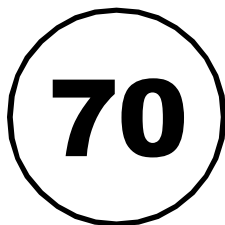


KRISHNA INDUSTRIAL CORPORATION LIMITED



ANNUAL REPORT 2017 - 2018



KRISHNA INDUSTRIAL CORPORATION LIMITED

BOARD OF DIRECTORS

WHOLETIME DIRECTORS

Dr.S.R.K.Prasad, D.Sc., (USA)(DIN.01276634) - Managing Director

NON-EXECUTIVE PROMOTOR DIRECTORS:

Smt. Rajeswary Ramakrishnan, B.A.,(DIN.01385665) - Chairman -cum- Director

NON-EXECUTIVE INDEPENDENT DIRECTORS:

Sri.N.Prasad (DIN.01276626) - Independent Director

Finance Manager

: Sri. M. Swaminathan

Auditors

: M/s.Brahmayya & Co.

Chartered Accountants

33-25-33/B, Govindarajulu Naidu Street

Suryaraopeta

Vijayawada - 520 003

Krishna Dist. A.P.

Cost Auditor

: M/s.Aruna Prasad

Cost Accountant

Plot No.802/2, 64th Street

10th Sector, K.K.Nagar

Chennai - 600 078

Bankers

: Andhra Bank

Registered & Corporate Office

: "Ramakrishna Buildings"

No.239, Anna Salai, Chennai - 600 006

Phone: 044-28524849

Email-ID: kiclimitedho@gmail.com

Registrars & Share Transfer Agent & Depository

: M/s.Cameo Corporate Services Limited

Registrars

'Subramanain Building'

No.1, Club House Road

Chennai - 600 002.

Phone: 044-28460390

KRISHNA INDUSTRIAL CORPORATION LIMITED

Registered. Office : "Ramakrishna Buildings", 239, Anna Salai, Chennai-600 006.

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Seventyth Annual General Meeting of the Members of the Company will be held at No. 48, Dr B.N. Road, 2nd Floor, Mahabubani Towers, T.Nagar, Chennai - 600 017 on Friday, 28th September, 2018 at 12.30 P.M to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 the profit and Loss Account for the accounting period ended on that date, and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Rajeswary Ramakrishnan, who retires by rotation, and being eligible, offers herself for reappointment.
3. To appoint Auditors (M/S. Brahmayya & Co., Chartered Accountants, Firm Registration No. 000513S) to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting 2018-19, on such remuneration as shall be fixed by the Board of Directors.

Place : Chennai

Date : 21-06-2018

for **KRISHNA INDUSTRIAL CORPORATION LIMITED.**

(Sd.) Dr. S.R.K. PRASAD

Managing Director

KRISHNA INDUSTRIAL CORPORATION LIMITED

IMPORTANT NOTES:

1. The Register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 21st September, 2018 to 28th September, 2018 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
4. **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 Participant to the Company.**
5. **Members who hold shares in the physical form** can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the **nomination facility** by filling **Form 2B** which can be obtained from the company. Members holding shares in dematerialized form may please contact their Depository Participants for recording nomination in respect of their shares.
6. Under Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection fund (IEPF), constituted by the Central Government.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company - Any member who has not claimed dividend in respect of the said financial year 2010-2011 and 2011-2012 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 15-10-2018 and 16-09-2019.

KRISHNA INDUSTRIAL CORPORATION LIMITED

8. The Unclaimed Dividend for the year(s) 2010-2011 and 2011-2012 are held in separate Bank Accounts and Shareholders who have not received the dividend / encashed the said warrants, are in their own interest advised to write to the Company / Registrar and share transfer agent of the company immediately with complete details for encashment of those dividends.
9. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company / Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, 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 holder and the Folio Number.
 - ii. Particulars of Bank Account, viz. Name of the Bank, Name of the Branch, Complete address of the Bank with PIN code, Account type and the Bank Account Number.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, Chennai.
11. Electronic copy of the Annual Report for the year 2017-2018 is being sent to all the members whose email IDs are registered with the company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2017-2018 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 70th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 70th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 70th Annual General Meeting and the Annual Report for the year 2017-2018 will also be available on the Company's website www.kic.ind.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Chennai during normal business hours on working days. Even after registering

for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also sent requests to the Company's investor email id: shareskielimited@gmail.com

13. Members / proxy holders must bring the **Attendance Slip duly filled and signed**, the meeting and hand it over at the entrance. Xerox copy / torn attendance slips will not be accepted at the entrance of the Meeting Hall. 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 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 at the AGM.
14. **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 Ten days **before the Meeting** so that the information may be made available at the meeting.
15. 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.
16. M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 are the Registrar and Share Transfer Agent 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.

Profile of the retiring and rotation directors.

Smt. Rajeswary Ramakrishnan

Smt. Rajeswary Ramakrishnan is an accomplished and capable industrialist of the South and has many achievements to her credit. She has successfully run, with a very high degree of competence, industries and has shown that women are no less than men in managing industry and commerce. She is a glorious example of women power at its best.

Antecedents : Mrs. Rajeswary Ramakrishnan was born in an illustrious family of the South Her father, the late V. Ramakrishna, was one of the first and foremost entrants into the ICS from the Andhra region which was part of Madras Presidency in the British days. After having served with distinction in many top government positions in the South during which he was awarded the C.I.E. he knew with his sharp vision that the future of India lay in rapid industrialisation. He resigned from the Civil Service when he still had more than ten years of service left for retirement, and founded many industries Sugar, Cement, industrial units. In those days of sharp distinction between the sexes, he

KRISHNA INDUSTRIAL CORPORATION LIMITED

brought up Rajeswary like a son and gave her a sound education. She graduated at 17 in 1945 from Queen Mary's College in Madras and was one of the very few women graduates of those days.

Achievements : Mrs.Rajeswary Ramakrishnan first came into industry as the Governing Director of V.R.Textiles (P) Ltd, near Coimbatore. Her father made her Director of V.Ramakrishna Sons, Managing Agents for the K C P Ltd and Managing Director of R S Industrial Corporation, Managing Agents for Jeypore Sugars and Krishna Industrial Corporation Ltd. When the Managing Agency system was abolished in 1960, she became Managing Director of Jeypore Sugars and **K I C Ltd**. Following Government of India's regulation that one person cannot be Managing Director of more than two companies, she had to resign as Governing Director of V.R.Textiles which she was ably running.

Under the rigorous training of her father and expert guidance from her husband P.R.Ramakrishnan (who is also a noted industrialist from Coimbatore, who did his Master of Engineering from the Prestigious and world-renowned M.I.T. of Boston, U.S.A., been a Member of Parliament for 10 -years, Dy.Managing Director of South India Viscose Ltd and Managing Director of Madras Aluminium Co Ltd) she blossomed into a top class industrialist. Jeypore Sugars has taken big strides under her stewardship and today she is in sugar, alcohol, ferroalloys, carbon-di-oxide and starch. She is also closely associated with The KCP Ltd, Madras Aluminium Co Ltd, Eimco-KCP Ltd, Krishna Industrial Corporation Ltd, Radhakrishna Mills, Ramakrishna Industrials (P) Ltd, V R Textiles Ltd and Coimbatore Institute of Technology and Sandwich Polytechnic.

Service to Society : She has donated about fifty lakhs including land in her father's name in his birth place, Guntur for a co-educational College and is actively participating in its functioning. She is the President of Sri.V.Ramakrishna Memorial College, Nagaram, which has become a model rural institution in the country today. She has put up the V.Ramakrishna Junior College in Chagallu. She has also donated liberally for the Engineering wing in the C R Reddy College, Eluru. She is the Chief local donor for the Men's College, Women's College and EyeHospital at Nidadavole which caters to hundreds of villages in West Godavari. This hospital is named 'Rajeswary Ramakrishnan Lions' EyeHospital'.

Other accomplishments: She has been very active in Rotary in Coimbatore for several years in the 50's and 60's. In 1957 she led a group of 27 rotaryannes to Srilanka on a highly successful goodwill mission. She was also very active in Guild of Services, Red Cross and other social service organizations but she gradually gave up these other activities to devote full time to her growing industries. She is still closely associated with them.

Connections : Although she is a highly accomplished individual in her own right, she is closely related to other high-calibre achievers. Apart from the father who was a great civil servant-cum-visionary-industrialist she is married to a brilliant engineer-cum-industrialist-cum-educationist-cum-

Parliamentarian. She is the proud mother of three highly intelligent and talented sons. Her first son R.Prabhu is also an alumnus of the world famous Massachusetts Institute of Technology, Boston, U.S.A., four times M.P. and Minister of State for Fertilisers in the Rajiv Gandhi Cabinet. Her other son S.R.K.Prasad heads his own software firm and has been President of the "Operations Research Society of India", a highly reputed professional body. He was recently awarded Doctor of Science by the City University of Los Angeles, California, U.S.A., for his brilliant work in the field of OR and Optimisation techniques. He recently got the Indira Priyadarshni Award and the 'VijayRatna Award at Delhi. Her brother Dr.V.L.Dutt, besides being a top industrialist, has been president of the Federation of Indian Chambers of Commerce and Industry. Her other brother Sri.V.M.Rao is a highly qualified technocrat and is the CMD of the sugar factories at Vuyyuru and Lakshmipuram. To shine in such distinguished company has been her singular achievement.

She is the recipient of the Pride of Asia International Award and Gold Medal for being a leading lady industrialist in a world dominated by men at Singapore on 11-01-1992.

She was bestowed the "Shakkara Prapurna" Award during 1988-89 season by the AndhraAgriculturalUniversity, Anakapalle.

She received the Award from FICCI in 1995-1996 for "Outstanding Woman Entrepreneur".

Place : Chennai
Date : 21-06-2018

\\ By Order of the Board //
for **KRISHNA INDUSTRIAL CORPORATION LIMITED.**
(Sd.) Dr. S.R.K. PRASAD
Managing Director

KRISHNA INDUSTRIAL CORPORATION LIMITED

KRISHNA INDUSTRIAL CORPORATION LIMITED

Report of the Directors to the Shareholders for the year ended 31st March, 2018.

1. Your Directors have pleasure in submitting herewith their report together with the statement of accounts for the year ended 31st March, 2018.

2. Profit Appropriations :

Loss Before Depreciation and Interest		2,00,29,115
Add : Interest	4,54,22,531	
Depreciation	49,57,858	
	—————	5,03,80,389
Loss Before Tax		7,04,09,504
Add : Exceptional Items		69,83,676
		—————
		7,73,93,180
Add/Less : Deferred Tax (credit)		(2,12,11,611)
		—————
Loss After Tax		5,61,81,569
Less : Comprehensive Income for the year		4,54,672
		—————
		5,57,26,897
Add : Balance of Loss brought forward from last year		12,23,20,794
Balance of Loss before appropriations		Nil
		—————
Loss taken to Balance Sheet		17,80,47,691
		—————

3. Capital and Reserves :

The Reserves and Surplus stood at Rs.-16,47,07,122/- as against Rs.-10,89,80,225/- at the end of last year.

4. WORKING RESULTS

a) FERTILISER DIVISION :

During the year, the production of Super phosphate was 678 MT as against 8019 MT respectively during the previous year and sale of Super Phosphate was 1353 MT as against 7301 MT respectively during the previous year.

b) NPK GRANULATION UNIT :

The production of NPK Granulation Mixtures at this unit during the year was 137 MT as against 952 MT during last year and sales were 172 MT as against 1131 MT during the previous year.

c) BIO-FERTILISER UNIT :

The production of Bio-Fertiliser at this unit during the year was 37 MT as against 46 MT during the previous year and sales were 37 MT as against 45 MT during the previous year.

The production of CMS at this unit during the year was 540 MT as against 1809 MT during the previous year and sales were 578 MT as against 1831 MT during the previous year.

d) CO2 DIVISION - JANGAREDDIGUDEM:

The production of Co2 Gas at this unit during the year was 1006 MT as against 1006 MT during the last year and sales were 1006 MT as against 1012 MT during the previous year.

5. Safety and pollution Control :

a) Nidadavole Units

The company has adhered to the pollution limits prescribed by the Andhra Pradesh Pollution Control Board.

b) CO2 Units

We have already implemented all safety measures as per factory rules in our factories at Jangareddigudem.

6. Conservation of Energy :

A statement giving details of conservation of energy and technology absorption in accordance with company's (disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed. The details regarding total energy consumption per unit is given in the FORM "A" of the Annexure.

Research and Development:

No specific Research and Development activity was carried out during the year.

