"

All operating segments, operating results are reviewed regularly by the Companies Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

(u) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments are classified as FVTPL. Investment in subsidiaries, joint ventures and associates are carried at cost less impairment, if any.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

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Amount in Rs.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)



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3 - Property Plant and Equipments

Description	Land	Buildings	Plant and equipment	Railways Sidings	Computers & Office Equipment	Vehicles	Fencing	Furniture and Fixtures	Total
As at 1 April 2016 (Deemed Cost)	132184044	251842820	612672227	7717473	9180456	20510590	15321	1899654	1036022585
Additions during the year	83726425	4968587	22063619	-	3180919	6350112	-	209928	120499590
Deletions during the year	-	-	-	-	(108163)	(2468359)	-	-	(2576522)
As at 31 March 2017 (At Cost)	215910469	256811407	634735846	7717473	12253212	24392343	15321	2109582	1153945653
Additions during the year	-	8038832	6102786	-	1884567	6382038	-	1184510	23592733
Deletions during the year	-	-	-	-	(1158793)	(4678153)	-	(21800)	(5858746)
As at 31 March 2018 (At Cost)	215910469	264850239	640838632	7717473	12978986	26096228	15321	3272292	1171679640
Depreciation and amortization									
Charge for the year ended March 31, 2017	-	13709705	68022478	859752	4046167	5867809	-	684999	93190910
Deletions during the year	-	-	-	-	(102400)	(2293966)	-	-	(2396366)
As at 31 March 2017 (At Cost)	-	13709705	68022478	859752	3943767	3573843	-	684999	90794544
Charge for the year	-	13799667	65204762	453530	3942861	6375470	-	480720	90257010
Deletions during the year	-	-	-	-	(1158596)	(3374465)	-	(20910)	(4553971)
As at 31 March 2018	-	27509372	133227240	1313282	6728032	6574848	-	1144809	176497583
Net Book Value									
As at 31 March 2018	215910469	237340866	507611392	6404191	6250954	19521380	15321	2127483	995182057
As at 31 March 2017	215910469	243101701	566713368	6857721	8309445	20818500	15321	1424583	1063151109
As at 01 April 2016	132184044	251842820	612672227	7717473	9180456	20510590	15321	1899654	1036022585

3.1. Vehicles includes Assets acquired on "Hire Purchase"

3.2. Cost of Freehold Land includes land in respect of which the transfer of title deeds in the name of K.C.P. Sugar And Industries Corporation Ltd is pending.

3.3 Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 01, 2016

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

4 - Other Intangible Asset

Description	Computer Software	Total
Cost or Valuation		-
As at 1 April 2016 (Deemed cost)	15541060	15541060
Additions during the year	821100	821100
As at 31 March 2017 (At Cost)	16362160	16362160
Additions during the year	-	-
As at 31 March 2018 (At Cost)	16362160	16362160
Amortization and Impairment		
Amortization for the year ended March 31, 2017	3863862	3863862
As at 31 March 2017	3863862	3863862
Amortization for the year	3789265	3789265
As at 31 March 2018	7653127	7653127
Net Book Value		
As at 31 March 2018	8709033	8709033
As at 31 March 2017	12498298	12498298
As at 01 April 2016	15541061	15541061

5 - Non Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Equity Instruments (Fair valued through PL)	878041532	620035031	317106205
Investments in an associate and Joint Venture/ Subsidiary (Valued at Cost)	-	-	-
Total	878041532	620035031	317106205

6 - Other Non Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term Security Deposit	46413883	44633198	9256305
Total	46413883	44633198	9256305

7 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials	39665471	24107263	29002561
Work in progress	117648120	39780749	114448850
Finished goods	1993740337	2141019934	2568499930
Stores and spares	45692088	45051369	49515396
Crops under cultivation	1648222	1549105	2124586
Total	2198394238	2251508420	2763591323

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

8 - Current Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Mutual Funds (Fair valued through PL)	997090480	853832566	41888581
Total	997090480	853832566	41888581

9 - Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Secured Considered Good			
Unsecured Considered good	288748959	330831792	543253904
Considered Doubtful	2969595	2969595	3590987
Less:			
Impairment for Trade receivable under expected credit loss model	(4168920)	(4168920)	(4790312)
Total	287549634	329632467	542054579

10 - Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Balances with banks:			
-In current accounts	32353365	23699132	81122988
-In Fixed Deposits	85365122	44570668	56148014
ii) Cash on hand	2013636	1473834	1567527
Total	119732123	69743634	138838529

11 - Bank Balances other than 10 above

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Balances held as Margin Money	70740735	69231137	73068927
Unpaid Dividend account	27837355	21071951	19714786
Total	98578090	90303088	92783713

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Amount in Rs.

12 - Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
i) Unsecured, considered good;			
- Advance to Employees	10512840	3575309	3610298
Dividend Receivable	-	-	78525
Other Deposits	-	100000	-
Total	10512840	3675309	3688823

13 - Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured considered good			
Balance with government authorities	59691085	49119548	32399122
Advances to Supplier	155624125	77814195	74531354
Prepaid Expenses	603293	668542	797238
Interest accrued on Fixed Deposit	163308	-	-
Prepayments - Deposits/Retention Money	-	1020793	54731
Total	216081811	128623078	107782445

14 - Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Share Capital			
25,00,00,000 Equity Shares of Re.1/- each	250000000	250000000	250000000
Total	250000000	250000000	250000000
Issued, Subscribed And Paid Up			
11,33,85,050 Equity Shares of Re.1/- each	113385050	113385050	113385050
Total	113385050	113385050	113385050

15 Other Equity

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Capital Redemption Reserve	15545110	15545110	15545110
Investment Allowance Reserve Utilised	4505000	4505000	4505000
General Reserve	1132243277	1132243277	1132243277
Retained Earnings	1536535515	1544360036	1006817014
Other Comprehensive Income	15695183	9536078	-
Total	2704524085	2706189551	2159110401

CONSOLIDATED FINANCIAL STATEMENTS

Amount in Rs.

