

For a Better Tomorrow...



The KCP Limited  

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82nd Annual Report 2022-2023





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## Key Financial Summary - The KCP Limited (Standalone)

	Year Ended									
	31-3-2023	31-3-2022	31-3-2021	31-3-2020	31-3-2019	31-3-2018	31-3-2017	31-3-2016	31-3-2015	31-3-2014
<b>Share Capital</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>20.89</b>
Reserves & Surplus	670.76	710.72	606.50	454.11	477.44	452.89	397.68	366.52	345.92	342.50
Net Worth	683.65	723.61	619.39	467.00	490.33	465.78	410.57	379.41	358.81	363.39
Fixed Assets (Net)	825.47	868.06	907.66	957.69	981.10	907.10	722.23	718.38	694.86	664.53
Debt	298.67	336.31	396.41	509.03	558.98	479.24	413.08	393.71	318.28	312.52
<b>Gross Revenue</b>	<b>↑ 1721.69</b>	<b>1648.52</b>	<b>1336.99</b>	<b>970.52</b>	<b>1163.52</b>	<b>1100.48</b>	<b>954.76</b>	<b>865.82</b>	<b>708.93</b>	<b>757.23</b>
Gross Profit	67.61	278.83	328.59	102.42	140.54	196.69	148.35	149.65	106.80	80.02
Depreciation	66.27	65.17	69.42	71.41	51.93	49.03	48.61	39.12	34.31	34.09
Interest	32.55	31.58	42.41	56.41	33.81	35.29	47.25	45.41	48.86	44.73
Profit Before Tax	(31.21)	182.08	216.76	(25.40)	54.80	112.37	52.49	65.12	23.63	1.20
<b>Profit After Tax</b>	<b>↓ (25.54)</b>	<b>129.30</b>	<b>153.32</b>	<b>(6.77)</b>	<b>39.51</b>	<b>81.27</b>	<b>33.81</b>	<b>42.86</b>	<b>15.87</b>	<b>1.27</b>
Other Comprehensive Income	(1.53)	0.70	1.00	(3.53)	(2.06)	(0.27)	(2.66)			
Total Comprehensive Income	(27.07)	130.00	154.32	(10.30)	37.45	81.00	31.15			
<b>Earnings Per Share (Rs.)</b>	<b>↓ (1.98)</b>	<b>10.03</b>	<b>11.89</b>	<b>(0.52)</b>	<b>3.06</b>	<b>6.30</b>	<b>2.62</b>	<b>3.32</b>	<b>1.17</b>	<b>-0.04</b>
Book Value Per Share (Rs.)	53.04	56.14	48.05	36.23	38.04	36.13	31.85	29.43	27.84	27.57
Debt Equity Ratio	0.44	0.46	0.64	1.09	1.14	1.03	1.01	1.04	0.89	0.86
<b>Dividend On Equity (%)</b>	<b>10</b>	<b>100</b>	<b>200</b>	<b>15</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>	<b>75</b>	<b>10</b>

## Key Financial Summary - The KCP Limited (Group)

	Year Ended									
	31-3-2023	31-3-2022	31-3-2021	31-3-2020	31-3-2019	31-3-2018	31-3-2017	31-3-2016	31-3-2015	31-3-2014
<b>Share Capital</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>12.89</b>	<b>20.89</b>
Reserves & Surplus	1211.46	1163.91	982.72	825.43	797.66	723.24	662.51	594.73	518.96	484.25
Net Worth	↑ 1224.35	1176.80	995.61	838.32	810.55	736.13	675.40	607.62	531.85	505.14
Fixed Assets (Net)	1008.47	1066.02	1118.73	1195.67	1227.73	1164.08	980.78	975.12	765.42	745.02
Debt	555.21	434.32	467.94	544.91	591.70	555.85	516.40	474.12	318.34	303.08
<b>Gross Revenue</b>	<b>↓ 2292.08</b>	<b>2146.77</b>	<b>1719.35</b>	<b>1427.71</b>	<b>1669.26</b>	<b>1522.92</b>	<b>1371.18</b>	<b>1414.50</b>	<b>1292.29</b>	<b>1182.46</b>
Gross Profit	212.02	412.83	390.28	194.87	237.89	255.58	228.55	241.40	179.90	147.66
Depreciation	89.91	87.06	91.71	96.09	75.62	70.51	62.59	48.29	48.21	47.13
Interest	38.03	33.85	46.37	59.40	38.71	42.34	49.93	52.34	51.46	46.31
Profit Before Tax	84.08	291.92	252.20	39.38	123.56	142.73	116.03	140.77	80.23	54.22
<b>Profit After Tax</b>	<b>↑ 41.74</b>	<b>188.11</b>	<b>162.99</b>	<b>27.13</b>	<b>82.22</b>	<b>89.51</b>	<b>76.55</b>	<b>93.35</b>	<b>50.37</b>	<b>34.49</b>
Other Comprehensive Income	18.7	19.03	(3.76)	13.66	5.17	(2.91)	(8.69)			
Total Comprehensive Income	60.44	207.14	159.23	40.79	87.39	86.60	67.86			
<b>Earnings Per Share (Rs.)</b>	<b>3.24</b>	<b>14.59</b>	<b>12.64</b>	<b>2.10</b>	<b>6.38</b>	<b>6.94</b>	<b>5.94</b>	<b>7.24</b>	<b>3.84</b>	<b>2.54</b>
Book Value Per Share (Rs.)	94.98	91.30	77.24	65.04	62.88	57.11	52.40	47.14	41.26	38.57
Debt Equity Ratio	0.45	0.37	0.47	0.65	0.73	0.76	0.76	0.78	0.60	0.60
<b>Dividend On Equity (%)</b>	<b>10</b>	<b>100</b>	<b>200</b>	<b>15</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>	<b>75</b>	<b>10</b>

\* Debt includes current maturities.

\* Figures for FY 2015-16 and 2016-17 have been restated in accordance with implementation of Indian Accounting Standards w.e.f. 01.04.2017.



# Corporate Information

## Board of Directors

### Executive Directors

Dr. V.L. Indira Dutt, *Chairperson & Managing Director*  
Smt. V. Kavitha Dutt, *Joint Managing Director*

### Independent Directors

Sri. P.S. Kumar  
Sri. V.H. Ramakrishnan  
Sri. Vijay Sankar  
Sri. M. Narasimhappa  
Smt. Janaki Pillai

### Non- Executive Non-Independent Directors

Sri. V. Chandrakumar Prasad  
Dr. Subbarao Vallabhaneni  
Sri. Ravi Chitturi

### Chief Financial Officer

Sri. G.N. Murty (Till 31.01.2023)  
Sri. Anis Teybali Hyderi (From 01.02.2023)

### Company Secretary

Sri. Y. Vijayakumar

### Statutory Auditors

M/s. K.S. Rao & Co., Chartered Accounts,  
Flat No. 601A, Golden Green Apartments,  
Irrummangil Colony, Hyderabad 500 082

### Internal Auditors

M/s. Sriramamurthy & Co., Visakhapatnam, Andhra Pradesh  
M/s. M. Bhaskara Rao & Co. Hyderabad, Telangana

### Registered & Corporate Office

"Ramakrishna Buildings",  
2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008, India.  
Phone: +91 44 66772600 E-Mail: investor@kcp.co.in,  
www.kcp.co.in

### Registrar & Share Transfer Agents

M/s. Integrated Registry Management Services Pvt. Ltd  
II Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road  
T. Nagar, Chennai 600 017 Ph: 044-28140801/803 Fax: 044-28142479  
yuvraj@integratedindia.in, www.integratedindia.in

### Cost Auditors

M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad  
M/s. S. Mahadevan & Co., Cost Accountants, Chennai

### Secretarial Auditor

Smt. Sobana Pranesh, Company Secretary in Practice, Chennai

### Board Committees & Constitution

#### Audit Committee:

Sri. P.S. Kumar                      Sri. V. H. Ramakrishnan  
Sri. Vijay Sankar,                      Smt. V. Kavitha Dutt  
Sri. M. Narasimhappa

#### Stakeholders Relationship Committee:

Sri. P.S. Kumar                      Sri. M. Narasimhappa  
Dr. V.L. Indira Dutt                      Sri. V. H. Ramakrishnan  
Sri. Vijay Sankar,

#### Nomination and Remuneration Committee:

Sri. V. H. Ramakrishnan                      Sri. Vijay Sankar  
Dr. V.L. Indira Dutt                      Sri. M. Narasimhappa  
Sri. P.S. Kumar

#### Risk Management Committee:

Smt. V. Kavitha Dutt                      Sri. G.N. Murty  
Dr. V.L. Indira Dutt                      Sri. V.M. Rao  
Sri. P.S. Kumar                      Sri. B.V.P.S. Chowdary  
Sri. Vijay Sankar                      Sri. K. Ramakrishna  
Sri. V. Chandrakumar Prasad                      Sri. M. Narayana Rao  
Sri. Ravi Chitturi

#### Corporate Social Responsibility Committee:

Dr. V.L. Indira Dutt                      Sri. P.S. Kumar  
Smt. V. Kavitha Dutt                      Sri. Vijay Sankar  
Smt. Janaki Pillai                      Sri. V. H. Ramakrishnan

#### Innovation and Best Practices Committee:

Sri. M. Narasimhappa                      Smt. V. Kavitha Dutt  
Sri. P.S. Kumar                      Sri. Vijay Sankar,  
Sri. Ravi Chitturi

#### Finance Committee:

Dr. V.L. Indira Dutt                      Sri. P.S. Kumar  
Smt. V. Kavitha Dutt                      Sri. Vijay Sankar

#### Investment Committee:

Dr. V.L. Indira Dutt                      Sri. Vijay Sankar  
Smt. V. Kavitha Dutt                      Sri. M. Narasimhappa  
Sri. P.S. Kumar                      Sri. V. H. Ramakrishnan

#### Bankers:

AXIS Bank                      HDFC Bank  
Bank of Baroda                      State Bank of India  
Canara Bank                      Federal Bank

## Plant Locations

### Cement

Macherla, Palnadu District, Andhra Pradesh  
Muktyala, NTR District, Andhra Pradesh  
Cement Packing Plant, Arakkonam, Tamilnadu

### Heavy Engineering

Thiruvottiyur, Chennai, Tamilnadu  
Arakkonam, Tamilnadu

### Cement Packaging Terminal

Arakkonam, Tamilnadu

### Hydel Power

Nekarikallu, Palnadu District, Andhra Pradesh

### Waste Heat Recovery Power

Macherla, Palnadu District, Andhra Pradesh

### Thermal Power

Muktyala, NTR District, Andhra Pradesh

### Solar Power

Muktyala, NTR District, Andhra Pradesh

### Wind Power

Uthumalai Village, Tirunelveli District, Tamilnadu

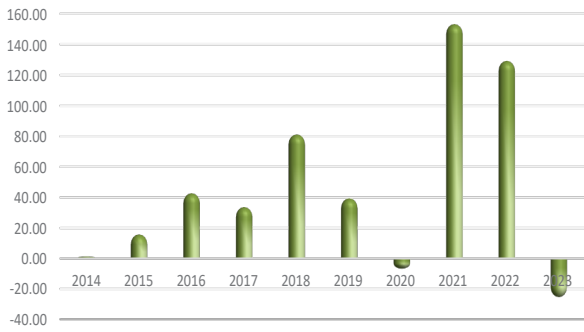
### Hotel

Mercure Hyderabad KCP  
Somajiguda, Hyderabad, Telangana

# At a Glance

## The KCP Limited

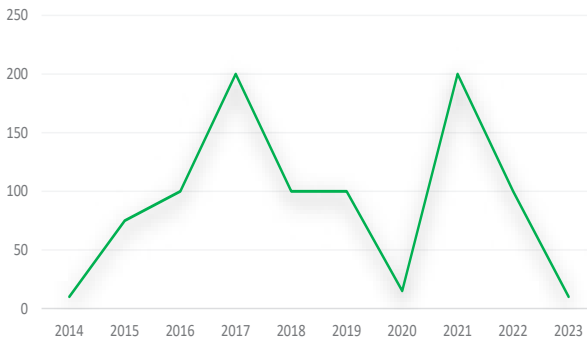
Profit After Tax (Rs. Crores)



Earnings Per Share (Rs.)

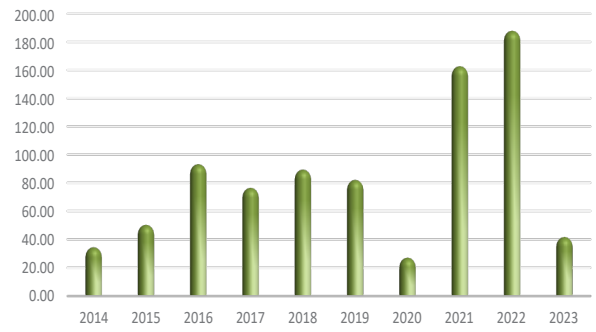


Dividend on Equity (%)



## The KCP Limited (Group)

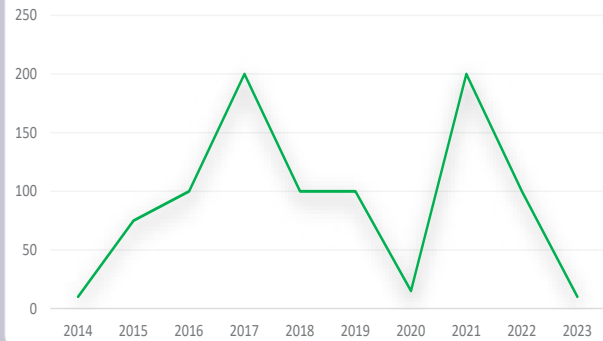
Profit After Tax (Rs. Crores)



Earnings Per Share (Rs.)



Dividend on Equity (%)



# From the Chairperson & Managing Director



Dear shareholders,

With a legacy of over 82 years, KCP group has emerged from being just a cement manufacturing Company into a diversified business conglomerate. With an unwavering commitment to quality, innovation and sustainability, and by focusing on best-in-class products, community initiatives, supplier management systems, and external partnerships, we have built a strong foundation for a lasting relationship with all our stakeholders and society at large.

India's growth continues to be resilient, underpinned by the Government's capital outlay and buoyant private consumption. India's GDP is estimated to have registered a growth of 6.8% in FY 2022-23 and is expected to continue to be the fastest growing large economy for the third consecutive year.

With the prioritised allocations for Infrastructure sector in Union Budget 2022-23 for the third year in a row, the volume in cement industry is expected to grow on the back of demand from infrastructure and housing.

In a challenging macroeconomic environment, marked by geopolitical uncertainties, high commodity inflation and tepid market growth, we delivered yet another year of good results. Our Sale volume (cement) witnessed an increase of 2% from 30.52 million tons in FY 2021-22 to 31.19 million tons in FY 2022-23 and Net revenue from operations grew by 5.53% from Rs.158443 Lakhs in FY 2021-22 to 167210 Lakhs in FY 2022-23. Recently we have experienced moderation in fuel prices, and although still unpredictable, we expect it will help us to recover margins.

The Performance of Engineering Segment was marginally better as compared to last year. The unit still has to cross many hurdles on its way to profitability, some of which are competition from the unorganized sector and advancement in machining technology.

The Mercure Hyderabad KCP Hotel continued to show good prospects and growth and has positioned itself as a leading business hotel. The Subsidiary company M/s KCP Vietnam Industries Limited and Joint Venture M/s Fives Cail KCP

Limited also registered reasonably good numbers in year 2022-23.

We are working towards ESG (Environmental, Social and Governance) goals proactively, through delivering low-carbon products, increasing the use of alternative raw materials, fuels, and increasing our share in green power. Our actions are driven by a heartfelt commitment to our employees, suppliers, customers, and communities in and around our areas of operation, This Annual Report has a Business Responsibility and Sustainability Report (BRSR) that covers our ESG vision, policy, agenda and progress against elements of each of the nine principles under the National Guidelines on Responsible Business Conduct.

As a socially responsible business group, we remain committed to the communities we live

and operate in. During the year, we supported a variety of social initiatives to create a positive impact in areas such as , healthcare, education, sustainability, skill development and women empowerment.

To maintain the consistency in Dividend payment, the Board has recommended a dividend of Re.0.10 per equity share of Re.1/- each (10%) for the year 2022-23 subject to shareholder approval at the Annual General Meeting.

I would like to thank all stakeholders, particularly our dedicated employees, for their continued trust, support, and confidence in our leadership.

**Dr. V.L. Indira Dutt**



## Board of Directors



**Dr. V.L. Indira Dutt**  
DIN: 00139883  
Chairperson &  
Managing Director

Dr. V. L. Indira Dutt, has a B.A (Economics) from Madras University and serves as Chairperson & Managing Director of the Company.

She has over 35 years of experience and has ably supported the then Executive Chairman in the strategic planning & direction of the operations of the company and has personally contributed towards the growth and operations of the Cement Plants at Macherla and Muktyala.

Presently, she serves as Chairperson of Fives Cail – KCP Limited, KCP Vientam Industries Limited, Director of Velagapudi Foundation and V. Ramakrishna Sons Private Limited. She is the President of the Word Telugu Federation (WTF) and Andhra Chamber of Commerce.

Dr. V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee, Investment Committee, Finance Committee and Member of Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committees of the Company.

She was the President of FICCI Ladies Organization (FLO) and was the Chairperson of SAARC Chamber Women Entrepreneurs Council (SCWEC) and is the President of Gandhinagar Ladies Club, Chennai, Advisory Committee Member of Andhra Mahila Sabha, Chennai, Managing Committee Member of Cement Manufacturers Association and Advisory Committee Member of Centre for Entrepreneurship Training & Development (CED), Hyderabad.



**Smt. V Kavitha Dutt**  
DIN: 00139274  
Joint Managing Director

Smt. V Kavitha Dutt is the Joint Managing Director of the company. She is a graduate in Business Management (BBA) with specialization in International Business from Cedar Crest College, Allentown, Pennsylvania. She also holds a Post-Graduate Diploma in Human Resources from New York University (NYU), New York. She has over 22 years' experience and has significantly contributed at all levels of management, including in particular overseeing new projects, financial and human resources management, besides steering budgetary policies and review procedures for effective monitoring and follow up.

Smt. V. Kavitha Dutt is the Chairperson of the Risk Management Committee and member of the Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Investment committee, Finance Committee and Innovation and Best Practices Committees of the Company.

Presently she serves as Director on the Boards of DCM Shriram Industries Limited, Apollo Hospitals Enterprise Limited, ABI Showatech (India) Limited, Bharat Biotech Limited, Centum Electronics Limited, V Ramakrishna Sons Private Limited, KCP Vietnam Industries Limited, Velagapudi Foundation and Chennai Willington Corporation Foundation.

She is a Member of Young Presidents' Organization (YPO) Tamilnadu Chapter, Vice President of Word Telugu Federation (WTF) She was the President of FICCI Ladies Organization (FLO), Vice Chairman of SCWEC, India, Chairperson of FICCI Tamil Nadu State Council and was the President of Madras Management Association (MMA).

Smt. V. Kavitha Dutt is the Honorary Council of Vietnam in Chennai.



**Sri. V.H. Rama Krishnan**  
DIN: 00143948  
Independent Director

V. H. Ramakrishnan is a qualified Chartered Accountant and a Cost Accountant and has extensive experience spanning over 35 years in both domestic and international banking with his long stint with Bank of India (BOI), from where he retired as the General Manager. During his tenure at BOI, he headed various departments such as International Operations, Comptrollers Department, Treasury and Subsidiaries. He also has significant international banking exposure, first as Manager Nairobi Branch and then as Executive Director of Allied Bank of Nigeria Ltd. Post retirement he was a Shareholders' Director in Andhra Bank for 6 years from 2006-12. He was also a director in a few companies as Nominee of UTI and IDBI. Canara Bank had also appointed him as a director in their Joint Venture Canara Rebeco AMC Ltd for a period of about 4 years., He was an independent Director on the Board of Sagar Cements Limited and Sagar Cements (R) Limited.

He is an independent director of Andhra Cements Ltd (a subsidiary of Sagar Cements Limited).

Sri. V.H. Ramakrishnan is the Chairman of Nomination and Remuneration Committee, Member of Audit Committee, Investment Committee, Innovation and Best Practices Committee, CSR Committee and Stakeholders Relationship Committees of the Company.



**Sri. Vijay Sankar**  
DIN: 00007875  
Independent Director

Vijay Sankar is the **Chairman of Chemplast Sanmar Limited**, and Deputy Chairman of The Sanmar Group.

He is a qualified Chartered Accountant and holds a Master's in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, USA.

He is also an Independent Director on the Boards of Oriental Hotels Limited, Kaveri Retreats & Resorts Ltd. and Transport Corporation of India Limited. He serves as a Vice President of the Tamil Nadu Tennis Association. He also serves as a Trustee of The Childs Trust Hospital and the Voluntary Health Services (VHS). He serves on the Board of Governors of the Medical Research Foundation (Sankara Nethralaya) and CPR Environment Education Centre. He is a past President of the Indian Chemical Council.

He is a member of the Audit Committee, Stakeholders Relationship Committee, Investment committee, Nomination and Remuneration Committee, Innovation and Best Practices Committee, Finance committee, Risk Management committee, Corporate Social Responsibility Committees of the company.

Vijay Sankar is the **Honorary Consul General of Denmark in Chennai**.



**Sri. M. Narasimhappa**  
DIN: 03319847  
Independent Director

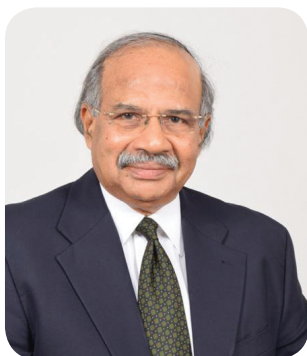
Sri. M. Narasimhappa holds a Masters Degree in Economics from Sri. Venkateswara University, Tirupathi. He served in various capacities in the Indian Revenue Service (IRS) like Joint Commissioner, Additional Commissioner, Commissioner of Income Tax and retired as Chief Commissioner of Income Tax.

He was the Chairman of Eesavyasa Technologies (P) Limited and was a Director of Eesavyasa Agrotech (P) Ltd and was Independent Director in Vijay Nirman (P) Limited.

He is an Independent Director in Amara Raja Power System Limited, Endiya Trust Private Limited and Director of OHM Organic Farming Private Limited.

He has received awards for Excellence in Tax Administration from Management Association of Pune (2009) and Delhi Telugu Academy (2004). He was awarded Certificate of Merit and Certificate of Appreciation by Central Board of Direct Taxes, Ministry of Finance, Government of India for outstanding contribution in Best Practices. He was also awarded UNDP scholarship and received a Certificate of Comprehensive Course for the Development of Tax Administrators from Golden Gate University, Los Angeles, USA.

Sri. M. Narasimhappa is the Chairman of Innovation and Best Practices Committee and Member of Audit Committee, Investment Committee, Nomination and Remuneration committee and Stakeholders relationship committees of the company.



**Sri. P.S. Kumar**  
DIN: 00267280  
Independent Director

Sri. P.S. Kumar, holds a Bachelor degree in commerce from University of Madras and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and Institute of Chartered Accountants of India, Mr. Kumar is a practicing Chartered Accountant and is the Managing partner of Brahmayya & Co., Chartered Accountants, Bengaluru.

Sri. Kumar served as President of Andhra Chamber of Commerce, Chennai and serving currently as a member of the Executive Committee. He is currently a Member of the Executive Committee of the International Chamber of Commerce (Indian Branch), New Delhi.

He is Chairman of the Board of Directors of Sri Sarvaraya Sugars Ltd.

Sri. Kumar serves as a Chairman of the Audit Committee, Stakeholders Relationship Committee and Member of Investment committee, Nomination and Remuneration Committee, Innovation and Best Practices Committee, Finance committee, Risk Management committee, Corporate Social Responsibility Committees of the company.