Foreign Exchange Earnings and outgo:

The company has earned foreign currency from export of IT products Rs.Nil and incurred traveling expenses in foreign currency Rs.Nil.

7. Directors :

The following Director retire at the conclusion of the Annual General Meeting and, being eligible, offer themselves for re-election.

Smt. RAJESWARY RAMAKRISHNAN

KRISHNA INDUSTRIAL CORPORATION LIMITED

8. Management Staff :

There were no employees during the year under report who were in receipt of such remuneration, the particulars of which are required to be disclosed in this report in accordance with section 217 (2A), and the rules made thereunder.

9. Staff Relations :

The relationship with the staff and workers continued to be cordial during the year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels.

10. Directors' Responsibility Statement :

Pursuant to the requirement u/s 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2018 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 were 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 and of the profit or loss of the company for the year under review;
- iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors have prepared the accounts for the financial year ended 31st March, 2018 on a 'going concern' basis.

11. Auditors:

- a) The Auditors of the company M/s.Brahmayya & Co., Chartered Accountants, Vijayawada retire at this meeting and are eligible for reappointment.
- b) Smt. Aruna Prasad, Cost Accountants, Chennai has been appointed as Cost Auditor for Super Phosphate, NPK Granules and Bio-fertilisers of the company for the year 2018-2019.

12. The Board wishes to place on record its appreciation for the co-operation and assistance extended to the company by the company's bankers and Andhra Pradesh State Financial Corporation. The Board also places on record its appreciation for the services of the staff of the company.

Place : Chennai
Date : 21-06-2018

By Order of the Board
for **KRISHNA INDUSTRIAL CORPORATION LIMITED.**
(Sd.) Dr. S.R.K. PRASAD
Managing Director

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]

1. Registration and other details

(i)	CIN	U45309TN1956PLC001112
(ii)	Registration Date	01-04-1956
(iii)	Name of the Company	KRISHNA INDUSTRIAL CORPORATION LIMITED
(iv)	Category / Sub-Category of the Company	
(v)	Address and Registered Office and Contact Details	"Ramakrishna Buildings" No.239, Anna Salai Chennai - 600 006 Phone: 044-43567599
(vi)	Whether Listed Company	No.
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Cameo Corporate Services Limited "Subramanian Building" No.1, Club House Road Chennai - 600 002, Phone: 044-2846 0390

II. Principle Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

S.No.	Name and Description of main products / services	Code of the Product / Service	% of total turnover of the Company
1	FERTILISERS	24122	83.83
2	Co2 GAS		9.76
3	SOFTWARE		6.41

III. Particulars of Holding, Subsidiary And Associate Companies

S.No.	Name and Address of the Company	CIN	Holding / Subsidiary / associate	% of shares held	Applicable Section
Nil	Nil	Nil	Nil	Nil	Nil

KRISHNA INDUSTRIAL CORPORATION LIMITED

IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No of shares at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
1)	Indian									
a)	Individual	728946	663800	1392746	69.13	728946	663800	1392776	69.13	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	129016	-	129016	6.40	129016	-	129016	6.40	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	857962	663800	1521762	75.54	857962	663800	1521762	75.54	-
2)	Foreign									
a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A(1)+ (A)(2)	857962	663800	1521762	75.54	857962	663800	1521762	75.54	-
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	-	110	110	0.005	-	110	110	0.005	-
b)	Banks / FI	60	-	60	0.003	60	-	60	0.003	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

i)	Any other - Foreign portfolio Investors	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	60	110	170	0.008	60	110	170	0.008	-
2)	Non-Institutions									
a)	Body Corp.									
i)	Indian	52501	-	52501	2.60	52501	-	52501	2.60	-
b)	Individuals									
i)	Individual shareholders holding nominal shares capital upto Rs.1 lakh	27612	73948	101560	5.04	27612	73948	101560	5.04	-
ii)	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	-	336200	336200	16.69	-	336200	336200	16.69	
c)	Others (Specify)									-
a)	Clearing member	-	-	-	-	-	-	-	-	-
b)	Hindu undivided families	2348	-	2348	0.12	2348	-	2348	0.12	-
	Total (B)(2)	82461	410148	492609	24.45	82461	410148	492609	24.45	-
	Total Public Shareholding (B)=(B)(1)+ (B)+(2)	82521	410258	492779	24.46	82521	410258	492779	24.46	-
	Total (A) + (B)	940483	1074058	2014541	100.00	940483	1074058	2014541	100.00	-
C.	Shares held by Custodian for GDRs and ADRs									
	Promoters and Promoters Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	Total Custodian (C)	0	0	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	940483	1074058	2014541	100.00	940483	1074058	2014541	100.00	-

KRISHNA INDUSTRIAL CORPORATION LIMITED

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No.of shares	% of total of the company	% of shares pledged / encumbered to total shares	No.of shares	% of total of the company	% of shares pledged / encumbered to total shares	
1 to 3	Smt. Rajeswary Ramakrishnan	151200	7.51	-	151200	7.51	-	-
4.	Sri. R. Prabhu	52200	2.59	-	52200	2.59	-	-
5 to 6	Smt. Anita Prabhu	86800	4.31	-	86800	4.31	-	-
7.	Sri. Vikram Ramakrishna	34754	1.73	-	34754	1.73	-	-
8 to 9	Dr.S.R.K.Prasad	293455	14.57	-	293455	14.57	-	-
10 to 11	Smt.Nalini	208435	10.35	-	208435	10.35	-	-
12 to 13	Sri.RajivRangaswamy	409144	20.31	-	409144	20.31	-	-
14.	Miss.S.Nanditha	150000	7.45	-	150000	7.45	-	-
15.	Dr.V.L.Dutt	6758	0.34	-	6758	0.34	-	-
16.	M/s. The Jeypore Sugar Co.Ltd.,	25498	1.27	-	25498	1.27	-	-
17.	M/s.R.S.Industrial Corporation P.Ltd.,	39789	1.98	-	39789	1.98	-	-
18.	M/s. Ramakrishna Machinery Corporation Private Limited	3729	0.19	-	3729	0.19	-	-
19.	M/s.V.R.K.Grandsons Investment P. Ltd.,	60000	2.98	-	60000	2.98	-	-
	Total	1521762	75.5388	-	1521762	75.5388	-	-

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S.No.	Shareholder's Name	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
1	At the beginning of the year	1521762	75.5388	1521762	75.5388
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc.)	No Change during the year			
3	At the end of the year	1521762	75.5388	1521762	75.5388%

iv. Top ten Equity Shareholders of the Company (Other than Directors and Promoters and Holders of GDRs and ADRs) as on 31ST March, 2018.

S.No.	Name of the Shareholder	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
1	K C P SUGAR AND INDUSTRIES CORPORATION LIMITED	52501	2.6061	52501	2.6061
2	M. SWAMINATHAN	50000	2.4820	50000	2.4820
3	DR. R . PRABHAKAR	23100	1.1467	23100	1.1467
4	LEELAVATHY PRABHAKAR	23100	1.1467	23100	1.1467
5	PRASADA RAO S.V.D.	20000	0.9927	20000	0.9927
6	S.SAI PRASANNA	20000	0.9927	20000	0.9927
7	VENKATARAMANA	20000	0.9927	20000	0.9927
8	UMA SWAMINATHAN	20000	0.9927	20000	0.9927
9	V.R.VENKATESAN	20000	0.9927	20000	0.9927
10	A.PITCHIAH	20000	0.9927	20000	0.9927
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for Increase / decrease (e.g. allotment / transfer / bonus /sweat equity etc.):	NO CHANGE			
	At the end of the year (or on the date of separation, if separated during the year)				

KRISHNA INDUSTRIAL CORPORATION LIMITED

1	K C P SUGAR AND INDUSTRIES CORPORATION LIMITED	52501	2.6061	52501	2.6061
2	M. SWAMINATHAN	50000	2.4820	50000	2.4820
3	DR. R . PRABHAKAR	23100	1.1467	23100	1.1467
4	LEELAVATHY PRABHAKAR	23100	1.1467	23100	1.1467
5	PRASADA RAO S.V.D.	20000	0.9927	20000	0.9927
6	S.SAI PRASANNA	20000	0.9927	20000	0.9927
7	VENKATARAMANA	20000	0.9927	20000	0.9927
8	UMA SWAMINATHAN	20000	0.9927	20000	0.9927
9	V.R.VENKATESAN	20000	0.9927	20000	0.9927
10	A.PITCHIAH	20000	0.9927	20000	0.9927

v) Shareholding of Directors and Key Managerial Personnel :

S.No.	Name of the Directors and KMP	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
1	Smt.Rajeswary Ramakrishnan	151200	7.51	151200	7.51
2	Dr.S.R.K.Prasad	293455	14.57	293455	14.57
3	Sri.N.Prasad	500	0.02	500	0.02
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for Increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
1	Smt.Rajeswary Ramakrishnan	151200	7.51	151200	7.51
2	Dr.S.R.K.Prasad	293455	14.57	293455	14.57
3	Sri.N.Prasad	500	0.02	500	0.02

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principle	24,24,64,282	1,16,00,000		25,40,64,282
ii) Interest due but not paid				
iii) Interest accrued but not due	Nil			Nil
	Nil			Nil
Total (I + ii + iii)	24,24,64,282	1,16,00,000		25,40,64,282
Change in Indebtedness during the financial year				
● Addition	5,75,55,035			5,75,55,035
● Reduction	Nil			Nil
Net Change	5,75,55,035			5,75,55,035
Indebtedness at the end o f the Financial year				
i) Principal Amount	30,00,19,317	1,16,00,000		30,00,19,317
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	Nil	Nil		Nil

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (Rs.)
1	Gross Salary	Nil	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.		
	(b) Value of perquisites u/s. 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- As % of profit		
	- Others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

KRISHNA INDUSTRIAL CORPORATION LIMITED

B. Remuneration to other Directors

S.No.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
	3. Independent Directors		
	" Fee and attending Board committee meetings		
	" Commission	Nil	Nil
	" Others, please specify		
	Total (1)		
	4. Other Non-Executive Directors		
	" Fee and attending Board committee meetings.		Nil
	" Commission	Nil	
	" Others, please specify		
	Total (2)		Nil
	Total (B) = (1+2)		Nil
	Total Managerial Remuneration		

C. Remuneration to Key Managerial Personnel Other than MD / MANAGER / WTDrs

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	Company Secretary	CFO	Total
1.	Gross Salary	Nil			
	(a) Salaries per provisions contained in section 17(1) of the Income Tax Act, 1961.				
	(b) Value of perquisites u/s. 17(2) Income Tax Act, 1961				
	(c) Profits in lieu of Salary under section 17(3) Income Tax Act, 1961.				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- As % of Profit				
	- Others, specify				
5.	Others, please specify				
	Total				

VII. Penalties / punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					

KRISHNA INDUSTRIAL CORPORATION LIMITED**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 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 in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	-
	Nature of contracts/arrangements/transaction	-
	Duration of the contracts/arrangements/transaction	-
	Salient terms of the contracts or arrangements or transaction including the value, if any	-
	Justification for entering into such contracts or arrangements or transactions'-	
	Date of approval by the Board	-
	Amount paid as advances, if any	-
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. a) Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship Smt.Rajeswary Ramakrishnan	Chairman.M/o SRK Prasad, Managing Director
2	Nature of contracts/arrangements/transaction	Interest paid on Fixed Deposits
3	Duration of the contracts/arrangements/transaction	01-04-2017 to 31-3-2018
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.4,59,000
5	Date of approval by the Board	21-06-2018
6	Amount paid as advances, if any	-

b) Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship Dr. S.R.K.Prasad	Managing Director.
2	Nature of contracts/arrangements/transaction	Interest paid on Fixed Deposits
3	Duration of the contracts/arrangements/transaction	01-04-2017 to 31-3-2018
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.3,15,000.00
5	Date of approval by the Board	21-06-2018
6	Amount paid as advances, if any	-

KRISHNA INDUSTRIAL CORPORATION LIMITED

FORM "A"

(See Rule 2)

Form for disclosure of particulars with respect to consumption of Energy

Power&Fuel Consumption	FERTILISER - NIDADAVOLE		NPKGRANUALS - NIDADAVOLE		CO2 - JANGAREDDYGUDEM	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Electricity :						
a. Purchased Units (KWH)	110880	250304	27888	55392	44772	42768
Total Amount Rs.	2758114	2915948	1171272	1074436	611101	523890
Rate/Unit Rs.	24.87	11.65	42.00	19.40	13.65	12.25
b. Own Generation						
Diesel Oil Consumed (Litres)	-	-	-	-	-	-
No. of Units Generated (KWH)	-	-	-	-	-	-
Units/Litre	-	-	-	-	-	-
2 Furnace Oil Consumption/ Unit of production :						
a. Electricity KWH						
I) For Superphosphate (per MT)	-	-	-	-	-	-
II) For Superphosphate (per MT)	-	-	-	-	-	-
III) For Co2 Gas (per MT)	-	-	-	-	-	-
IV) For Acetic Acid (per MT)	-	-	-	-	-	-
V) For NPK Granuls (per MT)	-	-	-	-	-	-

INDEPENDENT AUDITORS' REPORT

To

The Members of
KRISHNA INDUSTRIAL CORPORATION LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **KRISHNA INDUSTRIAL CORPORATION LIMITED** ('the Company') which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Ind AS financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance(including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting standards(Ind AS) specified under section 133 of the Act.