16 - Long Term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Secured Loans			
(i) Secured loans from Bank	-	57507292	124234724
Unsecured Loans			
Fixed Deposits from Public	403524000	438008000	242983000
Total	403524000	495515292	367217724

17 - Other Non Current Financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued but not due on fixed deposits	9221995	9502680	13479779
Security Deposit	2114218	5026699	5608310
Total	11336213	14529379	19088089

18 - Long Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits :-			
- Gratuity	57766830	52780160	45699868
- Provisions for Liquidated Damages	25852363	41790538	41244052
Total	83619193	94570698	86943920

19 - Deferred Tax Liability

Tax recognised in Statement of profit and loss

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Current Income Tax		
Current year (A)	11050000	112573512
Deferred Tax expense (B)		
Origination and reversal of temporary differences	(156128861)	49979650
Total (A+B)	(145078861)	162553162

19.1 Tax recognised in other comprehensive income

Particulars	For the year Ended March 31, 2018	For the year Ended March 31, 2017
Defined benefit plan actuarial gains (losses)	1239563	178477
Total	1239563	178477

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Amount in Rs.

19.2 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Property, Plant & Equipment	143244367	156522277	167788486
Others	120650	282071	-
Sub Total	143365017	156804348	167788486
Deferred tax Assets			
Current year business losses	153175310	-	-
Property, Plant & Equipment	929252	937390	859612
On account of timing differences in recognition of expenditure between books of accounts and Taxation	25680840	34918918	95855520
Sub Total	179785402	35856308	96715132
Net Deferred Tax Assets/ (Liabilities)	36420385	(120948040)	(71073354)

20 - Short Term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured Demand Loans from Banks (Refer note below)	1335190451	736596132	391287565
Fixed Deposits obtained from public maturing within one year.	270775000	71813000	158371000
Total	1605965451	808409132	549658565

Secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares, book debts, all other current assets and further secured by a second charge created on movable fixed assets of Sugar units at Vuyyuru and Lakshmipuram.

21 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables			
- Dues to Micro and Small Enterprises			
- Others	621792999	624367474	1169433518
Total	621792999	624367474	1169433518

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Amount in Rs.

22 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of long term debt	77027744	94800000	94800000
Unclaimed Dividends	10488083	10804038	12980343
Interest accrued but not due on borrowings	18854542	16035757	20282012
Unpaid matured deposits and interest accrued thereon	30792764	17186913	6734443
Outstanding Liabilities for Expenses	36800440	79523012	36253814
Earnest Money and Other Deposits	4338311	220000	901614
Payable to Employees	7095752	611094	797275
Total	185397636	219180814	172749501

23 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory Liabilities	34161552	168967720	240785338
Advance from customers	89368463	53442515	91028419
Total	123530015	222410235	331813757

24 - Short term provision

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee benefits	15328277	13740532	12068307
Provision for Defeat Liability period	10137573	10137573	10137573
Total	25465850	23878105	22205880

25 - Current Tax Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income Tax	3581640	104122149	11952604
Less: Advance Tax and TDS Credits	-	-70667951	-
Previous Year Income Tax Provision	13507271	-	-
Total	17088911	33454198	11952604

26 - Revenue From Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products (Including Excise Duty)	3549507996	4672917250
Sale of Services	16914263	4516850
Other operating revenue	1292264	1395219
Total	3567714523	4678829319

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Amount in Rs.

27 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Change in fair value of financial asset	362014945	259370651
Profit on sale of Investments	73237665	-
Interest on Fixed Deposit	15688996	45368467
Dividend Income	47724879	28755253
Packing & Forwarding Charges	3062827	1940608
Rent Received	4741574	5933740
Difference in Foreign Exchanges	1149686	104074
Miscellaneous Receipts	9695519	7751951
Profit on sale of fixed assets (Net)	-	541509
Unclaimed Balance credited back	94724	122330
Credit Balances written back	1540093	672620
Claims Received	434377	881662
Provision no longer required withdrawn	99228052	4669756
Total	618613337	356112621

28 - Cost of materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Raw Materials and Components	24107262	29002561
Add: Cost of Raw Materials and Components*	2971892250	2423689555
Less Closing Stock	-	-
Raw Materials and Components	(39665471)	(24107262)
Consumption of stores and spare parts	83841117	68574234
Total	3040175158	2497159088
*Consumption of Sugar Cane included in the above	2376440931	2169912927

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance		
Work in Progress	39780749	114448851
Finished goods	2141019934	2568499930
Crops under cultivation	1549105	2124586
Less Closing Balance		
Work in Progress	(117648120)	(39780749)
Finished goods	(1993740337)	(2141019934)
Crops under cultivation	(1648222)	(1549105)
Total	69313109	502723579

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Amount in Rs.