**Smt. Janaki Pillai**  
DIN: 08713712  
Independent Women Director

Dr. Janaki Pillai has a B.A. (Hons) in Economics from Lady Shriram College, New Delhi and a PhD in Sociology from Jawaharlal Nehru University, New Delhi.

Smt Janaki Pillai has previously worked as a college lecturer and as a development professional. She has a continuing interest in development and education and is also an English language trainer.

Smt. Janaki Pillai has worked as lecturer in Department of sociology at Stella Marris College, Chennai.

She is a member of Corporate Social Responsibility (CSR ) Committee of the Company.



**Dr. Subbarao Vallabhaneni**  
DIN: 008746927  
Non-Executive  
Non-Independent Director

Dr. Subbarao Vallabhaneni MD FACS, US National (NRI) is a physician by profession.

He has received MBBS degree from Andhra University and Completed residency in General Surgery at ST. Joseph's Hospital and Medical Center in Paterson, NJ.USA. Board Certified in General Surgery and became a fellow of the American College of Surgeons.

He was in private practice as a General Surgeon during the years 1977 – 2008 and afterwards retired from the Practice.



**Sri. V. Chandrakumar Prasad**

DIN: 008744154  
Non-Executive  
Non-Independent Director

Sri V. Chandrakumar Prasad, US national (NRI) has a B.S. in Chemistry from Loyola College, Chennai and M.S. in Management Science (Chemical Engineering, Economics, Finance and Industrial Psychology) from Stevens Institute of Technology, New Jersey (USA). He is also certified in Productivity in Manufacturing (New Jersey Institute of Technology) and SAP in Procurement/Engineering (Nestle University, USA). He was also a member of NCC Air Wing and played Tennis for Loyola College.

After his MS; Mr. Prasad joined Buitoni/Perugina (Head quartered in Italy and reported directly to the owner from 1970 to 1987. He held various positions from engineering team leader to Director of Engineering/ Procurement, and helped build 3 green field factories for Buitoni in USA.

On acquisition of Buitoni by NESTLE, Switzerland in 1988; Mr. Prasad joined them as a Corporate project Engineer and Strategic procurement Manager for North America (Canada, USA and Mexico), and handled 60 factories globally on various project activities for the head office in Switzerland. From 2006-2012 he was assigned to join a team of 3 to build the largest green field food factory in the world in Indiana and upgrade several other factories in USA. His expertise is in line layouts, creating standards, safety, root cause analysis, waste, cost savings, etc. He also spent time mentoring engineers, technicians and operators in continuous improvement techniques and team building. After 46 years of solid manufacturing and procurement expertise, he retired at the end of 2015.

He is a member of Risk Management Committee of the Company.

Sri. V. Chandrakumar Prasad is also a Director of Fives Cail KCP Limited.



**Sri. Ravi Chitturi**

DIN: 00328364  
Non-Executive  
Non-Independent Director

Sri. Ravi Chitturi, has a Bachelor Degree in Mechanical Engineering from College of Engineering, Anna University, Chennai and Master's Degree in Computer Science from Alabama A & M University, Huntsville, AL, USA.

He has over 35 years experience in Automotive, Banking, IT and Capital Goods Manufacturing sector with specific expertise in Portfolio & Risk Management and Manufacturing strategies.

He was the Managing Director of KCP Technologies Limited. Earlier he was a Senior Technology Analyst with Republic New York Corporation, New York.

He is on the Boards of KCP Technologies Limited, BGE Engineering India Private Limited and KCP Vietnam Industries Limited.

Sri. Ravi Chitturi is a member of Risk Management Committee and Innovation and Best Practices Committees of the Company.

## Awards and Recognitions



**CII 23rd National Award for Excellence in Energy Management 2022, CPU, Muktyala**

**National Award for Excellence in Cost Management - 2022**



**Safety week prizes Won by CPU, Macherla for the year 2022**



**Safety week prizes Won by CPU, Muktyala for the year 2022**



## Corporate Social Responsibility (CSR)

### Corporate Social Responsibility

At KCP we consider Corporate Social Responsibility (CSR) as a form of self-regulation, which makes us socially accountable and closer to the communities in which we operate. The CSR initiatives of the Company primarily focus on areas such as education, health, sanitation, drinking water, malnutrition, digital literacy, infrastructure facilities etc and are largely aligned with Schedule VII of the Companies Act, 2013 and approved by Board of Directors of the Company.

### Education

Primary education is the first step towards formal education of a child. It improves children's awareness and opens the door of multiple learning opportunities and develop emotional and social skills.



In continuation of our support to Muktyala village Preprimary school, we distributed Text books and Note books to the students and also paid salaries to the teachers. On the eve of Republic day, to inspire the young minds and to improve their learning experiences, various sports and games like Musical chairs, Running competitions, fancy dress competitions were organised by our CSR team in Muktyala and prizes were distributed to the participants.



We provided school bus to facilitate transport of students from Muktyala village to attend the schools in Jaggaiahpeta town with minimum charges, to pursue their higher education.



The implementation of digital learning solutions in rural areas will also help in unleashing the potentials and talents of the students, unemployed youth who do not get right exposure to the right content & resources in their education journey.

We have supported the Village Knowledge Centre (VKC) in Muktyala with books, magazines and also provided training in computers to upgrade their digital skills.



### Health and Wellness

Preventive healthcare promotes equity by benefiting mostly the disadvantaged and marginalized groups of the society and our initiatives cover wide range of public health activities focused on prevention of diseases, promotion of good health and strengthening of public health systems around our operations.



During the year we organized various medical camps including eye check-up camps, blood donation camps, cancer awareness camps for women to promote healthy living across communities.



During the year with the support of M/s. Basavataarakam Indo American Cancer Hospital and Research Institute, Hyderabad, we organized a Cancer awareness and screening camp for women in Muktyala village. A team of 20 members including 8 specialist doctors extended their service in a specially equipped bus for Cancer screening. In association with M/s. Maxi Vison Super Specialty Eye Hospitals, Vijayawada, we organized free eye camp for the benefit of people from Muktyala and surrounding villages and we further supported the patients with Spectacles and surgeries for needy patients.



We also supported the Children Living with HIV (CLHIV) through LEPRa Society for providing supplementary Nutrition food and other medical emergencies. During the year we supported Lepra Society for establishing Customized foot care unit in Jaggayyapet town.

**Skill Development**

Our CSR initiatives on skill development are mainly focused on vocational training programs, apprenticeships, and entrepreneurship training, implemented in association with NGOs or in partnership with government agencies and Educational Institutions.



At VR Polytechnic College, Thiruvottiyur, we have setup a Skill Development Centre to offer free training to marginalized students and unemployed youth. KCP has further supported the activities of Sri.V.Ramkrishna Hr. Secondary school Tiruvottiyur, by providing Computers, Tables, Chairs, Dual desks, lab equipment. Also supported in promoting skill development programs for imparting practical knowledge in Mechanical, Electrical & Communications areas, by increasing training capacity & quality and improved infrastructure.

**Women empowerment:**

KCP with the thrust of Empowerment of women by equipping them with skills and providing livelihood for a secure future has encouraged them to form Self Help Groups (SHGs).



We trained them in stitching clothes and also supporting them by providing work for stitching uniforms school children.

A multi beneficial programme to provide livelihood, skill development to Rural women was organised at Muktyala under which local women were provided with training in driving Light Motor Vehicle (LMV).

We are training the women in Muktyala village for tailoring.



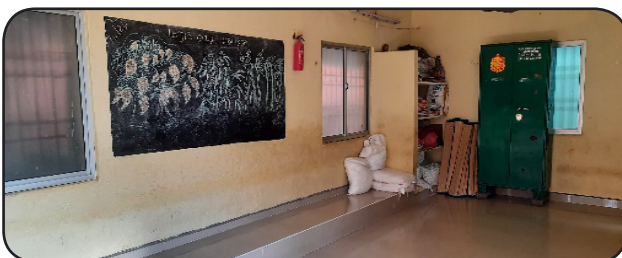


**Infrastructure:**

KCP has always supported the community in around its operations in getting adequate access to clean drinking water. In addition to providing safe drinking water through tankers, as a move towards providing permanent solution for Drinking water, we installed and also are running Reverse Osmosis (RO) plants in Muktyala, Macherla and surrounding villages, extensively benefitting the local population.



During the year, under infrastructure development, we extended our support to the local government for construction of Community hall and laying cement road in Narasaraopet town, Andhra Pradesh (AP), constructed a bus shelter in Polepalli village of Macherla Mandal, A.P and 2600 Mtrs. water pipeline from Mandadi Mines water pit to Mandadi village for supplying drinking water through pipe line for Mandadi village.



We have supported Nammak Namme Thittam” (NNT Urban) program of Greater Chennai Corporation,. Under this program, we have renovated Balakrishana Nagar & Kargil Nagar Anganwadi centers, provided motor with running water supply in Kargil Nagar secondary school, renovated MGR Nagar and Periyar Nagar public toilets.



Installed two PSA oxygen generation plants (15 NM3/HR, 250 Lpm and 30 NM3/HR,500 LPM) including Oxygen cylinders refilling facility and constructed New sheds in Govt. Hospital, Nandigama, NTR dist. And Govt. Hospital Narasaraopet, Palnadu Dist.

**Environment:**

For Greencover development along with protection and restoration of our operational environment, on 14th September, 2021 (our CMD birthday), which is being celebrated as KCP Environmental Day 400 Nos. of

saplings around our Terala Mines and 500 saplings in Macherla and surrounding areas, 300 in Muktyala and surrounding villages were planted and we continued our support for maintenance of Muktyala public Park.

**SPORTS**

We consider sports as an essential medium for overall development of the youth of the country. When children play and learn, the communities grow, and countries prosper,



During the year we supported this initiative by distributing sports equipment, organising events, construction and renovation of sporting facilities and during the year we supported talented swimmers in and around Muktyala Village with equipment and coaching facilities.

The team of swimmers, whom we have supported participated won 3 Gold, One Silver and one Bronze medals at National Level swimming competitions held in Nepal..



We supported “National Cricket Academy”, Bangalore for providing training facilities to the upcoming cricketers.

**Other Activities:**

As a part of Smart village development and to preserve the environment in a sustainable and responsible way, we are continuing the maintenance of Muktyala public Park.

As a part of our Swachh Bharat initiative, we engaged three Tri cycle rickshaws, a six-member team for collecting dry and wet garbage from each house of Muktyala village and made arrangement for dumping the same at designated place on daily basis.

During the year, we supported the Veterinary hospital, Muktyala with office furnitre and contributed Rs. 25,000/- to Arakonam armed forces for National Flag Day.

On the eve of Maha Shivaratri festival we provided RO drinking water dispensing counters and also distributed drinking water to the devotees free of cost and renovated the Dress Changing rooms at Krishna River Bank, in Muktyala, A.P.



## Directors' Report

### Dear Shareholders,

Your directors take pleasure in presenting their 82nd Annual Report of the company together with the Audited Financial Statements for the financial year ended 31st March, 2023.

### 1. Statement of affairs of the company:

The performance of the business is detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report

### 2. Financial performance:

(Rs in Lakhs)

Particulars	Stand Alone		Consolidated (GROUP)	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>Revenue from Operations</b>	<b>1,67,210</b>	<b>1,58,442</b>	<b>2,25,365</b>	<b>2,10,827</b>
Profit for the year (PBDIT)	6,761	27,883	21,202	41,283
<b>Less: a) Interest and Finance charges</b>	<b>3,255</b>	<b>3,158</b>	<b>3,803</b>	<b>3,385</b>
b) Depreciation	6,627	6,517	8,991	8,706
Profit before Tax	(3,121)	18,208	8,408	29,192
Tax Expense	(567)	5,278	(567)	5,278
<b>Profit for the Year from Continuing Operations</b>	<b>(2,554)</b>	<b>12,930</b>	<b>8,975</b>	<b>23,914</b>
Profit / (Loss) from Discontinued Operations			-	-
Less : Tax expense of Discontinued Operations			-	-
Profit / (Loss) from Discontinued Operations After Tax	-	-	-	-
<b>Profit After Tax</b>	<b>(2,554)</b>	<b>12,930</b>	<b>8,975</b>	<b>23,914</b>
Add : Share of Profit from Joint Vetur			138	49
Less : Non-Controlling Share of Profit			4,939	5,152
<b>Profit / (Loss) after Non controlling interest</b>	<b>(2,554)</b>	<b>12,930</b>	<b>4,174</b>	<b>18,811</b>
Other Comprehensive Income (OCI)	(153)	70	2,928	2,865
Add : Share of OCI from Joint Vetur			(31)	(7)
Less : Non-Controlling Share of OCI			1,027	955
<b>OCI after Non controlling share</b>	<b>(153)</b>	<b>70</b>	<b>1,870</b>	<b>1,903</b>
Total Comprehensive Income (TCI)	(2,707)	13,000	12,010	26,821
Less : Non-Controlling Share of TCI			5,966	6,107
<b>Total Comprehensive income after minority interest</b>	<b>(2,707)</b>	<b>13,000</b>	<b>6,044</b>	<b>20,714</b>

### 3. Overview of Company's Operational and Financial performance:

- Sales volume (Cement) witnessed a healthy increase of 2% from 30.52 million tons in FY 2021-22 to 31.8 million tons in FY 2022-23.
- Net revenue from operations grew by 18% from Rs. 1,584.43 Crores in FY 2021-22 to Rs. 1,672.10 Crores in FY 2022-23.

- Overall input costs remained high during FY 2022-23 significantly led by fuel cost inflation, elevated prices of pet coke and imported coal as a result of geo-political events adversely impacted the entire cement industry. As a result, the power and fuel cost shot up significantly during 2022-23 compared to previous year. And on logistic cost, the company has been able to contain increase in its transportation costs during 2022-23 through route rationalization efforts, digitalization measures and other efficiency improvement initiatives.

Overall during FY 2022-23, owing to higher fuel costs, Earnings Before Interest, Depreciation and Tax (EBIDTA) for the financial year came down 13% to Rs. 67.61 Crores from Rs. 278.83 Crores of previous year 2021-22.

#### 4. Dividend

The Board of Directors have recommended for payment of dividend at a rate of Rs. 0.10 per equity share (10%) for the year ended 31st March, 2023 subject to the approval of the Members at the 82nd Annual General Meeting ('AGM').

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), the Company has formulated a Dividend Distribution Policy.

The recommended dividend is in line with your Company's dividend policy, which is available on the Company's website at <http://kcp.co.in/downloads/investor/corporate-governance/Dividend-Distribution-policy.pdf>

#### 5. Transfer to Reserves

The Company has not transferred any amount to the Reserves for the year ended 31st March, 2023.

#### 7. Share Capital

The Company's paid-up equity share capital continues to stand at 12,89,21,160 as on 31st March, 2023.

During the year under review, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to its Employees or Directors.

#### 8. Financial liquidity

Consolidated cash and cash equivalent as on 31st March, 2023 stood at Rs. 308.56 lakhs and Rs. 382.78 lakhs in the previous year. The Company's working capital management is robust and involves a well-organized process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

#### 9. Credit Rating

CRISIL, a reputed rating agency, has assigned the credit rating of A+/Negative for the long-term and A1 for the short-term financial instruments of the Company. This affirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

Facility	Period	Rated Value (Rs.)	Rating assured
Total Bank loan facility	Long-term Rating	Rs.579.96 Crores	CRISIL A+ / Negative (Outlook revised from "Stable"; Rating Reaffirmed.)
	Short-term Rating		CRISIL A1 (Reaffirmed)
Fixed Deposits	-	Rs.125 Crores	CRISIL A+ / Negative (Pronounced as CRISIL A plus rating)

#### 10. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2023 was Rs.8,673.17 Lakhs as against the figure of Rs.8,554.11 Lakhs of previous year. As on 31st March, 2023, Fixed Deposits matured and remained unclaimed were Rs.243.93 lakhs from 328 depositors and Fixed Deposits relating 40 Depositors amounting to Rs.49.71 Lakhs have been renewed and Fixed Deposits of Rs.46.54 Lakhs of 51 depositors repaid.

Depositors have been intimated about the maturity of deposits with a request to renew or claim their deposits. As per the provisions of Section 125 of the Companies Act, 2013, deposits remaining unclaimed for a period of seven years from the date they became due for payment has to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly,

during the year Rs. 4.21 Lakhs towards unclaimed deposits and Rs. 0.21 Lakhs towards Stale cheque unclaimed on deposits were transferred to the IEPF.

#### **11. Particulars of Loans, Guarantees and Investments**

The Company has no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

#### **12. Management Discussion and Analysis Report**

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

#### **13. Particulars of Contracts or Arrangements with Related Parties:**

The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for the purpose of identification and monitoring Related Party transactions.

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval.

Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis.

The details of contracts or arrangements entered with the related parties along with the Justification is provided in Form AOC 2 as **Annexure-6** of this report.

There were no materially significant related party transactions with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at <http://kcp.co.in/downloads/investor/corporate-governance/related-party-transaction-policy.pdf>

No whole time Director or Managing Director of the company is in receipt of any salary or Commission from Subsidiary company in terms of Section 197(4) of the Companies Act, 2013.

#### **14. Corporate Social Responsibility (CSR)**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education, Livelihood, Women empowerment, Health, Water and Sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013 and Rules made thereunder.

The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, healthcare, drinking water & sanitation and eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programmes;
- Promotion of sports through training of sports persons;
- Undertaking rural development projects;

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at [www.kcp.co.in](http://www.kcp.co.in).

The Company's CSR Policy as stated earlier is in alignment with the requirements of the Act. The CSR Policy Statement and Report on the activities undertaken during the year is annexed to the Board's Report as **Annexure '3'**.

Details of various social projects and initiatives undertaken as part of our Corporate Social Responsibility are given in report on CSR activities which forms part of this Annual Report.

#### **15. Risk Management**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities.

This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the organization at

various levels, including documentation and reporting.

The Board of Directors of the Company has formed a Risk Management Committee to monitor the risk management plan for the Company and ensuring its effectiveness. The key risks identified by the Company and their mitigation measures are as under:

**Raw Materials:** Limestone being one of the primary raw materials used in the manufacture of cement, it is imperative for the Company to ensure its uninterrupted long-term availability.

Most of the Company's mining leases extended up to March 31, 2052 thereby ensuring adequate limestone reserves to cater to the requirements of its plants till the said date, where after the Company will have to participate in auctions.

To address the above risks, the Company is also participating in auctions with a view to secure new mining leases for its existing plants as well as for its expansions at different locations as and when necessary.

**Market Competition:** The cement industry is witnessing a significant imbalance in its total installed capacity vis-a-vis the capacity utilization. Despite the capacity overhang, capacity expansion still continues, resulting in intense competition and adverse impact on the Company's market share, sales volume and profitability.

Efforts are also being made by the Company to widen the product portfolio by increasing the share of its premium products and expand into new areas for marketing.

**Cyber Security:** With increased reliance on IT systems and the widespread usage of internet for doing business there is a constant threat to the Company's sensitive data assets being exposed to unethical hacking and misuse. The ramifications from cyber-attacks may not only be confined to mere loss of data but may result in business and reputation loss.

The Indian Government having recognized the cyber risks, has also introduced tighter Cyber Security laws. Responsibilities have been entrusted to the Directors of the Company under the Companies Act, 2013 to take appropriate steps to ensure cyber security.

The Company's cyber security management framework aligns with industry standards and regulations.

The Company has adequate processes and systems in place to review on a regular basis the cyber security risk.

**Legal Risks:** The risks arising out of pending legal cases are reviewed on a regular basis by the Board from the perspective of probability of imposition of heavy penalty or receiving adverse orders which could have a high financial and/or reputational impact on the Company.

All-important cases are closely monitored by the Company and a broad strategy is outlined for effective management of litigation related risks.

### **Financial risk:**

The financial risk for your Company emanates from fluctuations in interest rate, exchange rate and commodity prices. Your Company has well defined policies for foreign exchange, treasury investments, interest rate and imported coal hedging. The policies are reviewed periodically to align with the changes in financial market practices and regulations.

### **Risks, Concerns and Threats**

The Company has formulated a Risk Management Policy, which is available on company website [www.kcp.co.in](http://www.kcp.co.in).

### **16. Internal Control Systems**

The Company's internal financial controls are commensurate with the scale and complexity of its operations.

The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely Cementing Relationships through Sustainability, Innovation and Inclusivity Integrated Report Statutory Reports Financial Statements preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

### **17. Vigil Mechanism/ Whistle-blower Policy**

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance for any form of unethical behavior.

Whistle-blower Policy is the vigil mechanism instituted by the Company to report concerns about unethical behavior in compliance with the requirements of the Act and the Listing Regulations.

The Audit Committee oversees the functioning of this policy.

Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct.

Details of the Whistle-blower Policy have been disclosed on the Company's website and can be accessed at <http://kcp.co.in/downloads/investor/corporate-governance/whistle-blower-policy.pdf>

## 18. Subsidiary, Associate and Joint venture companies

### Joint venture

Our company has a joint venture company Fives-Cail KCP Limited.

### Subsidiary Company:

Our Company does not have any Indian Subsidiary company.

KCP Vietnam Industries Limited, Vietnam is the material subsidiary as per the thresholds laid down under the SEBI Listing Regulations.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the SEBI Listing Regulations as amended and the Policy has been uploaded on the Company's website.

In terms of provisions of Section 136 of the Companies Act, 2013, separate audited accounts of the subsidiary companies shall be available on its website at [www.kcp.co.in](http://www.kcp.co.in). The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

The Audit Committee and Board review the financial statements, significant transactions, working and the financial results of the subsidiary company in Vietnam, KCP Vietnam Industries Limited.

There is no material change in the nature of the business of the subsidiary. A statement containing brief financial details of the subsidiary and Joint venture company is included in the Annual Report in Form AOC 1 as Annexure 5.

No company ceased to be its Subsidiary, joint venture or associate company during the year

## Consolidated financial statements

The consolidated financial statements of the Company for the Financial Year 2023 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

## 19. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year March 31, 2023 is uploaded on the website of the Company and can be accessed at [www.kcp.co.in](http://www.kcp.co.in).

## 20. Human resources / industrial relations

Our Company continuously focus on people related programmes aimed at attracting, developing and retaining talent within organisation by way of:

- a) Employee Engagement - Company enjoys high engagement levels from its employees which is reflected in its consistently improving performance. Company continuously aims to enhance the engagement levels of its people by ensuring that its business practices are in alignment with the holistic growth and development of its people which drives them to be actively engaged with the Company.
- b) Talent Management - Company is continuously working on strengthening and building talent in its Human Resources management team for supporting its growth.
- c) Work Environment - Company provides a congenial work atmosphere where every employee enjoys his work and It works on creating people practices which makes it the best place to work for everyone.
- d) Occupational Health and Safety :

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified occupational Health & Safety as one of its focus areas. Various training programmes have been conducted at the plants.

The Company continuously undertakes initiatives aimed at providing a healthy and safe workplace to its people.

Company regularly conducts Safety Audit to identify and eliminate potential safety risks through an objective assessment of various equipment. Further, Mock drills on emergency preparedness are conducted to meet any contingency.

### Industrial Relations

Employee Relations at all the Units and divisions of the company remained cordial.

### 21. Board of Directors & Key Managerial Personnel Board of Directors

#### A. Appointments/ Re-appointments

In terms of Section 152 of the Act, Sri. V. Chandra Kumar Prasad (DIN: 008744154), Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

In terms of Section 152 of the Act, Dr. Subbarao Vallabhaneni (DIN: 008746927), Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

In terms of Section 152 of the Act, Sri. Ravi Chitturi (DIN: 00328364), Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The relevant details including profiles of Directors retiring by rotation and seeking re-appointment are included separately as Annexure to the Notice of AGM.

#### B. Cessation

There was no instance of resignation/ cessation of Directorship during the year under review.