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 of frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Ind AS 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 Rules made thereunder. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act.

We conducted our audit of the Ind AS 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 Ind AS

KRISHNA INDUSTRIAL CORPORATION LIMITED

financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 board of directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Emphasis of Matters

Without qualifying our opinion, attention is drawn to the following matters:

- a) The company has no information on the status of its suppliers as to Micro, Small and Medium enterprises and consequently liability towards interest on delay in payment, if any, has not been ascertained.
- b) Confirmation of borrowings from banks/company, current account balances with some of the banks, trade receivables, trade payables and advances to suppliers and advances from customers against sales is pending and subject to reconciliation which might require financial adjustments. The impact of the said adjustments on the loss for the year, if any, is unascertainable.
- c) Some of the balances in trade receivables and advances to suppliers accounts are outstanding for a long period and we are unable to comment on the extent of realisability of these debts and consequently the adequacy of the provisions for doubtful debts and advances made by the company. The impact of this on the loss for the year is unascertainable.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of above matters on Ind AS financial statements which are not quantifiable in the absence of information, the Ind AS 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, 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 the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the

Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the effects of matter described in the para Emphasis of Matters, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d) Except for the effects of matter described in the para 'Emphasis of Matters', in our opinion, the Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows comply with the accounting standards specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2018 and 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 sub-section (2) of section 164 of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B. 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 the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the basis 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 except those which are disclosed in the notes to the financial statements
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education Protection Fund by the company.

Place: Vijayawada
Date : 21-06-2018

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn.no.000513S

(Sd) (P. Lakshmana Rao)
Partner
ICAI Membership No.13254

KRISHNA INDUSTRIAL CORPORATION LIMITED

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of **KRISHNA INDUSTRIAL CORPORATION LIMITED ("the Company")** for the year ended March 31, 2018.

We report that:

1. In respect of its fixed assets:
 - a) The Company's register of fixed assets remains to be updated with the required particulars at the date of balance sheet.
 - b) According to the information and explanations furnished to us, the Company has not physically verified its fixed assets during the year.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/confirmation from lenders confirming the deposit of original title deeds, we report that title deeds comprising of all the immovable properties of land and buildings are held in the name of the company as at the balance sheet date.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has not physically verified its inventories during the year.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently reporting under clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable.
4. The company has not granted any loans, made investments or provided any guarantees and hence reporting under clause (iv) of the Order is not applicable.
5. The Company has not accepted any fresh deposits during the year. However, an amount of Rs. 81.63 lakhs being the amount received against supply of goods is outstanding for more than a year. The company has complied with the directives issued by the RBI and the provisions of section 73 to 76 or any other relevant provisions of Companies Act and the rules framed thereunder. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.

6. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the said records with a view to determine where they are accurate or complete.
7. a) According to the information furnished to us, the Company made substantial delays in depositing with appropriate authorities, the undisputed statutory dues of Provident Fund, ESI Income-tax (TDS), Sales tax, Excise duty and Professional tax and is regular in depositing Investor Education and Protection Fund.

According to the information and explanation given to us, the details of undisputed statutory dues payable as at the date of the Balance Sheet under report outstanding for a period of more than six months from the date they became payable are as under.

SL. NO	NAME OF THE STATUTE	NATURE OF DUES	TOTAL AMOUNT	PERIOD TO WHICH THE AMOUNT RELATES	DUE DATE
1	Employees' Provident Fund Act, 1952	Provident Fund	12,72,483	Jan-2017 TO Aug-2017	15th of next month
2	The Employees State Insurance Act, 1948	ESI	2,49,401	Apr-2017 TO Aug-2017	15th of next month
3	Income-tax Act, 1961	TDS	1,96,336	On various dates	7th of next month
4	Finance Act, 1994	Service tax	2,22,420	On various	6th of next
5	Professional tax	Professional tax	1,44,320	On various dates	Last date of the month

- b) According to the information furnished to us and records of the Company examined by us, at the date of Balance Sheet, there were no amounts of Income-tax, Sales tax, service tax, customs duty and Excise duty have been disputed by the Company and hence were not remitted to the authorities concerned.

KRISHNA INDUSTRIAL CORPORATION LIMITED

8. In our opinion and according to the information and explanations furnished to us and as per the books and records examined by us, the company made considerable delays in repayment of its dues to APSFC aggregating to Rs.277.42 lakhs during the year which varies for a period from 30-455 days and the said amount was outstanding as at the Balance sheet date. The company has not borrowed any amount by way of issue of debentures.
9. The Company has not raised any funds by way of initial public offer and no term loans were obtained by the company during the year under report.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanation given to us and based on examination of the records of the company, no remuneration has been paid/provided to managerial personnel during the year under report.
12. The company is not a nidhi company. Accordingly reporting under provisions of para 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on examination of records of the company, transactions with the related parties are in compliance with the provisions of section 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.
14. 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 of the company.
15. 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 them. Accordingly paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Vijayawada

Date : 21-06-2018

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn.no.000513S

(Sd.) P. Lakshmana Rao
Partner
ICAI Membership No.13254

Annexure-B

Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KRISHNA INDUSTRIAL CORPORATION LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

KRISHNA INDUSTRIAL CORPORATION LIMITED

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmaya&Co
Chartered Accountants
Firm Registration No. 000513S

(Sd.) P. Lakshmana Rao
Partner
(Membership No: 13254)

Place : Vijayawada
Date : 21-06-2018

KRISHNA INDUSTRIAL CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	NOTE NO.	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 31-03-2016 Rs.	
Assets					
1	Non-Current Assets				
(a)	Property, Plant and Equipment	4	57,511,776	62,063,347	67,818,596
(b)	Capital Work-in-progress		-	6,983,676	6,983,676
(c)	Intangible Assets	5	476,634	116,991	222,612
(d)	Financial Assets				
(i)	Investments	6	347,333	245,050	152,421
(ii)	Loans	7	4,198,944	4,183,944	4,336,692
(iii)	Other financial assets	8	-	-	-
(e)	Deferred Tax Asset (Net)	18	56,776,376	35,564,765	20,161,500
(f)	Other Non-current Assets	9	-	-	-
	Total Non-Current assets		<u>119,311,063</u>	<u>109,157,773</u>	<u>99,675,497</u>
2	Current Assets				
(a)	Inventories	10	32,393,121	18,925,153	30,341,606
(b)	Financial Assets				
(i)	Trade receivables	11	111,100,951	111,316,356	114,755,371
(ii)	Cash and cash equivalents	12	2,448,839	4,473,975	4,661,430
(iii)	Other bank balances	12	453,082	453,082	1,508,152
(iv)	Loans	7	269,108	614,446	542,332
(v)	Other financial assets	8	279,792	318,267	802,558
(c)	Other Current assets	9	36,242,420	47,705,071	56,951,706
(d)	Current tax Assets (Net)	22	68,791	44,196	228,742
	Total Current assets		<u>183,256,104</u>	<u>183,850,546</u>	<u>209,791,897</u>
	Total Assets		<u>302,567,167</u>	<u>293,008,319</u>	<u>309,467,394</u>
EQUITY AND LIABILITIES					
1	Equity				
(a)	Equity Share Capital	13	20,145,410	20,145,410	20,145,410
(b)	Other Equity	14	(164,707,122)	(108,980,225)	(68,350,194)
			<u>(144,561,712)</u>	<u>(88,834,815)</u>	<u>(48,204,784)</u>
	Liabilities				
2	Non-current liabilities				
(a)	Financial Liabilities				
(i)	Long-term borrowings	15	12,807,642	33,470,807	50,151,706
(ii)	Other financial liabilities	16	11,880,317	12,180,317	10,180,317
(b)	Provisions	17	14,262,215	12,935,751	10,799,757
(c)	Deferred Tax Liability	18	-	-	-
(d)	Other non-current liabilities	19	-	-	-
	Total non-current liabilities		<u>38,950,174</u>	<u>58,586,875</u>	<u>71,131,780</u>
3	Current liabilities				
(a)	Financial Liabilities				
(i)	Short-term borrowings	20	226,624,386	191,568,798	158,838,365
(ii)	Trade payables	21	36,188,915	29,017,487	33,467,197
(iii)	Other financial liabilities	16	130,114,708	83,651,195	66,533,125
(b)	Other current liabilities	19	15,250,696	18,670,223	27,364,076
(c)	Provisions	17	-	348,556	337,635
	Total current liabilities		<u>408,178,705</u>	<u>323,256,259</u>	<u>286,540,398</u>
	Total Liabilities		<u>447,128,879</u>	<u>381,843,134</u>	<u>357,672,178</u>
	Total Equity and Liabilities		<u>302,567,167</u>	<u>293,008,319</u>	<u>309,467,394</u>

Note: The accompanying notes 1-44 form an integral part of the Financial statements.

As per our report of even date
for BRAHMAYYA & CO
Firm Regn.no.000513S
Chartered Accountants
(Sd.) P. Lakshmana Rao
Partner
ICAI Membership No.13254
Place : Chennai
Date : 21-06-2018

For and on behalf of the Board
(Sd.) Dr. S.R.K. PRASAD
Managing Director

(Sd.) N. PRASAD
Director

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

PARTICULARS	NOTE NO.	Year ended 31-03-2018	Year ended 31-03-2017
I Revenue from Operations	23	45,522,079	119,187,753
II Other Income	24	2,952,248	2,884,460
III Total Income (I+II)		<u>48,474,327</u>	<u>122,072,213</u>
IV Expenses			
Cost of Material Consumed	25	11,948,387	55,452,203
(Increase)/Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	26	6,275,274	(3,926,533)
Excise Duty		412,073	1,928,656
Employee benefits expense	27	33,276,727	37,731,782
Finance costs	28	45,422,531	43,701,294
Depreciation and Amortization expense	29	4,957,858	5,901,578
Other expenses	30	16,590,981	36,549,350
Total Expenses (IV)		<u>118,883,831</u>	<u>177,338,330</u>
V Loss before extra ordinary items and tax (III-IV)		(70,409,504)	(55,266,117)
VI Extra-Ordinary Items			
- Capital Work-in-progress writtenoff		6,983,676	-
VII Loss before tax (V-VI)		<u>(77,393,180)</u>	<u>(55,266,117)</u>
VIII Tax expense:	22		
Current tax		-	-
Deferred tax charge/(credit)		(21,211,611)	(15,403,265)
IX Loss after tax for the Period (VII-VIII)		<u>(56,181,569)</u>	<u>(39,862,852)</u>
X Other Comprehensive Income			
A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
a) Changes in fair value of investments		102,284	92,628
b) Remeasurement of defined employee benefit plans		352,388	(859,807)
Total Other comprehensive income		<u>454,672</u>	<u>(767,179)</u>
XI Total Comprehensive Income for the year (IX+X)		<u>(55,726,897)</u>	<u>(40,630,031)</u>
XII Earnings per Equity Share of Rs. 10/- each			
Basic and Diluted before Extra-Ordinary Items		(24.42)	(19.79)
Basic and Diluted after Extra-Ordinary Items		(27.89)	(19.79)

Note: The accompanying notes 1-44 form an integral part of the Financial statements.