30 - Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	329245484	383504491
Contribution to provident and other funds	37850310	45068078
Remuneration to whole time directors	11013154	22195155
Staff welfare expenses	33906324	35715052
Total	412015272	486482776

31 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost on financial liabilities measured at amortized cost	19520452	28072568
Others	128349442	87178118
Total	147869894	115250686

32 - Depreciation and Amortisation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation / Amortisation for the year		
- Tangible Assets	90257010	93190911
- Intangible Assets	3789265	3863862
Total	94046275	97054773

33 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Labour Charges	26363281	25116877
Power and Fuel	25990479	36819073
Rental charges	250902	309105
Repairs and maintenance		
- Buildings	19022505	20599835
- Machinery	96776394	124152144
- Workshop	2743208	1978422
- Office	2682981	1363961
- Tractor	91685	77496
- Others	13217277	13347819
Insurance	4057278	3634526
Payment made to auditors	751517	745518
Legal and Professional Charges	27601050	11301341
Selling expenses	79023209	39027700
Director's Sitting Fees	1480000	1380000
Commission to Non- Whole time directors	-	875479
Donations	1700000	100000

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Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Corporate Social Responsibility Expenditure (CSR)	2125577	2757653
Security Charges	14835212	14880770
Miscellaneous expenses	64494062	32908447
Rates and taxes	1024394	282166
Travel and conveyance	1490886	1349770
Research , inspection and testing charges	252373	120182
Short Provision made during earlier years	575	64341
Performance and delivery guarantee claims	12250428	7789400
Telephone Charges	871944	899167
Irrecoverable loans and advances written off	12653	262331
Cultivation Charges	44712	58260
Pesticides / Fertilizers	135886	103305
Loss on Sale of Investments	-	73864
Loss on sale of Fixed Assets	90387	-
Total	399380855	342378952

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment made to statutory auditors :		
i. As Audit Fee	507250	495687
ii. For other services	215400	225375
iii. For reimbursement of expenses	28867	24456
Total	751517	745518

34. Contingent Liabilities in respect of the group :

Bank Guarantees - Rs.20,11,00,154/- (PY Rs. 15,75,82,105/-)

34.1. Demands raised by the respective authorities are as under:

Particulars	As at March 31,2018	As at March 31,2017
Share transmission	1105851	1105851
Labour cases	7165166	4743945
E.S.I Case	174489	174489
Non-enrolment of contract labour for contribution to Provided Fund	11094580	11094580
Case on Duty relating to Captive Power Generation and sale to grid	57887181	57887181
Value Added Tax case	1661339	1667486
Income Tax Case	47030100	47030100
Central Excise Duty Case	10678712	9122905
Total	136797418	132826537

35. Information in respect of Micro, Small and Medium Enterprises as at 31st March 2018:

S. No	Particulars	As at March 31,2018	As at March 31,2017
1	Amount remaining unpaid to any supplier: a) Principal Amount b) Interest due thereon	- -	- -
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount paid to the supplier beyond the appointed day;	Nil	Nil
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
4	Amount of interest accrued and remaining unpaid	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid / payable as required under the Act have not been given.

Disclosure requirements of Indian Accounting Standards**36. Disclosures in respect of Ind AS 107 - Financial Instruments****36.1. Financial Instruments by Categories**

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

(March 31,2018)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Non Current Financial Assets	46413883		
Non-Current Investments		843848185	34193347
Current Trade Receivables	287549634		
Cash & Cash Equivalents	119732123		
Other Bank Balances	98578090		
Current Investments		997090480	
Other Current Financial Assets	10512840		
Liabilities:			
Term loan (Non-Current)	403524000		
Other Non Current financial liabilities	11336213		
Short Term Borrowings	1605965451		
Trade Payables	621792999		
Other Financial Liabilities	185397636		

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(March 31, 2017)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Non Current Financial Assets	44633198		
Non-Current Investments		594407000	25628031
Current Trade Receivables	329632467		
Cash & Cash Equivalents	69743634		
Other Bank Balances	90303088		
Current Investments		853832566	
Other Current Financial Assets	3675309		
Liabilities:			
Term loan (Non-Current)	495515292		
Other Non Current financial liabilities	14529379		
Short Term Borrowings	808409132		
Trade Payables	624367474		
Other Financial Liabilities	219180814		

(April 1, 2016)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI
Assets:			
Other Non Current Financial Assets	9256305		
Non-Current Investments		299714453	17391752
Current Trade Receivables	542054579		
Cash & Cash Equivalents	138838529		
Other Bank Balances	92783713		
Current Investment		41888581	
Other Current Financial Assets	3688823		
Liabilities:			
Term loan (Non-Current)	367217724		
Other Non Current financial liabilities	19088089		
Short Term Borrowings	549658565		
Trade Payables	1169433518		
Other Current Financial Liabilities	172749501		

36.2. Fair Value Hierarchy

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

36.3. Valuation Technique used to determine Fair Value:

Specific valuation techniques used to value financial instruments include:

- Use of quoted market prices for Listed instruments

36.4. The following tables present fair value hierarchy of assets and liabilities measured at fair value:

Particulars	For the year 31.03.2018				For the year 31.03.2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments in Equity Instruments	878041532			878041532	620035031			620035031
Investments in Quoted Mutual Funds	997090480			997090480	853832566			853832566

39. Financial risk management

The group's activities expose to limited financial risks: market risk, credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument.

The group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), Interest rate risk and the market value of its investments.

