

THE KCP LIMITED

Registered Office: 'RAMAKRISHNA BUILDINGS'
No 2, Dr. P.V. Cherian Crescent, Chennai - 600 008
CIN : L65991TN1941PLC001128

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/9 MONTHS PERIOD ENDED 31ST DECEMBER 2017

(Rupees in lakhs)

Sl No	PARTICULARS	3 MONTHS ENDED			9 MONTHS ENDED		YEAR ENDED
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited*	Audited*
1	REVENUE FROM OPERATIONS	26,290	24,978	23,551	78,603	68,169	94,899
2	OTHER INCOME	421	3,914	68	4,558	363	577
3	TOTAL INCOME	26,710	28,892	23,619	83,162	68,531	95,477
4	EXPENSES						
	(a) COST OF RAW MATERIAL CONSUMED	4,484	3,591	4,068	12,357	13,468	17,825
	(b) PURCHASES OF STOCK IN TRADE						
	(c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	(827)	2,037	(137)	560	(592)	100
	(d) EMPLOYEES BENEFIT EXPENSE	2,142	2,945	1,762	7,202	5,433	7,848
	(e) POWER & FUEL	7,695	5,456	4,569	19,291	12,598	18,468
	(f) FREIGHT AND FORWARDING EXPENSE	5,291	4,716	2,617	13,168	7,615	10,507
	(g) FINANCE COST	836	913	1,193	2,791	3,609	4,679
	(g) DEPRECIATION AND AMORTISATION EXPENSE	1,094	1,168	1,173	3,464	3,459	4,787
	(h) EXCISE DUTY / GST	(0)	0	3,347	3,658	9,377	13,099
	(i) OTHER EXPENDITURE	4,025	2,872	3,107	10,340	9,699	12,752
	TOTAL EXPENSES	24,739	23,698	21,698	72,831	64,667	90,066
5	PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)	1,971	5,193	1,922	10,330	3,865	5,411
6	EXCEPTIONAL ITEMS						
7	PROFIT/(LOSS) BEFORE TAX (5-6)	1,971	5,193	1,922	10,330	3,865	5,411
8	TAX EXPENSE						
	(a) CURRENT TAX	339	1,684	732	2,872	732	377
	(b) DEFERRED TAX	192	(192)	124	1	665	1,494
9	PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (7-8)	1,440	3,701	1,065	7,457	2,467	3,540
10	PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS						(36)
11	TAX EXPENSE OF DISCONTINUED OPERATIONS						(8)
12	PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (10-11)						(28)
13	PROFIT/(LOSS) FOR THE PERIOD (9+12)	1,440	3,701	1,065	7,457	2,467	3,512
14	OTHER COMPREHENSIVE INCOME	78	(102)	(78)	(105)	(233)	(309)
15	TOTAL COMPREHENSIVE INCOME (13+14)	1,518	3,599	987	7,352	2,234	3,203
16	EARNINGS PER SHARE (EPS) (FOR CONTINUING OPERATIONS) (Basic and Diluted EPS) - Rs.	1.12	2.87	0.83	5.78	1.91	2.75
17	EARNINGS PER SHARE (EPS) (FOR DISCONTINUED OPERATIONS) (Basic and Diluted EPS) - Rs.	-	-	-	-	-	-0.02
18	EARNINGS PER SHARE (EPS) (FOR DISCONTINUED & CONTINUING OPERATIONS) (Basic and Diluted EPS) - Rs.	1.12	2.87	0.83	5.78	1.91	2.72



Notes :