As per our report of even date
for BRAHMAYYA & CO
Firm Regn.no.000513S
Chartered Accountants
(Sd.) P. Lakshmana Rao
Partner
ICAI Membership No.13254
Place : Chennai
Date : 21-06-2018

For and on behalf of the Board

(Sd.) Dr. S.R.K. PRASAD
Managing Director

(Sd.) N. PRASAD
Directors

KRISHNA INDUSTRIAL CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	2017-18 Rs.	2016-17 Rs.
1. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(77,393,180)	(55,266,117)
<u>Add/Less: Adjustments for :</u>		
Depreciation	4,957,858	5,901,578
Interest and Finance charges	45,422,531	43,701,294
Dividend received	(13,020)	(13,020)
Interest income	(249,234)	(418,523)
Profit on sale of assets	(200,500)	(5,492)
Capital Work-in-progress writtenoff	6,983,676	-
" Remeasurement benefits on defined benefit Plans/Obligations "considered in Other Comprehensive Income "	352,388	(859,807)
Operating profit before working capital changes	<u>(20,139,481)</u>	<u>(6,960,087)</u>
Movements in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
- Trade Receivables	215,405	3,439,016
- Inventories	(13,467,968)	11,416,453
- Other Assets	11,796,894	9,773,349
Adjustments for increase/(decrease) in operating liabilities:		
- Trade Payables and Other Liabilities	51,066,103	(5,644,056)
Cash generated from operations	29,470,953	12,024,675
Less: Direct taxes paid	(24,595)	184,546
Net cash from / (used in) Operating activities	(A) 29,446,358	12,209,221
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/Capital works-under progress	(765,929)	(73,216)
Proceeds from sale of fixed assets	200,500	38,000
Interest received	283,804	456,734
Dividend Received	13,020	13,020
Net cash from/(used) in Investing activities	(B) (268,605)	434,538
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings	12,612,695	27,884,850
Interest and Finance charges paid	(43,815,584)	(41,737,564)
Net cash from/(used in) financing activities	(C) (31,202,889)	(13,852,714)
Net Increase/(decrease) in cash and cash equivalents	(A+B+C) (2,025,136)	(1,208,955)
Cash and cash equivalents at the beginning of the period	4,796,152	6,005,107
Cash and cash equivalents at the end of the period	<u>2,771,016</u>	<u>4,796,152</u>
Net Increase/(Decrease) in cash and cash equivalents	<u>(2,025,136)</u>	<u>(1,208,955)</u>

Components of cash and cash equivalents

Particulars	2017-18	2016-17
Cash on hand	118,329	200,188
In Current accounts	1,554,888	3,541,489
Deposits having maturity period for less than 3months	1,097,799	1,054,475
	2,771,016	4,796,152

As per our report of even date
for BRAHMAYYA & CO
Firm Regn.no.000513S
Chartered Accountants
(Sd.) P. Lakshmana Rao
Partner
ICAI Membership No.13254

For and on behalf of the Board
(Sd.) Dr. S.R.K. PRASAD
Managing Director
(Sd.) N. PRASAD
Director

Place : Chennai
Date : 21-06-2018

KRISHNA INDUSTRIAL CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note No.1

CORPORATE INFORMATION

Krishna Industrial Corporation Ltd is incorporated in the year 1947 and is engaged in the business of manufacturing of Single superphosphate, NPK mixtures, Bio-Fertilisers and CO₂ gas. The company is also engaged in the business of developing computer software. The company's registered and Administrative office is located at Chennai and is having manufacturing facilities at Nidadavole and Jangareddygudem. The company's shares are listed in Madras Stock Exchange.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES 2017-18

Note No. 2

2.1 Basis of Preparation of Financial Statements

a) Preparation of Financials under Ind AS

The Equity Shares of KIC limited were listed on Madras Stock Exchange (MSE) and the said stock exchange was derecognised by SEBI. Pursuant to such de-recognition, the company lost its status as a Listed company and has been referred to Dissemination Board. SEBI vide its circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dt. 10.10.2016 has advised companies listed in MSE to either approach any stock exchange having nationwide trading platform for listing the shares or shall provide an exit option to the public shareholders by the promoters.

The promoters of the company, KIC Limited has decided to provide an exit opportunity to all the public shareholders of the company and the said process is under progress. Pending completion of procedures for exit option, the company has prepared its financial statements by adopting Ind AS as notified Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from 01.04.2017.

b) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 w.e.f 1st April, 2017. Previous periods financial statements have been restated to Ind AS. In accordance with Ind AS 101 "First time adoption of Indian Accounting Standards", the company has presented a reconciliation from the presentation of financial statements under Accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 1st April, 2016 and 31st March, 2017 and Statement of Profit & Loss for the year ended 31st March, 2017. These financial statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

c) Basis of measurement

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and

services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied except a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

d) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the critical judgements and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) Depreciation and useful lives of property, plant and equipment and intangible assets:

Property, plant and equipment are depreciated based on the useful lives specified under schedule II of Companies Act, 2013. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is revised if there are significant changes from previous estimates.

ii) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account

KRISHNA INDUSTRIAL CORPORATION LIMITED

of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

ix) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. Accounting estimates could change from period to period. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.2 Significant accounting policies

a) PROPERTY, PLANT AND EQUIPMENT

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The company, as per the option given under Ind AS-101 "First time adoption of Indian Accounting Standards" elected to continue with the carrying value of all its fixed assets arrived under previous GAAP as on 1st April, 2016 as deemed cost at the date of transition for all the items of Property, plant and equipment. The residual values of the assets as estimated by the management at the time of capitalization continues to be the same as on 1st April, 2016.

The company identifies and determines cost of each part of PPE separately, if the part has a cost which is significant to the total cost of that items of PPE and has useful life that is materially different from that of the remaining items.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized 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. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss.

b) INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

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

c) BORROWING COSTS

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

d) DEPRECIATION

The company has computed depreciation on fixed assets based on the useful lives as specified in Schedule II of Companies Act, 2013 under straight line method and WDV method.

Depreciation methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis.

KRISHNA INDUSTRIAL CORPORATION LIMITED

e) IMPAIRMENT OF ASSETS

i) Financial assets (other than at fair value)

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

f) INVENTORIES

- i) All finished goods are valued at the lower of cost or market value.
- ii) Work-in-process, Raw-materials, Stores, Spares and Materials in transit are valued at cost except where net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.
- iii) Valuation of Computer Software packages and work-in-progress relating thereto is based on technical assessment by the management.
- iv) Scrap as and when sold is adjusted in the accounts.

g) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- i) Revenue from sale of products is recognised when the goods are delivered and titles have passed i.e time when the risks and rewards of ownership are transferred to the buyer under the terms of the contract and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

When there is any uncertainty as to the measurement or collectability of consideration, revenue

recognition to the extent of amount of uncertainty is postponed until such uncertainty is resolved.

- ii) GST and other taxes is not received by the company on its own account as it is collected on behalf of government. Accordingly it is excluded from revenue.
- iii) Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- iv) Dividend income is accounted for in the year in which the right to receive the payment is established.

h) TAXES ON INCOME

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year 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 assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

i) SEGMENT REPORTING

The operating segments of the entity are identified based on the revenues earned and expenses incurred whose operating results are regularly reviewed by the entity's decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Inter segment revenue has been accounted for based on the market related prices.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses".

KRISHNA INDUSTRIAL CORPORATION LIMITED

j) RETIREMENT BENEFITS

The company provides retirement benefit in the form of provident fund and group gratuity. Contributions to the Provident Fund, a defined contribution scheme, is made at the prescribed rates to the provident fund commissioner and is charged to the Profit and Loss account. There is no other obligation other than the contribution payable.

The company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India through and approved trust, under a Defined Benefit Plan. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which the employee has rendered service.

Expense on account of unutilized/unencashed leave is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which employee has rendered services in lieu of such leave.

Gains/ losses arrived at in the above actuarial valuations are charged to the profit and loss account immediately in each year.

k) FOREIGN EXCHANGE TRANSACTIONS

The functional currency of the company is the Indian rupee and the financial statements are presented in Indian rupee.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year.

At each Balance Sheet date

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss.

In respect of forward exchange contracts in the nature of hedges

- i) Premium or discount on the contract is amortized over the term of the contract
- ii) Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of past event, it is probable that the company will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provision is the present value of the expenditure to be required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

m) FINANCIAL INSTRUMENTS

Initial recognition:

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent measurement:

i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

De-recognition of financial asset

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of

KRISHNA INDUSTRIAL CORPORATION LIMITED

allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The company de-recognises financial liabilities when the company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

n) EARNING PER EQUITY SHARE

Basic earning per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares during the period. The company did not have any potentially dilutive securities in any of the years presented.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of financial statements by the board of directors.

o) CASH FLOW STATEMENT

Cash flows are reported using indirect method whereby the profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financial activities of the company are segregated.

p) DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders i.e the year in which the dividends are approved and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

2.3 Standards Issued but not effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendments to existing Ind AS. These amendments shall be applicable to the company from April 01, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition standard Ind AS-18 Revenue, Ind AS-11 Construction Contracts and the related interpretations. Ind AS-115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing Ind AS

The MCA has also carried out amendments in some of the existing standards but application of said standards are not expected to have any significant impact on the Company's Financial Statements.

Statement of Changes in Equity for the year ended 31.03.2018

Note No.3

A. Equity share capital

Particulars	No's	INR
As at 1st April, 2016	2,014,541	20,145,410
Changes in equity during the year:-	-	-
As at 31st March, 2017	2,014,541	20,145,410
Changes in equity during the year	-	-
As at 31st March, 2018	2,014,541	20,145,410

B. Other Equity

Particulars	Reserves and Surplus Items of Other Comprehensive Income						Total
	Investment Reserve	Investment Subsidy Reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ (Losses)	
IGAAP Balance at the beginning of reporting period - 1st April, 2016	2,500	3,500,000	13,340,569	(84,461,735)	-	-	(67,618,666)
Add/Less: Ind AS adjustments							
Change in the Fair value of Investments Investment Reserve and Investment Subsidy	(2,500)	(3,500,000)	-	3,502,500	(731,528)	-	(731,528)
Reserve transferred to Retained Earnings							
Ind AS Balance at the beginning of reporting period - 1st April, 2016	-	-	13,340,569	(80,959,235)	(731,528)	-	(68,350,194)
Profit for the year	-	-	-	(39,862,852)	-	-	(39,862,852)
Other Comprehensive Income	-	-	-	-	92,628	(859,807)	(767,179)
Total Comprehensive Income for the year	-	-	-	(39,862,852)	92,628	(859,807)	(40,630,031)
Less: Appropriations	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Balance at the end of reporting period - 31st March 2017	-	-	13,340,569	(120,822,087)	(638,900)	(859,807)	(108,980,225)
Profit for the period	-	-	-	(56,181,569)	-	-	(56,181,569)
Other Comprehensive Income	-	-	-	-	102,284	352,388	454,672
Total Comprehensive Income for the year	-	-	-	(56,181,569)	102,284	352,388	(55,726,897)
Less: Appropriations	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Balance at the end of reporting period - 31-3-2018	-	-	13,340,569	(177,003,656)	(536,616)	(507,419)	(164,707,122)

As per our report of even date for BRAHMAYYA & CO Firm Regn.no.000513S Chartered Accountants
(Sd.) P. Lakshmana Rao
 Partner
 ICAI Membership No.13254
 Place : Chennai
 Date : 21-06-2018

For and on behalf of the Board
(Sd.) Dr. S.R.K. PRASAD
 Managing Director
(Sd.) N. PRASAD
 Director

KRISHNA INDUSTRIAL CORPORATION LIMITED

FIRST TIME ADOPTION OF IND AS:

Note no:3

The company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017 with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements. For all periods upto and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the company has prepared financial statements which comply with Ind AS for the year ended 31st March, 2018 together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS balance sheet as at 1st April, 2016, the date of transition to Ind AS (Refer Note No.2 given under Statement on Accounting Policies).

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101. The resulting difference between the carrying values of the assets and the liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognized directly in equity.

A. Exceptions from retrospective application.

- (i) **Estimates exception:** Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP.
- (ii) **Classification and measurement of financial assets:** The Company has determined the classification of financial assets in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income criteria based on the facts and circumstances that existed as of the transition date.
- (iii) **Deemed cost for property, plant and equipment and intangible assets:** The Company has elected to continue with carrying value of all its property plant and equipment, and intangible assets recognised 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.