Securities Prices Risk:

The group's exposure to equity securities price risk arises from Investments held and classified in the Balance Sheet as Fair Value through P&L. the group has investment in a form of Mutual funds and Equity shares. The group monitors the movement in the value of the Investments by observing the NAV.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. It principally arises from the group's Trade Receivables, Advances and deposit(s) made

Trade receivables

The group has outstanding trade receivables amounting to Rs. 28,75,49,634 and Rs. 32,96,32,467 as of March 31, 2018 and March 31, 2017, respectively. Trade receivables are typically unsecured are derived from revenue earned from customers. Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The group is not exposed to concentration of credit risk to any one single customer. Default on account of Trade Receivables happens when the counterparty fails to make contractual payment when they fall due.

Further for amounts overdue are constantly monitored by the management and provision towards expected credit loss are made in the books. Management estimated of expected credit loss for the Trade Receivables are provided below with the classification on debtors.

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Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(Amount in Rs.)

Particulars	March 31, 2018		March 31, 2017	
	Gross	Impairment	Gross	Impairment
0 to 180 days	72814431	-	193013124	-
More than 180 days	218904124	4168921	140788263	4168920

Trade receivables are impaired in the year when recoverability is considered doubtful based on the recovery analysis performed by the group for individual trade receivables. The group considers that all the above financial assets that are not impaired for each reporting dates under review are of good credit quality.

Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The group's principal sources of liquidity are cash and cash equivalents, cash generated from operations, Term loans, deposits from public and short-term borrowings from Bank.

The group manages liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. Net cash requirements are compared to available cash in order to determine any shortfalls.

Short term liquidity requirements consist mainly of sundry creditors, expense payable, employee dues, repayment of loans and retention & deposits arising during the normal course of business as of each reporting date. We maintain a sufficient balance in cash and cash equivalents to meet our short-term liquidity requirements.

Long term liquidity requirements on a periodical basis and manage them through internal accruals. Our non-current liabilities include non-convertible debentures, optionally convertible debentures, Unsecured Loans from Promoters, Term Loans from Banks, Retentions & deposits.

The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

The table include both principal cash flows.

Particulars	31.03.2018		31.03.2017	
	Payable within 1 year	More than 1 year	Payable within 1 year	More than 1 year
Loan from Bank	77027744	-	94800000	86900000
Deposits from Public	270775000	403524000	71813000	438008000

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound against the Indian rupee.

The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the Indian Rupee.

The following analysis has been worked out based on the net exposures for the group as of the date of statements of financial position which could affect the statements of profit or loss and other comprehensive

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income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the group

The following table sets forth information relating to foreign currency exposure as of March 31, 2018:

Particulars	Assets as at	
	As at March 31, 2018	As at March 31, 2017
USD	117771	127431
SGD	-	188000

5% appreciation / depreciation of the respective foreign currencies with respect to Indian Rupees would result in decrease / increase in the group's profit before tax as detailed in table below:

USD sensitivity at year end	As at March 31, 2018	As at March 31, 2017
Receivables:		
If INR rate over Other currency increases by 5%	(377750)	(450152)
If INR rate over Other currency decrease by 5%	377750	450152

Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest-bearing liabilities being short term borrowings.

The following table represents the contractual obligation and receivables to/from financial liabilities and financial assets respectively.

Particulars	31.03.2018	31.03.2017
Fixed Rate Instruments		
Financial Asset		-
- Margin Money with Bank	70740735	69231137
Financial Liabilities		
- Term Loan from Bank	77027744	152307292
Variable Rate Instruments		
- Demand Loan from bank	1335190451	736596132

The Group's variable interest rate exposure is mainly related to debt obligations arising from short debt borrowings

The interest expenses and impact on it on account of Increase/decrease of 100 basis points in interest rates at the balance sheet is provided in table below:

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Expenses arising on account of variable rate of interest on short term borrowings	54717282	23371539
Impact on:		
Increase in 100 basis points	13351905	7365961
Decrease in 100 basis points	(13351905)	(7365961)

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This

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calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date.

The period end balances are not necessarily representative of the average debt outstanding during the period.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets or by adequate funding by the shareholders to absorb the losses of the Group.

The Group's capital comprises equity share capital, retained earnings and other equity attributable to equity holders. The primary objective of Group's capital management is to maximize shareholders value. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions. The capital gearing ratio is provided in table below:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Total Debt*	403524000	495515292
Cash and cash equivalent	-119732123	-69743634
Net Debt	283791877	425771658
Total Equity	2817909135	2819574551
Net debt to equity ratio	0.10	0.15

*Debt represents long term loan from banks and deposits from public.

40. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"

40.1. General description of various defined employee's benefits schemes are as under:

a) Provident Fund:

The group's Provident Fund is managed by Regional Provident Fund Commissioner. The group pays fixed contribution to provident fund at pre-determined rate.

b) Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the group and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

40.2. The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income(OCI) and Balance Sheet & other disclosures are as under:

Movement in defined benefit obligation:

(Amount in Rs.)

Particulars	31.03.2018	31.03.2017
Defined benefit obligation - Beginning of the year	149327852	143408068
Current service cost	7342850	7046224
Interest Cost	11673039	11391338
Past Service Cost	1290787	-
Benefits Paid	-11218955	-13071590
Re-measurements - actuarial loss/(gain)	3645874	553812

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Particulars	31.03.2018	31.03.2017
Defined benefit obligation – End of the year	162061447	149327852
Movement in plan asset:		
Particulars	31.03.2018	31.03.2017
Fair value of plan assets at beginning of year	125176418	125353680
Employer contributions	10566208	6390318
Benefits paid	-11218955	-14100814
Re-measurements – Return on plan assets	9804677	9779981
Re-measurements - actuarial loss/(gain)	-	-
Fair value of plan assets at end of year	134328347	127423166
Amount Recognized in Statement of Profit and Loss		
Particulars	31.03.2018	31.03.2017
Current service cost	7342850	7094376
Curtailment cost/(credit)	-	-
Expected return on Plan Assets	-9804677	-9779981
Net Interest on Net Defined Benefit Liability/(assets) (B)	11673039	11479019
Past service cost	1290787	-
Cost Recognized in P&L	10501999	8793414