### 22. Key Managerial Personnel ('KMP')

Sri. G.N. Murty, Chief Financial Officer (CFO) of the Company retired from the services of the Company and on the recommendations of Nomination & Remuneration Committee and Audit committee, Board of Directors of the Company have appointed Sri. Anis Tyebali Hyderi as CFO of the Company and the KMP of the Company are as under:

1. Dr. V.L. Indira Dutt, Chairperson & Managing Director
2. Smt. V. Kavitha Dutt, Joint Managing Director
3. Sri. Anis Hyderi, Chief Financial Officer
4. Sri. Y. Vijayakumar, Company Secretary

### 23. Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of manufacturing, finance, strategy, auditing, tax and risk advisory services, banking, and they hold high standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA').

Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company except Dr. Janaki Pillai (independent Women Director) have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute and Smt. Janaki Pillai has appeared and cleared the proficiency test.

### 24. Remuneration policy and criteria for selection of candidates for appointment as Directors, KMP and Senior Leadership positions

The Company has in place a policy for remuneration of Directors and KMP as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board.



The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive, Non-Executive Directors and KMP.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates.

The policy on remuneration of Directors, KMP can be accessed at <http://kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

## 25. Board effectiveness

### a) Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarization process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions.

The process has been aligned with the requirements under the Act and other related regulations. This process inter alia includes providing an overview of the industry, the Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, digitization measures etc.

Details of the familiarization programme are explained in the Report on Corporate Governance and are also available on the Company's website and can be accessed at <http://kcp.co.in/downloads/investor/corporate-governance/familiarisation-programmes-for-independent-directors.pdf>

### b) Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management, Stakeholders' Relationship and CSR Committees as mandated under the Act and the Listing Regulations, as amended from time to time.

The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

## 26. Disclosure on Audit Committee

The Audit Committee as on March 31, 2023 comprises of the following Directors:

Sri. P.S. Kumar (Chairman), Smt. V. Kavitha Dutt, Joint Managing Director, Sri V.H. Ramakrishnan, Sri. Vijay Sankar, and Sri. M. Narasimhappa are members of the committee.

All recommendations of Audit Committee were accepted by the Board of Directors.

The constitution and composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act 2013 and Rules made there under.

## 27. Material changes and commitments affecting the financial position of the Company.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 28. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. K.S. Rao & Company Chartered Accountants, (Firm Registration No.003109S) Hyderabad were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 80th Annual General Meeting until the conclusion of 85th Annual General Meeting of the company.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## 29. Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and M/s. S. Mahadevan & Co, Chennai, were appointed as the Cost Auditors for the Cement and Engineering units respectively for the year 2022-23. They were re-appointed as Cost Auditors for the financial year 2023-24 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost

Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2021-22, of M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and M/s. S. Mahadevan & Co, Chennai as the Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within the due date.

### **30. Secretarial Auditors and their Report**

As required under Section 204 of the Companies Act, 2013 and Rules Thereunder, the Board has appointed Mrs. Sobana Pranesh, Practising Company Secretary as Secretarial Auditor of the Company for financial year 2022-23 and was appointed as Secretarial Auditor for the year 2023-24.

The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **Annexure-7** to this Report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2022-23.

### **Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government**

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 and rules made there under.

### **31. Number of meetings of the Board and its committees**

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses.

The tentative dates of the Board / Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time. During the year, four (4) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following eight (8) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Finance Committee
7. Investment committee
8. Innovation and Best Practices committee

The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report

### **32. Corporate Governance**

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

### **33. Business Responsibility and Sustainability Reporting (BRSR)**

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2) (f) of the Listing Regulations read with SEBI Circular Dt.10/05/2021.

### **34. Compliance with Secretarial Standards**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India (SS1 and SS2), relating to Meetings of the Board and its Committees and General Meetings respectively, which have mandatory application during the year under review.

### **35. Prevention of Sexual Harassment of Women at the Workplace**

KCP is committed to provide a work environment that ensures every employee is treated with dignity,

respect and afforded equal treatment. As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, our Company has formed an Internal Committee to address complaints pertaining to sexual harassment in the workplace.

The policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution. To build awareness, our Company has been conducting online training programs on a periodic basis.

#### Disclosures in relation to POSH Act:

Year	Number of Complaints received / pending
2022-2023	Nil

#### 36. Transfer to the Investor Education and Protection Fund (IEPF)

In line with the statutory requirements, the Company has transferred to the credit of IEPF set up by the Government of India, equity shares in respect of which dividend had remained unpaid/unclaimed for a period of seven (7) consecutive years within the timelines laid down by the Ministry of Corporate Affairs. Unpaid/ unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

Further according to the Rules, the shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at <http://kcp.co.in/downloads/investor/shareholders-information/unclaimed-dividend.xls> ; <http://kcp.co.in/downloads/investor/shareholders-information/unclaimed-shares.xls>

#### 37. Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 and the rules made there under, as amended, has been given in the annexure appended hereto and forms part of this report as Annexure 1.

None of the employees listed in the said Annexure is

a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

The ratio of the remuneration of each director to the median employee’s remuneration for the financial year and such other details as prescribed is as given below:

Name of the Director	Director remuneration (Rs. Lacs)	Median employee’s remuneration (Rs. Lacs)	Ratio
Dr.V.L. Indira Dutt - CMD	162.12	5.67	28.59
Smt. V. Kavitha Dutt - JMD	189.97	5.67	33.50

b) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: (0.71%)

c) **The number of permanent employees (Management staff) on the rolls of company: 648**

d) **If remuneration is as per the remuneration policy of the company: Yes**

#### 38. Significant and Material orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### 39. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure- 2** to this Report.

#### 40. Other Disclosures

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

The Company has not issued any shares with differential voting rights/ sweat equity shares.

There was no revision in the Financial Statements.

There has been no change in the nature of business of the Company as on the date of this report.

There are no proceedings, either filed by KCP or pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2022-23.

### 41. Director's Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

(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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Acknowledgements

The Board of Directors wishes to place on record their gratitude to the Central Government, State Governments, Company's Bankers, Customers, dealers and other business associates for the assistance, co- operation and encouragement they extended to the Company. Your directors wish to whole heartedly thank the employees for their sincere and devoted contribution to the company's continued performance. Your directors are thankful to the shareholders and deposit holders for their continued patronage.

**For and on behalf of the Board of Directors**

Place: Chennai

Date: 24th May 2023

**Dr V L Indira Dutt**

Chairperson and Managing Director

# Management Discussion and Analysis

## (A) Indian Economy overview

Indian GDP recorded a growth of 7% amid challenging global geo political and macro economic conditions. The prolonged continuation of Russia Ukraine conflict not only impacted the commodity prices adversely, but also impacted the overall economic performance of countries world wide.

The global political turmoil, not only affected the supply demand for commodities and their prices directly, but also changed the dynamics of logistics resulting in indirect demand for commodities internationally, there by affecting the prices.

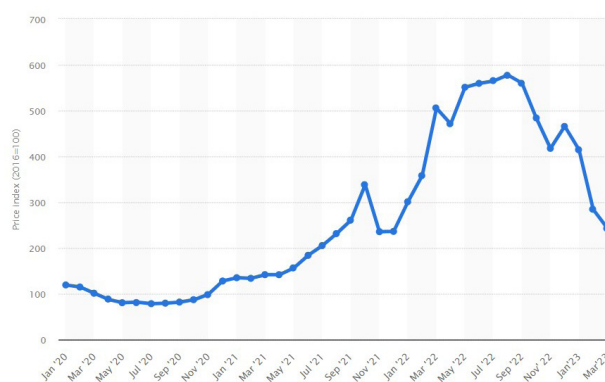
In the Financial Year 2022-23, the Indian economy, witnessed inflation at 7.8% April 2022, easing out to a level below 6%, and averaging out at 6.8% for the Financial year 2022-23. This lead to the monetary policy measures by Reserve Bank of India, in order to balance the money in circulation coupled with interest rates adjustments. The Indian Economy witnessed steep rise in the interest cost. The repo rates increased from 4.4% in May 2022, to a level of 6.5% in March 2023, significantly impacting the borrowing cost for both short and long term funding for corporates.

The INR moved from the level of Rs 75.97 in April 2022 to a level of Rs 82.16 at the end of the financial year 2022-23. The INR stayed at levels closer to Rs 80 since the later part of Q1 for FY 2022-23, further depreciating to a level of Rs 82.16 during the end of the FY 2022-23, Resulting in the average INR USD exchange rate to be at the levels over Rs 80 for the year.

### Coal Price Movement-

The Global Coal price index was at its peak at a level closer to 590 based on 2016 as the index year. The FY 2022-23 witnessed the imported coal prices reaching to a level over USD 300/Mts. The geopolitical disruptions added to the momentum in the increase in the coal prices as the EU nations that used Russian Gas as input for their power moved to the use of Coal again as feed stock for Thermal power Generation.

The disruptions in logistics globally, caused shortage of vessels Keeping the logistics cost at a higher level, which added to the woes of the coal importers globally. The table below exhibits the movement in the coal price index , with 2016 considered as the index year.



## Cement industry in India-

Whilst the volume in cement industry continued to grow on the back of demand from infrastructure and housing, the cement industry in India faced a big impact due to the raising cost of Coal imports . Plants which had their thermal generation units based on coal as input , felt the extra impact. The adverse movement of INR USD rate further impacted the cost of coal imports.

### Outlook of cement Industry

Indian Cement industry is expected to grow at a CAGR rate of around 6% for the next 5 year. The FY 2023-24 looks promising on the back the government's union budget announcement , which laid out a spent of Rs 10 Lakh crores on infrastructure. The Indian Economy is set witness spending in infrastructure projects, which would stimulate the demand for Cement in the coming year.

## (B) KCP Segment wise performance

### (1) Cement performance

The KCP Limited Cement Sales for the FY 2022-23 showed an improvement of around 3% as compared

to the last financial Year. The Sales in southern part of India was characterized by tough competition from other regional players, some of players in southern part of India, consolidated their positions by adding additional capacities.

(Amounts in Rs. Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue	1,52,446	1,48,507
Profit Before Interest & Tax	(3,375)	19,001

The impact of international coal prices increase was the single major factor, which affected the cement industry across india, and KCP also felt the impact of the steep rise in the imported coal cost.

### Risks

Whilst the outlook of the cement industry in India looks good on the back of the expected spend on the infrastructure by the government, the performance of cement division of KCP would largely depend on the cooling off effect on the coal price, regional competition and cost management at the unit level.

### (2) Heavy Engineering

The performance of Engineering Segment was marginally better as compared to last year. The losses were lower as compared to previous year, the unit still has to cross many hurdles to its way to profitability. Some of the challenges faced by the unit is the competition from unorganized sectors, advancement in machining technology, managing the delivery timelines to the customers.

(Amounts in Rs. Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue	11,740	8,454
Profit Before Interest & Tax	(584)	(1,888)

The unit was selective in the business and took up projects that had high engineering value additions as well as focused on exports. The Engineering Division manufactured and exported the most critical part of Atox Grinding Station i.e. Atox Mill hydraulic cylinder to customer in middle east. In the Process Equipment segment, The Engineering Unit made MC Naphtha, LC Naphtha Splitters and Benzene Removal

Columns, for a reputed refinery in India. The unit is also trying to upgrade some of its key machinery to a newer technology with optimal investment given the losses being incurred so far.

### Way Forward and Risks:

The unit is focused on getting some export business as a growth strategy, as well as continue to focus on high engineering value addition products. However the increase in logistics cost is a key concern while pursuing the export avenue for growth.

### (3) Hospitality Segment-

The Hospitality industry showed signs of full revival in the financial year 2022-23. The Industry witnessed increased occupancy not only across India but also globally as there was increase in travel for both leisure as well as business. The Year witnessed many more corporate events held in the form of physical presence as compared to the preceding financial years. Mercure hotel in Hyderabad continued to show good prospects and growth. The KCP Mercure Hotel in Hyderabad, has positioned itself as a leading business hotel.

(Amounts in Rs. Lakhs)

Description	FY 2022-23	FY 2021-22
Revenue	2,852	1,361
Profit Before Interest & Tax	330	(424)

The Hotel saw increased occupancy level as it reached a high of 81% as average occupancy for the last quarter of financial year 2022-23. The Roof Top restaurant attracted many residents as well as non-resident guest. This gave a boost to the Food and beverage revenue, along with the room rent revenue growth.

### Way forward and Risks

The Hotel is focusing on increasing its average occupancy rate, as well as focusing on the F&B revenues. Besides the business travelers the hotel is also targeting family travelers and staycation, through special offers and promotions for the week end guests. The revenue outlook for the hotel would depend on the external factors like any fresh curbs on travels due to pandemic, however the chances of occurrence of this seems remote.

## (C) SUBSIDIARY & ASSOCIATES

### (i) KCP Vietnam Industries Limited- KCP VIL

Details	2022-23	2021-22
Crushing capacity (TPD)	11,000	11,000
Cane crushed (MTS)	960,718	653,124
Sugar produced (MTS)	96,963	83,447
Recovery rate (%)	10.09%	10.27%
Average sales realization (Rs./MT)	62,697	54,859
Turnover (Rs lakhs)	60,328	54,298
PBT (Rs lakhs)	14,818	15,457
Power sold to National Grid (MWH)	69,930	58,728

The Season for crushing begins in January every year, The 2022 season also began in first week of January 2022.

Compared to previous year the raw material for 2022-23 was increased by 47.10%, the sugarcane area was increased by 34.26% , the average sugarcane yield was increased by 15% and the quality was lower by 1.9%. The company purchased the sugar cane at the highest price in the history based on the prevailing high prices of Sugar in the market. The realization per Mt of Sugar was also better compared to the previous year. The international and domestic sugar prices were maintained at high levels in the FY 2022-23 though continued imports of sugar from ASEAN countries posed the threat to the domestic sugar industry in Vietnam. The initiation of anti-circumvention measures by the MOIT during the year on imports from five ASEAN countries stabilized the domestic sugar industry in Vietnam during the second half of FY 2022-23. The company's raw material zone received good rains and the farming community took initiative to plant additional area for sugarcane on back of good returns on sugar cane cultivation in 2021-22 season.

The Subsidiary received necessary approvals for setting up a plant in Son Hoa Province of Vietnam for producing fuel grade Ethanol from molasses. The plant would be setup after evaluating sugar cane availability. The Subsidiary had also received

approvals for setting up 60MW biomass power plant in two phases and cogeneration plant with 30MW had already been set up in the first phase. One more 30MW plant in second phase would be set up based on the availability of surplus bagasse and biomass.

### (ii) FIVES CAIL KCP LIMITED

Sales during the year under review amounted to Rs.17,523 Lakhs as against Rs. 20,208 Lakhs during the previous year. The Company recorded a profit from continuing operations of Rs. 344 Lakhs during the year under report as compared to a profit of Rs.123 Lakhs in the previous year.

#### Operations

The Company booked orders worth Rs. 21,500 Lakhs (Exports Rs. 4,750 Lakhs) during the year under report and the order backlog position is Rs.30,000 Lakhs (Exports Rs.10,900 Lakhs) as at 31<sup>st</sup> March 2023 in comparison with a backlog of Rs.24,280 Lakhs (Exports Rs.11,660 Lakhs) at the end of the previous year.

#### Business Review

The total revenue for the year is Rs. 17,706 Lakhs as compared to Rs.20,331 Lakhs in the previous year. The Company recorded a profit of Rs.344 Lakhs during the year ended 31<sup>st</sup> March 2023.

Potential for incinerator segment continues to be better as the Government is keen to increase the blending of Ethanol to optimize fuel costs. In fact, the Government has allowed production of ethanol not only from sugar but also from grains. Sugar Industry continues to be in the down ward trend in India. However, the company foresee encouraging scenario in International Markets both for sugar and incinerator segment this year.

The company have been operating fully compliant with the covid norms, SOPs in all the work places to ensure safety of the personnel.

### (D) NEW PROJECTS UPDATE

#### Packing Terminal:

The company had set up a cement packing terminal in Arakonam. The unit packed around 1,57,900 Mts of PPC from this unit for the Financial year 2022-23. The PPC packed and dispatched from here had a cost advantage to service the customers in Tamil Nadu

region. The company is in the process of stepping up the plant to bring it closer to packing about 1000 Mts per day. In this direction the company has installed a new packing machine. The company also plans to spend a further amount on debottlenecking the facility.

**(E) Internal control systems and their adequacy:**

The Company has internal financial controls backed by proper procedures, delegation of powers. The company has clearly defined reporting system to Chairperson and Managing Director, Joint Managing Director, Heads of the Units and Functional Heads. The Company is ISO certified and has quality and procedure manuals.

Statutory Auditors have further certified on the internal financial controls in their report which is part of this Annual Report.

**(F) Accounting Policies and Procedures:**

In the preparation of financial statements, the company followed all laid down guidelines and standards. The company has policies in line with the applicable accounting standards and a few significant polies have been disclosed as part of accounts which are part of the Annual Report.

The Company has made all the disclosures in the accounts, as required under new Schedule III of the Companies Act, 2013

**(G) Details of significant changes in Key Ratios**

Ratio	Numerator/ Denominator	Ratio for FY2022-23	Ratio for 2021-22	Change	Reasons for change by more than 25%
Current Ratio	Current Assets/ Current Liability	1.06	1.15	(8.30%)	
Debt-Equity Ratio	Total Borrowings/ Networth	0.71	0.75	(5.02%)	
Debt Service Coverage Ratio	EBIDTA/ Current Maturities and Interest	0.87	2.58	(66.37%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal and diesel costs leading to higher cost of production.
Return on Equity Ratio	PAT/Equity	(3.63%)	19.26%	(118.85%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal and diesel costs leading to higher cost of production.
Inventory Turnover Ratio	COGS/Average Inventory	7.07	6.57	7.72%	
Trade Receivables Turnover Ratio	Sales/ Average Trade Recievables	22.34	26.80	(16.62%)	
Trade Payable Turnover Ratio	Purchases/ Average Trade Payables	13.68	10.19	34.26%	Favourable Change : Purchase of large value of coal without credit period resulted in over all better average ratio.



Net Capital Turnover Ratio	Sales/Working capital	58.84	21.23	177.17%	Favourable Change : Lower Working Capital deployed as compared to PY, due to reduction in Current Assets.
Net Profit Ratio	PAT/Sales	(1.53%)	8.18%	(118.74%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal and diesel costs leading to higher cost of production.
Return on Capital Employed	EBIT/Capital Employed (Total Assets Minus CL)	0.14%	20.9%	(99.32%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal and diesel costs leading to higher cost of production.
Return on Investment	PAT+Dep/ Net worth+Gross FA	3.2%	14.9%	(78.45%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal and diesel costs leading to higher cost of production.

#### Cautionary Statement:

Statements in the “Management Discussion and Analysis” describing the Company’s objectives, expectations or predictions are as perceived currently. Actual results may differ materially from those expressed in this statement. Important factors that could influence the Company’s operations include domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations, tax laws, economic developments within the country, Global Geo political factors and other factors such as litigation and industrial relations.

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 24th May 2023

**Dr V L Indira Dutt**  
Chairperson and Managing Director

**Disclosure In Directors' Report Pursuant to Section 197(12) of the Companies Act, 2013 Read with Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014, as Amended.**

No.	Employee Name	Designation	Remuneration Received (Rs. in Lakhs)	Qualification	Age	Total Experience in years)	Date of Commencement of Employment	Particulars of Previous Employment Organisation	Designation	Period for which last post held
1	2	3	4	5	6	7	8	9	10	11
1.	Dr. V.L. Indira Dutt	Chairperson & Managing Director (MD)	162.12	B.A.	83	27	1/7/1996	-	-	-
2.	Smt. V. Kavitha Dutt	Joint Managing Director (JMD)	189.97	Grad. Business Management, PGDHR	52	24	1/10/1999	-	-	-
3.	Sri. K. Ramakrishna	Executive President – CMU	144.08	B.Sc, PGDMSM	58	38	22/04/1991	Annapurna Cements Ltd	-	10 years
4.	Sri. GN Murty (upto 31-01-2023)	Chief Financial Officer	132.52	CA, CWA, CS, M.B.A., PGDCA	68	42	02/07/2015	Vizag Steel Plant	Executive Director	35 Years
5.	Sri. Anis Tyejali Hyderi (From 01-02-2023)	Chief Financial Officer	16.85	CA, CWA, CS-Inter, B.Com	50	27	14/10/2022	Manali Petrochemicals Ltd	Chief Financial Officer	9 Years
6.	Sri. Chowdary B/PS	Senior General Manager	95.37	B.Com, ICWA	53	25	19/12/1997	-	-	-
7.	Sri. V. Madhusudhanrao	Vice President – Operations CPU II	98.00	AMIE	53	27	16/02/2019	Bharati Cement	Senior GM	10 Years
8.	Sri. A. Sirthari (Upto 25-11-2022)	CPO- HR	44.40	B.E, M.E., MBA	49	26	04/03/2020	JK Fenner India Ltd	HR & Admn	3 years.
9.	Sri. M.S. Swaminathan (From 26-11-2022)	CPO-HR	20.24	B.E., PGDBMHR	52	27	21/11/2022	BGR Energy Systems Ltd	Asstt. VP-EPC-Business Vertical	5 years
10.	Sri. Roop Singh Chaudhary	Vice President & Head Procurement	52.24	B.E (Mechanical) M.B.A	51	26	31/03/2018	Ultratech Cement Limited	Asstt. Vice President	9 years
11.	Sri. M. Narayanarao	President – Heavy Engineering	99.99	B.E. (Mechanical)	68	45	04/06/2020	MTAR Technologies Ltd	CEO	2 years
12.	Sri. Y. Vijayakumar	Company Secretary	45.65	ACS BGL MBA	53	24	05/03/2008	Cavincare Pvt. Ltd	Asstt. Mgr. Secretarial	1 year

**Notes:**

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is Contractual in the case of Whole Time Directors.
3. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division / subsidiary of the Company.
4. None of the employees except Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt mentioned above is/ are relative of any Director of the Company.
5. None of the employee except Dr. V.L. Indira Dutt (7.84%) and Smt. V. Kavitha Dutt owns more than 2% of the outstanding shares of the Company as on March 31, 2023
6. Total experience shown in Column 7 includes service with previous employers.

# Annexures to the Director's Report

## ANNEXURE - 2

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

#### A. Conservation of energy

1. Power cost optimization During the year, efforts were made to reduce the impact of increasing electrical energy by following measures.

##### CPU Macherla:

- By increasing the PPC production from 12.74% (in 2021-22) to 27.91 % (in 2022-23)  
Energy savings of 3.12 units/ Ton of cement.
- Optimisation of F-67A and R-142 compressor operation by modifying the Air line energy savings of 20KWH/ per hour.
- Optimisation of WHR compressor W-101 integrating with Plant compressor F-67A by modifying the Air line energy savings of 20KWH/ per hour.
- Provision of J&A pakcer bag cleaning blower VFD Energy savings of 4.05 KWH / Hour.

##### CPU, MUKTYALA

- Modification of Export silo Gate from manual gate to pneumatic gate resulted in Smooth operation of Pneumatic gate for material diversion and Manual intervention of miller was avoided for changing to Cement Export Silo.
- Modification of Fly ash silo extraction discharge air slide blower from 5.5kw to 3.7kw cost saving of Rs.30,067/-
- Mill-3 fly ash circuit (by using the the excess air released from bin aeration for elevator discharge air slide and power) cost saving of of Rs.1,35,050/-.
- Replacement of Conventional lights with LED Lights resulted in annual cost saving of Rs. 42,048/-

#### 2. Renewable power obligation

Your Company is putting all efforts to increase the share of Renewable Energy.

- The Hydel unit, Solar Plant, WHR, wind power wind mills contributed reasonably in this front.