B. Transition to Ind AS - Reconciliations.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Adjustments made by the company in restating the financial statements prepared under previous GAAP, including the balance sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.
- ii) Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017
- iii) Reconciliation of statement of profit and loss for the year ended 31st March, 2017

Reconciliation of Equity as previously reported under IGAAP to Ind AS

Particulars	IGAAP as at 31 st March, 2017	Ind AS adjustments	"Ind AS as at "31 st March, 2017"	"IGAAP as at "1 st April, 2016"	Ind AS adjustments	"Ind AS as at "1 st April, 2016"
Assets						
1 Non-Current Assets						
(a) Property, Plant and Equipment	62,063,347		62,063,347	67,818,596		67,818,596
(b) Capital Work-in-progress	6,983,676		6,983,676	6,983,676		6,983,676
(c) Other Intangible Assets	116,991		116,991	222,612		222,612
(d) Financial Assets						
(i) Investments	883,948	(638,899)	245,050	883,949	(731,528)	152,421
(ii) Loans	4,183,944		4,183,944	4,336,692		4,336,692
(iii) Others	-	-	-	-	-	-
(e) Deferred Tax Asset	35,564,765		35,564,765	20,161,500		20,161,500
(f) Other Non-current Assets	-		-	-		-
	109,796,671	(638,899)	109,157,773	100,407,025	(731,528)	99,675,497
2 Current Assets						
(a) Inventories	18,925,153		18,925,153	30,341,606		30,341,606
(b) Financial Assets						
(i) Trade Receivables	111,316,356		111,316,356	114,755,371		114,755,371
(ii) Cash and cash equivalents	4,473,975		4,473,975	4,661,430		4,661,430
(iii) Bank Balances other than (ii) above	453,082		453,082	1,508,152		1,508,152
(iv) Loans	614,446		614,446	542,332		542,332
(v) Others	318,267		318,267	802,558		802,558
(c) Other Current assets	47,705,071		47,705,071	56,951,706		56,951,706
(d) Current Tax Assets (Net)	44,196		44,196	228,742		228,742
	183,850,546	-	183,850,546	209,791,897	-	209,791,897
Total Assets	293,647,217	(638,899)	293,008,319	310,198,922	(731,528)	309,467,394
EQUITY AND LIABILITIES						
1 Equity						
(a) Equity Share Capital	20,145,410	-	20,145,410	20,145,410		20,145,410
(b) Other Equity	(108,341,325)	(638,899)	(108,980,225)	(67,618,666)	(731,528)	(68,350,194)
	(88,195,915)	(638,899)	(88,834,815)	(47,473,256)	(731,528)	(48,204,784)
Liabilities						
2 Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	33,470,807	-	33,470,807	50,151,706		50,151,706
(ii) Other financial liabilities	12,180,317	-	12,180,317	10,180,317		10,180,317
(b) Provisions	12,935,751	-	12,935,751	10,799,757		10,799,757
(d) Other non-current liabilities	-	-	-	-		-
	58,586,874	-	58,586,875	71,131,780	-	71,131,780
3 Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	191,568,798	-	191,568,798	158,838,365		158,838,365
(ii) Trade payables	29,017,487	-	29,017,487	33,467,197		33,467,197
(iii) Other financial liabilities	83,651,195	-	83,651,195	66,533,125		66,533,125
(b) Other current liabilities	18,670,223	-	18,670,223	27,364,076		27,364,076
(c) Provisions	348,556	-	348,556	337,635		337,635
(d) Current tax Liabilities (Net)	-	-	-	-		-
	323,256,258	-	323,256,259	286,540,398	-	286,540,398
Total Liabilities	381,843,132	-	381,843,134	357,672,178	-	357,672,178
Total Equity and Liabilities	293,647,217	(638,899)	293,008,319	310,198,922	(731,528)	309,467,394

KRISHNA INDUSTRIAL CORPORATION LIMITED

Reconciliation of Statement of Profit and Loss reported under IGAAP to Ind AS			
Particulars	"IGAAP for the "year ending "31st March, 2017"	Ind AS Adjustments	Ind AS for the yearending 31st March, 2017
I Revenue from Operations	117,278,617	1,909,136	119,187,753
II Other Income	2,884,460	-	2,884,460
III Total Income (I+II)	120,163,077	1,909,136	122,072,213
IV Expenses			
Cost of Material Consumed	55,452,203	-	55,452,203
(Increase) / Decrease in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	(3,907,013)	(19,520)	(3,926,533)
Excise Duty	-	1,928,656	1,928,656
Employee benefits expense	38,591,589	(859,807)	37,731,782
Finance costs	43,701,294	-	43,701,294
Depreciation and Amortization expense	5,901,578	-	5,901,578
Other expenses	36,549,350	-	36,549,350
Total Expenses (IV)	176,289,001	1,049,329	177,338,330
V Profit before extra-ordinary items and tax (III-IV)	(56,125,924)	859,807	(55,266,117)
VI Extra-Ordinary Items	-	-	-
VII Profit before tax (V-VI)	(56,125,924)	859,807	(55,266,117)
VIII Tax expense:			
Current tax	-	-	-
Deferred tax charge/(credit)	(15,403,265)	-	(15,403,265)
IX Profit for the year (VII-VIII)	(40,722,659)	859,807	(39,862,852)
X Other Comprehensive Income			
A. Items that will not be re-classified to statement of Profit and loss (net of tax)			
a) Changes in fair value of investments	-	92,628	92,628
b) Remeasurement of defined employee benefit plans	-	(859,807)	(859,807)
Total Other comprehensive income	-	(767,179)	(767,179)
XI Total Comprehensive Income for the year (IX+X)	(40,722,659)	92,628	(40,630,031)

Reconciliation of Equity between Previous GAAP and Ind AS
(i) Reconciliation of Equity

Particulars	Note	As at 31-03-2017	As at 1-04-2016
Total Equity as per Previous GAAP	(A)	(88,195,916)	(47,473,256)
Changes in Fair value of Investments	1	(638,899)	(731,528)
Total adjustment to Equity	(B)	(638,899)	(731,528)
Total Equity as per Ind AS	(C=A+B)	(88,834,815)	(48,204,784)

(ii) Reconciliation of statement of profit and loss between IGAAP and Ind AS

Particulars	Note	Year ended 31-03-2017
Net Loss after tax under Previous GAAP		(40,722,659)
a) Remeasurement benefits on defined benefit obligations	2	859,807
Net Profit after tax before OCI as per Ind AS		(39,862,852)
Other Comprehensive Income		
a) Changes in Fair Valuation of Investments	1	92,628
b) Remeasurement benefits on defined benefit obligations	2	(859,807)
Total Comprehensive Income for the year as reported under Ind AS		(40,630,031)

Notes to Reconciliation between previous GAAP and Ind AS

1. Fair Valuation of Investments

Under Previous GAAP, non-current investments are valued at cost less diminution in value other than temporary and under "Ind AS they are carried at fair value through OCI.

2.Remeasurement of net defined benefit plans:

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the "actuarial gains and losses form part of re-measurement of net defined benefit liability which is recognised in other "comprehensive income in respective years. However, such a change does not have any effect on total comprehensive " income or total equity."

3. Cost of Property, plant and equipment

The company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

KRISHNA INDUSTRIAL CORPORATION LIMITED

Notes to the Financial Statements

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Note No. 4

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Carrying Amounts of:			
Land	1,511,028	1,511,028	1,511,028
Factory Buildings	5,913,414	6,315,711	6,718,008
Non-Factory Buildings	28,450,523	29,781,285	31,114,660
Plant and Equipment	16,284,557	17,388,381	18,493,147
Electrical Installations	192,646	192,646	452,463
Roads	129,189	134,305	139,421
Water works	66,702	84,158	118,379
Gas Cylinders	135,143	135,143	135,143
weighing Machine	28,777	28,777	28,777
Workshop Equipment	21,636	21,636	21,636
Labaratory Equipment	56,199	66,653	82,541
Furniture and Fixtures	105,527	124,899	152,120
Computers	218,329	240,866	376,073
Office Equipment	176,776	214,675	285,895
Vehicles	4,221,330	5,823,184	8,189,305
	57,511,776	62,063,347	67,818,596
Capital Work-in-progress	-	6,983,676	6,983,676

KRISHNA INDUSTRIAL CORPORATION LIMITED

Property, Plant and Equipment

Particulars	Land	Factory Building	Non-Factory Building	Plant & Equipment	Electrical Installation	Roads	Water Works	Gas Cylinders	weighing Machine	Workshop Equipment	Laboratory Equipment	Furniture and Fixtures	Computers	Office Equipment	Vehicles	Total
Gross Carrying value - At Cost/ Deemed Cost																
As at 1st April, 2016	1,511,028	6,718,008	31,114,660	18,493,147	452,463	139,421	118,379	135,143	28,777	21,636	82,541	152,120	376,073	285,895	8,189,305	67,816,596
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,216	73,216
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,449	33,449
As at 31st March, 2017	1,511,028	6,718,008	31,114,660	18,493,147	452,463	139,421	118,379	135,143	28,777	21,636	82,541	152,120	376,073	285,895	8,229,072	67,859,363
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,680	70,680
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2018	1,511,028	6,718,008	31,114,660	18,493,147	452,463	139,421	118,379	135,143	28,777	21,636	82,541	152,120	376,073	285,895	8,299,752	67,929,013
Accumulated Depreciation																
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	402,297	1,333,375	1,041,766	259,817	5,116	34,221	-	-	-	15,888	27,221	135,207	71,220	2,406,830	5,795,959
On disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	942	942
As at 31st March, 2017	-	402,297	1,333,375	1,041,766	259,817	5,116	34,221	-	-	-	15,888	27,221	135,207	71,220	2,405,888	5,795,016
Depreciation charge for the year	-	402,297	1,330,762	1,103,824	-	5,116	17,456	-	-	-	10,454	19,372	22,537	37,899	1,672,504	4,622,221
On disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	804,594	2,664,137	2,206,590	259,817	10,232	51,677	-	-	-	26,342	46,593	157,744	109,119	4,078,392	10,417,237
Net carrying amount																
As at 31st March, 2018	1,511,028	5,915,711	28,450,523	16,284,557	192,646	129,189	66,702	135,143	28,777	21,636	56,189	105,527	218,329	176,776	4,221,330	57,511,776
As at 31st March, 2017	1,511,028	6,315,711	29,761,265	17,386,381	192,646	134,305	84,158	135,143	28,777	21,636	66,653	124,889	240,886	214,675	5,823,184	62,063,347
As at 1st April, 2016	1,511,028	6,718,008	31,114,660	18,493,147	452,463	139,421	118,379	135,143	28,777	21,636	82,541	152,120	376,073	285,895	8,189,305	67,816,596

Notes:

Assets Pledged as Security

- 1) Land and Buildings and all the fixed assets of the company situated at Nidadavole were hypothecated against Term Loan taken from APSFC.
- 2) Cars/Lorries are hypothecated against the term loans taken for respective assets.
- 3) Working Capital Loans from banks are secured by way of second charge on Property, Plant and Equipment of the company both present and future.

KRISHNA INDUSTRIAL CORPORATION LIMITED

Capital Work-in-Progress

PARTICULARS	Amount
Carrying value - At Cost As at 1st April, 2016	6,983,676
Additions	-
Capitalised during the year	-
As at 31st March, 2017	6,983,676
Additions	-
Writtenoff during the year	6,983,676
As at 31st March, 2018	-

INTANGIBLE ASSETS

Note No. 5

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Computer Software	476,634	116,991	222,612
Total	476,634	116,991	222,612

PARTICULARS	Computer Software	Total
<u>Gross Carrying value - At Cost/Deemed Cost</u>		
As at 1st April, 2016	222,612	222,612
Additions	-	-
Disposals	-	-
As at 31st March, 2017	222,612	222,612
Additions	695,279	695,279
Disposals	-	-
As at 31st March, 2018	917,891	917,891
<u>Accumulated Amortization</u>		
As at 1st April, 2016	-	-
Depreciation charge for the year	105,621	105,621
On disposals	-	-
As at 31st March, 2017	105,621	105,621
Depreciation charge for the year	335,636	335,636
On disposals	-	-
As at 31st March, 2018	441,257	441,257
<u>Net carrying Value</u>		
As at 31st March, 2018	476,634	476,634
As at 31st March, 2017	116,991	116,991
As at 1st April, 2016	222,612	222,612

INVESTMENTS (NON-CURRENT)
Note No. 6

PARTICULARS	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Investment in Equity Instruments			
(a) Quoted - Non Trade (Carried at fair value through OCI)			
a) 3720 Equity Shares of Rs. 10/- each in Lakshmi Finance Industrial Corporation Ltd.,	336,474	230,640	142,290
b) 52 Equity Shares of Rs. 10/- each in The Andhra Cement Co. Ltd.	504	470	426
c) 100 Equity Shares of Rs. 10/- each in Bank of India.	10,355	13,940	9,705
(b) Quoted - Trade (Carried at fair value through OCI)			
a) 84,618 Equity Shares of Rs. 10/- each in The Jeypore Sugar Co. Ltd. (Fair Value to be considered - Rs. Nil)	-	-	-
Total	347,333	245,050	152,421
Aggregate amount of : Quoted investments	-		
- At cost	883,949	883,949	883,949
- Market value	347,333	245,050	152,421