Amount recognized in Other Comprehensive Income (OCI)

Particulars	31.03.2018	31.03.2017
Actuarial (gain)/loss due to assumption changes	3645874	3032726
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Actuarial (gain)/loss recognized in OCI	3645874	3032726

Actuarial Assumption

Particulars	31.03.2018	31.03.2017
Discount rate	7.58%	6.90%
Rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement Age	60	60
Average Future Service	8.5	8.7

41. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”**(A). Names of related parties and description of relationship:****1.Key Management Personnel**

- Shri. Vinod R. Sethi, Executive Chairman
- Smt. Irmgard Velagapudi M Rao, Managing Director.
- Smt.V. Kiran Rao, Executive Director.
- Shri.R.Ganesan, Chief Financial Officer.
- Shri.S.Chidambaram, General Manager Finance and Secretary

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

(B). Transactions During the year

Particulars	Key Management Personnel	
	2017 - 18	2016 - 17
Interest Received	-	-
Rent Received	1500000	1500000
Remuneration paid to Key Management Personnel	13897788	25114407
Interest on fixed deposit paid to Key Management Personnel	3075894	3096828

(C). Closing balances as on 31/03/2018

Particulars	Key Management Personnel	
	2017 - 18	2016 - 17
Share Capital held by key Management Personnel.	2098610	1882810
Fixed deposit held by key Management Personnel.	32740000	32200000

42. Reconciliation of equity as previously reported under IGAAP to Ind AS

	Component	(INR) Amount
Balance at April 1, 2016	IGAAP	2286961875
Adjustments		
Proposed Dividend	Non-Adjusting Event	34116895
Expected Credit Loss on Loans and Advances	Financial Instruments	-102709148
Amortised cost computation of debentures and loans outstanding	Financial Instruments	57465276
Fair valuation of Equity Shares	Financial Instruments	-106586925
Total	Provision for Warranty	-10137573
Balance at April 1, 2016		2159110401

43. Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

Particulars	March 31, 2017
Profit / (loss) after tax under previous GAAP	339623451
Add / (less): Ind AS Adjustments;	
Impact of Fair value of Investments	259733752
Interest expense on financial liability measured at amortised cost	-28072569
Actuarial gain or loss (net of tax) reclassified under OCI	375285
Profit/ Loss after tax for the year as per IND AS	571659918
Other comprehensive income/ expense (net of tax)	9536078
Total Comprehensive Income / (Loss) for the year under Ind AS	581195996

Notes to the reconciliations between previous GAAP and Ind AS

- a) Under the previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when approved by the members in a general meeting. The effect of this change is an increase in total equity as at April 1, 2016 of Rs. 3,41,16,895, but does not affect profit before tax and total profit for the year ended March 31, 2017.

- b) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurment of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial losses for the year ended March 31, 2017 were Rs. 375,285/- (Net of taxes)
- c) Under previous GAAP, Security deposits were carried at transaction cost, while under Ind AS, present value of these deposits are retained in the financial statement and balance value of these deposits are carried as pre-paid rent.
- d) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income. Under the IND AS, financial assets and financial liabilities are measured at fair value on transition date; the impact of which is included under Other comprehensive income under Equity instruments through other comprehensive income to Rs. 99,11,363/-.
- e) Under previous GAAP, investments are carried at cost at the end of the reporting period. Under Ind AS, investments are carried at fair value through PL. The effect of this is reduction in total equity as at April 1, 2016 of (Rs.10,95,29,389), the effect of same on statement of profit and loss of March 31, 2017 is gain of is Rs.25,93,70,651/-
- f) Under Previous GAAP, Provision for bad and doubtful debts for the advances given are made on incurred loss model. Under Ind AS, provision is made on expected credit loss model. This change has resulted in additional provision of Rs. 10,15,09,823/- on April 1, 2016.
- g) Under Previous GAAP, Provision for bad and doubtful debts are made on incurred loss model. Under Ind AS, provision for bad and doubtful debts are made on expected credit loss model. This change has resulted in additional provision of Rs. 11,99,325/- on April 1, 2016.
- h) Under previous GAAP Financial liabilities were carried at book value, while under Ind AS fair value of the liabilities are computed and retained in Balance sheet and interest is accounted accordingly based in the repayment. This change has resulted in increase of equity as at 01 April, 2016 to the tune of Rs.5,74,65,276, the same has resulted in additional expense of Rs.2,80,72,569 to the statement of profit and loss for the year ended March 31 2017.
- i) Under previous GAAP, discounting of provisions was not permitted, and provisions were measured at best estimate of the expenditure required to settle the obligation at the balance sheet date without considering the effect of discounting. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has revisited the provisioning policy at the reporting dates resulting in the provisions being increased by Rs.1,01,37,573/- as at April 1, 2016. The net effect of these changes is decrease in total equity as at April 01, 2016 for the same value

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
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Amount in Rs.