#### B. Technology Absorption Research and Development (R&D)

1. Specific areas in which R&D is **proposed** to be carried out by the Company
  - a) Conservation of resources through maximization of the use of limestone for cement manufacturing, improvement in the quality of blended cement through innovative process utilizing industrial by products for improved quality and performance of Cement plants;
  - b) Maximization of industrial wastes utilization and looking into possibilities of environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources;
  - c) Optimization of fuel mix for lowering the cost;

**C. In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

Nil

**D. Expenditure on R & D**

Rs. Lakhs

Particulars	FY 2022-23	FY 2021-22
a) Capital Expenditure	-	-
b) Recurring Expenditure	-	-
c) Total Expenditure	-	-
d) Total R& D expenditure as % of turnover	-	-

**E. Foreign Exchange Earnings and Outgo**

Particulars	FY 2022-23	FY 2021-22
<b>I) Earnings in Foreign Exchange</b>		
a) FOB Value of goods exported during the year	1356.96	410.03
b) Income from service charge	112.70	63.84
c) Dividend from Investments	3327.12	4472.79
<b>II) Expenditure in Foreign Currency</b>		
a) Travelling expenses	5.32	
b) Membership	-	-
c) Other matters	26.38	21.13

## Annual Report On CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

### 1. Brief outline on CSR Policy of the Company:

The Company is actively contributing to the social and economic development of the communities in which it operates. The Company's Corporate Social Responsibility ("CSR") policy encompasses formulation, implementation, monitoring, evaluation, documentation and reporting of CSR activities taken up by the Company

### 2. Composition of CSR Committee:

Directors	Category
Dr. V.L. Indira Dutt	Chairperson
Smt. V. Kavitha Dutt	Member
Sri. Vijay Sankar	Member
Sri. P.S. Kumar	Member
Dr. Janaki Pillai	Member
Sri. V.H. Ramakrishnan	Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

<http://kcp.co.in/downloads/investor/corporate-governance/corporate-social-responsibility-csr-policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

NA

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended and amount required for setoff for the financial year, if any:

No.	Financial Year	Amount available for se-off from preceding financial years (Rs. in Lakhs)	Amount required to be set-off for the financial year, if any (Rs. in Lakhs)
1.	2021-22	25.42	25.42
2.	2022-23	54.70	54.70

6. Average net profit of the Company as per Section 135(5) Rs.8172.65 Lakhs

7. (a) Two percent of average net profit of the Company as Per section 135(5) Rs.163.45 Lakhs

(b) Surplus arising out of the CSR Projects or programmes Activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year if any Rs.54.70 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c) Rs.108.75 Lakhs

8. (a) CSR Amount spent or unspent for the financial year:

Total amount spent for the financial year: (Rs. in Lakhs)	Amount unspent (Rs.)				
	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
196.95	-	-	-	-	-

(b) Details of CSR amount spent against ongoing project for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (Rs.)	Amount spent in the current financial year (Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (Rs.)	Mode of implementation – Direct (yes / no)	Mode of implementation – through implementing agency	
				State	Dist.						Name	CSR Registration No.
1.	-	-	-	-	-	-	-	-	-	-	-	-

c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(7)	(10)	(11)	
No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (yes/No)	Location of the project		Amount spent for the project (Rs. Lakhs)	Mode of implementation Direct (yes/no)	Mode of implementation Through implementing agency	
				State	Dist.			Name	CSR Registration number
1.	Health, Sanitation	Promotion of Health care, Sanitation & Making availability of SDW	Muktyala Macherla	AP	Guntur Krishna	108.35	Y		
2.	Education & Training	Promoting education and Employment enhancing Vocational skills among Children, Women, Elderly and the Differently abled and Livelihood Enhancement Projects		AP Tamilnadu	Guntur Krishna Chennai	49.81	Y		

3	Women empowerment	Promoting Gender equality Empowering women and selling up homes for women and measures for reducing in equalities faced by Socially and Economically Backward groups	AP	Guntur Krishna	NA	0.20	Y		
4	Environment Protection	Ensuring Environmental Sustainability Ecological balance, Conservation of Natural Resources and maintaining quality of Soil Air, Water and Rural Development	AP Tamilnadu	Palnadu NTR Chennai	NA	23.14	Y		
5.	Others	Rural Sports				15.20			
6.	Others	Armed Forces				0.25			
		<b>Total</b>				<b>196.95</b>			

- (d) Amount spent in Administrative Overheads : -
- (e) Amount spent on Impact assessment, if applicable : -
- (f) Total amount spent for the Financial year (8b+8c+8d+8e) : Rs. 196.95 Lakhs
- (g) Excess amount for set off, if any

No.	Particular	Amount in Rs Lakhs.
1.	Two percent of average net profit of the company as per Section 135 (5) [Refer point 7 (d)] (Rs. 163.45 Lakhs - Rs. 54.70 Lakhs)	108.75
2.	Total amount spent for the financial year	196.95
3.	Excess amount spent for the financial year (ii-i)	88.20
4.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years (iii-iv)	<b>88.20</b>

9 (a) Details of unspent CSR amount for the preceding three financial years:

No.	Preceding financial year	Amount transferred to unspent CSR account under Sec.135(6) (Rs. )	Amount spent in the reporting financial year (Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial year (Rs.)
1.				-NIL-	
2.					

3.							
----	--	--	--	--	--	--	--

(b) Details of CSR amount spent in the financial year for ongoing project of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (Rs.)	Amount spent on the project in the reporting financial year (Rs.)	Cumulative amount spent at the end of reporting financial year (Rs.)	Status of the project – completed / ongoing
					-NIL-			
1								
2								
3								

10. In case of creation or acquisition of capital asset, furnish

The details to the asset so created or acquired through CSR : - NA -

Spent in the financial year : :

(Asset-wise details)

a) Date of creation or acquisition of the capital asset(s) : -

b) Amount of CSR spent for creation or acquisition of capital asset. : -

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : -

11. Specify the reasons(s), if the company has failed to spend

Two percent of the average net profit as per Sec.135(5) : - NA -

Sd/- <b>Dr. V.L. Indira Dutt</b> Chairperson CSR Committee	Sd/- <b>Sri. Anis Tyebali Hyderi</b> Chief Financial Officer	Sd/- <b>Sri. Y. Vijayakumar</b> Company Secretary
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**FORM AOC-1**
**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014) as amended.

**Part "A" : Subsidiaries**

1	Name of the Subsidiary	KCP VIETNAM INDUSTRIES LIMITED	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	
3	Reporting currency of foreign subsidiaries	Vietnamese Dongs (VND) ('000)	Indian Rs. Lakhs
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 287.05 VND as on 31.03.2023	
4	Share Capital	54,58,56,275	19,016
5	Reserves & Surplus	1,99,54,06,077	69,514
6	Total Assets	3,55,83,54,718	1,23,963
7	Total Liabilities	1,01,70,92,366	35,433
8	Investments	-	-
9	Turnover	1,78,02,77,918	60,328
10	Profit before taxation	40,01,46,623	14,818
11	Provision for taxation	-	-
12	Profit after taxation	40,01,46,623	14,818
13	Proposed Dividend* (USD)	60,00,000	
14	% of shareholding	66.667	66.667

**Part "B" : Associates and Joint Ventures**

	Name of Joint Venture	FIVES CAIL - KCP LIMITED	
1	Latest Unaudited Balance Sheet Date	March 31, 2023	
2	Shares of Joint Venture held by the Company on the year end (no.)	4,00,000	
	Amount of Investment in Joint Venture (Rs. Lakhs)	40	
	Extent of Holding %	40%	
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital.	
4	Reason why the Joint Venture is not consolidated	N.A.	
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs. Lakhs)	750	
6	Profit / (Loss) for the year		
	(i) Considered in Consolidation (Rs. Lakhs)**	138	
	(ii) Not Considered in Consolidation***	206	

\* Dividend proposed during the year

\*\* Relates to 40% interest in the joint venture.

\*\*\* Relates to Balance 60% interest in the Joint Venture.

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## FORM AOC - 2

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 transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) as amended.

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

No.	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction (Rs. lakhs)
1	Fives Cail KCP Limited	Joint Venture	Purchases	0.95
2	Fives Cail KCP Limited	Joint Venture	Sales and Services	666.03
3	Fives Cail KCP Limited	Joint Venture	Leasing of property & Services	100.23
4	Dr.V.L.Indira Dutt	Chairperson & Managing Director (CMD), Wife of Dr.V.L.Dutt and Mother of Kavitha D Velagapudi, JMD of the Company.	Lease rentals	143.46
5	Smt.Uma.S.Vallabhaneni	Sister of CMD	Lease rentals	144.29
6	Smt.V.Rama Kumari	Sister of CMD	Lease rentals	106.69
7	Bala Tripurasundari Ammavaru Trust	CMD is Trustee	Lease rentals	141.98
8	Sri.V.Chandra kumar	Brother of CMD	Lease rentals	59.66
9	Smt. Kavitha Dutt Velagapudi	Joint Managing Director	Lease rentals	4.29
10	V. Ramakrishna Charitable Trust	Trustees	Lease rentals	0.13
11	V. Ramakrishna Charitable Trust	Trustees	CSR	31.59
12	Sri V Ramakrishna Higer Secondary School		Donation	3.67

- The transactions in Sl. No 1 and 2 in above table pertains to Boiler job work and other Services with M/s Fives Cail KCP Limited.
- The transactions at Sl. No. 3 relates to leasing of office space owned by the company at "Ramakrishna Buildings" 2, Dr. P.V. Cherian crescent, Egmore, Chennai-600 006 to M/s. Fives Cail KCP Limited, (10,500 sft), at the rate prevailing in that area.
- The transactions at Sl. No. 4 to 9 relates to Lease Agreements with certain Land owners including the parties mentioned in the table who are related parties for lease of lands at Muktyala for mining of limestone. The lease Rent payable to all parties both related and un-related is 25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.
- The transaction at Sl. No. 10 relates to leasing of premises to V Ramakrishna Charitable Trust for education purpose.
- The transactions in Sl. No 11 and 12 in above table pertains to CSR contribution and donation to Trust/Society and School in which CMD and JMD are interested.

For and on behalf of the Board of Directors

Place: Chennai  
Date: 24th May 2023

Dr V L Indira Dutt  
Chairperson and Managing Director

# Secretarial Audit Report

Form No. MR-3

For the Financial Year ended on March 31, 2023

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

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2023

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

To,

The Members,

THE KCP LIMITED

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by THE KCP LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing my opinion there on.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by THE KCP LIMITED for the financial year ended on 31st March 2023 according to the provisions of:

- I The Companies Act, 2013(the Act) and the rules made thereunder.
- II The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder.
- III The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

IV Foreign Exchange Management act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investment. The company has no external commercial borrowings.

V The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

- a The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 – **The Company has not issued any capital this year.**
- d The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 – **Not Applicable**
- e The Securities Exchange Board of India (Issue and Listing of Debt securities) Regulations,2008 – **Not Applicable**
- f The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 – **Not applicable**
- h The Securities and Exchange Board of India

(Buyback of Securities) Regulations, 1998 – **Not Applicable**

VI Sector Specific Laws as applicable to the Company

Necessary licenses, approvals required under the said acts have been obtained and are valid for the period under review.

- a Mines Act, 1952
- b Indian Boilers Act, 1923
- c Environment Protection Act ,1986
- d The Hazardous Waste (Management Handling & Transboundary Movement) Rules, 2008
- e The Water (Prevention and Control of Pollution) Act, 1974
- f The Air (Prevention and Control of Pollution) Act, 1981
- g Legal Metrology Act, 2009
- h Explosives Act, 1884

VII The Company has maintained the registers required to be maintained under the following Laws and filed the required returns:

- a Factories Act, 1948,
- b Payment of Gratuity Act, 1972
- c Employees Provident Fund and Miscellaneous Provisions Act, 1952
- d Employees' State Insurance Act, 1948
- e Minimum wages Act, 1948
- f Payment of wages Act, 1936
- g Payment of Bonus (Amendment) Act,2015
- h. The Contract Labour (Regulation & Abolition) Act, 1970
- i. The Industrial Employment (Standing orders), Act,1946
- j. The Apprentices Act, 1961
- k. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956

I. The maternity Benefit Act

I have also examined compliance with the applicable clauses of the following:

(i)Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii)SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above as applicable to the company.

### **I further report that**

The Board of Directors is duly constituted with a proper balance of Executive Directors and Independent Directors. There was no change in Non Executive Directors the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All resolutions of the Board of Directors during the period under review were passed unanimously.

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

**I further report** that during the audit period no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, standards etc. have been identified.

**SOBANA PRANESH**

Practising Company Secretary

Place: Chennai

FCS No. :9825

Date: May 10, 2023

C P No . : 2403

PR NO.2288/2022

UDIN: F009825E000540080

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## Annexure - A

The Members

The KCP Limited

Chennai

My report of even date is to be read along with this letter.

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

**SOBANA PRANESH**  
Practising Company Secretary

FCS No. :9825  
C P No . : 2403

Place: Chennai  
Date: May 10, 2023

# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of  
THE KCP LIMITED  
"RAMAKRISHNA BUILDINGS",  
No.2, Dr. P.V. Cherian Crescent  
Egmore, Chennai 600008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of THE KCP LIMITED having CIN: L65991TN1941PLC001128 and having its registered office at "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

No.	Name of Directors	DIN	Date of appointment in Company
1.	Dr. V.L. Indira Dutt	00139883	01/03/2023
2.	Smt. V. Kavitha Dutt	00139274	01/03/2023
3.	Sri. Vijay Sankar	00007875	07/08/2019
4.	Sri. V.H. Ramakrishnan	00143948	07/08/2019
5.	Sri. P.S. Kumar	00267280	07/08/2019
6.	Sri. M. Narasimhappa	03319847	07/08/2019
7.	Smt. Janaki Pillai	08713712	29/02/2020
8.	Sri. V.Chandrakumar Prasad	08744154	10/08/2022
9.	Dr. Subbarao Vallabhaneni	08746927	10/08/2022
10	Sri. Ravi Chitturi	00328364	10/08/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**SOBANA PRANESH**  
Practising Company Secretary

Place: Chennai  
Date: May 24, 2023

FCS No. :9825  
C P No . : 2403  
UDIN: F009825E000540080

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FOR THE YEAR 2022-23.

### 1. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L65991TN1941PLC001128
2.	<b>Name of the Company</b>	THE KCP LIMITED
3	<b>Year of incorporation</b>	1941
4	<b>Registered Office address</b>	No.2, Ramakrishna Buildings, Dr. P V Cherian Crescent, Egmore, Chennai - 600008
5	<b>Corporate address</b>	-do-
6	<b>Website</b>	<a href="http://www.kcp.co.in">www.kcp.co.in</a>
7	<b>E-mail id</b>	<a href="mailto:corporate@kcp.co.in">corporate@kcp.co.in</a>
8	<b>Financial Year reported</b>	2022-23
9	<b>Name of the Stock Exchange(s) where shares are listed</b>	NSE
10	<b>Paid-up Capital</b>	Rs.1,289 Lakhs
11	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report.</b>	Y.Vijayakumar, 044-66772622, vijaycs@kcp.co.in
12	<b>Products / services</b>	Cement/Heavy Machinery, Hospitality
13.	<b>Reporting boundary</b>	Disclosures made in this report are on a standalone basis and pertain only to KCP only.

### 14. Details of business activities (accounting for 90% of the turnover):

No.	Description of Main activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture of cement	Manufacture and Marketing of cement.	91.84%
2.	Manufacture of Machinery.		
3.	Electric power generation.		
4.	Hotel.		

15. Products/ services sold by the entity (accounting for 90% of the entity's Turnover):

No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Cement	239	91.84%
2.	Manufacture of Machinery.	281	7.14%
3.	Electric power generation.	351	
4.	Hotel	551	0.91%

### III. Operations

16. Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	<ul style="list-style-type: none"> <li>• CPU, Macherla</li> <li>• CPU, Multyala</li> <li>• Heavy Engineering, Thiruvottiyur</li> <li>• Packaging Terminal. Arakkonam</li> <li>• Mercure Hyderabad KCP Hotel, Hyderabad.</li> <li>• Thermal Power Plant, Muktyala</li> <li>• Hydel Power Unit, Nekariakallu</li> <li>• Wind Power, Uthumalai</li> <li>• WHR, Macherla</li> <li>• Solar Plant and Bricks units at Muktyala.</li> </ul>	<ul style="list-style-type: none"> <li>• Registered Office, Chennai</li> <li>• Central Marketing Office, Hyderabad</li> <li>• Zonal/Regional Marketing Offices</li> </ul>	12+
International	Nil		

17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of states)	States of Tamilnadu, Andhra Pradesh and Telangana
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.81%

The contribution of exports as a percentage of total turnover of KCP Standalone is 0.26%

c. A brief on types of customers (Cement):

Individual Home Builders; Dealers; Real Estate Developers; Infrastructure Companies



#### IV. Employees

##### 18. Details as at the end of financial year:

###### a. Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	648	635	97.99%	13	2.01%
2	Other than Permanent (E)	255	233	91.37%	22	8.63%
3	<b>Total employees (D + E)</b>	903	868	96.12%	35	3.88%
<b>WORKERS</b>						
4	Permanent (F)	179	179	100%	0	0%
5	Other than Permanent (G)	69	69	100%	0	0%
6	<b>Total workers (F + G)</b>	248	248	100%	0	0%

###### c. Differently abled Employees and workers:

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3	<b>Total differently abled employees (D + E)</b>	Nil	Nil	Nil	Nil	Nil
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6	<b>Total differently abled workers (F + G)</b>	Nil	Nil	Nil	Nil	Nil

**16. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30
Key Management Personnel	4	2	50

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	12.59	21.43	12.78	11.67	7.14	11.57	9.95	22.22	10.20
<b>Permanent Workers</b>	11.58	0	11.58	11.29	0	11.29	7.33	0.00	7.33

**V. Holding, Subsidiary and Associate Companies (including joint Ventures)**

**21. (a) Names of holding / subsidiary / associates companies / joint ventures**

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / Associate / Joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity ? (Yes / No)
1.	KCP Vietnam Industries Limited	Subsidiary	67.23	No
2.	Fives Cail KCP Limited	Joint Venture	40	No

**VI. CSR Details**

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: **Yes**  
 (ii) Turnover (in Rs.) : **1,66,648 Lakhs**  
 (iii) Net worth (in Rs.) : **68,365 Lakhs**

**VII. Transparency and Disclosures Compliances**

**23. Complaints / Grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 previous financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The Company has in place a Grievance Redressal Mechanism; details whereof are available at <b>www.Kcp.co.in</b>						
Investors (other than shareholders)							
Shareholders		1	0	Resolved			
Employees and workers							
Customers							
Value Chain Partners							
Other (Please specify)							

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S.No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Renewable Fuel and Renewable Power	Opportunity	Reduction of pollution and protection of the environment.	Move to renewable sources of energy across the manufacturing locations. Company is installing WHR plant at Muktyala that will help in reducing GHG emissions per annum.	Initially because of capex, this will be negative but in medium to long term it will be positive.

2.	Corporate Social Responsibility	Opportunity	<p>The Company had formalised a process of earmarking a portion of its profits each year to support projects which fulfil a social obligation (CSR). Key areas of CSR activities in FY22-23 were:</p> <ol style="list-style-type: none"> <li>1. Healthcare</li> <li>2. Education</li> <li>3. Livelihoods</li> <li>4. Environmental sustainability</li> </ol>		For medium to long term it will be positive.
3.	Health & Safety (Occupational Hazards)	Risk	<p>Occupational hazards can encompass many types of risks. The ones related to the Company's activities are biological hazards, psychosocial hazards and physical hazards. This type of risk signifies both long-term and short-term risks associated with the workplace environment. Short term risks may include physical injury, while long-term risks may be increased risk of developing a chronic diseases.</p>	<p>The Company follows 'Zero tolerance' policy for safety breaches by using:</p> <ul style="list-style-type: none"> <li>• IT-enabled system for conducting safety audit from remote location and</li> <li>• Monthly safety campaigns on identified themes have been helping in sensitising people across plants.</li> <li>• Board and unit level committees monitoring Safety leading and lagging parameters.</li> </ul>	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management processes									
1.	<b>a.</b> Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) <b>b.</b> Has the policy been approved by the Board? (Yes /No) <b>c.</b> Weblink of the policies, if available.		All matters are considered through the functioning of various committees and the internal meetings chaired by the CMD and the Joint Managing Director.						
	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Whether the entity has translated the policy into procedures. (yes / no)		Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (yes / No.)		N	N	N	N	N	N	N
4.	Name of the national and international codes/ certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards, (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.		N	N	N	N	N	N	N
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		N	N	N	N	N	N	N

**Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure. This is the first year of reporting under the Business Responsibility and Sustainability Report (BRSR) which is an emerging area in corporate reporting. As the company has been evaluating risks and the opportunities as highlighted and encountered during the compilation of the report, the issues that concern Environment, Sustainability and Governance (ESG) have emerged. The company is seized of certain risks such as the emission of Greenhouse Gases (GHG) in the production of cement in particular for which various options by way of mitigation are being thought of. Also, the company is seized of the requirement to manage Scope 3 emissions through the supply chain. The company is now engaged in designing a strategy for compiling the required information prior to the engagement with the various stakeholders in the supply chain. The company is also looking at the processes of manufacturing critically for reducing the emissions of GHG. The company will have more clarity in the coming months on these issues.	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). Board of Directors
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues ? (Yes / No). If yes, provide details. Yes CSR Committee and Risk Management Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other committee									Frequency (Annually / Half Yearly / Quarterly / Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	H	H	H	H	H	H	H	H
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.	Y	Y	Y	Y	Y	Y	Y	Y		H	H	H	H	H	H	H	H	H

11. Has the entity carried out independent assessment / evaluation of the working of its polices by an external agency ? (Yes / No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes / No)	The company is not statutorily required to have a third party assessment. As the company becoming aware of the issues of sustainability, corrective actions are being taken. As already pointed out, some of the issues that have emerged in the new context of corporate reporting under the BRSR on matters such as ESG are new to the corporate sector and the company is taking steps to meet the challenges.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)									
The entity does not have the financial or / human and technical resources available for the task (yes / NO)									
It is planned to be done in the next financial year (yes/no)									
Any other reason (Please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

### **PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	2	Presentations were made about the National Guidelines for Responsible Business Conduct (NGRBC) and BRSR Reporting.	100%
Key Managerial Personnel	CFO and CS attended awareness programs on BRSR.	ESG Compliances	100%
Employees other than Bod and KMPs.			
Workers			

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

During 2023, no fines/penalties/punishment/award/compounding fees/settlement amount was paid in proceedings (by the Company or by directors/KMPs with regulators/law enforcement agencies/judicial institutions).

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NIL	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

KCP has board approved Code of Conduct for Directors and Employees, which specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behavior in key areas, one of which is anticorruption and bribery.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	NIL	NIL	NIL
Capex	NIL	NIL	NIL

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes / No)

The Company seeks to engage in long-term relationships with the suppliers and ensures compliance to the local and national laws and regulations.

The Company has a procedure in place for sustainable sourcing of energy, water, and transportation. It is also increasing the usage of Alternate Fuel and Raw Materials.

As discussed, the company is beginning to engage with the parties in the supply chain with regard to Scope 3 GHG emissions. Once the engagement is completed, the process will be completed.

b. If yes, what percentage of inputs were sourced sustainably? (as stated in point a. above)



3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-Waste (c) Hazardous waste and (d) other waste.

Cement manufacturing process does not generate any process-related wastes. However, there are ancillary activities like maintenance, housekeeping etc. that generate waste materials like oil-soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and others. Sometimes wastes like oil-soaked cotton, used oil, used filter bags are co-processed in the kilns (where the Company has permissions), remaining quantum of these waste and other wastes like electrical, electronic waste and steel scrap are sold to the authorised recyclers. For hazardous waste, the relevant returns are filed to the respective regulatory authorities from time to time.