- (a) The above results for the quarter/Nine months period ended 31st December 2017, were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on 14th February 2018 and Statutory Auditors have carried out limited review.
- (b) Consequent to the introduction of GST with effect from 1-7-2017, the excise duty is subsumed under GST. In accordance with Ind AS 18, Revenue from Operations for the quarter ended 30-9-2017 and 31-12-2017 are presented net of GST whereas the Excise duty for the quarter/nine months ended 31-12-2016 and year ended 31-3-2017 were included in the Revenue from Operations, and thus it is not comparable.
- (c) Employee Benefit Expense for the nine months period ended 31.12.2017 includes an additional amount of Rs.434 lacs towards Leave Encashment Benefit arising out of change in Salary meaning for the purpose of calculating Leave Benefits Liability.
- (d) Other Income for the quarter ended 30.09.2017 includes an amount of Rs. 3869 lacs of Dividend received from the overseas subsidiary.
- (e) The Supreme court, vide its order dated 13-10-2017, has ruled that the contribution to District Mineral Fund(DMF) for limestone under the Mines(Development and Regulation) Amendment Act,2015 shall be applicable from 17-9-2015 instead of 12-1-2015. Accordingly, the Company has reversed the provision amounting to Rs. 2.93 Crores in the financial results during the quarter under report.
- (f) The Financial Results of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards), Amendment Rules 2016. The Company adopted INDAS from 1st April' 2017 and accordingly the financial results (including for all the period presented in accordance with IND AS 101 - First time adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principle laid down in the IND AS- 34-interim Financial Reporting prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued there under and other accounting principle generally accepted in India.
- (g) The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15-2015, dated 30th November 2015, has been modified to comply with requirements of SEBI's circular dated 5th July, 2016, the company has opted to present IND AS compliant financial figures for the corresponding period ended December 31st, 2016 and year ended 31st, March 2017 without subjecting to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- (h) Expenses are recognised in statement of profit and loss using a classification based on the nature of expense method as per para-99 of IND AS-1, Presentation of financial statements.
- (i) * The results for the year ended 31st March 2017 and Nine months period ended 31st December 2016 have been restated to comply with IND AS and to make them comparable.
- (j) Figures for the previous period have been regrouped/reclassified wherever necessary to conform to the current periods presentation to comply with IND AS.
- (k) Consequent to transition to IND AS, in accordance with para 32 of IND AS 101 - First time adoption of IND AS, reconciliation between net profit under 'Previous Indian GAAP' and Total comprehensive Income as per IND AS for the quarter/nine months period ended 31st December 2016 is as follows:

(Rs. Lakhs)

	Quarter Ended 31-12-2016	Nine Months Ended 31-12-2016
Profit after tax as reported in previous quarter as per Indian GAAP	1,018.33	2,073.08
(i) Re-measurement of defined benefit obligations recognised in other comprehensive income under IND AS	77.77	233.32
(ii) Impact of fair value of provisions	(20.77)	(62.30)
(iii) Capitalisation of stripping costs incurred to remove overburden	65.31	85.10
(iv) Effect of depreciation	94.35	283.23
(v) Grant of Government Incentives	0.33	0.33
(vi) Deferred tax on above adjustments	(170.16)	(145.45)
(vii) Reclassification in accordance with the nature of expenses		
Cost of material consumed	(1226.66)	(3184.29)
Employee benefits	75.98	252.11
Other expenses	146.97	448.15
Power and fuel	1003.71	2484.03
	0.00	0.00
Net profit under IND AS	1065.16	2467.31
Actuarial (gain)/loss on defined benefit funds	(77.77)	(233.32)
(viii) Effect of measuring investment at fair value through other comprehensive income	(0.54)	0.29
Total Comprehensive Income as per IND AS	986.85	2234.28



Notes Relating to Reconciliation :