Statement of profit or loss for the year ended March 31, 2017

Particulars	For Year Ended March 31, 2017	For Year Ended March 31, 2017	For Year Ended March 31, 2017
	IGAAP	Adjustments	Ind AS
I Revenue from operations	4421715250	257114069	4678829319
II Other income	96741971	259370651	356112621
III Total Income (I+II)	4518457221		5034941940
IV Expenses			
Cost of material consumed	2497159088		2497159088
Changes in inventories of finished goods, work-in-progress and stock-in-trade	502723579		502723579
Excise duty on sale of goods	-	257114069	257114069
Employee benefits expense	486482776		486482776
Finance costs	87183554	28067131	115250686
Depreciation and Amortisation	97054773		97054773
Other expenses	342736613	(357659)	342378952
Total expenses (IV)	4013340383		4298163923
V Profit/(loss) before exceptional items and tax (III-IV)	505116838		736778017
VI Exceptional items			
VII Profit/(loss) Before Tax (V-VI)	505116838		736778017
VIII Tax expense			
- Current Tax	112573512		112573512
- Deferred Tax	49979650		49979650
- Reversal of excess provision for taxation relating to earlier years	2564937		2564937
IX Profit/(loss) After Tax (VII-VIII)	339998739		571659918
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan actuarial gains/ (losses)	(308722)	(245040)	(553762)
Income tax expense on above	104965	73512	178477
	(203757)		(375285)
XI Total Comprehensive Income for the period (Comprising profit and other comprehensive income for the period) (IX±X)	339794982		581195996

CONSOLIDATED FINANCIAL STATEMENTS



Balance Sheet as at March 31, 2016

Amount in Rs.

Particulars	As at April 01, 2016	As at April 01, 2016	As at April 01, 2016
	IGAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1036022585		1036022585
(b) Capital work-in-progress	6078214		6078214
(c) Other Intangible assets	15541060		15541060
(d) Non-current financial assets			
(i) Investments	423693130	(106586925)	317106205
(ii) Trade receivables			
(iii) Other non current financial assets	110766128	(101509823)	9256305
(e) Deferred tax assets, (net)			
(f) Other non-current assets			
Current assets			
(a) Inventories	2763591323		2763591323
(b) Financial Assets			
(i) Current Investments	41888581		41888581
(ii) Trade receivables	543253904	(1199325)	542054579
(iii) Cash and cash equivalents	138838529		138838529
(iv) Bank Balances other than (ii) above	92783713		92783713
(v) Other current financial assets	3688823		3688823
(c) Current Tax Assets (Net)			
(d) Other current assets	107782445		107782445
Total Assets	5283928435	(209296073)	5074632363
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	113385050		113385050
(b) Other equity	2286961875	(127851474)	2159110401
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Long term Borrowings	424683000	(57465276)	367217724
(ii) Other Non- Current Financial liabilities	19088089		19088089
(b) Long term Provisions	86943920		86943920
(c) Other Non-Current liabilities	-		
(d) Deferred tax liabilities (net)	71073354		71073354
Current liabilities			
(a) Financial Liabilities			
(i) Short term Borrowings	549658565		549658565
(ii) Trade payables	1169433518		1169433518
(iii) Other financial liabilities	172749501		172749501
(b) Other current liabilities	331813757		331813757
(c) Short Term provisions	46185202	(23979322)	22205880
(d) Current Tax Liabilities (Net)	11952604		11952604
Total Equity and Liabilities	5283928435	(209296072)	5074632363

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

44. SEGMENT REPORTING :

(i) The Company has identified the reportable segments as on 31-03-2018 and others taking into account the nature of products and services, the different risks and returns and the internal reporting systems. The accounting policies for segment reporting are in line with the accounting policies followed by the Company.

	PARTICULARS	PRIMARY SEGMENT					
		SUGAR	CHEMICALS	POWER & FUEL	ENGINEERING	OTHERS	TOTAL
1	Segment Revenue						
	External Revenue	2747304735	453145509	37603346	266800078	62860855	3567714523
	Inter Segment Revenue	569815164	5711740	377638765	0	0	953165669
	Total Revenues	3317119899	458857249	415242111	266800078	62860855	4520880192
2	Segment Results						
	Profit before depreciation, finance cost and taxation	(387981037)	65640326	86569280	49223694	32510900	-154036837
	Less : Finance Cost	113807241	9007973	648577	3797220	1075122	128336133
	Less : Unallocable Finance Cost						19533762
	Less: Depreciation and Amortizations	46761143	17655790	21531513	4382759	3715070	94046275
	Less: Impairment on Capital Assets			-			-
3	Unallocable Expenditure						(370789939)
	Less : Tax						-146318425
	Total Profit	(548549421)	38976562	64389190	41043715	27720709	121155358
	Capital Employed						
4	Segment Assets	2813379314	271216173	220316638	470044032	77377828	3852333985
5	Unallocable Assets						1993763028
6	Segment Liabilities	2054566368	24987215	5839661	219499254	7066045	2311958543
7	Unallocable Liabilities						716229335
8	Capital Employed						2817909135
9	Capital Expenditure	10113688	0	3740029	1694957	1765637	17314311

1. The operations of the company predominantly relate to manufacture of Sugar, Electrical Energy, Bio Fertilizers and Chemicals comprising mainly Industrial Alcohol, CO2 and Calcium Lactate

2. The Business segments that are disclosed under "Others" comprise Bio Fertilizers .

3. Inter segment transfers are priced at market rates excepting Steam which has no market rate and hence valued at cost.

NOTES TO FINANCIAL STATEMENTS

ii) Geographical Segment:

Particulars	Current Reporting Period 2017-2018	Previous Reporting Period 2016-2017
Sales within India	3474720483	4626534005
Sales outside India	92994040	52295314
Total	3567714523	4290246702

Note: Company does not own or operate any business outside India

Carrying Amounts of Geographical Assets and additions to tangible and intangible fixed assets:
AMT. IN RS.

