

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

1. We have reviewed the accompanying statement of Standalone unaudited financial results of **K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED**, ('the Company') for the quarter and six-month period ended 30th September, 2019. ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The financial statement has been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of chartered Accounts of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited to making inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. In respect of the company's Sugar units, the incidental Co-generation units attached to the Sugar units and Research and Development unit, part of the expenses incurred towards staff costs and manufacturing expenses (included in other expenses) and depreciation have been recognized as such during the quarter ending 30thSeptember, 2019 only to the extent they are relatable to the production of sugar manufactured and electric energy generated during the said quarter. In the opinion of the Company's Management, the remaining expenses are relatable to the sugar to be produced and electric energy to be generated in the coming season, which commences and predominantly extends through the last two quarters of the year. The expenses so deferred are as follows.

Rupees in Lakhs.

i) Other Expenditure	1806.01
ii) Depreciation	243.28

4. It has been explained to us by the Company's Management that, the Sugar Industry and the incidental co-generation activity being a seasonal in nature and since the sugar season does not match with the Company's financial year, recognition of expenses strictly in the period in which they have been incurred would result in substantial distortion of the financial results in different quarters of the financial year. It is therefore, the consistent practice followed by the company, to identify such expenses incurred during the off-season that are relatable to the coming season, and to defer them and recognize them only in the season period.



Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of the Company

(Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

TO THE BOARD OF DIRECTORS OF K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of K.C.P Sugar and Industries Corporation Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30th September 2019 and for the period from 1st July 2019 to 30th September 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30th September 2018 and the corresponding period from 1st July 2018 to 30th September 2018, as reported in these financial results have been approved by the Parent's Board of Directors.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

- a) K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED
- b) THE EIMCO-KCP LTD
- c) KCP Sugars Agricultural Research Farms Limited

5. *In respect of the K.C.P. Sugar And Industries Corporation Limited Sugar units, the incidental Co-generation units attached to the Sugar units and Research and Development unit, part of the expenses incurred towards staff costs and manufacturing expenses (included in other expenses) and depreciation have been recognized as such during the quarter ending 30th September, 2019 only to the extent they are relatable to the production of sugar manufactured and electric energy generated during the said quarter. In the opinion of the Company's Management, the remaining expenses are relatable to the sugar to be produced and electric energy to be generated in the coming season, which commences and predominantly extends through the last two quarters of the year. The expenses so deferred are as follows.*

	<u>Rupees in Lakhs.</u>
i) Other Expenditure	1806.01
ii) Depreciation	243.28

6. *It has been explained to us by the Company's Management that, the Sugar Industry and the incidental co-generation activity being a seasonal in nature and since the sugar season does not match with the Company's financial year, recognition of expenses strictly in the period in which they have been incurred would result in substantial distortion of the financial results in different quarters of the financial year. It is therefore, the consistent practice followed by the company, to identify such expenses incurred during the off-season that are relatable to the coming season, and to defer them and recognize them only in the season period.*