Category wise - Investments as per Ind AS 109 Classification

PARTICULARS	As at 31-03-2018 Rs.		As at 31-03-2017 Rs.		As at 01-04-2016 Rs.	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Investments measured at:						
(i) Fair value through Other Comprehensive Income						
a) 3720 Equity Shares of Rs. 10/- each in Lakshmi Finance Industrial Corporation Ltd	336,474	13,020	230,640	13,020	142,290	11,160
b) 52 Equity Shares of Rs. 10/- each in The Andhra Cement Co. Ltd.	504	-	470	-	426	-
c) 100 Equity Shares of Rs. 10/- each in Bank of India.	10,355	-	13,940	-	9,705	500
d) 84,618 Equity Shares of Rs. 10/- each in The Jeypore Sugar Co. Ltd.	-	-	-	-	-	-
Total	347,333	13,020	245,050	13,020	152,421	11,660

KRISHNA INDUSTRIAL CORPORATION LIMITED

LOANS

Note No. 7

PARTICULARS	NON-CURRENT			CURRENT		
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured, Considered Good						
a) Security deposits with Govt. authorities and others	4,198,944	4,183,944	4,336,692	-	-	-
b) Employee related advances	-	-	-	269,108	614,446	542,332
Total	4,198,944	4,183,944	4,336,692	269,108	614,446	542,332

OTHER FINANCIAL ASSETS

Note No. 8

PARTICULARS	NON-CURRENT			CURRENT		
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Other advances	-	-	-	100,000	103,905	549,985
Interest accrued on deposits and Others	-	-	-	179,792	214,362	252,573
Total	-	-	-	279,792	318,267	802,558

OTHER ASSETS

Note No. 9

PARTICULARS	NON-CURRENT			CURRENT		
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured, Considered Good						
a) Advances to creditors against supplies	-	-	-	360,560	283,186	3,209,929
b) Balances with Statutory Authorities:						
GST and other taxes receivable	-	-	-	1,215,064	258,719	532,650
Taxes paid under protest	-	-	-	-	-	331,936
c) Subsidy receivable from Government	-	-	-	34,258,192	46,468,078	52,648,827
d) Prepaid Expenses	-	-	-	408,604	695,088	228,364
Total	-	-	-	36,242,420	47,705,071	56,951,706

INVENTORIES**Note No. 10**

PARTICULARS	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
a) Raw Materials	9,481,030	6,370,855	9,322,404
b) Raw Materials in Transit	17,234,377	-	12,229,097
c) Work in Progress	-	-	-
d) Finished Goods	391,240	6,666,514	2,739,981
e) Stock in Trade	19,649	19,649	19,649
f) Stores and Spares	5,251,809	5,853,119	6,015,243
g) Loose Tools	15,016	15,016	15,232
Total	32,393,121	18,925,153	30,341,606

Mode of Valuation:

- a) Finished Goods are valued at lower of cost or Net realizable value.
- b) Work -in- process, Raw-materials, Stores, Spares and Materials in transit are valued at cost except where net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost
- c) Valuation of Computer Software packages and work-in-progress relating thereto is based on technical assessment by the management.

TRADE RECEIVABLES**Note No. 11**

PARTICULARS	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Unsecured, Considered Good			
Outstanding for a period exceeding six months	108,951,671	103,984,698	108,168,184
Others	2,149,280	7,331,658	6,587,187
Total	111,100,951	111,316,356	114,755,371

- a) The average credit period is 45 days which is due from the date of invoice. No interest is charged on verdue receivables.
- b) Of the trade receivables balance, Rs.9,59,54,245 (as at March 31, 2017 : 9,53,99,637) is due from one of the Company's largest customers and the above mentioned is the only customer who represents more than 5% of total outstanding receivables.

KRISHNA INDUSTRIAL CORPORATION LIMITED

CASH AND CASH EQUIVALENTS

Note No. 12

PARTICULARS	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
i) Balances with banks in Current accounts			
a. In Current accounts	1,554,888	3,541,489	3,880,312
ii) Cash on hand	118,329	200,188	89,153
iii) Post Office Savings	-	-	1,000
iv) Fixed Deposits with original maturity period of less than 3 months	775,622	732,298	690,965
Total	2,448,839	4,473,975	4,661,430

Other bank balances

Note No. 12

PARTICULARS	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
a. Earmarked balances with banks held as margin money or security against the borrowings, guarantees, other commitments	322,177	322,177	1,343,677
b. Earmarked balances with banks towards unclaimed dividends	130,905	130,905	164,475
Total	453,082	453,082	1,508,152

SHARE CAPITAL

Note No.13

Authorised Share Capital

PARTICULARS	Cumulative Preference Shares of Rs. 100/- each		Equity Shares of Rs. 10/- each	
	No's	INR	No's	INR
As at 1st March, 2016	50,000	5,000,000	2,500,000	25,000,000
Increase/(Decrease) during the year	-	-	-	-
As at 31st March, 2017	50,000	5,000,000	2,500,000	25,000,000
Increase/(Decrease) during the year	-	-	-	-
As at 31st March, 2018	50,000	5,000,000	2,500,000	25,000,000

Issued Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

PARTICULARS	No's	INR
As at 1st March, 2016	2,014,541	20,145,410
Increase/(Decrease) during the year	-	-
As at 31st March, 2017	2,014,541	20,145,410
Increase/(Decrease) during the year	-	-
As at 31st March, 2018	2,014,541	20,145,410

Rights, Preferences and restrictions attached to Equity shares

The company has only one class of share holders i.e Equity share holders. They have right to vote and present in person and shall have one vote on show of hands and shall have one vote for every share held by them on a poll. If on winding up of the company, the surplus, if any, after making payment to preferential creditors shall be distributed to the members in proportion to their shares.

Details of share holders holding more than 5% of total number of shares

PARTICULARS	As at 31- 03-2018		As at 31- 03-2017		As at 01- 04-2016	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
Smt. Rajeswary Ramakrishnan	151,200	7.51%	151,200	7.51%	151,200	7.51%
Dr. S R K Prasad	293,455	14.57%	293,455	14.57%	293,455	14.57%
Smt. S Nalini	208,435	10.35%	208,435	10.35%	208,435	10.35%
Mr. Rajiv Rangaswamy	409,144	20.31%	409,144	20.31%	409,144	20.31%
Ms. S Nanditha	150,000	7.45%	150,000	7.45%	150,000	7.45%
	1,212,234		1,212,234		1,212,234	

Aggregate number of bonus shares issued during the period of 5 years immediately preceding the reporting date:

No shares were issued and allotted by way of bonus shares during the last five financial years.

No shares were issued pursuant to a contract without payment being received in cash.

OTHER EQUITY

Note No.14

Investment Reserve

PARTICULARS	Amount
As at 1st April, 2016 - As per IGAAP	2,500
Ind AS adjustments: Investment reserve transferred to Retained Earnings	2,500
As at 1st April, 2016 - As per Ind AS	-
Changes during the year	-
As at 31st March, 2017	-
Changes during the year	-
As at 31st March, 2018	-

Investment Subsidy Reserve

PARTICULARS	Amount
As at 1st April, 2016 - As per IGAAP	3,500,000
Ind AS adjustments: Investment Subsidy Reserve transferred to Retained Earnings	3,500,000
As at 1st April, 2016 - As per Ind AS	-
Transfers during the year	-
As at 31st March, 2017	-
Transfers during the year	-
As at 31st March, 2018	-

KRISHNA INDUSTRIAL CORPORATION LIMITED

General Reserve

PARTICULARS	Amount
As at 1st April, 2016	13,340,569
Transfers during the year	-
As at 31st March, 2017	13,340,569
Transfers during the year	-
As at 31st March, 2018	13,340,569

Retained Earnings

PARTICULARS	Amount
As at 1st April, 2016 - As per IGAAP	(84,461,735)
<u>Add/Less: Ind AS adjustments</u>	
Change in the Fair value of Invesments	(731,528)
Investment Reserve and Investment Subsidy Reserve transferred to Retained Earnings	3,502,500
As at 1st April, 2016 - As per Ind AS	(81,690,763)
Add: Total comprehensive income for the year transferred from statement of profit and loss	(40,630,031)
As at 31st March, 2017	(122,320,794)
Add: Total comprehensive income for the year transferred from statement of profit and loss	(55,726,897)
As at 31st March, 2018	(178,047,691)

Summary of Other Equity

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
General Reserve	13,340,569	13,340,569	13,340,569
Retained Earnings	(178,047,691)	(122,320,794)	(81,690,763)
	(164,707,122)	(108,980,225)	(68,350,194)

Nature of reserves:

a)General reserve

The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b)Retained Earnings:

Retained earnings are the profits that the company has earned till date less transfers to general reserves and dividends paid to share holders.

LONG TERM BORROWINGS
Note No.15

PARTICULARS	Non - Current			Current		
	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016
A. Secured						
i. Term loans						
a) From Andhra Pradesh State Financial Corporation :	7,843,854	23,249,854	43,254,854	15,408,000	20,005,000	5,220,000
b) From banks :						
i) Kotak Mahindra bank	-	-	158,492	-	315,651	1,802,176
c) From Companies :						
i) Hinduja Leyland Finance Limited	-	1,108,006	2,938,360	1,108,997	1,830,354	1,576,757
ii) Cholamandalam Finance & Investment Co. Limited	163,788	512,947	-	349,159	294,879	211,635
Total (a)	8,007,642	24,870,807	46,351,706	16,866,156	22,445,884	8,810,568
B. Unsecured						
a) Fixed Deposits						
- From Directors	1,800,000	5,600,000	3,800,000	6,800,000	3,000,000	4,800,000
- From Company	3,000,000	3,000,000		-		
Total (b)	4,800,000	8,600,000	3,800,000	6,800,000	3,000,000	4,800,000
Total (a+b)	12,807,642	33,470,807	50,151,706	23,666,156	25,445,884	13,610,568

Details of Securities against the Secured Loans Outstanding and Year wise repayment schedule for the balance outstanding as at 31st March, 2018

BANK/COMPANY	SECURITY	RATE OF INTEREST	TOTAL OUTSTANDING	REPAYMENT SCHEDULE		
				2018-19	2019-20	2020-21
APSFC	- Secured by equitable mortgage of land and buildings and hypothecation of all the fixed assets of the Company, present and future, situated at Nidadavole and further guaranteed by the Chairman and the Managing Director of the company in their individual capacities	15.50%	23,251,854	15,408,000	7,405,000	438,854
Kotak Mahindra	- Secured against cars/lorries purchased from the said loan bank	14.50%		-	-	-
Hinduja Leyland	- Secured against cars/lorries purchased from the said loan	11.97%	1,108,997	1,108,997	-	-
Cholamandalam Finance Investment Co.Limited	- Secured against cars/lorries purchased from the & said loan	14.50%	512,947	349,159	163,788	-
			24,873,798	16,866,156	7,568,788	438,854

KRISHNA INDUSTRIAL CORPORATION LIMITED

OTHER FINANCIAL LIABILITIES

Note No. 16

PARTICULARS	Non - Current			Current		
	As at	As at	As at	As at	As at	As at
	31- 03-2018	31- 03-2017	01- 04-2016	31- 03-2018	31- 03-2017	01- 04-2016
a) Refundable Security deposits from Customers	11,880,317	12,180,317	10,180,317	-	-	-
b) Current maturities of long-term debt	-	-	-	23,666,156	25,445,884	13,610,568
c) Overdue installments of Long Term Borrowings						
- APSFC	-	-	-	23,281,689	3,510,000	-
- Kotak Mahindra Bank Limited	-	-	-	-	-	142,205
- Hinduja Leyland Finance Limited	-	-	-	365,646	68,793	121,093
- Interest accrued and due on above loans	-	-	-	4,459,779	2,852,832	889,102
d) Unclaimed dividend*	-	-	-	130,905	130,905	164,475
e) Employee related payments	-	-	-	11,040,220	4,412,593	6,911,276
f) Interest accrued and due on fixed deposits	-	-	-	2,128,424	1,431,828	735,224
g) Other Liabilities	-	-	-	18,614,996	17,957,492	18,232,655
h) Due to Directors	-	-	-	46,426,893	27,840,868	25,726,527
Total	11,880,317	12,180,317	10,180,317	130,114,708	83,651,195	66,533,125

Note: *The unclaimed dividends represents those relating to the year 2010-11 and 2011-12 and no part thereof has remained unclaimed for a period of 7 years or more from the date they became due for payment requiring transfer to Investor Education Protection Fund.