It uses fly ash, a waste from thermal power stations and slag, a waste from the steel industry as a substitution to coal/ pet coke in cement manufacturing.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

There are no obligations under the Extended Producer Responsibilities

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

**% of employees covered by**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent employees</b>											
Male	635	635	100%	635	100	0	0%	0	0%	0	0%
Female	13	13	100%	13	100	13	100%	0	0%	0	0%
<b>Total</b>	<b>648</b>	<b>648</b>	<b>100%</b>	<b>648</b>	<b>100</b>	<b>13</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	233	233	100%	233	100	0	0%	77	33.05%	0	0%
Female	22	22	100%	22	100	22	100%	0	0%	0	0%
<b>Total</b>	<b>255</b>	<b>255</b>	<b>100%</b>	<b>255</b>	<b>100</b>	<b>22</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

- b. Details of measures for the well-being of workers:

**% of workers covered by**

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent workers</b>											
Male	179	179	100	179	100	0	0	0	0%	0	0%

Category	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Female	0	0	0	0	0	0	0	0	0%	0	0%
<b>Total</b>	179	179	100	179	100	0	0	0	0%	0	0%
<b>Other than Permanent workers</b>											
Male	69	69	100	69	100	0	0	0	0%	0	0%
Female	0	0	0	0	0	0	0	0	0%	0	0%
<b>Total</b>	69	69	100	69	100	0	0	0	0%	0	0%

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100%	100%	Yes
Gratuity	100	100	N.A	100%	100%	Na
ESI	20.93	26.21	Yes	23%	30%	Yes
Others – please specify	-	-	-	-	-	-

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

**We don't have differently abled employees and workers**

- Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
- Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than Permanent workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Current Financial Year		
	No. of employees / Workers in respective category (A)	No. of employees / workers in respective category, who are part of association (S) or Union (B)	% (B/A)	No. of employees / Workers in respective category (A)	No. of employees / workers in respective category, who are part of association (S) or Union (B)	% (B/A)
<b>Total permanent employees</b>						
Male	635	0	0%	632	0	0%
Female	13	0	0%	15	0	0%
<b>Total permanent workers</b>						
Male	179	169	94%	201	191	95%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	868	868	100%	552	64%	812	812	100%	515	63%
Female	35	35	100%	30	86%	28	28	100%	10	36%
<b>Total</b>	903	903	100%	582	64%	840	840	100%	525	63%
<b>Workers</b>										
Male	248	248	100%	77	31%	284	284	100%	75	26%
Female	0					0				
<b>Total</b>	248	248	100%	77	31%	284	284	100%	75	26%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total ( C )	No.(D)	% (D/C)
<b>Employees</b>						
Male	868	739	85%	812	639	76%
Female	35	26	74%	28	12	44%
<b>Total</b>	<b>903</b>	<b>765</b>	<b>85%</b>	<b>840</b>	<b>651</b>	<b>75%</b>
<b>Workers</b>						
Male	Covered under union wage settlement (labour agreement)					
Female						
<b>Total</b>						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No)*. If yes, the coverage such system?

**Yes – As per ISO 14001 & ISO 45001 policy & Health & Safety comes under Factories Act**

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

**Conducting periodical Safety Committee Meeting & Observation points from ISO Audits**

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

**Yes**

- d. Do the employees / worker of the entity have access to non-occupational medical and health care services ? **(Yes / No)**

**Yes**

11. Details of safety related incidents, in the following format:

Safety incident / Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one Million – person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	1	Nil
High consequence work - related injuries or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

a) Provided safe, healthy and secure work conditions for employees and workers
b) Designed a global Health and Safety Management System continuously improve our performance and actively manage risk.
c) Communicate openly with all Employees and workers on relevant health and safety issues.
d) Ensured strict following of all applicable legal, regulatory, industry requirements.
e) Our aim is zero harm
f) Program for Internal Auditor – ISO 45001 & ISO 14001
g) Compliances on Renewal of Fire License / PVs / Crane & Sling Inspection / Dust & Fumes Extractor / Sand Blasting Inspection / Pollution Control Board / Building Stability

13. No. of complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	Nil	18	4	
Health & Safety	Nil	Nil	Nil	7	2	

14. Assessments for the year

	% of your plants and offices that were assessed ( By entity or statutory authorities or third parties)
Health and Safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / consents arranging from assessment of health and safety practices and working conditions:

Fire Hydrant System - Work in progress
Heat Resistance Suit for Foundry Laddle man - Completed
LPG Manifold at Canteen - Approval obtained & work yet to be start

**PRINCIPLE 4: Businesses should respect the interest of and be responsive to all its stakeholders**  
Essential Indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Company identifies the stakeholders based on the scope of the activities and the need of organization. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action, and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company's performance and shape new perspectives on the challenges and opportunities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half Yearly / Quarterly / Others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities around our operations	Yes	We have designated office and team at unit level and they will have Community meetings.	Annually and as and when required Information exchange on key sustainability parameters	All CSR interventions of the Company is purposed to target the disadvantaged, vulnerable and marginalised stakeholders.
Industry Associations Meetings	No -	Meetings	Website - Annual Report - BRSR Report	Annually and as and when Required Information exchange on key sustainability parameters
Shareholders, Lenders & Investors	No	General meetings. - Investor meetings - Annual Report - BRS Report - Investor Presentation - One-on-One meetings	Quarterly; Annually and as and when required	The Company engages with all its stakeholders. It helps to enrich business conduct by understanding their priorities and addressing their queries and concerns.
Government and Regulatory Authorities	No	Annual report and regulatory filings - Facility Inspections - One-on-One meetings	Annually / Quarterly / Monthly and as and when required	Good governance practice; community engagement; regulatory compliance; environmental initiatives.
Employees	No	Internal communication platforms	Daily	Employee engagement is an on-going exercise conducted throughout the year. The Company has also set up a formal mechanism for this purpose.
Suppliers and Contractors	Yes	Community Visits & meetings - Surveys - Workshops	Periodical	Help benefit the communities in the areas surrounding the Company's operations through livelihood opportunities – through various CSR initiatives at the Company.

## Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Company firmly believes that stakeholder engagement is critical to deepen dialogue and develop our understanding of important business and societal issues. Company is part of various platforms where stakeholders engage on issues pertaining to the economic, environmental & social topics. The relevant information is shared with the Board of Directors of Company regularly.

The Board of Directors, through the CSR Committee and Risk Management Committee, reviews, monitors, and provides strategic direction to the Company's social responsibility obligations and other societal and sustainability practices.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Company engages with relevant stakeholder platforms that are used to seek relevant expertise and support to address environment and social topics.

Company has put in place systems and procedures to identify, prioritize, and address the needs and concerns of its stakeholders across businesses in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogue with all stakeholders across businesses, identify concerns and their resolution in an equitable and transparent manner.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.**

Company is strongly committed to address the emerging needs of the community. For instance, we committed to the nation's fight against Covid-19 by giving every possible support to the communities, authorities and frontline workers, reaching out to stakeholder groups across different locations. Company supported local bodies in purchase of medical equipment. It contributed ready-to-drink beverages and food products to the frontline warriors, as a recognition of their efforts for keeping the nation safe. In collaboration with NGO partners, Company also brought about innovations in its ongoing community initiatives to adapt to the rapidly evolving external environment. Recognizing the need for oxygen support for COVID-19 patients, Company set up oxygen plants near our facilities.

**PRINCIPLE 5 : Business should respect and promote human rights**

**Essential indicators**

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	648	13	2%	647	5	1%
Other than permanent	255	5	2%	193	0	0%
<b>Total employees</b>	<b>903</b>	<b>18</b>	<b>4%</b>	<b>840</b>	<b>5</b>	<b>1%</b>
<b>Workers</b>						
Permanent	179	0	0%	201	0	0%
Other than permanent	69	0	0%	83	0	0%
<b>Total workers</b>	<b>248</b>	<b>0</b>	<b>0%</b>	<b>284</b>	<b>0</b>	<b>0%</b>

3. Details of minimum wages paid to employees and workers, in the following format:

All employees and contractors have been paid more than minimum wages in accordance with applicable laws.

Category	FY 2022 -23 (Current Financial Year)					FY 2021 -22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	648			648	100%	647			644	99.54%
Male	635			635	100%	632			629	99.53%
Female	13			13	100%	15			15	100%
<b>Other than permanent</b>	255			235	92.16%	193			173	89.64%
Male	233			213	91.42%	180			160	88.89%
Female	22			22	100%	13			13	100%
<b>Workers</b>										
<b>Permanent</b>	179			179	100%	201			201	100%
Male	179			179	100%	201			201	100%



Female	0			0	0%	0			0	0%
<b>Other than permanent</b>	69			15	21.74%	83			16	19.28%
Male	69			15	21.74%	83			16	19.28%
Female	0			0	0%	0			0	0%

All employees and contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates.

3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BOD)	10			
Key Managerial Personnel				
Employees other than BOD and KMP	866	32130	33	21070
Workers	248	31692.02	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing humanrights impacts or issues caused or contributed to by the business? **(Yes/No)**

5. Describe the internal mechanisms in place to redress grievances related to human rightsissues. **No**

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil		Nil	Nil	Nil
Discrimination at work place	Nil	Nil		Nil	Nil	Nil
Child Labour	Nil	Nil		Nil	Nil	Nil
Forced Labour / involuntary Labour	Nil	Nil		Nil	Nil	Nil
Wages	Nil	Nil		Nil	Nil	Nil
Other human rights related issues	Nil	Nil		Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination andharassment cases.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No) NO**

9. Assessment for the year :

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour / involuntary Labour	100%
Sexual harassment	100%
Discrimination at work place	100%
Wages	100%
Others – Please specify	100%

10. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above.

**PRINCIPLE 6 : Business should respect and make efforts to protect and restore the environment**

**Essential indicators**

**1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format**

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total electricity consumption (A)	809957613.60	764542789.20
Total fuel consumption (B)	40169318467.62	46176319112.49
Energy consumption through other sources (C)	780418.59	551606.68
<b>Total energy consumption (A+B+C) (Mega Joule)</b>	<b>40980056499.81</b>	<b>46941413508.37</b>
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

\* All values are in Mega Joules

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provided remedial action taken, if any.

- Cement Unit – 1 and Cement Unit 2 are in PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	20935	14403
(ii) Groundwater	283831	243636
(iii) Third party water	14876	8407
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	319642	266446
<b>Total volume of water consumption (in kilolitres)</b>	319642	266446
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>		
<b>Water intensity</b> (Optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emission (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	mg/Nm <sup>3</sup>	734	697
SOx	mg/Nm <sup>3</sup>	32	33
Particulate matter (PM)	mg/Nm <sup>3</sup>	95	101
Persistent organic pollutants (POP)	µg/m <sup>3</sup>	-	-
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	-	-
Hazardous air pollutants (HAP)	mg/Nm <sup>3</sup>	-	-
Others – please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	2259671	2047904
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) <b>Total Scope 1 and Scope 2 emission per rupees of turnover</b>	<i>Metric tonnes of CO2 equivalent</i>	114369	108381
<b>Total Scope 1 and Scope 2 emission intensity</b> (Optional) – the relevant metric may be selected by the entity		2374040	2156285

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes then provide details.

- Installation of centralized AC in place of individual split AC (HO, Chennai)
- **Installation of WHRB (Waste Heat Recovery Boiler) with a capacity of 12MW.**  
Waste heat recovery boilers are designed to reduce heat energy wastage. WHR Boilers utilise waste heat or hot waste air flows from process for heating water and then power generation.
- **Usage of alternate fuels upto 10% (Line-2 is ready, Line -1 project to be taken).**  
Municipal solid waste, Biomass and other plastic waste will be used for co-processing as fuel. It will reduce directly 10% coal consumption.
- **Increasing fly ash usage up to 35%**  
Using flash in cement manufacturing will directly reduce the clinker percentage in cement production. Presently we are using up to 32% of flyash in our cement manufacturing and planning to increase it upto 35%
- **Enhance the usage of renewable energy (solar power plant).**  
At present we have 1.1MW solar power plant and planning to enhance it upto 5MW capacity

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	34.72	32.57
E-Waste (B)	0.25	2.30
Bio-medical waste (C )	0.09	0.09

Construction and demolition waste (D)	2070.00	2070.00
Battery waste (E)	5.70	2.18
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. <b>(G) Waste Oil</b>	3.19	6.71
Other Non-hazardous waste generated (H). Please specify, if any. <i>(Break-up by composition i.e, by materials relevant to the sector)</i>	-	-
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>2113.95</b>	<b>2113.85</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
<b>Category of waste</b>		
(i) Recycled	41.69	35.08
(ii) Re-used	1.15	4.71
(iii) other recovery operations	-	-
<b>Total</b>	<b>42.84</b>	<b>39.79</b>
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
<b>Category of waste</b>		
(i) Incineration	1.15	4.71
(ii) Landfilling	1800	1800
(iii) other disposal operations	5.50	4.28
<b>Total</b>	<b>1806.65</b>	<b>1808.99</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

\*

9. Briefly describe the waste management practices adopted in you establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

\*

10. if the entity has operations/ offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, costal regulation zones etc.) where environmental approval / clearances are required, please specify details in the following format:

S.No.	Location of operations / offices	Type of operations	Whether the condition of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

12. Is the entity complaint with the applicable environmental law/ regulation/ guidelines in India; such as the water (Prevention and Control of Pollution) act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

\* No

S. No.	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties. action taken by regulatory agencies such as pollution control	Corrective action taken, in ay

### Leadership Indicators

1. Provide break-up of the total energy consumed (in joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
<b>From renewable sources</b>		
Total electricity consumption (Mega Joule) (A)	96060175.20	43342477.20
Total fuel consumption (B)		
Energy consumption through other sources (C )	62816652	51192000
Total energy consumed from renewable sources (A+B+C) (Units)	158876827.20	94534477.20
<b>From non-renewable sources</b>		
Total electricity consumption (D)	705278959.20	669944790
Total fuel consumption (E)	40160590627.62	46176319212.49
Energy consumption through other sources (F)	1370678.40	1050853.44
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>40867240265.22</b>	<b>46847314855.93</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, Name of external agency.

• NO

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in Kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment	43949	33412
(ii) Ground water		
- No treatment		
- With treatment – please specify level of treatment	26178	25777
(iii) Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third – Parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total Water discharged (in kilolitres)</b>	<b>70127</b>	<b>59189</b>

Note: Indicate if any independent assessment/ evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in Kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-3 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) To Surface water	Nil	Nil
(ii) Ground water	Nil	Nil
(iii) Third – Party water	Nil	Nil
(iv) Sea water	Nil	Nil
(v) Others	Nil	Nil
<i>Total volume of water withdrawal (in Kilolitres)</i>	Nil	Nil
Total volume of water Consumption (in Kilolitres)	Nil	Nil
Water intensity per rupee of turnover (Water consumed / turnover)	Nil	Nil

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water intensity (Optional) – the relevant metric may be selected by the entity	Nil	Nil
<b>Water discharge by destination and level of treatment (in Kilolitres)</b>		
(i) Into Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) Into Ground water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) into Sea water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in Kilolitres)</b>	Nil	Nil

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG n to CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NIL	NIL
Total Scope 3 emissions per rupee of turnover		NIL	NIL
<b>Total Scope 3 emission intensity</b> (Optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of external agency.



5. with respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas long-with prevention and remediation activities.

- NA

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improved resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as will as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	CPCB	<a href="https://industrialambient.cpcbcr.com">https://industrialambient.cpcbcr.com</a>	Complete

7. Does the entity have a business continuity and disaster management plan? Given details in 100 words / web link.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaption measures have been taken by the entity in this regard.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

#### Essential Indicators

#### 1. Number of affiliations with trade and industry chambers / associations.

**List of top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

Your Company works with major industry chambers/associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, your Company had active affiliations with 6 such trade and industry chambers/associations.

S.No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Cement Manufacturing Association (CMA)	National
2.	Confederation of Indian Industries (CII)	National
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4.	National Safety Council (NSC)	National
5.	Indian Green Buildings Council (IGBC)	National
6.	Andhra Chamber of Commerce	Tamilnadu & Andhrapradesh
7.	Madras Management Association	Tamilnadu
8.	Federation of Indian Exports Organization	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**  
Essential Indicators

At KCP we believe that inclusive growth and equitable development of our Stake holders and all communities around our operations is our Social Responsibility, which is a form of self-regulation that reflects our business’s accountability and commitment to contributing to the well-being of communities and society through various environmental and social measures.

Over the years, the company has been focusing on sustainable business practices encompassing economic, environmental, and social imperatives that not only covers our business but also the communities around us. Our CSR initiatives include education, healthcare, sustainable livelihoods, women empowerment, rural infrastructure development among others around our areas of operations.

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Company engages with local communities to discuss and understand their needs, identify the priority intervention areas and gauge the impact of its interventions and None of the projects undertaken by KCP in FY 2022-23 required Social Impact Assessments (SIA)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

**Not applicable**

3. Describe the mechanisms to receive and redress grievances of the community.

Company’s societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions. During 2023, no grievances were brought to Company’s notice.

Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programs.

4. Percentage of Input material (inputs to total inputs by value) sourced from suppliers:

	<b>FY 2022-23 Current Financial Year</b>	<b>FY 2021-22 Previous Financial Year</b>
Directly sourced from MSMEs/small producers		
Sourced directly from within the district and neighbouring districts		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
NA		

## 6. Details of beneficiaries of CSR Projects:

Sl.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Promotion of Health care, Sanitation & Making availability of SDW	Communities around our operations	100%
2	Promoting education and Employment enhancing Vocational skills among Children, Women, Elderly and the Differently abled and Livelihood Enhancement Projects	Communities around our operations	100%
3	Promoting Gender equality Empowering women and measures for reducing in equalities faced by Socially and Economically Backward groups	Communities around our operations	100%
4	Ensuring Environmental Sustainability Ecological balance, Conservation of Natural Resources and maintaining quality of Soil Air, Water and Rural Development.	Communities around our operations	100%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

Company has a well-established consumer care and response management system in place to support our consumers with queries, feedback or concerns that they may have. The 24\*7 consumer care set up ensures that Company is not just meeting the consumer needs at the moment, but also delighting them by building authentic relationships that stand the test of time. Company understands that consumers may have different needs, and therefore Company has created specialized desks with specifically trained people who can manage these requirements related to the products & services.

Consumers can reach out at anytime via their preferred channels – phone, email, chat, social media, WhatsApp or website for assistance.

Company has a global consumer contact management policy in place that helps to deliver a consistent consumer experience across our service channels and geography. Company focuses on new technologies, integration and standardization for a delightful consumer experience.

### 1. Describe the mechanisms in place to receive and respond to Customer Complaints and Feedback :

- Customer Care contact number : CMU printing customer care contact number on all KCP Cement Bags so that if any customer require further details may contact and get clarification.
- Customer Care e-mail : CMU printing customer care e-mail ID on all KCP Cement Bags so that if any customer require further details may contact and get clarification.

**Web Portal :** CMU is having web portal [www.cement.kcp.co.in](http://www.cement.kcp.co.in) for KCP Cement and customers can get all details pertaining to various grades of cements producing under KCP brand.

- Customer Feedback: KCP is a Trade Brand supplying through dedicated authorised Stockists. CMU collecting feedback from stockists on monthly basis on 18 parameters as furnished below :

1. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	No
Safe and responsible usage	
Recycling and / or safe disposal	

2. Number of consumer complaints in respect of the Data privacy; Advertising; Cyber-Security; Delivery of essential services; Restrictive Trade Practices; Unfair Trade Practices, other :

**There are no Customer Complaints registered by KCP, there may be requests from customers for technical support during constructions. KCP providing Mobile Testing Vans and our Technical Engineers will visit customer site and explain / clarify doubts if any expressed by customers.**

3. Details of instances of product recalls on account of safety issues : **Not applicable**
4. Does the entity have a framework / policy on cyber security and risks related to data privacy ? (Yes / No) If available provide a web-link of the policy.

**IT related**

5. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

**KCP is certified for following ISO Standards :**

- a) **ISO 9001 : 2015 – Quality Management System Standard**
- b) **ISO 14001 : 2015 – Environmental Management System Standard**
- c) **ISO 45001 : 2018 – Occupational Health and Safety Management System Standard**
- d) **ISO 50001 : 2018 - Energy Management System Standard**

## Report on Corporate Governance

The Board of Directors present the Company's report on Corporate Governance for the year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") as amended.

### The Company's philosophy on code of Governance

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large, the Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements.

The Company's governance framework is based on the following principles:

Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains and the Board remains custodian of trust and acknowledges its responsibilities towards stakeholders for sustainable long-term wealth creation.

Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;

Timely disclosure of material operational and financial information to the stakeholders;

The Company regularly reviews its Corporate Governance practices to ensure that they reflect the latest developments in the corporate arena and thus position itself to conform to the best Corporate Governance practices.

The report on Corporate Governance is divided into four parts:

- Board of Directors
- Committees of the Board
- Shareholders' information
- Disclosures and Other Information

### I. Board of Directors

The Company is managed by the Board of Directors (the Board), which provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

Dr.V.L. Indira Dutt, Chairperson & Managing Director and Smt. V. Kavitha Dutt, Joint Managing Director manage the business of the Company under the overall supervision, control and guidance of the Board.

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Act.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- holds Directorship positions in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies];
- holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and
- is a member of more than ten (10) Committees and/ or Chairperson of more than five (5) Committees, across all the Indian public limited companies in which they are Directors.

For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee ('AC') and the Stakeholders' Relationship Committee ('SRC') have been considered in terms of Regulation 26 of the SEBI Listing Regulations.

The Shareholders' approval has been obtained for the Directors, who have attained the age of Seventy-five (75) years by way of special resolution.

### Duties and Functions of the Board

The Board has the responsibility to oversee the conduct of the Company's business and to supervise

and support the Management, which is responsible for the day-to-day operations.

It does this by providing strategic guidance, monitoring operational performance and ensures that robust policies and procedures are in place.

The Board through its various committees, also reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company’s accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards Sustainability and Social Responsibility.

In particular, the Board reviews and approves quarterly/half-yearly, unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure.

**a) Composition and category of Board of Directors:**

At KCP we believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance and it has an appropriate mix of executive and non-executive independent directors and Non-Executive Directors to maintain independence.

The Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (‘the SEBI Listing Regulations’). The Company’s Chairperson & Managing Director and Joint Managing Director are the Executive Directors on the Board.

Dr. V.L. Indira Dutt Chairperson of the Board is an Executive Director.

Non-executive Independent Directors were appointed for a specific term as recommended by Nomination and Remuneration Committee(NRC) and their appointments were approved by the Board and the members at their respective meetings.

Executive and Non-Executive Directors were appointed as per the provisions of the law.

The Composition of Board (as on March, 31 2023) is as under:

Category	Number of Directors
Executive Promoter Directors including the Chairperson	2
Non-Executive Independent Directors	5
Non-Executive Non-Independent Directors	3
<b>Total</b>	<b>10</b>

**b) Board Meetings**

The Board meets at least once in each quarter to review the matters specifically reserved for its attention, to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. In addition to these meetings, additional Board meetings are held to approve the Business Plan and Long-Term Strategies of the Company.

The Board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements and other matters concerning the Company.

The Board meetings are generally scheduled in advance. Notice and detailed notes on agenda of each Board Meeting are given in writing to all directors in advance of the meetings in compliance with Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. Where it is not possible to enclose any document to the agenda, the same is tabled at the Meeting.

The Board periodically reviews compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairperson & Managing Director of the Company.

All the discussions and decisions taking place in every meeting of the Board are entered in the Minute Book. The draft minutes are circulated within the specified time to the Board Members and suggestions or comments for changes, if any,

received are suitably incorporated in the minutes and the minutes are signed by the Chairperson of the same meeting or by the Chairperson of the succeeding meeting within the prescribed time period.