- (i) The company recognises costs relating to its post employment defined benefit plan on actuarial basis both under IGAAP and IND AS. Under IGAAP, the entire cost, including actuarial gains and losses are recognised in Profit and loss. Under IND AS, remeasurement gains and losses are recognised in retained earnings through Other comprehensive income.
- (ii) Under IND AS-109-Financial Instruments, financial liabilities are discounted if the time value is material and the effect of difference in value is given in the profit and loss account.
- (iii) Under IND AS 16, the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, Hence, the estimated cost of rehabilitation of mines were identified and discounted to the date of the acquisition of mine and capitalised. Depreciation on the same is provided in proportion to the units extracted to the total reserves. Correspondingly, provision created to reflect the current estimate i.e., by discounting till the date of financial statements and difference in discount amount is charged to profit and loss account.
- (iv) Under Ind AS-16, as per Appendix B, "Stripping Cost" in respect of new mines were capitalised and amortised using the units of production method.
- (v) Under IGAAP, spares were recognised as part of inventory and charged to Profit and loss as and when consumed. Under IND AS, items of spares which meet the definition of Property, Plant and Equipment (PPE), are capitalised and depreciation is charged on those spares from the date they are available to use (i.e., the date of purchase) and the WDV of the same is capitalised in IND AS on transition date and depreciated further, resulting in the decrease of depreciation charged to profit and loss.
- (vi) Under Indian GAAP deferred taxes are recognised using Income statement approach i.e., reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under IND AS, deferred taxes are recognised using balance sheet approach i.e., reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the Income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognised on account of the above mentioned changes.
- (vii) Cost of limestone and coal consumed have been reclassified to primary heads of expenses in statement of profit and loss using a classification based on the nature of expense method as per para-99 of IND AS-1, Presentation of financial statements.
- (viii) Under IGAAP, long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. Under IND AS, Long term Equity investments are re-measured at fair value through other comprehensive income.
As per para no. 44 of IND AS 12, Income Taxes, It is expected there will not be adequate taxable profits for utilizing the temporary differences arising due to fair valuation of investments classified through other comprehensive income and hence no deferred tax asset is being created on such investments.
- (ix) The figures for quarter ended 31st December 2016 have been restated to comply with IND AS to make them comparable with the current period. Further, they have been regrouped/reclassified, wherever necessary, to conform with the current period presentation.

(i) Figures have been regrouped wherever necessary.

Place : Chennai - 600 008
Date : 14th February, 2018

(BY ORDER OF THE BOARD)


V.L. INDIRA DUTT
MANAGING DIRECTOR



THE KCP LIMITED

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs in Lakhs)

Sl No	PARTICULARS	3 MONTHS ENDED			9 MONTHS ENDED		YEAR ENDED
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
1	Segment Revenue (Net Sale / Income from each segment)						
a	Engineering	2,486	2,539	1,373	6,663	5,105	8,136
b	Cement	23,473	21,909	21,695	70,590	61,690	84,828
c	Power	2,504	1,883	1,685	6,321	5,013	7,199
d	Hotel	431	344	378	1,107	752	1,135
e	Others / Unallocated	131	3,927	50	4,262	492	546
	Total	29,026	30,603	25,180	88,942	73,052	1,01,844
	Less: Inter segmental Revenue	2,315	1,711	1,561	5,781	4,521	6,367
	Net Sales / Income from Operations	26,710	28,892	23,619	83,162	68,531	95,477
2	Segment Results						
	(Profit (+) / Loss (-) before tax and Interest from each segment						
a	Engineering	(277)	(452)	(497)	(1,190)	(1,369)	(1,396)
b	Cement	3,084	2,685	3,765	10,643	9,150	14,118
c	Power	594	69	79	881	614	982
d	Hotel	(176)	(230)	(203)	(659)	(863)	(1,115)
e	Others	7	(1)	(11)	6	(117)	(130)
f	Other unallocable expenditure(-) net of unallocable Income (+)	(425)	4,035	(18)	3,441	59	(2,366)
	Total	2,807	6,106	3,114	13,122	7,473	10,093
	Less: Interest	836	913	1,193	2,791	3,609	4,682
	Total Profit Before Tax	1,971	5,193	1,922	10,330	3,865	5,411
3	Segment Assets						
a	Engineering	10,074	11,799	11,684	10,074	11,684	12,048
b	Cement (*)	71,481	63,434	51,319	71,481	51,319	58,204
c	Power	15,996	14,968	16,908	15,996	16,908	15,560
d	Hotel	10,609	10,713	11,544	10,609	11,544	11,094
e	Unallocated	7,543	7,744	8,500	7,543	8,500	9,039
	Total	1,15,703	1,08,658	99,954	1,15,703	99,954	1,05,947
4	Segment Liabilities						
a	Engineering	4,893	4,849	5,806	4,893	5,806	5,858
b	Cement	36,972	30,908	25,589	36,972	25,589	30,389
c	Power	5,373	5,225	6,302	5,373	6,302	6,078
d	Hotel	4,040	4,164	5,062	4,040	5,062	4,666
e	Unallocated	18,441	19,100	17,029	18,441	17,029	12,822
	Total	69,720	64,245	59,789	69,720	59,789	59,812

* NOTE :- Includes Rs. 20245 Lakhs being the Capital Work-in-Progress in respect of Muktyala (Krishna Dist , A P) Cement Plant Expansion Project