	Carrying amounts of segment assets	Additions to fixed assets & Intangible assets
	Current reporting period	Current reporting period
Located in India	5895629403	17314311
Located outside India		
Total	5895629403	17314311

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS

Particulars	2018	2017	2016	2018	2017	2016	2018	2017	2016
	Amortized cost	Amortized cost	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities at fair value through OCI	Financial assets/ liabilities at fair value through OCI
Assets:									
Other Long Term Financial Assets	46413883	44633198	9256305						17391752
Non Current Investments						299714453		25628031	
Current Trade Receivables	287549634	329632467	542054579						
Cash & Cash Equivalents	119732123	69743634	138838529						
Other Bank Balances	98578090	90303088	92783713						
Current Investments				997090480	853832566	41888581			
Other Financial Assets	10512840	3675309	3688823						
Liabilities:									
Term loan	480551744	590315292	462017724						
Other Long term financial liabilities	11336213	14529379	19088089						
Other Financial Liabilities	185397636	219180814	172749501						
Short Term Borrowings	1605965451	808409132	549658565						
Trade Payables	621792999	624367474	1169433518						

[illegible]

ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

From (Please fill name and address of first holder) Date :

FOLIO NO :

.....
.....
.....
.....
.....

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Dear Sir,

Sub: Payment of Dividend thro' Electronic Clearing Service (ECS)

I hereby give my mandate to credit my dividend on the Shares held by me directly to my Bank account through the Electronic Clearing Service (ECS). As desired, I give below the particulars of my Bank account :

1.	NAME OF BANK										
2.	BRANCH NAME AND ADDRESS										
3.	ACCOUNT NO (as appearing on cheque book)										
4.	ACCOUNT TYPE (please tick)	<input type="checkbox"/> Savings <input type="checkbox"/> Current Account <input type="checkbox"/> Cash credit									
5.	LEDGER FOLIO NO OF THE BANK A/C (if appearing on cheque book)										
6.	9-DIGIT CODE NUMBER OF THE BANK & BRANCH APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK (please attach a xerox copy of the cheque or bank cheque of your bank duly cancelled for ensuring the accuracy of the bank's name branch name and code number)	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>									

I hereby declare that the particulars given above are correct and complete. If any transactions are delayed or not effected at all for reasons of incompleteness or correctness of information supplied as above, the Company will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by the Company, for payment of dividend to me.

I further undertake to inform the Company about any change in my Bank/Branch and account number.

DATE :

.....
(Signature of First holder)

**** FOR OFFICE USE ONLY ****	
ECS REF NO.	

**K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED**
No.239, Anna Salai,
Chennai -600 006.

(Detail's overleaf)

PAYMENT OF DIVIDEND THRO' ELECTRONIC CLEARING SERVICE (ECS)

The Securities and Exchange Board of India (SEBI) has made it mandatory for all listed company to offer ECS facilities. This facility has **several benefits including :**

1. **Instant credit** of the dividend amount directly to your designated bank account electronically.
2. **Prevents** in-transit interception of the warrant or its fraudulent encashment.
3. **Eliminates** the scop for loss/delay in receipt of the warrant.
4. **No extra** cost to the payee.

Instead of the earlier practice of issue of printed warrants being sent to the Shareholders, this mode of payment provides for direct credit dividend to the existing Bank account of the Shareholder(s) by electronic mode. The concerned Bank branch will credit your account and indicate the entry as "ECS" in your pass book/statement.

This mode of payment is optional and you have a right to withdraw the instructions or change them by giving us an advance notice of atleast eight weeks before the data of payment. The information furnished by you will be kept confidential and utilised only for the purpose of effecting the payment of dividend as may be applicable. The Company will not be liable for any credit/s made to any other account other than the Sharholders account because of the incorrect information given.

The facility of ECS is (RBI Centres) available in 15 cities as follows :

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram,

Though the facility is available only to a limited number of cities, we request all the Shareholders to provide us the details in the enclosed form, which would enalble us to serve you better once the facility is extended to your city.

Wo would **request you to avail this facility by completing the relevant details in the ECS Mandate form printed on the reverse and return to us at the earliest alongwith a cancelled or photocopy or your cheque** pertaining to your account to which the dividend amount is to be credited.

In case you are holding shares in demat form, kindly advise your Depository participant directly to take note of your Bank account particulars/ECS mandate.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

CIN:L15421TN1995PLC033198

“Ramakrishna Buildings”, No.239, Anna Salai, Chennai 600006 – Tel: 91 44 28555171-176 /

Fax: 914428546617

Investorservices@kcpsugar.com / www.kcpsugar.com

23rd Annual General Meeting – September 14, 2018

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Name of the Member(s)

Registered address

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Email

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Folio No. / Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID

I / We, being the member(s) of shares of the above named company, hereby appoint

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

or failing him / her

Name : Email:

Address:

..... Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 23rd Annual General meeting of the Company, to be held on Friday, 14th September 2018 at 10.00 AM at “Sadguru Gnanananda Hall”, Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai 600018, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Financial Statements together with Report of the Board of Directors and Auditors for the Financial Year 2017-18. Ordinary Resolution)			
2.	Declaration of dividend at Re.0.10 per equity share for the financial year ended 31st March 2018. (Ordinary Resolution)			
3.	Reappointment of Shri Vinod R. Sethi, (DIN: 00106598) who retires by rotation, and being eligible, offers himself for reappointment. (Ordinary Resolution)			
SPECIAL BUSINESS				
4.	Ratification of Remuneration to Cost Auditor for the financial year 2018-19. (ordinary resolution)			

Signed this..... day of2018.