In the Financial Year 2022-2023, the Board met four times. The Meetings were held on 18th May 2022, 10th August 2022, 11th November 2022 and 10th February 2023. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

The details of attendance of Directors at Board Meetings (“BM”), last Annual General Meetings (“AGM”) were as under:

Name of the Director	18-05-2022	10-08-2022	11-11-2022	10-02-2023	No. of meetings attended	81 <sup>st</sup> AGM on 10-08-2022
Dr. V.L. Indira Dutt	P	P	P	P	4	P
Smt. V. Kavitha Dutt	P	P	P	P	4	P
Sri V.H. Ramakrishnan	P	P	P	P	4	P
Sri. Vijay Sankar	P	A	A	P	2	A
Sri. P.S. Kumar	P	P	P	P	4	P
Sri. M. Narasimhappa	P	P	P	P	4	P
Smt. Janaki Pillai	P	P	P	P	4	P
Dr. Subbarao Vallabhaneni	P	P	P	P	4	P
Sri. V. Chandrakumar	P	P	P	P	4	P
Sri. Ravi Chitturi	P	P	P	P	4	P

#### Board meetings through VC/OAVM

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio-visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors.

#### c) Directorships and Chairmanship/membership of committees.

The total number of Directorship(s) held by the Directors and the Memberships/ Chairmanships on Committees held by them as mentioned hereunder, is in compliance with the provisions of the Act and the SEBI Listing Regulations.

Name of the Director	* Number of Directorship(s) held in Indian Public limited companies (Including KCP)	Directorships with listed companies	** Committees position (Including KCP)		No. of shares held by Directors
			Chairperson	Member	
<b>Non-Executive Independent Directors:</b>					
Sri V.H. Ramakrishnan	1	-	0	2	0
Sri. Vijay Sankar	4	1.Oriental hotels limited 2.Transport Corporation of India Limited 3. Chemplast Sanmar Limited	0	5	0

Sri. P.S. Kumar	1	Sri Sarvaraya Sugars Ltd	2	-	0
Sri. M. Narasimhappa	2	-	-	2	0
Smt. Janaki Pillai	1	-	-	-	-
<b>Executive Promoter Directors:</b>					
Dr. V.L. Indira Dutt Chairperson & Managing Director	2	-	-	1	9969901
Smt. V. Kavitha Dutt, Joint Managing Director	7	1. DCM Shriram Limited 2. Apollo hospitals Ltd 3. Centrum Electronics Ltd	1	3	1360000
Dr. Subbarao Vallabhaneni	1	-	-	-	116130
Sri. Chandra Kumar Prasad	2	-	-	-	1000
Sri. Ravi Chitturi	2	-	-	-	0

\* Includes the names of listed entities where the person is a director and the category of directorships.

\*\*Represents memberships of Audit and Stakeholders Relationship Committees in Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies.

**d) The information required to be made available to the Board.**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

All agenda items are supported by relevant information, submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

The Board has unrestricted access to all company-related information, including that of employees.

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

**Relationship between directors inter-se:**

Dr. V.L. Indira Dutt, Chairperson & Managing Director, Smt. V. Kavitha Dutt, Joint Managing Director and Sri. V. Chandra Kumar Prasad, Dr. Subbarao Vallabhaneni, Sri. Ravi Chitturi, Non-Executive Non-independent Directors of the company are inter-se related.

**Independent Directors**

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders, particularly the minority shareholders.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations.



The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

None of the Independent Directors serve as Independent Directors in more than seven (7) listed companies in line with the requirements of the SEBI Listing Regulations and they have submitted respective declarations confirming that they continue to meet the criteria of independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

Also, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. In the opinion of the Board, all the Independent Directors fulfil the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned or was re-appointed during the financial year under review.

During the year the Independent Directors met on February 10, 2023, inter alia to discuss:

- evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairperson & Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

The Independent Directors have expressed satisfaction for the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the meetings and the openness and transparency with which the Management discusses

various subject matters specified in the agendas of meetings.

### **Induction programme for new Directors and on-going familiarization programme for existing Independent and Non-Independent Directors.**

A formal induction programme for new Directors and an on-going familiarization process with respect to the business/ working of the Company, the Company's business model for all Directors is a major contributor to familiarize the Directors with the dynamics of the industry to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, inter alia, explains the role, functions, duties and responsibilities of the Director and the Board's expectations from him/ her.

The requirement of obtaining declarations from a Director under the Act, the SEBI Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations are taken from them in respect thereto.

The details of the familiarization programme for Directors are available on the Company's website, at <http://kcp.co.in/downloads/investor/corporate-governance/familiarisation-programmes-for-independent-directors.pdf>

### **Key Board qualifications, expertise and attributes**

The KCP Board comprises professionals of eminence and stature drawn from diverse fields.

The Board of Directors collectively bring to the fore a wide repertoire of skills and experience, which elevates the quality of the Board's decision-making and allows them to make effective contribution to the Board and its Committees. The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced and renowned persons from the fields of manufacturing, finance, banking, health, social work, infrastructure, governance, retail mergers and acquisitions and technology, amongst others. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board.

Sl.No	Areas	Skills
1.	Strategy & Policy development	Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business objectives.
2.	Ethics and Integrity	Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality, declare any conflicts.
3.	Leadership	Make decisions and take necessary actions in the best interest of the organisation, and represent the organisation favourably. Analyse issues and contribute at board level to solutions.
4.	Contribution	Ability to constructively contribute to board discussions and communicate effectively with management and other directors.
5.	Previous Board experience	Has director experience (past or present) on other listed/public company or private company Boards.
6.	Industry specific skills	Experience and knowledge with respect to the industry in which the Company operates.
7.	Executive management	Experience in evaluating performance of senior management, and oversee strategic human capital planning. Experience in industrial relations and organisational change management programmes.
8.	Board training	Has completed formal training in director role and duties including training in governance and risk.
9.	Risk compliance	Identify key risks to the organisation related to each key area of operations.

Name of Director	Strategy & Policy development	Ethics and Integrity	Leadership	Contribution	Previous Board experience	Industry specific skills	Executive Management	Board Training	Risk Compliance
Dr. V.L. Indira Dutt	√	√	√	√	√	√	√	X	√
Smt. V. Kavitha Dutt	√	√	√	√	√	√	√	X	√
Sri. P.S. Kumar	√	√	√	√	√	√	√	X	√
Sri. V.H. Ramakrishnan	√	√	√	√	√	√	√	X	√
Sri. Vijay Sankar	√	√	√	√	√	√	√	X	√
Sri.M.Narasimhappa	√	√	√	√	√	√	√	X	√
Dr. Janaki Pillai	√	√	√	√	X	X	√	X	√
Sri. Chandrakumar Prasad	√	√	√	√	√	√	√	X	√
Dr.Subbarao Vallabhaneni	√	√	√	√	X	X	√	X	√
Sri. Ravi Chitturi	√	√	√	√	√	√	√	X	√

## Board diversity

KCP has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board.

Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board has formalized a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy on diversity is available on the Company's website and can be accessed on web link at <http://kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

## II. COMMITTEES OF THE BOARD

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, Innovation and Best Practices Committee and Finance committee.

The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances value creation for all.

These committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these committees lend immense value and support, enhancing the qualitiveness of the decision-making process of the Board. The Board reviews the functioning of these committees from time to time.

The meetings of each of these committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings.

The minutes of the committee meetings are sent to all members individually for their approval/ comments as per the prescribed Secretarial Standards-1 and after the minutes are duly approved and are placed in the Board meetings for noting.

The constitution, terms of reference and the functioning of the existing committees of the Board is explained hereunder. Each committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields.

### a) Audit Committee - Mandatory committee

The Audit Committee is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than two-third (2/3rd) of the members of the Committee, including the Chairman of the committee are Independent Directors.

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations.

The Audit Committee comprises 4 Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. P.S. Kumar, a Chartered Accountant by qualification.

In the opinion of the Board of Directors, all the members of the Audit Committee are financially literate, and also have accounting or related financial management experience.

The Audit Committee met 4 (four) times during the year on 18/05/2022, 10/08/2022, 11/11/2022, 10/02/2023.

The composition of the Audit Committee and particulars of meetings attended by the members of the Committee are as follows:

Members	Number of Meetings Held	Number of Meetings Attended
<b>Non-Executive Independent Directors:</b>		
Sri. P.S. Kumar- Chairperson	4	4
Sri V.H. Ramakrishnan – Member	4	4
Sri. Vijay Sankar- Member	4	2
Sri. M. Narasimhappa- Member	4	4
<b>Executive Promoter Director :</b>		
Smt V. Kavitha Dutt – Member	4	4

The Company Secretary is the Secretary to the Committee.

The Chairperson & Managing Director Statutory Auditors and the Internal Auditors have also attended the Audit Committee meetings, when invited by the Committee. The Committee also invites Business and Functional Heads to discuss matters concerning their Business / Departments as and when it deems necessary.

### Role of the Audit Committee

#### A. The role of the audit committee (Terms of Reference) shall include the following:

- (1) oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of Statutory auditors and Cost Auditors of the listed entity;
- (3) approval of payment to statutory auditors including Cost Auditors and for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the Quarterly annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the Company with related parties;
- (9) scrutiny of inter-corporate loans and investments;

- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (21) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

- (22) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**B. The audit committee shall mandatorily review the following information:**

management discussion and analysis of financial condition and results of operations;

statement of significant related party transactions (as defined by the audit committee), submitted by management; management letters / letters of internal control weaknesses issued by the statutory auditors;

internal audit reports relating to internal control weaknesses; and statement of deviations:

quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Chairman of the Audit Committee was present at the 81st Annual General Meeting of the Company held on 10th August 2022.

**b) Stakeholders Relationship Committee (SRC) - Mandatory committee**

The composition of the SRC of the Board is in line with the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The SRC comprises five (5) members of which two-thirds (2/3rd) of the members including the Chairperson of the committee are Independent Directors.

The Committee is governed by its Charter and the terms of reference of the Committee are:

To review the steps taken to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;

To review the measures taken for effective exercise of voting rights by shareholders;

To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA);

To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;

To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;

Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund (IEPF) of the Government of India in line with the relevant Rules made thereunder;

Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors

Sri. P.S. Kumar is the Chairperson of the committee.

The composition of the SRC as on March 31, 2023 and details of the members participation at the meetings of the Committee are as under

Independent Directors	No. of meetings held	No. of Meetings attended
Sri. P.S. Kumar, Chairperson	1	1
Dr. V.L. Indira Dutt, Member	1	1
Sri V.H. Ramakrishnan, Member	1	1
Sri. Vijay Sankar, Member	1	0
Sri. M. Narasimhappa, Member	1	1

The Stakeholders Relationship Committee met on February 10, 2023 during the year 2022-2023.

Company Secretary, functions as the compliance officer.

He has also been appointed as the nodal officer for IEPF in line with statutory requirements.

The total number of complaints received and resolved from Stakeholders during the year ended March 31, 2023 were NIL.

There were no complaints outstanding as on March 31, 2023.

Shareholders'/Investors' complaints and other correspondence are normally attended to within

seven working days except were constrained by disputes or legal impediments.

No investor grievances remained unattended / pending for more than thirty days.

### c) Nomination and Remuneration Committee (N&RC) - Mandatory committee

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations.

The Chairperson of the Committee Sri. V.H. Ramakrishnan is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors.

The Chairperson & Managing Director of the Board is a Member of the Committee but does not chair the Committee.

The terms of reference of the Committee inter alia, include the following:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulate criteria for determining qualifications, attributes and Independence of a Director;
- Devising a policy on Board Diversity;
- Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company;
- Formulate the criteria for evaluating the performance of the Board of Directors;
- Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel ('KMP') and Senior Management employees;
- Identifying individuals for appointment as KMP and other Senior Management positions, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard;
- Specify the manner for effective evaluation of performance of Board, its committees, individual Directors and review its implementation and compliance;

- Review the performance evaluation of the Directors, KMP and Senior Management Employees;
- Administration of the Employee Stock Option Schemes (ESOS), if any.

The composition of the N&RC as on March 31, 2023 and details of the Members participation at the meetings of the Committee are as under:

Directors :	No. of meetings held	No. of meetings attended
Sri V.H. Ramakrishnan, Chairperson	2	2
Dr. V.L. Indira Dutt, Member	2	2
Sri. Vijay Sankar, Member	2	-
Sri. P.S. Kumar, Member	2	2
Sri. M. Narasimhappa, Member	2	2

The Nomination and Remuneration Committee met 2 (two) times on 10/08/2022 and 11/11/2022 during the year 2022-2023.

The Chairperson of the Committee was present at the 81st Annual General Meeting of the company in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

## REMUNERATION OF DIRECTORS

### Nomination & Remuneration Policy of the Company

The Remuneration Policy of the Company provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel of the Company.

The Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

The Nomination & Remuneration Policy is displayed on the Company's website at, <http://kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

There were no pecuniary relationship /transactions between Non-Executive Independent Directors and the Company.

The remuneration of the Board of Directors during the year is as set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company.

### Remuneration to Independent Directors:

The Independent Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors attended by them.

During the year Non-Executive Directors and Non-Executive Independent Directors of the Company were paid sitting fees of Rs. 40,000/- (Rupees forty thousand only) each for every meeting of the Board and Audit Committees of the company attended by them and for other Committee Meetings Rs. 20,000/- (Rupees twenty thousand only) was paid as sitting fees. The sitting fee paid is well within the limits prescribed under the provisions of the Companies Act, 2013 and rules made there under.

The details of sitting fees paid to Non-Executive Independent Directors and Non-Executive Non-Independent Directors for the year 2022-23 (for attending the Board Meetings, Audit Committee and other Committee Meetings) are given below:

Particulars	Sitting Fees paid (Rs. in Lakhs)
Sri V.H. Ramakrishnan	4.60
Sri. Vijay Sankar	2.00
Sri. P.S. Kumar	5.20
Sri. M. Narasimhappa	4.60
Dr. Janaki Pillai	2.00
Dr. Subbarao Vallabhaneni	1.60
Sri. V. Chandrakumar Prasad	1.80
Sri. Ravi Chitturi	2.20

### (ii) Remuneration to Executive Directors

The appointment and remuneration of Chairperson & Managing Director and Joint Managing Director is governed by the recommendations of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company.

Remuneration to all the Executive Directors is paid within the limits prescribed under the Companies Act, 2013 and approved by the Board of Directors based on the recommendations of the Nomination &

Remuneration Committee and sanctioned by the Shareholders.

The elements of compensation of the Executive Directors include the following:

- Fixed compensation
- Variable compensation in the form of annual incentive
- Work related facilities and perquisites

In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Directors shall be further subject to the relevant provisions of the Companies Act, 2013.

Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by them.

Particulars of their remuneration for the year ended 31st March, 2023 are given below:

Particulars of Executive Directors	Salary & Perquisites (Rs.in Lakhs)	Commission (Rs.in Lakhs)	Total (Rs.in Lakhs)
Dr. V.L. Indira Dutt Chairperson & Managing Director	162.12	-	162.12
Smt. V. Kavitha Dutt, Joint Managing Director	189.97	-	189.97

Presently, the Company does not have any stock options scheme.

#### **d) Corporate Social Responsibility (CSR) Committee: Mandatory committee**

The Company has always been conscious of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before these were mandated by law.

The CSR Committee was set up by the Board of Directors to assist the Board in fulfilling its corporate social responsibility and to strive for overall sustainable development in the conduct of the Company's business. in line with the provisions of Section 135 of the Act.

The terms of reference of the CSR Committee broadly includes the following:

To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the Companies Act, 2013 as amended from time to time;

To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company;

To ensure that the Company's overall business strategy reflects its long-term objectives on corporate social responsibility;

To consider and advise the Board and the Management on various CSR projects to be implemented by the Company either directly or through other agencies /organizations /societies /trusts established for this purpose in furtherance of its social obligations;

To review the annual CSR budget and recommend to the Board the amount of expenditure to be incurred on various CSR programmes/ activities either directly or through the other agencies/organizations/societies/ trusts;

- To oversee impact assessment of CSR projects of the Company;
- To advise the Board on significant stakeholder concerns relating to CSR;
- To review and recommend to the Board for its approval any other reporting on CSR;

Such other related matters which the Committee may deem appropriate, required by law or assigned to the Committee by the Board of Directors from time to time.



The Committee's scope will encompass Company policies and performance related to CSR as described above.

The Committee shall review the Company's objectives, plans and performance and recommend actions, as necessary, to ensure continuous performance improvement and alignment with the expectations of stakeholders (both internal and external).

The Corporate Social Responsibility Committee met on 17th June 2022 during the year 2022-2023 and the details of the composition of the Committee and attendance of the members are as follows:

Directors	No. of meetings held	No. of Meetings attended
Dr. V.L. Indira Dutt- Chairperson	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri. Vijay Sankar – Member	1	0
Sri. V.H. Ramakrishnan- Member	1	1
Sri. P.S. Kumar - Member	1	1
Dr. Janaki Pillai - Member	1	1

The Company has formulated CSR Policy, which is uploaded on the website of the Company at, <http://kcp.co.in/downloads/investor/corporate-governance/corporate-social-responsibility-csr-policy.pdf>

The CSR report, as required under the Companies Act, 2013 for the year ended 31st March, 2023 is attached as Annexure to the Board's report.

#### e) Risk management Committee: - Mandatory committee

The Company has constituted Risk management Committee in year 2014 voluntarily and also in line with the SEBI Listing Regulations, 2015 as amended and our company is in the list of top 1,000 Companies in the country based on its market capitalization for the immediately preceding financial year and it is mandatorily to have the committee.

The Members of the Committee are Directors and Executives of the company, majority of the Committee members are Directors.

The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize

risks as also to identify business opportunities.

The Committee is governed by a policy and its terms of reference comprises the following:

Developing Risk Management Policy and Risk Management system framework for the Company;

Overseeing key risks including identification, assessment, monitoring, and mitigation and reporting of various risks including strategic, financial, operation and compliance risks;

To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

Assist the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;

The Committee shall review the adequacy of Risk Management Process applied by the management;

The role and responsibilities of the Committee shall include such other items as may be applicable under the relevant Regulations and/or included within the scope by the Board.

The meetings of the Risk Management Committee were held on 27/01/2023 and 23/03/2023 during the year, 2022-2023.

The composition of the RMC as on March 31, 2023 and details of the members attendance at the Meetings of the Committee are as under:

Members	No. of meetings held	No. of Meetings attended
Smt. V. Kavitha Dutt – Chairperson	2	2
Dr. V.L. Indira Dutt- Member	2	2
Sri. Vijay Sankar – Member	2	0
Sri. P.S. Kumar – Member	2	2
Sri. Chandrakumar Prasad - Member	2	1
Sri. Ravi Chitturi - Member	2	2

Sri. G.N.Murthy - CFO (upto 31-01-2023)	2	1
Sri. Anis Tyebali Hyderi – CFO (From 01-02-2023)	2	1
Sri.K. Ramakrishna (Executive President) Marketing – Member.	2	1
Sri. BVPS Chowdary, Sr.GM (CPU-Macherla) – Member	2	2
Sri. Madhusudana Rao, Vice President (CPU-Muktyala) – Member	2	2
Sri. M. Narayana Rao, President -HEU - Member	2	2

The Risk policy adopted by the Board of Directors of the company is placed on the website of the company at, <http://kcp.co.in/downloads/investor/corporate-governance/risk-policy-procedures.pdf>

**f) Investment Committee: Non- Mandatory committee**

The Investment Committee evaluates the various investment proposals of the Company and guides the Board of Directors in evaluating and implementing the same.

The Investment Committee met on 10th November 2022.

The Investment Committee comprises the following members and details of the Members participation at the Meeting is given below:

Independent Directors:	No. of meetings held	No. of meetings attended
Dr. V.L. Indira Dutt – Chairperson	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri V.H. Ramakrishnan – Member	1	1
Sri. Vijay Sankar – Member	1	-
Sri. P.S. Kumar – Member	1	1
Sri. M. Narasimhappa - Member	1	1

**g) Share Transfer, Transmission and Issue of Share Certificate Committee: Non-Mandatory committee**

This Committee is constituted to approve transfer, transmission of shares and to issue duplicate share certificates as and when required.

During the year, 10 meetings of Share Transfer Committee were held on the following dates:

31/05/2022, 21/07/2022, 19/08/2022, 19/09/2022, 03/11/2022, 15/12/2022, 20/12/2022, 17/01/2023, 13/03/2023, 31/03/2023.

The Committee comprises of the following executives of the Company:

Sri. Anis Tyebali Hyderi	Chief Financial Officer
Sri. Y. Vijayakumar	Company Secretary

**h) Finance Committee: Non- Mandatory committee**

This Committee looks into approval of the sanctions received from the banks and other financial decisions.

To Review the Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto, as it may deem advisable.

To Review banking arrangements and cash management Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board and take necessary actions connected therewith.

To give guarantees / issue letters of comfort / providing securities within the limits approved by the Board.

To provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board.

To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

To delegate authorities from time to time to the executives / authorized persons to implement the Committee's decisions.

The Committee met on 5th September 2022 during the year 2022-23 and the composition of the Committee as on March 31, 2023 and the details of Members participation are as under:

Directors	No. of meetings held	No. of meetings attended
<b>Executive Directors</b>		
Dr. V.L. Indira Dutt – Chairperson	1	1
Smt. V. Kavitha Dutt – Member	1	1
<b>Independent Directors</b>		
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar – Member	1	1

**i) Innovation and Best practices committee: Non-Mandatory Committee:**

The Company has Innovation and Best practices committee, which comprises the following members and during the year the committee met on 23rd March 2023.

Directors :	No. of meetings held	No. of Meetings attended
Sri. Narasimhappa – Chairman	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri. Vijay sankar – Member	1	0
Sri. P.S. Kumar – Member	1	1
Sri. Ravi Chitturi– Member	1	1

**III. DIRECTORS AND OFFICERS INSURANCE ('D&O')**

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken D&O for all its directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

**IV. GENERAL SHAREHOLDERS' INFORMATION**

**1. Date, Time and Venue of the Annual General Meeting (AGM)**

Date and Time : 17th August 2023 at 10.30 am (IST).

Mode : Video conference and other audio-visual means

Venue : "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent,

(Registered Office) Egmore, Chennai 600 008 will be the deemed venue for the meeting.

For details, please refer to the Notice of the 82nd Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of the AGM.

**2. Tentative Calendar for Financial Year ending March 31, 2024**

First Quarter ending 30 <sup>th</sup> June, 2023	Within forty five days from the end of the quarter.
Second Quarter ending 30 <sup>th</sup> September, 2023	Within forty five days from the end of the quarter.
Third Quarter ending 31 <sup>st</sup> December, 2023	Within forty five days from the end of the quarter.
Fourth Quarter ending 31 <sup>st</sup> March, 2024	Within sixty days from the end of the quarter.

**3. Book Closure: 11/08/2023 to 17/08/2023 (Both days inclusive).**

**4. Dividend:**

The Board of Directors of the Company at their Meeting held on 24th May, 2023 have recommended a dividend payout of Re.0.10(10%) of Rs. 1/- per share, subject to approval of the shareholders at the Annual General Meeting for the Financial Year 2022-2023.

The Dividend will be paid to the members whose names appear on Company's Register of Members on 10/08/2023 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on 10/08/2023 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after 01/09/2023.

**5. Listing on Stock Exchanges:**

The Company's shares are listed on the National Stock Exchange Limited and the listing fees has been duly paid to the National Stock Exchange of India Limited (NSE) for the year 2023-24.