PROVISIONS

Note No. 17

PARTICULARS	Non - Current			Current		
	As at	As at	As at	As at	As at	As at
	31- 03-2018	31- 03-2017	01- 04-2016	31- 03-2018	31- 03-2017	01- 04-2016
a) Provision for employee benefits						
- Group gratuity (Net of plan assets)	11,657,871	10,537,472	8,469,519	-	-	-
- Leave Encashment (Unfunded)	2,604,344	2,398,279	2,330,238	-	348,556	337,635
Total	14,262,215	12,935,751	10,799,757	-	348,556	337,635

EMPLOYEE BENEFITS

a. Defined contribution plans

The Company makes Provident Fund and Employees State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised Rs. 19,19,508 (Year ended March 31, 2017: Rs. 21,26,385) for provident fund contributions, and Rs. 92,865 (Year ended March 31, 2017: Rs. 44,981) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Present value of obligation	12,451,577	12,563,337	11,462,109
Fair Value of plan assets	793,706	2,025,865	2,992,590
(Asset)/Liability recognised in the Balance Sheet	11,657,871	10,537,472	8,469,519

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

PARTICULARS	Plan Obligation	Plan Assets	Deficit / (Surplus)
As at April 1, 2016	11,462,109	2,992,590	8,469,519
Current service cost	530,158	-	530,158
Interest cost	916,969	-	916,969
Interest Income	-	238,981	(238,981)
Actuarial (gain)/loss arising from changes in financial assumptions	859,807	-	859,807
Contributions by employer	-	-	-
Benefit payments	(1,205,706)	(1,205,706)	-
Return on plan assets, excluding interest income	-	-	-
As at March 31, 2017	12,563,337	2,025,865	10,537,472
Current service cost	545,246	-	545,246
Interest cost	1,005,067	-	1,005,067
Interest Income	-	77,526	(77,526)
Actuarial (gain)/loss arising from changes in financial assumptions	(352,388)	-	(352,388)
Contributions by employer	-	-	-
Benefit payments	(1,309,685)	(1,309,685)	-
Return on plan assets, excluding interest income	-	-	-
As at March 31, 2018	12,451,577	793,706	11,657,871

KRISHNA INDUSTRIAL CORPORATION LIMITED

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises :

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Employee Benefit Expenses		
Current service cost	545,246	530,158
Interest cost	1,005,067	916,969
Interest Income	(77,526)	(238,981)
Net impact on profit before tax	1,472,787	1,208,146
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	(352,388)	859,807
Return on plan assets, excluding interest income	-	-
Net impact on other comprehensive income before tax	(352,388)	859,807

(iv) Assets

The major categories of plan assets as a % of the total plan assets

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Funded with Life Insurance Corporation of India	100%	100%	100%

Note : In the absence of detailed information regarding the plan assets, which is funded with LIC, the composition of each category of plan assets and experience adjustments on plan assets and liabilities has not been disclosed.

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Discount rate	8.00%	8.00%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%

Note: In the absence of detailed information from LIC, the preparation of sensitivity analysis and its impact due to possible change of the respective actuarial assumptions occurring at the end of the reporting period and also information on maturity analysis of the benefit payments has not been disclosed.

DEFERRED TAX**Note No. 18**

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet

PARTICULARS	COMPONENTS		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Liability:			
Towards depreciation	(11,693,808)	(12,223,986)	(13,173,788)
Asset:			
Disallowances under Income-tax	7,025,112	5,448,070	4,512,662
Unabsorbed Depreciation and Business Loss	61,445,072	42,340,681	28,822,626
Total	56,776,376	35,564,765	20,161,500

Movement in Deferred Tax Assets / (Liabilities)

COMPONENT	As at 01-04-2016	Charge/ (Credit) in Statement of P&L	As at 31-03-2017	Charge/ (Credit) in Statement of P&L	As at 31-03-2018
Deferred tax assets/(liabilities) in relation to:					
Depreciation	(13,173,788)	(949,802)	(12,223,986)	(530,178)	(11,693,808)
Expenses allowable under Income tax when paid	4,512,662	(935,408)	5,448,070	(1,577,042)	7,025,112
Unabsorbed Depreciation and Business Loss	28,822,626	(13,518,055)	42,340,681	(19,104,391)	61,445,072
	20,161,500	(15,403,265)	35,564,765	(21,211,611)	56,776,376

OTHER LIABILITIES**Note No. 19**

PARTICULARS	Non - Current			Current		
	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016
a) Advances received from customers against supplies	-	-	-	10,039,534	15,043,543	21,454,014
b) Statutory Liabilities	-	-	-	5,211,162	3,626,680	5,910,062
Total	-	-	-	15,250,696	18,670,223	27,364,076

SHORT TERM BORROWINGS**Note No. 20**

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
A. Secured			
Loans repayable on demand :			
a) Working capital loans from a Company {Refer Note - (C)}	226,624,386	191,568,798	158,838,365
Total	226,624,386	191,568,798	158,838,365

KRISHNA INDUSTRIAL CORPORATION LIMITED

Note:

- a) Secured by Hypothecation of Raw Materials, Finished and semi Finished Goods, spares, book debts and subsidy receivable from the Government, and further secured by a second charge on the fixed assets of the company present and future and guaranteed by the Chairman and the Managing Director of the company in their individual capacities.
- b) The above Loan carries interest @ 15.90%.
- c) During the year, the working capital loan from Andhra bank was taken over by and assigned in favour of Maximus ARC Limited under SARFAESI Act, 2002. All the securities offered to the bank were handedover to the said company by the bank. The said company has initiated action for settlement of debt u/s 13(2) of SARFAESI Act, 2002. Confirmation of balance outstanding was provided by company upto 18.8.2017. Interest for the balance period upto 31.3.2018 has been provided at the applicable rate of interest.

TRADE PAYABLES

Note No. 21

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Dues to : Small and Micro Enterprises*	-	-	-
: Other than Small and Micro Enterprises	36,188,915	29,017,487	33,467,197
Total	36,188,915	29,017,487	33,467,197

***Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.**

The Company has no information about the status of their creditors fallen under Micro, Small and Medium Enterprises Development Act, 2006. Hence the disclosure requirement under the said Act has not been furnished.

CURRENT INCOME-TAX LIABILITIES (Net)

Note No. 22

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Income-tax	-	-	-
Less: Advance Income-tax and TDS	68,791	44,196	228,742
	(68,791)	(44,196)	(228,742)

Income-tax recognised in profit or loss

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Current Tax		
Tax expense in respect of current year Income	-	-
	-	-
Deferred Tax		
Deferred Tax credit in respect of Current year	(21,211,611)	(15,403,265)
	(21,211,611)	(15,403,265)
Total income tax expense recognised	(21,211,611)	(15,403,265)

REVENUE FROM OPERATIONS**Note No. 23**

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Revenue from Operations		
Sale of Goods - Finished Goods	35,157,163	113,116,653
Sale of Services - Annual Maintenance Charges	10,364,916	6,071,100
Other operating revenue :	-	-
TOTAL	45,522,079	119,187,753

Particulars of Sale of Products (Finished Goods)

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Super Phosphate	11,289,451	62,420,176
NPK Granules	1,923,291	13,185,759
Bio-Fertiliser	8,377,167	15,122,451
CO2 Gas	13,567,254	12,660,966
Computer Software Packages	-	9,727,301
	35,157,163	113,116,653

OTHER INCOME**Note No. 24**

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Interest from banks and others	249,234	418,523
Dividend received	13,020	13,020
Others:		
Transport charges collected	-	284,704
Credit balances writtenback	536,242	1,622,114
Miscellaneous Receipts	743,300	540,607
Exchange differences (Gain)	1,209,952	-
Profit on Sale of Assets	200,500	5,492
TOTAL	2,952,248	2,884,460

KRISHNA INDUSTRIAL CORPORATION LIMITED

COST OF MATERIALS CONSUMED

Note No. 25

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Opening Stock	6,370,855	9,322,404
Add:Purchases of electrodes, gases and other consumables	15,153,694	54,999,440
	21,524,549	64,321,844
Less : Sale of Raw Material	95,132	2,498,786
Less : Closing Stock	9,481,030	6,370,855
TOTAL	11,948,387	55,452,203

COMPONENTS OF MATERIAL CONSUMED

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Rock Phosphate	2,032,691	28,320,338
Sulphuric Acid	970,042	10,453,742
Urea, MOP, DAP, etc.,	1,246,062	7,133,040
Lignite and Chemicals	2,029,367	4,352,794
CO2 Gas	5,670,225	5,192,289
	11,948,387	55,452,203

CHANGES IN INVENTORIES OF WORK -IN- PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

Note No. 26

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Opening Stock		
Finished Goods	6,666,514	2,739,981
Stock-in-Trade	19,649	19,649
Work-in-Process	-	-
	6,686,163	2,759,630
Closing Stock		
Finished Goods	391,240	6,666,514
Stock-in-Trade	19,649	19,649
Work-in-Process	-	-
	410,889	6,686,163
Increase / (Decrease) in inventories	6,275,274	(3,926,533)

COMPONENTS OF WORK -IN- PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
A. OPENING STOCK		
Super Phosphate	6,133,881	2,048
Sulphuric Acid	-	3,360
NPK Granules	371,874	2,080,614
Bio-Fertiliser	159,703	581,322
CO2 Gas	1,056	72,637
Stock-in-Trade Neem Powder	19,649	19,649
	6,686,163	2,759,630
B. CLOSING STOCK		
Super Phosphate	370,089	6,133,881
Sulphuric Acid	-	-
NPK Granules	-	371,874
Bio-Fertiliser	20,228	159,703
CO2 Gas	923	1,056
Stock-in-Trade Neem Powder	19,649	19,649
	410,889	6,686,163

EMPLOYEE BENEFIT EXPENSES

Note No. 27

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Salaries and Wages	29,136,161	32,800,434
Contribution to provident and other funds	1,919,508	2,986,192
Staff welfare expenses	748,271	737,010
Contribution to Group Gratuity	1,472,787	1,208,146
TOTAL	33,276,727	37,731,782

FINANCE COSTS

Note No. 28

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Interest paid to banks and others		
- On Working Capital Loans	35,055,588	32,721,893
- On Term Loans	9,570,564	9,547,006
- Finance Charges	796,379	1,432,395
TOTAL	45,422,531	43,701,294

KRISHNA INDUSTRIAL CORPORATION LIMITED

DEPRECIATION AND AMORTISATION

Note No. 29

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Depreciation	4,622,222	5,795,957
Amortization	335,636	105,621
TOTAL	4,957,858	5,901,578

OTHER EXPENSES

Note No. 30

PARTICULARS	Year ended 31-03-2018	Year ended 31-03-2017
Consumption of Stores and Spares (incl Packing Material)	855,643	3,857,310
Power and Fuel	4,683,190	5,181,791
Rents - Office	1,267,955	1,379,829
Repairs and Maintenance - Plant and Machinery	274,293	1,490,830
- Buildings	4,034	27,703
- Other Assets	530,192	1,380,596
Tools Writtenoff	5,017	2,317
Rebates and Incentives	908,571	5,379,334
Selling and Distribution expenses	2,252,185	4,366,266
Insurance	455,185	539,900
Rates and taxes	759,641	1,079,211
Advertisement	26,840	72,000
Directors Sitting fee	-	60,000
Payments to auditors		
Towards Statutory audit	147,500	143,750
Towards tax audit and taxation matters	41,300	40,250
Towards Certification and Other Services	80,830	96,025
Towards Cost Audit	20,000	20,000
Miscellaneous expenses	4,278,605	6,165,701
Debit Balances writtenoff	-	2,181,066
Loss on exchange fluctuations	-	3,085,471
TOTAL	16,590,981	36,549,350

CATEGORIES OF FINANCIAL INSTRUMENTS**Note: 31**

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2018 and 31st March, 2017 are as follows:

PARTICULARS	Carrying value			Fair value		
	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016
Financial assets						
Measured at Amortised cost						
(i) Other financial assets	279,792	318,267	802,558	279,792	318,267	802,558
(ii) Loans and advances	4,468,052	4,798,390	4,879,024	4,468,052	4,798,390	4,879,024
Measured at FVTOCI						
(i) Investments in equity Instruments	347,333	245,050	152,421	347,333	245,050	152,421
Total assets	5,095,177	5,361,707	5,834,003	5,095,177	5,361,707	5,834,003
Financial liabilities						
Measured at amortised cost						
(i) Borrowings (including Current maturities of Long term Debt)	12,807,642	33,470,807	50,151,706	12,807,642	33,470,807	50,151,706
(ii) Other financial liabilities	141,995,025	95,831,512	76,713,442	141,995,025	95,831,512	76,713,442
Total liabilities	154,802,667	129,302,319	126,865,148	154,802,667	129,302,319	126,865,148

FAIR VALUE HIERARCHY**NOTE: 32**

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

KRISHNA INDUSTRIAL CORPORATION LIMITED

FINANCIAL ASSETS / FINANCIAL LIABILITIES	Fair Value as at			Fair Value hierarchy	Valuation technique and key input
	As at 31- 03-2018	As at 31- 03-2017	As at 01- 04-2016		
1) INVESTMENTS IN QUOTED EQUITY INSTRUMENTS	347,333	245,050	152,421	Level I	Quoted bid prices in an active market

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and Short Term Borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Financial Risk Management**Note: 33**

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also planned before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. Credit risk encompasses of both the direct risk of default and the risk of deterioration of credit worthiness. Credit risk is controlled by monitoring and interaction with the customers on a continuous basis.