..... /

Signature of member / Signature of the proxy holder

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.
2. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
4. As per section 105 of the Companies Act, 2013, a person appointed as proxy shall act on behalf of such member or no. of members not exceeding fifty.

Affix
Revenue
Stamp of
Re. 1/-

INSTRUCTIONS FOR REMOTE E-VOTING

Registered Folio No. / DP ID No. / Client ID No.	Number of shares held:
---	-------------------------------

Dear Member,

Sub: Instructions for e-voting

Pursuant to provisions of section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended on 19.03.2015, the Company is pleased to offer e-voting facility for the members to cast their votes using an electronic system from a place of their choice other than the venue of AGM, on all resolutions set forth in the Notice convening the 23rd Annual General Meeting to be held on Friday, 14th September 2018 at 10.00 a.m. IST. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (e-voting event number)	User ID	Password

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
September 11, 2018 at 9.00 a.m. IST	September 13, 2018 at 5.00 p.m. IST E-voting module will be disabled by NSDL for voting after 5.00 p.m. IST

The cut-off date for remote e-voting has been fixed as September, the 7th day of September 2018.

Please read the instructions printed below before exercising your vote.

Steps for e-voting

- ❖ Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
- ❖ Click on Shareholder-Login
- ❖ If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
- ❖ If you are logging in for the first time, please enter the User ID and Password provided in this document.
- ❖ The **Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential
- ❖ Once the e-voting home page opens, click on e-voting>Active Voting Cycles.
- ❖ Select the **EVEN (E-voting Event Number)** of K.C.P.Sugar and Industries Corporation limited (the number is provided in this document). Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
- ❖ Cast your vote by selecting your favoured option and click **Submit**. Also **click** Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- ❖ Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution / authority letter, etc, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer via email at: mareshvenki@vmacs.co.in with a copy marked to evoting@nsdl.co.in.
- ❖ In case of any queries, please refer to the **Frequently Asked Questions (FAQs)** for members and the **e-voting user manual** for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also contact NSDL via e-mail at evoting@nsdl.co.in.

B. VOTING BY BALLOT FORM AT THE AGM VENUE:

- ❖ The Company also offers facility for voting through polling paper at the venue of the Annual General Meeting.
- ❖ The members as on the cut-off date (7th September 2018), attending the Annual General Meeting are entitled to exercise their voting rights in case they had not already cast their vote through remote e-voting.
- ❖ Members who have cast their vote through e-voting are entitled to attend the Annual General Meeting if they so desire, but **cannot cast their vote at the venue of AGM**.

- ❖ The Chairman of the AGM will fix the time for voting at the meeting. The shareholders present in person or by proxy can vote at the venue of the meeting.

C. GENERAL INSTRUCTIONS:

- ❖ The e-voting period commences on 11th September 2018 (9.00 a.m.IST) and ends on 13th September 2018 (5.00 p.m.IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 7th September 2018, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ❖ The cut-off date for remote e-voting has been fixed as Friday, the 7th day of September 2018. Members holding shares as on this cut-off date can cast their vote in any one of the two modes (Remote E-voting / Voting by ballot at AGM venue).
- ❖ In case of shareholders who have acquired shares and become members of the Company after the despatch of AGM Notice, the Company would be despatching the 23rd Annual Report for the Financial Year 2017-18 to them as and when they become members. In addition, the Annual Report is also available in the Company's website. The said members may also follow the same procedure for voting.
- ❖ Voting rights of shareholders shall be in proportion to their shareholding in the Company as on the cut-off date (7th September 2018).
- ❖ In case a shareholder by an inadvertence or otherwise has voted under more than one option, his voting by only one mode through remote E-voting, or voting at the AGM venue will be considered in that seriatim.
- ❖ M/s.V.Mahesh & Associates, Practicing Company Secretaries, Chennai, have been appointed as Scrutinizer for both the options for voting (Remote E-voting / Voting at AGM venue by ballot paper).
- ❖ The Scrutinizer will, after conclusion of voting at the AGM venue –
 - First count the votes cast at the meeting through polling paper.
 - Then unblock the votes cast through remote E-voting.

All the above will be done in the presence of two witnesses not in the employment of the Company.

The Scrutinizer will make a consolidate report (integrating the votes cast at the meeting, through remote e-voting) of the total votes cast in favour or against, if any, to the Chairman of the Meeting, not later than three days from the conclusion of the meeting.

- ❖ Voting Results: The Chairman or a person authorised by him in writing, shall declare the result of the voting based on the Scrutinizer's report.
- ❖ The results declared along with the Scrutinizer Report will be placed on the Company's website www.kcpsugar.com and on the website of NSDL immediately on declaration of result and also communicated to NSE and BSE.
- ❖ Subject to receipt of requisite number of votes, the resolution shall be deemed to have been passed on the date of AGM.
- ❖ These details and instructions form an integral part of the Notice for the Annual General meeting to be held on 14th September 2018.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered office of the Company during business hours on all working days upto the date of declaration of the result of the 23rd Annual General meeting of the Company.

Registered Office
'Ramakrishna Buildings'
No.239, Anna Salai,
Chennai 600006.

By order of the Board of Directors
for K.C.P. SUGAR AND INDUSTRIES
CORPORATION LIMITED

Chennai
May 25, 2018

Vinod R. Sethi
Executive Chairman

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Notes :

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