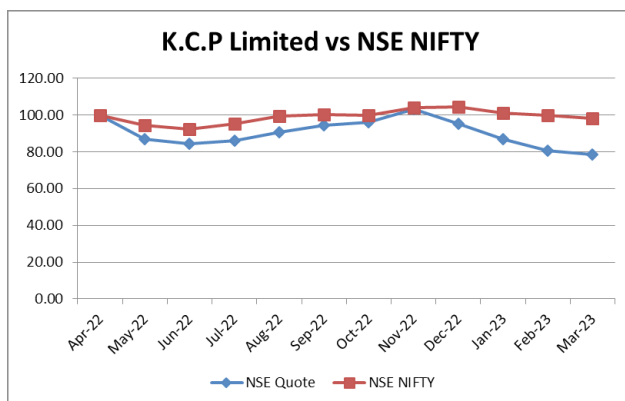
Name of Stock Exchange	Stock Code
National Stock Exchange of India Limited, Mumbai	KCP
The Bombay Stock Exchange Limited, Mumbai (permitted to trade)	590066
Name of the Depositories (for demat only)	
National Securities Depository Ltd	INE805C01028
Central Depository Services (India) Ltd	INE805C01028

#### 6. Share Price Data National Stock Exchange (NSE)

Month	High	Low
April 2022	133.35	115.10
May 2022	115.90	98.50
June 2022	112.50	99.35
July 2022	114.80	101.95
August 2022	120.75	101.60
September 2022	126.00	105.00
October 2022	128.00	106.10
November 2022	137.40	118.10
December 2022	127.20	105.10
January 2023	116.00	100.40
February 2023	107.75	93.00
March 2023	104.60	91.70

#### 7. Relative Stock Performance Chart :

The Chart below gives the relative movement of the closing price of the company's share and the NSE NIFTY relative to the closing price.



#### 8. Registrar & Share Transfer Agents (RTA)

For demat & physical shares:

##### M/s. Integrated Registry Management Services Private Limited

II Floor, "Kences Towers"  
No.1, Ramakrishna Street  
North Usman Road, T. Nagar,  
Chennai 600 017.

Ph: 28140801/803

Email: corpser@iepdia.com

www.integratedindia.in

CIN: U74900TN2015PTC101466

#### 9. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialized mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialized form.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

#### 10. Distribution of the Equity Shareholding as on 31st March, 2023 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	40827	96.86	13755985	10.67
5001-10000	570	1.35	4145811	3.21
10001-20000	321	0.76	4574339	3.55
20001-30000	140	0.33	3442052	2.67
30001-40000	72	0.17	2500180	1.94
40001-50000	51	0.12	2377378	1.84
50001-100001	75	0.17	5095472	3.95
Above 100001	95	0.22	93029943	72.16
<b>TOTAL</b>	<b>42151</b>	<b>100.00</b>	<b>128921160</b>	<b>100.00</b>

### 11. Equity Shareholding as on 31st March, 2023 by category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	20	64693	0.05
Bank Foreign	1	500	0.00
IEPF	1	1967414	1.53
Indian Financial Institutions	3	4490	0.00
Indian Promoters	19	56824474	44.07
Insurance Company	1	831279	0.64
Limited Liability Partners	6	89726	0.07
Mutual Funds	2	5500	0.00
NRI / OCBs	524	2394412	1.86
Private Corporate Bodies	283	7485045	5.81
Indian Public	41288	59125817	45.86
Trusts	3	127810	0.10
<b>TOTAL</b>	<b>42151</b>	<b>128921160</b>	<b>100.00</b>

### 12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31<sup>st</sup> March, 2023

Sl.No	Shareholder	Shareholding	%
1	Sandhya G Parikh	4588281	3.56
2	Dolly Khanna	2899926	2.25
3	Chinmay G Parikha	2685423	2.08
4	Investor Education and Protection Fund	1967414	1.53
5	GV Reddy	1287250	1.00
6	Integrated Investment Management Service Pvt. Ltd	1264000	0.98
7	Satya Surekha Boppana	1052410	0.82
8	Boppana Vinay Kumar	947530	0.73
9	Padmini Rajan	872690	0.68
10	Hitesh Satishchandra Doshi	850265	0.66
	<b>Total</b>	<b>1,84,15,189</b>	<b>14.28</b>

### 13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 128921160 Equity shares 126331930 (97.99%) Equity shares are held in dematerialized form with NSDL – 110122714 (85.42%), CDSL - 16209216 (12.57%) and 2589230 (2.01%) shares are in physical form as on 31st March 2023.

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

### 14. Reconciliation of Share Capital Audit Report:

Pursuant to Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, as amended, a Company Secretary in Practice carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

### 15. Plant Locations:

<b>Cement</b>	1) Macherla - 522426 Palnadu District, Andhra Pradesh
	2) Ramakrishnapuram Muktyala – 521457 NTR District, Andhra Pradesh
<b>Heavy Engineering</b>	1). Tiruvottiyur Chennai 600 019 Tamilnadu
	2). Mosur Road, Ekhunagar Arakonam 631 004, Tamilnadu
<b>Hydel Power</b>	B.No. AE-1, NSP Colony Nekarikallu- 522 615, Palnadu District Andhra Pradesh
<b>Wind Power</b>	Uthumalai Village Tirunelveli District, Tamilnadu
<b>Thermal Power</b>	Macherla - 522426 Palnadu District, Andhra Pradesh Ramakrishnapuram Muktyala – 521175 NTR District Andhra Pradesh
<b>Solar Power</b>	Ramakrishnapuram Muktyala – 521175 NTR District, Andhra Pradesh

**Hotel** Mercure Hyderabad KCP  
6-3-552, Somajiguda  
Hyderabad 500 082\*

**Cement Packaging** Mosur Road, Ekunagar, Arakonam -  
631 004, Tamilnadu.

The details of the plants, along with their addresses and telephone numbers are also available on the Company's website.

**16. Compliance Certificate of the Auditors: -**

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation 17 of the SEBI (LODR) Regulations, 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

**17. Risk Management:**

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

**18. Performance Evaluation of Directors:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors.

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson & Managing Director of the Board, who were evaluated on parameters such as level

of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson & Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**IV. DISCLOSURES AND OTHER INFORMATION**

**19. Disclosures**

- **Disclosure of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulations (2) of Regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit & Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	Yes
27	Other Corporate Governance requirements	Yes
46 (2) (b) to (i)	Website (update)	Yes

## 20. Other Information

The following disclosures are made in pursuance of Regulation 34(3) read with Clause F of Schedule V of Listing Regulations.

### 1. Details of Annual General Meetings & Special Resolutions:

Location and time of Annual General Meetings held in last 3 years along with Special Resolutions passed:

Year	AGM	Location	Date	Time	Special Resolutions considered	Result
2020	79th	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means).	04/09/2020	10.15	1. Appointment of Sri. V. Chandra Kumar Prasad as Non-executive Non-Independent Director of the Company. 2. Appointment of Dr. Subbarao Vallabhaneni as Non-executive Non-Independent Director of the Company.	Resolutions passed with requisite majority.
2021	80th	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means).	03/09/2021	10.15	-	-
2022	81st	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means).	10/08/2022	10.30	-	-

### 2. Extraordinary General Meeting ('EGM')

No EGM was held during the period under reference.

### 3. Details of special resolutions passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year under review Company has obtained consent of members by way of Special Resolution(s) for re-appointment of Dr.V.L.Indira Dutt as Chairperson & Managing Director and Smt.V.Kavitha Dutt as Joint Managing Director of the company through postal ballot notices dated 11th November, 2022 in accordance with section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014. M/s. A.K. Jain & Associates, Practicing Company Secretaries, Chennai, acted as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner.

### Procedure for Postal Ballot

Postal Ballot Notice (“Notice”) containing the proposed resolution(s) and Explanatory Statement pursuant to section 102 and other applicable provisions, if any, of the Act, are sent electronically to all the members whose email address is registered with the Company/their Depository Participant., the Company provided the facility to the members to cast their vote electronically instead of dispatching the postal ballot Form.

Based on the report of M/s. A.K. Jain & Associates, Practicing Company Secretaries, appointed by the Board. On 17th January 2023, Chairperson and Managing Director declared the results. Both the resolutions were passed with requisite majority.

The results were also displayed on the Company’s website ([www.kcp.co.in](http://www.kcp.co.in)) besides being communicated to the stock exchanges. None of the businesses is proposed to be transacted through Postal Ballot before the ensuing Annual General Meeting.

### Remote e-voting and ballot voting at the Annual General Meeting (AGM)

During the year due to Pandemic the AGM was conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OVAM”) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May 2020, 8th April 2020, 13th April 2020 and 5th May, 2020.

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The company has engaged NSDL to provide e-voting facility to all the members.

The facility for voting at the AGM by e-voting was arranged for the members who have not already cast their vote by remote e-voting. M/s. A.K. Jain & Associates, Company Secretaries, Chennai were appointed by the Board as Scrutinizers for the e-voting process.

### 4. Subsidiary Company

Pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015, Subsidiary Company, M/s KCP Vietnam Industries Limited, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding accounting year.

- (1) The Board has appointed Sri. P.S. Kumar, Independent Director on the Board of the subsidiary company.
- (2) The audit committee of the company has reviewed the financial statements of the company.
- (3) The minutes of the meetings of the board of directors of the subsidiary are placed at the meeting of the board of directors of the company.
- (4) A statement of all significant transactions and arrangements entered into by the subsidiary are placed in the Board Meetings.

### 5. Means of Communication

- (i) The Un-audited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Tamil) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company’s financial results and official press releases are displayed on the Company’s website [www.kcp.co.in](http://www.kcp.co.in).
- (iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company’s website.
- (v) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.



- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vii) A separate dedicated section under "Investors" on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

## 6. Nomination

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink at

Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard. Permanent Account Number Members who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide Circular SEBI /HO / MIRSD/MIRSD\_RTAMB /P/CIR/2021/655 dated November 3, 2021.

## 7. Dividend Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode. Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

The Nodal Officer of the Company for IEPF Refunds Process is Sri. Y. Vijayakumar, Company Secretary whose e-mail id is [vijaycs@kcp.co.in](mailto:vijaycs@kcp.co.in).

## 8. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven consecutive years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority.

Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <http://kcp.co.in/downloads/investor/shareholders-information/unclaimed-dividend.xls>

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company.

Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2023 are as follows:

Financial Year	Meeting No	Type of Dividend	Dividend on Equity %	Dividend declaration date (AGM date / BM date)	Due date for remittance to IEPF (7years)	Date of remittance to IEPF (67days) (DUE DATE)
2014-15	74	Final Dividend	75	12-08-2015	18-10-2022	07-10-2022
2015-16	75	Interim Dividend	100	10-03-2016	09-04-2023	21-04-2023

#### 9. Equity shares in the suspense account:

In accordance with Regulation 39(4) read with Schedule VI of Listing Regulations after sending three reminders to the shareholders to claim their respective shares, has demated all physical shares which remained unclaimed by shareholders to an “Unclaimed Suspense Account” which was opened by the Company for this purpose. As per Regulation 34(3) read with Clause F of Schedule V of Listing Regulations all corporate benefits that accrue on these shares such as bonus shares, split etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen. Shareholders are requested to write to the Registrar & Transfer Agent and provide the correct details to enable the Company to transfer the unclaimed share certificate directly to the Shareholders demat account.

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shares were transferred to IEPF Authority from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
No. of Holders	461	2	2	23	1	437
No. of Shares	524050	2250	2250	43300	5060	483560

The voting rights on the shares outstanding in the suspense account as on March 31, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

#### 10. Claims from the Investor Education and Protection Fund (IEPF):

The Members who have a claim on above shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the web Form No. IEPF-5.

No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company’s Registrar and Transfer Agent.

Financial Year	Meeting No	Type of Dividend	Dividend on Equity %	Dividend declaration date (AGM date / BM date)	Due date for remittance to IEPF (7years)	Max date for remittance to IEPF (67days) (DUE DATE)
2016-17	76	Final Dividend	200%	31-Aug-17	31-Aug-24	06-Nov-24
2017-18	77	Final Dividend	100%	30-Jul-18	30-Jul-25	05-Oct-25
2018-19	78	Final Dividend	100%	07-Aug-19	07-Aug-26	13-Oct-26
2019-20	79	Final Dividend	15%	04-Sep-20	04-Sep-27	10-Nov-27
2020-21	80	Final Dividend	200%	03-Sep-21	03-Sep-28	09-Nov-28
2021-22	81	Final Dividend	100%	10-Aug-22	10-Aug-29	16-Oct-29

#### 11. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

#### 12. Green Initiative

As a part of Green Initiatives, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent.

#### 13. General

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, e mail ids and bank particulars (9 digit MICR code).

#### 14. Designated Communication Details:

The Company has designated the following email-ids exclusively for investors.

For queries on Annual Report: [vijaycs@kcp.co.in](mailto:vijaycs@kcp.co.in)

For other queries: [investor@kcp.co.in](mailto:investor@kcp.co.in)

15. For more details on Corporate Governance policies and procedures, please visit company's website at: <http://www.kcp.co.in/corporate-governancne.html>

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 24th May 2023

**Dr V L Indira Dutt**  
Chairperson and Managing Director

#### **Declaration under the SEBI (LODR) Regulations, 2015**

I, Dr. V.L. Indira Dutt, Chairperson & Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended 31/03/2023.

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 24th May 2023

**Dr V L Indira Dutt**  
Chairperson and Managing Director

## Independent Auditor's Certificate on Corporate Governance

To

The Members of The K.C.P Limited

1. We have examined the compliance of the conditions of corporate governance by The KCP Limited (the "Company") for the year ended March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Management's Responsibility

2. The Compliance of conditions of corporate governance is the responsibility of the management including preparation and maintenance of all relevant supporting documents and records. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure the compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliances with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the standard on quality control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, We certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulations 46(2) and Paragraphs C,D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad  
Date : May 24, 2023

for K.S.RAO & CO  
Chartered Accountants  
Firm Regn. No. 003109S  
(P.GOVARDHANA REDDY)  
Partner  
Membership No. 029193  
UDIN 23029193BGWHKD7583

## CEO / CFO Certification

The Board of Directors,

The KCP Limited

We hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2023 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

**For The KCP Limited**

**Dr. V.L. Indira Dutt**  
Chairperson & Managing Director

**For The KCP Limited**

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

Place : Chennai

Date : May 24, 2023

## Independent Auditor's Report

To the members of The KCP Limited, Chennai

### Report on Standalone Financial Statements:

#### Opinion

We have audited the accompanying standalone financial statements of **THE KCP LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibility for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key Audit matters are those matters that in our

professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("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 the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of internal financial controls with reference to standalone financial statements 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 with reference to financial statements;
- g) With respect to Managerial Remuneration to be included in the Auditor's report under Section 197(16) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 37 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 52 to the Ind AS financial statements
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or



- invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that
- has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The final dividend of the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The Board of Directors of the Company have recommended a dividend of Rs. 0.10 (10%) per share for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend recommended is in accordance with section 123 of the Act, as applicable. (Refer Note No 53 Notes to accounts of Standalone Financial Statements)
- 3) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintain books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31,2023.

for K.S.RAO & CO  
Chartered Accountants  
Firm Regn.No.003109S

(P.GOVARDHANA REDDY)  
Partner

Place : Hyderabad      Membership No. 029193  
Date : 24.05.2023      UDIN 23029193BGWHKB5780

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 of our 'Report on Other Legal and Regulatory Requirements' section to the Members of The KCP LIMITED of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i)(a) In respect of the Company's Property, Plant and Equipment and Intangible Assets

(A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The company has maintained proper records showing full particulars of intangible assets;

i)(b) The Property, Plant and Equipment and right-of-use assets are physically verified by the management according to a phased program designed to cover all the items over a period of

three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies have been noticed on such verification;

i)(c) Based on our examination of the property tax receipts, lease agreements for land, and registered sale deed/transfer deed/conveyance deed in respect of Free hold lands on which buildings were constructed, provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date, except the following (Refer note No. 2 of Standalone Financial Statements);

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in the name if company
Building situated at Flat No.406, 4th floor, Ansol Chamber-2, New Delhi	Rs.1.67 Lakhs	-	No	1986 to till date	Pending for registration.
Land Survey No.1027/3, Extent 25cents in Macherla	Rs.180/-	-	No	1958 to till date	Land registered by District civil court, Gurajala mentioning survey no.1026/B2 instead of 1027/3

i)(d) The company has not revalued any Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year and hence reporting under this clause is not applicable to that extent;

i)(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

- ii) (a) The inventory has been physically verified by the management under a perpetual verification system which is focused on the verification of all high value items during the year and other items over a period of two years. During such verification the discrepancies noticed as compared to book records have been properly dealt with in the books of account. The discrepancies in each class of inventory does not exceed 10% of aggregate of each class of inventory.
- ii) (b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks on the basis of security of current assets and the quarterly returns filed by the company are in agreement with the books of accounts except in one segment, (Refer Note No. 55) varied with books of accounts, with regard to trade receivables and trade payables which are not material;
- iii) During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report;
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of investments made by the company;
- v) In our opinion the company has complied with the provisions of sections 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public and amounts which are deemed to be deposits. 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 Companies Act 2013;
- vi) We have broadly reviewed the Cost Records maintained by the company at its cement, power and engineering units pursuant to the Rules made by the Central Government under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained;
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other statutory dues applicable to it; and
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax, Provident fund, Employee State Insurance, Value added tax and other statutory dues applicable to it that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except the dues mentioned hereunder

S. No	Nature of dues	Name of the statute	Period	Amount in Rs. Lakhs	Amount paid under protest (Rs. in Lakhs)	Forum where the dispute is pending
1	Excise duty and related demands	Central Excise Act 1944	1996-2017	1473.51	0	At various Appellate forums
2	Sales tax and related demands	AP Sales Tax Act 1957	1996-2001 and 2011-12	4744.29	92.56	AP High Court
3	Sales tax and related demands	Tamilnadu Sales Tax Act	2015-16	6.87	6.87	Addl. Commissioner of Commercial taxes
4	GST	CGST Act, 2017	2017-18 and 2018-19	200.97	11.76	Deputy Commissioner of CT & GST
5	GST	CGST and Odisha GST 2017	Mar 2019	28.78	1.69	Addl. Commissioner of CT&GST
6	State Load Despatch Centre charges	AP Electricity Duty Act 1938	2010-11	35.51	0	Hon'ble High Court of Andhra Pradesh

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable;
- ix) (a) According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under report;
- (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;
- (c) The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were taken;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture. Hence, the reporting on clause 3(ix)(f) of the Order is not applicable;
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) No fraud by the company and no material

- fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures;
- xii) The company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable;
- xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- xv) In our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;
- xviii) There has been no resignation of the statutory auditors of the Company during the year;
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no ongoing projects, and hence no unspent amount required to be transferred to special account in compliance with the provision of sub-section 6 of section 135 of the Companies Act, 2013.

for **K.S.RAO & CO**

Chartered Accountants

Firm Regn.No.003109S

**(P.GOVARDHANA REDDY)**

Partner

Place : Hyderabad

Membership No. 029193

Date :24.05.2023

UDIN 23029193BGWHKB5780

## Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The KCP LIMITED of even date)

### **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 with reference to financial statements of The KCP Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone 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 with reference to financial Statements 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 with reference to financial statements 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to financial statements 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 **K.S.RAO & CO**  
Chartered Accountants  
Firm Regn.No.003109S

**(P.GOVARDHANA REDDY)**  
Partner

Place : Hyderabad      Membership No. 029193  
Date: May 24, 2023      UDIN 23029193BGWHKB5780

## Balance Sheet

(Rs in Lakhs)

	Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
I	<b>ASSETS</b>			
1	Non-current assets			
	(a) Property Plant and Equipment	2	81,445.41	85,844.02
	(b) Capital work-in-progress	3	602.16	423.60
	(c) Investment Property	4	-	-
	(d) Other Intangible Assets	5	499.47	538.48
	(e) Financial Assets			
	(i) Investments	6	2,701.26	2,893.34
	(ii) Trade Receivables	7	434.14	215.61
	(iii) Loans		-	-
	(iv) Others financial assets	8	3,002.47	3,768.88
	(f) Deferred Tax Assets (Net)		-	-
	(g) Other Non-current Assets	9	1,921.00	1,107.69
2	Current assets			
	(a) Inventories	10	20,731.39	18,228.89
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	11	7,546.01	6,720.78
	(iii) Cash and cash equivalents	12	34.94	209.57
	(iv) Bank balances other than (iii) above	12A	11,645.77	20,021.47
	(v) Other financial assets	13	3,417.66	94.10
	(c) Current Tax Assets (Net)	14	1,346.83	796.91
	(d) Other Current assets	15	7,425.46	9,995.18
	Assets Held for Sale	15A	-	0.47
	<b>Total Assets</b>		<b>1,42,753.97</b>	<b>1,50,858.99</b>
II	<b>EQUITY AND LIABILITIES</b>			
	Equity			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	67,075.93	71,071.93
	(c) Deferred Government Grant		24.44	26.43
	<b>LIABILITIES</b>			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	13,097.58	17,889.24
	(ia) Lease Liabilities		243.90	249.60
	(ii) Trade Payables	19	-	-
	Due to Micro and Small Enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(iv) Other financial liabilities	20	2,082.11	1,521.93
	(b) Provisions	21	1,445.32	1,375.83
	(c) Deferred Tax Liabilities (Net)	22	8,179.69	8,815.87
	(d) Other non-current liabilities		-	-
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	23	16,769.63	15,741.74
	(ia) Lease Liabilities		4.67	4.73
	(ii) Trade payables	24	-	-
	Total outstanding dues of micro enterprises and small enterprises		252.60	245.00
	Total outstanding dues of creditors other than micro enterprises and small enterprises		9,571.96	8,383.34
	(iv) Other financial liabilities	25	18,329.57	20,100.46
	(b) Other current liabilities	26	3,643.12	3,379.46
	(c) Provisions	27	744.26	764.23
	(d) Current tax Liabilities (Net)		-	-
	<b>Total Equity and Liabilities</b>		<b>1,42,753.97</b>	<b>1,50,858.99</b>
The accompanying notes form an integral part of the financial statements		1, 37 to 60		

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023





# Profit and Loss Statement

(Rs in Lakhs, except no. of equity shares, EPS and per equity share data)

PARTICULARS	Note No	FY 2022-23	FY 2021-22
<b>Income</b>			
Revenue from Operations	28	1,67,209.78	1,58,442.75
Other Income	29	4,959.24	6,409.13
<b>Total Income</b>		<b>1,72,169.02</b>	<b>1,64,851.89</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	30	31,796.54	30,930.78
[Increase]/Decrease in Inventories of finished goods Work-in-progress and traded goods	31	2,240.47	(3,961.79)
Employee Benefits expense	32	8,807.63	10,021.07
Power and fuel		69,317.63	46,086.79
Freight and Forwarding expense		34,243.13	36,133.29
Finance Costs	33	3,255.43	3,158.03
Depreciation and amortization expense	33A	6,626.79	6,517.24
Other expenses	34	19,002.16	17,758.46
<b>Total Expenses</b>		<b>1,75,289.79</b>	<b>1,46,643.86</b>
<b>Profit/(Loss) before Exceptional items and tax</b>		<b>(3,120.77)</b>	<b>18,208.03</b>
Less : Exceptional Items (Net)		-	-
Profit/(Loss) before tax		(3,120.77)	18,208.03
Add : Income Tax Refund		-	-
Less : Tax expenses	35		
Short /(Excess) provision of Income Tax of Eariler Years		(13.07)	338.95
Short /(Excess) MAT credit utilised / (entitlement)		-	(127.64)
Current tax		-	5,050.00
Reduction in MAT credit entitlement		457.11	-
Deferred tax		(1,011.24)	16.53
<b>Total tax expense</b>		<b>(567.19)</b>	<b>5,277.83</b>
<b>Profit/(Loss) for the year from continuing operations - after tax (A)</b>		<b>(2,553.58)</b>	<b>12,930.20</b>
<b>Profit / (Loss) from discontinued operations</b>		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations - after tax (B)		-	-
<b>Profit / (Loss) for the year (A) + (B)</b>		<b>(2,553.58)</b>	<b>12,930.20</b>
Other Comprehensive Income- OCI			
a) Items that will not be reclassified to P&L	36	(235.27)	106.34
b) Items that will be reclassified subsequently to Profit or loss		-	-
c) Impact of income tax on above (a) and (b)		82.05	(36.46)
<b>Total Other Comprehensive Income- OCI</b>		<b>(153.21)</b>	<b>69.88</b>
<b>Total Comprehensive Income for the period (Comprising P&amp;L + OCI)</b>		<b>(2,706.79)</b>	<b>13,000.07</b>
Earnings per share (for Continuing Operations) Basic and diluted	46	(1.98)	10.03
Earnings per share (for Discontinued Operations) Basic and diluted		-	-
<b>Total Earnings per share</b> (Face value of share is Rs. 1) Basic and diluted Rs per share		<b>(1.98)</b>	<b>10.03</b>
(Face value of share is Rs.1)			
Computed on the basis of total profit for the year			
The accompanying notes form an integral part of the Standalone financial statements	1,37 to 60		