Financial instruments that are subject to concentrations of credit risk principally consists of trade receivables.

B. Foreign currency risk management

- a) The company has customers from outside India with regard to sale of services and there are outstanding receivables in foreign currency as at the Balance Sheet date. The company has not entered into any forward exchange contract to hedge against currency risk. The company's unhedged foreign currency exposure in respect of these receivables are given below.

PARTICULARS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Amount Receivable in Foreign Currency and Reporting Currency (A)			
USD - US Dollars	1,508,137	1,508,137	1,454,636
INR - Indian Rupee	98,141,379	97,742,327	96,486,039
AED - Arab Emirates Dirham	500	500	-
INR - Indian Rupee	8,859	8,830	-
RM - Ringgit Malaysia	367,042	367,042	76,820
INR - Indian Rupee	6,184,364	5,373,495	1,313,622
Amount Payable in Foreign Currency and Reporting Currency (B)			
USD - US Dollars	297,000	207,000	185,850
INR - Indian Rupee	19,327,156	13,415,670	12,319,067
Foreign Currency amount Uncovered (A-B)			
USD - US Dollars	1,211,137	1,301,137	1,268,786
AED - Arab Emirates Dirham	500	500	-
RM - Ringgit Malaysia	367,042	367,042	76,820

The foreign currency amount uncovered with natural hedge mentioned above is subject to foreign currency fluctuations.

C. Liquidity risk

Due to sudden fall of operations of the business, the company is not able to meet its debt obligations as per the terms of repayment. The working capital with Andhra Bank has been taken over by a company and the said company has initiated action for settlement of debt under SARFAESI Act, 2002. The company is taking necessary steps for repayment of its debt by disposing part of its assets.

Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

KRISHNA INDUSTRIAL CORPORATION LIMITED**Contingent Liabilities and Commitments :****Note- 34**

PARTICULARS	As at 31- 03-2018	As at 31-03-2017
Outstanding guarantees to Banks including letter of credit opened with Bankers for purchase of material	Nil	70,000

VALUE OF IMPORTS MADE BY THE COMPANY DURING THE YEAR CALCULATED ON CIF BASIS**Note- 35**

PARTICULARS	As at 31- 03-2018	As at 31-03-2017
a) Raw Materials	22,426,661	45,112,909

CONSUMPTION OF COMPONENTS, STORES AND SPARES (Charged to appropriate heads)**Note - 36**

PARTICULARS	As at 31- 03-2018	As at 31-03-2017
Components and spares		
- Imported	-	-
- Indigenous	1,169,690	6,112,286

Disclosure pursuant to "AS-18 Related Party Disclosures**Note- 37****A. Names of the related parties:**

- 1) Enterprises over which relatives of Key management personnel have significant influence
 - a) The Jeypore Sugar Company Limited
 - b) RS Industrial Corporation (P) Ltd.,
- 2) Key managerial personnel :
 - a) Dr. S.R.K. Prasad, Managing Director
- 3) Relatives of Key managerial personnel :
 - a) Smt. Rajeswary Ramakrishnan - Mother
 - b) Sri. R. Prabhu - Brother
 - c) Smt. S. Nalini - Wife
 - d) Sri. Rajiv Rangaswamy - Son
 - e) Ms. S. Nandita - Daughter

B. Details of transactions:

NATURE OF TRANSACTION	Enterprises over which relatives of Key management personnel have significant influence	Key managerial personnel	Relatives of Key managerial personnel
a) Interest paid to			
- Dr. SRK Prasad	-	315,000	-
- Smt. Rajeswary Ramakrishnan	-	-	459,000

C. Balances outstanding as on 31.03.2018

NATURE OF TRANSACTION	Enterprises over which relatives of Key management personnel have significant influence	Key managerial personnel	Relatives of Key managerial personnel
a) Amount due to			
- The Jeypore Sugar Company Limited	16,064,137	-	-
b) Investment in equity shares of			
- The Jeypore Sugar Company Limited	864,942	-	-
c) Fixed deposits with company held by			
- Dr. SRK Prasad	-	3,500,000	-
- Smt. Rajeswary Ramakrishnan	-	-	5,100,000
d) Holding in share capital of the company by			
- The Jeypore Sugar Company Limited	254,980	-	-
- R.S. Industrial Corporation Limited	397,890	-	-
- R M Corporation	37,290	-	-
- V R K Grandsons	600,000	-	-
- Dr. SRK Prasad	-	2,934,550	-
- Smt. Rajeswary Ramakrishnan	-	-	1,512,000
- Sri. R. Prabhu	-	-	522,000
- Smt. S. Nalini	-	-	2,084,350
- Ms. Nandita	-	-	1,500,000
- Mr. Rajiv Ragaswamy	-	-	4,091,440

KRISHNA INDUSTRIAL CORPORATION LIMITED

EXPENDITURE INCURRED IN FOREIGN CURRENCY

Note - 38

PARTICULARS	As at 31- 03-2018	As at 31-03-2017
Expenditure incurred in foreign currency	Nil	Nil

Note - 39

Income earned in foreign currency from export of Software and Services during the year is Rs. Nil (Previous year Rs. 97,27,301)

Note - 40

Outstanding balances in respect of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation from the parties. In the opinion of the Board of Directors, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note - 41

The company has not received information from vendors regarding their status under the Micro, Small and medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the end of the year together with interest paid/payable under this Act cannot be given.

NOTE - 42											
SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2018											
(I) Information about Primary Business segments											
PARTICULARS	FERTILISER		INDUSTRIAL GASES		OTHERS		UNALLOCATED		TOTAL		
	2017-18 Rs	2016-17 Rs	2017-18 Rs	2016-17 Rs	2017-18 Rs	2016-17 Rs	2017-18 Rs	2016-17 Rs	2017-18 Rs	2016-17 Rs	
REVENUE											
External - Domestic	21,589,909	90,728,386	13,567,254	12,660,966	10,364,916	6,071,100	-	-	45,522,079	109,460,452	
- Export	-	-	-	-	-	8,328,013	-	-	-	8,328,013	
Inter - segment	-	-	-	-	-	-	-	-	-	-	
Total revenue	21,589,909	90,728,386	13,567,254	12,660,966	10,364,916	14,399,113	-	-	45,522,079	117,788,465	
RESULT											
Segment result	(21,929,400)	(5,324,593)	(5,289,625)	642,499	(1,355,059)	(3,699,223)	-	-	(21,590,408)	(8,386,809)	
Unallocated corporate expenses	-	-	-	-	-	-	4,786,472	6,927,773	4,786,472	6,927,773	
Interest expenses	44,644,854	42,923,009	3,677	4,285	-	-	774,000	774,000	45,422,531	43,701,294	
Interest income	197,799	214,900	-	46,194	-	69,442	51,435	87,987	249,234	418,523	
Other income	536,242	1,242,868	943,800	874,177	-	330,380	-	-	1,480,042	2,452,917	
Dividend income	-	-	-	-	-	-	13,020	13,020	13,020	13,020	
Profit/(Loss) before tax	(65,840,213)	(46,789,834)	(4,349,502)	1,558,585	(1,355,059)	(3,299,401)	(5,496,017)	(7,600,766)	(70,057,115)	(56,131,416)	
Add : Extraordinary Items	-	-	-	-	-	-	-	-	6,983,676	-	
Less : Provision for taxation / Deferred Tax	-	-	-	-	-	-	-	-	(21,211,611)	(15,403,265)	
Profit/(Loss) after Tax	-	-	-	-	-	-	-	-	(55,829,180)	(40,722,659)	
OTHER INFORMATION											
Segment assets	127,087,527	131,254,360	9,943,987	19,169,156	107,361,665	105,792,088	58,710,601	37,431,612	303,103,780	293,647,216	
Segment liabilities	336,436,783	292,688,896	12,396,636	13,886,231	3,681,613	2,520,455	94,613,844	72,747,550	447,128,876	381,843,132	
Capital expenditure	-	-	-	-	765,929	73,216	-	-	765,929	73,216	
Depreciation	3,958,970	5,010,469	635,854	670,449	363,033	220,661	-	-	4,957,857	5,901,579	
Non-cash expenses other than depreciation :											
II) Secondary Segment Report - Geographical Segments											
Particulars	Sales Revenue		Carrying amount assets		Additions to Fixed Assets						
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year					
India	45,522,079	109,460,452	303,103,780	293,647,216	765,929	73,216					
South Asia	-	8,328,013	-	-	-	-					
Total	45,522,079	117,788,465	303,103,780	293,647,216	765,929	73,216					

KRISHNA INDUSTRIAL CORPORATION LIMITED

Notes:

- 1) The company is organised into three main business segments, namely
 - a) Fertilisers and chemicals - comprising Chemical Fertilisers, Bio-Fertilisers
 - b) Industrial gases, and
 - c) Software packages development and its services.
- 2) Segment have been identified and reported taking into account the nature of products, the organisation structure, and internal financial reporting system.
- 3) The segment revenue in each of the segment includes sales only.
- 4) Expenses that are directly identifiable to segments are considered for segment result. The expenses which relate to the company as a whole are included under unallocable expenditure.

Note - 43

Figures for the previous year have been regrouped wherever required to confirm to the current period classification.

Note - 44

Paisa have been rounded off.

As per our report annexed
for BRAHMAYYA & CO
Firm Regn.no.000513S
Chartered Accountants

(Sd.) P. Lakshmana Rao
Partner
ICAI Membership No.13254

Place : Chennai
Date : 21-06-2018

For and on behalf of the Board
(Sd.) Dr. S.R.K. PRASAD
Managing Director

(Sd.) N. PRASAD
Director



ADMISSION SLIP

KRISHNA INDUSTRIAL CORPORATION LTD

(CIN: U45309TN1956PLC001112)

Regd. Office: "Ramakrishna Buildings" No.239, Anna Salai Chennai - 600 006

Email: kiclimitedho@gmail.com Phone : 044-43567599

70th ANNUAL GENERAL MEETING
2018

I / We hereby record my / our presence at the 70th Annual General Meeting of the Company to be held on Friday 28th September, 2018 at No. 48, Dr B.N. Road, 2nd Floor, Mehubani Towers, T.Nagar, Chennai - 600 017 at 12.30 P.M.

Member's Folio / DP_ID, Client ID No.	Member's / Proxy's name in Block Letters	Member's / Proxy's Signature

Note :

1. Please complete the Folio No. and name, sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

PROXY FORM

{Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules. 2014}



KRISHNA INDUSTRIAL CORPORATION LTD

(CIN: U45309tn1956plc001112)

Regd. Office: "Ramakrishna Buildings", No.239, Anna Salai, Chennai - 600 006
Email:kiclimitedho@gmail.com Phone : 044-43567599

70TH ANNUAL GENERAL MEETING 28TH SEPTEMBER, 2018

Name of the Member (s)	
Registered Address	
E-mail Id	
Folio / DP_ID & Client_ID	

I / We being the member (s) of..... shares of the above named Company hereby appoint :

(1) Name.....Address.....

Email Id.....Signature.....or failing him

2) Name.....Address.....

Email Id.....Signature.....

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 70th Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 12.30 P.M at No. 48, Dr B.N. Road, 2ndFloor, Mehbubani Towers, T.Nagar, Chennai - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements for the year ended 31st March, 2018		
2.	To appoint a Director in the place of Smt.Rajeswary Ramakrishnan (DIN: 01385665) who retires by rotation, and being eligible, offers herself for re-appointment.		
3.	Appointment of (M/S. Brahmayya & Co., Chartered Accountants, Firm Registration No.000513S) as Statutory Auditors of the Company for the Financial year 2017-2018 and fix their remuneration.		

Signed this.....day of.....2018.

Signature of Shareholder.....

Signature of Proxy holders (s).....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
 2. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
 3. Please complete all details including details of member(s) in above box before submission.
- Signed by the said.....

**PRINTED MATTER
REGISTERED - BOOK POST**



If undelivered, please return to :
KRISHNA INDUSTRIAL CORPORATION LIMITED
"Ramakrishna Buildings",
239, Anna Salai, P.B. NO. 703,
Chennai-600 006.