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

**Statement of Changes in Equity for the year ended March 31, 2023** (Rs in Lakhs, except equity share)  
**A Equity share capital**

Particulars	No of Shares	Amount (Rs.Lakhs)
Balance as at 1st April, 2021	12,89,21,160	1,289.21
Changes in equity share capital due to prior period errors during 2020-21	-	-
Restated Balance at the beginning of the current period	12,89,21,160	1,289.21
Changes in equity share capital during 2021-22	-	-
Balance as at 31st March, 2022	12,89,21,160	1,289.21
Changes in equity share capital due to prior period errors during 2021-22	-	-
Restated Balance at the beginning of the current period	12,89,21,160	1,289.21
Changes in equity share capital during 2022-23	-	-
Balance as at 31st March, 2023	12,89,21,160	1,289.21

Rs. in Lakhs

**B Other Equity**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve	Money received against share warrants	Total
<b>Balance at the beginning of reporting period - 01-04-2021</b>	-	-	2,000.00	279.91	103.83	26,763.58	32,320.91	(4.04)	(813.91)		60,650.28
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	12,930.20	-	-	-	12,930.20
Other Comprehensive Income	-	-	-	-	-	-	-	2.00	67.88	-	69.88
Total Comprehensive Income for the year	-	-	-	-	-	-	12,930.20	2.00	67.88	-	13,000.07
Transfer from/to General Reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustments for lease rentals under Ind AS 116.	-	-	-	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	-	-	(2,578.42)	-	-	-	(2,578.42)
Interim Dividend	-	-	-	-	-	-	-	-	-	-	-
Dividend Distribution tax	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2022</b>	-	-	2,000.00	279.91	103.83	26,763.58	42,672.68	(2.04)	(746.03)	-	71,071.93

Rs. in Lakhs

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve	Money received against share warrants	Total
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	(2,553.58)	(2,553.58)	-	-	-	(2,553.58)
Other Comprehensive Income	-	-	-	-	-	-	-	(0.45)	(152.76)	-	(153.21)
Total Comprehensive Income for the year	-	-	-	-	-	-	(2,553.58)	(0.45)	(152.76)	-	(2,706.79)
Transfer from/to General Reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustments for lease rentals under Ind AS 116.	-	-	-	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	-	-	(1,289.21)	-	-	-	(1,289.21)
Dividend Distribution tax	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2023</b>	-	-	<b>2,000.00</b>	<b>279.91</b>	<b>103.83</b>	<b>26,763.58</b>	<b>38,829.89</b>	<b>(2.49)</b>	<b>(898.79)</b>	-	<b>67,075.93</b>

The accompanying notes form an integral part of the Standalone financial statements 1,37 to 60

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S  
**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## Cash Flow Statement

(Rs in Lakhs)

Particulars	Note No.	F.Y 2022-23	F.Y 2021-22
<b>(A) Cash flow from operating activities</b>			
Profit before tax from continuing operations		(3,120.77)	18,208.03
<b>Profit before tax</b>		<b>(3,120.77)</b>	<b>18,208.03</b>
<b>Adjustments for :</b>			
Depreciation on tangible fixed assets	2&4	6,579.72	6,468.90
Amortization on intangible fixed assets	5	47.06	48.34
Loss/[profit] on sale of fixed assets	29	(79.66)	(23.29)
Assets written off		94.64	72.00
Expected Credit loss		7.14	(1.83)
Discounting of trade receivables		(5.53)	(8.26)
Amortisation of government grant		(1.99)	(1.99)
Unrealised foreign exchange loss/ (gain)		(113.92)	(85.43)
Actuarial gain on defined benefit plan-gratuity		(102.36)	219.95
Actuarial loss on defined benefit plan-leave		(132.46)	(115.61)
Interest expense	33	3,255.43	3,158.03
Interest income		(1,226.00)	(1,037.28)
Dividend income	29	(3,327.99)	(4,388.10)
<b>Operating profit before working capital changes</b>		<b>1,873.31</b>	<b>22,513.44</b>
<b>Movements in working capital:</b>			
Adjustments for Increase / (Decrease) in operating liabilities :			
Increase/[decrease] in trade payables		1,196.22	752.23
Increase/[decrease] in non current- other financial liabilities		572.71	195.21
Increase/[decrease] in long term provisions		69.49	6.70
Increase/[decrease] in current- other financial liabilities		(1,609.22)	3,977.64
Increase/[decrease] in other current liabilities		263.66	56.63
Increase/[decrease] in current provisions		(19.98)	306.16
Adjustments for Decrease / (Increase) in operating assets :			
Decrease/[increase] in non current trade receivables		(213.00)	337.27
Decrease/[increase] in non current other financial assets		766.41	(3,756.74)
Decrease/[increase] in other non-current assets		(793.16)	(106.97)
Decrease/[increase] in inventories		(2,502.50)	(6,299.69)
Decrease/[increase] in current trade receivables		(832.37)	772.29
Decrease/[increase] in other bank deposits		8,359.69	(1,936.70)
Decrease/[increase] in current other financial assets		10.07	(744.77)
Decrease/[increase] in other current assets		2,570.19	(4,456.68)
<b>Cash generated from/[used in] operations</b>		<b>9,711.53</b>	<b>11,616.02</b>
Direct taxes paid [net of refunds]		(536.85)	(3,125.33)
<b>Net cash flow from/[used in] operating activities (A)</b>		<b>9,174.68</b>	<b>8,490.70</b>
<b>(B) Cash flows from investing activities</b>			
Purchase of Fixed assets, including intangible assets, CWIP	2, 3, 4 & 5	(2,497.02)	(2,663.71)
Proceeds from sale of fixed assets		94.16	109.32
Purchase of non-current investments		191.62	(0.75)
Interest received		1181.04	1,052.99
Dividends received		153.24	4,473.53
<b>Net cash flow from/[used in] investing activities (B)</b>		<b>(876.96 )</b>	<b>2,971.38</b>
<b>C. Cash flows from financing activities</b>			
Proceeds/ (Repayment) from long term Borrowings (net)		(4,791.66)	(6,886.37)
Proceeds/ (Repayment) of short term borrowings		1,027.88	1,134.08
Principal repayment of lease liabilities		(5.76)	(24.02)
Interest repayment of lease liabilities		(27.62)	(29.48)
Interest paid		(3,402.01)	(3,007.54)
Dividends paid		(1,273.19)	(2,610.80)
<b>Net cash flow from/[used in] in financing activities [C]</b>		<b>(8,472.36 )</b>	<b>(11,424.13 )</b>
<b>Net increase/[decrease] in cash and cash equivalents (A+B+C)</b>		<b>(174.63)</b>	<b>37.95</b>
Cash and Cash equivalents at the beginning of the year		209.57	171.63
<b>Cash and Cash equivalents at the end of the year</b>		<b>34.94</b>	<b>209.57</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		6.91	6.90
Cheques/drafts on hand		0.00	20.10
Balance in current account		28.03	182.57
On deposit account (< 3 months)		0.00	0.00
<b>Total Cash and cash equivalents</b>		<b>34.94</b>	<b>209.57</b>
The accompanying notes form an integral part of the Standalone financial statements	1,37 to 60		

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

# Notes on Financial Statements (Standalone) as at 31<sup>st</sup> March, 2023

1. Company overview and significant accounting policies

## 1.1 Company Overview

The KCP Limited (“the company”) a public limited company incorporated and domiciled in India and has its registered office at Chennai. The securities of the company are listed in National stock exchange of India limited.

The company is engaged in the business of manufacture and sale of cement, heavy engineering, power generation for captive use and hospitality.

These financial statements for the year ended March 31, 2023 are presented in Indian rupees (INR) and rounded to nearest lakhs, were approved and authorized by the board of directors for issue on 24th May 2023.

## 1.2 Basis Of Preparation Of Financial Statements

These financial statements are prepared in accordance with the Indian accounting standards (“IND AS”), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as per the provision of The Companies Act 2013 (“the act”) and the guidelines of The Securities and Exchange Board of India (SEBI). The IND AS are prescribed under section 133 of the act read with rule 3 of the Companies (India Accounting standards) Rule 2015 and relevant amendments rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standard requires a change in the accounting policy hitherto in use.

The company assets and liabilities have been classified as current or non-current as per the company’s operating cycle and other criteria set out below.

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company’s normal operating cycle;
- (b) it is held primarily for the purpose of trading; (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for

at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading; (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company’s normal operating cycle is twelve months.

## 1.3 Use Of Estimates, Judgements And Assumptions

The preparation of financial statements, in conformity with the IND AS, requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

- Estimation of fair value of unlisted securities.
- Defined benefit obligation.
- Estimation of useful life of Property, Plant and Equipment.
- Estimation and evaluation of provisions and contingencies relating to tax litigations.
- Expected Credit Losses.
- Revenue recognition in case of Engineering job work contracts.

- Measurement of Lease liabilities and Right of Use Asset

### 1.4 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

### 1.5. Significant Accounting Policies

#### I. Revenue Recognition

The company derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

The company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of the third parties.

Engineering job work can be either ‘material cum service’ contracts or service contracts.

Performance obligation in case of ‘material cum services’ is satisfied at a point in time. Consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of ‘service contracts’ revenue is recognized based on performances completed to date by using either ‘Input method’ or ‘output method’ as prescribed for measuring progress of performance obligation under IND AS 115.

The company accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/commission.

#### *Trade receivables and contract balances: -*

The company classifies the right to consideration in exchange for transferring control over goods or services either as a trade receivable or as contract asset. Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

#### *Other income: -*

- a) Dividend income:- Dividend is recognized in statement of profit or loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the company and the amount of dividend can be reliably measured.
- b) Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

### II. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of that asset. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowing is deducted from the borrowing cost eligible for capitalization. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to revenue in the period in which they are incurred.

### III. Government Grants

Grants from government are recognized when there is a reasonable assurance that grant will be received, and the company will comply with all stipulated conditions.

Grants relating to revenue items will be presented separately as 'Other income' in statement of profit or loss or deducted in reporting the related expense.

Grants relating to assets are treated as deferred income under non-current liabilities and credited to statement of profit or loss on straight-line basis over the expected useful life of the related assets under other income.

### IV. Employee Benefits

Employee benefits includes short term employee benefits, Post employment benefits, Other long term benefits and Termination benefits.

#### **Short term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### **Post employment benefits:-**

- a) Defined contribution plans: These benefits include Pension, superannuation and Employee State Insurance (ESI).

Entity contributes at statutorily prescribed minimum rates, monthly to Provident fund, ESI and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation Pension, monthly contributions are made in the case of Provident Fund and ESI. Thus, PF, Superannuation,

ESI benefits are defined contribution plans. These contributions are recognized in statement of profit and loss by way of charge against income.

#### **b) Defined benefits plans- Leave Absences and Gratuity**

Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components, one is service cost and other is remeasurements. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses, return on plan assets excluding interest and effect of change in assets ceiling. Service cost is recognized in statement of profit or loss while remeasurements are in other comprehensive income.

#### **c) Defined benefits plans- Covid Death**

Family of the employees who have died due to Covid are provided with monthly pension till the deemed superannuation date of the deceased employee, by subscribing to the customized insurance policy through lumpsum payment to the insurer.

The Plan assets created by the insurer are remeasured at the end of accounting period for recognition of gain or loss through FVTPL.

### V. Property, Plant and Equipment

- a) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located.

Freehold land is not depreciated.

- b) Construction Period Expenses on Projects:- All identifiable revenue expenses including interest

on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

- c) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.
- d) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.
- e) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- f) The company follows the process of componentization for property, plant and equipment. Accordingly, the company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life is assessed based on technical advice, taking into account the nature of the asset/ component of an asset, the estimated usage of the asset /component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.
- g) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.
- h) Non current assets held for sale:- Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-current assets and disposal group that cease to be classified as "Held for sale" shall be measured

at the lower of carrying amount before the the non-current assets and disposal group was classified as "Held for sale" and the recoverable amount at the date of subsequent decision not to sell.

- i) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in progress". Advances given towards acquisition /construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".
- j) Developmental stripping cost: - Developmental stripping cost incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as a part of mining assets.

#### **VI. Mine closure, site restoration and decommissioning obligations:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The company recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier.

The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting, etc.

The estimate of expenses are escalated for inflation, and then discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting



unwinds creating an expense recognised as financial expenses.

Subsequent adjustments to the obligation for changes in the estimated cashflows/disbursement period/ discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

### VII. Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and useful lives are reviewed at the end of financial year.

### VIII. Investment Property

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are de-recognized either when they have been disposed-off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

### IX. Depreciation:-

Depreciation is provided in accordance with the useful life as prescribed under Part C of Schedule-II to the Companies Act, 2013 as follows: -

- In respect of assets existing as on 30-6-1988, under the written down value method; and
- In respect of assets acquired on or after 1-7-1988, under the straight-line method except for decommissioning cost.

Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having significant cost, is assessed based on technical estimate which is different from the life given under the Schedule-II to The Companies Act, 2013, as given below.

S No	Description of the asset	Estimated useful lives
1	Transformers	30 Years
2	Economisers in Boilers in CPP; Turbine, Generators, sluice Gates, Switchgears and cables in Hydel plant	25 Years
3	Electrical components like panels, Motors, Insulators which are components of plant and machinery	10 Years
4	Economisers in Boilers and water preheater in Waste heat recovery plant; Evaporators in CPP	5 Years
5	Moulds in Heavy Engineering Unit	3 Years

### X. Financial Instrument

#### Initial Recognition: -

The company recognises financial assets and financial 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, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

#### Subsequent Recognition & Classification: -

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 gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal outstanding.

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 asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments

of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**Financial liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method.

**Impairment: -**

The company recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant finance component is measured at an amount equal to life time ECL using provision matrix as shown below. This estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

**De-recognition of financial instrument: -**

**Financial assets:**

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the financial asset and the transfer qualifies for de-recognition.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

**Financial Liabilities:**

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability

extinguished or transferred and consideration paid shall be recognised in profit or loss.

**XI. Inventories**

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

**Stock of Scrap- Engineering Unit**

- Purchased scrap and internally generated scrap for use in production are both valued at weighted average cost of purchased scrap.
- In respect of other scrap, the stock of scrap is not valued. As and when sales are made stocks are adjusted.

**XII. Cash Flow Statement**

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**XIII. Foreign Currency**

**Functional currency:** The functional currency of the company is Indian Rupee.

**Transactions and translations:-** Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

#### **XIV. Investment In Subsidiaries and Joint Venture**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

#### **XV. Income Tax**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized 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 substantially 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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income

tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

#### **XVI. Earnings Per Share (EPS)**

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

#### **XVII. Provisions, Contingent Liabilities and Contingent Assets**

##### **Provision:**

A provision is recorded when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

### **Contingent liabilities:**

Contingent liability is recognised when it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### **Onerous contracts:**

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Company estimates and provides provision at the lower of the following for onerous contracts.

- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfil it i.e. Cost of terminating the contract.

### **Contingent assets:**

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed when the inflow of economic benefit is probable.

## **XVIII. Leases**

The Company's lease asset consists of lease for Land, buildings and vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic

benefits from use of the asset through the period of the lease and

- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **XIX. Segment Reporting**

The company publishes this financial statement along with the consolidated financial statements. In accordance with IND AS 108, Operating segments, the company has disclosed the segment information in the consolidated financial statements.

**Rs in Lakhs**

**Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2023 are as follows**



Note. 2 TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01-04-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2023	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
1 Lands	4,676.94	-	-	4,676.94	-	-	-	-	4,676.94	4,676.94
2 (I) Buildings	16,745.23	60.10	0.01	16,805.31	2,964.26	495.03	0.01	3,459.28	13,346.03	13,780.96
(ii) Lease Hold Buildings	8.93	-	-	8.93	1.45	0.24	-	1.70	7.24	7.48
3 Roads	302.33	61.09	-	363.42	171.00	31.40	-	202.40	161.02	131.33
4 Plant & Machinery	90,101.51	1,319.47	146.01	91,274.97	26,748.59	5,269.90	53.50	31,964.99	59,309.98	63,352.92
5 Furniture, Fixtures	1,998.56	8.37	12.18	1,994.76	1,397.56	193.94	11.26	1,580.24	414.52	601.00
6 Motor Vehicles	1,155.06	265.28	173.95	1,246.39	760.04	101.63	160.16	701.51	544.88	395.02
7 Railway Siding, Locomotives, Rolling Stocks	32.53	-	-	32.53	17.94	1.62	-	19.56	12.97	14.59
8 Ropeway Structures	292.59	-	0.15	292.44	181.17	55.13	0.15	236.16	56.28	111.42
9 Office Equipment	154.33	57.33	1.96	209.70	117.17	16.73	1.76	132.14	77.56	37.15
10 Computer & Data Processing Units	398.17	59.80	3.49	454.48	305.13	32.31	3.20	334.24	120.24	93.05
11 Laboratory Equipment	41.82	2.31	1.29	42.84	29.44	1.94	1.23	30.15	12.69	12.38
12 Electrical Installation & Equipment	2,807.88	27.10	14.40	2,820.57	1,736.26	213.28	13.05	1,936.49	884.08	1,071.61
13 Hydraulic Works, Pipelines & Sluices	91.30	-	-	91.30	34.78	6.25	-	41.03	50.27	56.52
14 Leased Lands (Decommissioning)	1,521.40	428.36	-	1,949.76	246.46	147.57	-	394.03	1,555.73	1,274.94
<b>TOTAL</b>	<b>1,20,328.59</b>	<b>2,289.21</b>	<b>353.45</b>	<b>1,22,264.35</b>	<b>34,711.27</b>	<b>6,566.96</b>	<b>244.32</b>	<b>41,033.91</b>	<b>81,230.44</b>	<b>85,617.32</b>
<b>TOTAL FOR FY 2021-22</b>	<b>1,16,326.39</b>	<b>4,169.93</b>	<b>167.72</b>	<b>1,20,328.59</b>	<b>28,328.05</b>	<b>6,441.62</b>	<b>58.40</b>	<b>34,711.27</b>	<b>85,617.32</b>	<b>87,998.34</b>

Note. 2.B LEASED ASSETS - RIGHT OF USE*	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01-04-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2023	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
1 Lands	157.74	-	-	157.74	3.50	2.72	-	6.22	151.52	154.24
2 Buildings	251.17	1.87	36.59	216.45	178.72	10.05	35.76	153.00	63.45	72.45
3 Vehicles	25.39	-	25.39	-	25.39	-	25.39	-	-	-
<b>TOTAL</b>	<b>434.30</b>	<b>1.87</b>	<b>61.97</b>	<b>374.19</b>	<b>207.61</b>	<b>12.76</b>	<b>61.15</b>	<b>159.22</b>	<b>214.97</b>	<b>226.69</b>
<b>TOTAL FOR FY 2021-22</b>	<b>435.79</b>	<b>-</b>	<b>1.49</b>	<b>434.30</b>	<b>178.65</b>	<b>28.95</b>	<b>-</b>	<b>207.61</b>	<b>226.69</b>	<b>257.14</b>
<b>Total (2A+2B) FY 2022-23</b>	<b>1,20,762.89</b>	<b>2,291.08</b>	<b>415.42</b>	<b>1,22,638.54</b>	<b>34,918.87</b>	<b>6,579.72</b>	<b>305.46</b>	<b>41,193.13</b>	<b>81,445.41</b>	<b>85,844.02</b>
<b>Total (2A+2B) FY 2021-22</b>	<b>1,16,762.18</b>	<b>4169.93</b>	<b>169.21</b>	<b>1,20,762.89</b>	<b>28,506.70</b>	<b>6,470.57</b>	<b>58.40</b>	<b>34,918.87</b>	<b>85,844.02</b>	<b>88,255.47</b>

**Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2023 are as follows**

Note.2.C ASSETS HELD FOR SALE	GROSSBLOCK				DEPRECIATION				NETBLOCK	
	COST AS ON 01-04-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2023	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
1 Lands	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FOR FY 2021-22</b>	<b>0.47</b>	-	<b>0.47</b>	-	-	-	-	-	-	<b>0.47</b>

**Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2023 are as follows**

Particulars	GROSSBLOCK				DEPRECIATION				NETBLOCK	
	COST AS ON 01-04-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2023	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
1 Computer Software	786.70	8.05	-	794.75	248.22	47.06	-	295.28	499.47	538.48
<b>TOTAL</b>	<b>786.70</b>	<b>8.05</b>	-	<b>794.75</b>	<b>248.22</b>	<b>47.06</b>	-	<b>295.28</b>	<b>499.47</b>	<b>538.48</b>
<b>TOTAL FOR FY 2021-22</b>	<b>751.01</b>	<b>35.69</b>	-	<b>786.70</b>	<b>199.88</b>	<b>48.34</b>	-	<b>248.22</b>	<b>538.48</b>	<b>551.13</b>

<b>GRAND TOTAL FOR FY 2022-23</b>	<b>1,21,549.59</b>	<b>2,299.13</b>	<b>415.42</b>	<b>1,23,433.30</b>	<b>35,167.09</b>	<b>6,626.79</b>	<b>305.46</b>	<b>41,488.42</b>	<b>81,944.88</b>	<b>86,382.50</b>
<b>TOTAL FOR FY 2021-22</b>	<b>1,17,513.65</b>	<b>4,205.62</b>	<b>169.68</b>	<b>1,21,549.59</b>	<b>28,706.58</b>	<b>6,518.91</b>	<b>58.40</b>	<b>35,167.09</b>	<b>86,382.50</b>	<b>88,807.07</b>

\* Depreciation capitalized during the year is Nil.(Depreciation capitalized during the previous year : Rs 1.67 Lakhs)

\*\* Company's Land located at Gujarat which has been classified as "Asset Held for Sale" under Non-Current Asset, as on 31/03/2022 has been disposed off during the current year.

Additional Regulatory Information:

1. Property of value Rs 1.67 Lakhs situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.
2. One parcel of Land value of Rs 180/- to the extenet of 25 cents was registered by District Civil Court Gurajala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

Note : 2 Property, Plant and Equipment for the year ended March 31, 2022 consist of the following:

Rs in Lakhs

Note.2 TANGIBLE ASSETS	GROSS BLOCK			DEPRECIATION			NETBLOCK			
	COST AS ON 01-04-2021	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2022	TOTAL DEPRECIATION UPTO 31-03-2021	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
1 Lands	4,675.92	1.02	-	4,676.94	-	-	-	-	4,676.94	4,674.71
2 (i) Buildings	15,751.45	996.47	2.70	16,745.23	2,460.54	505.28	1.56	2,964.26	13,780.96	13,292.12
(ii) Lease Hold Buildings	8.93	-	-	8.93	1.21	0.24	-	1.45	7.48	7.72
3 Roads	226.30	76.03	-	302.33	148.35	22.65	-	171.00	131.33	77.95
4 Plant & Machinery	87,888.08	2,271.42	57.99	90,101.51	21,560.52	5,208.47	20.41	26,748.59	63,352.92	66,327.55
5 Furniture,Fixtures	1,944.36	54.82	0.62	1,998.56	1,201.68	196.22	0.33	1,397.56	601.00	742.68
6 Motor Vehicles	1,044.45	121.18	10.57	1,155.06	682.67	87.47	10.10	760.04	395.02	361.78
7 Railway Siding, Locomotives, Rolling Stocks	32.53	-	-	32.53	15.75	2.19	-	17.94	14.59	16.78
8 Ropeway Structures	176.52	208.50	92.43	292.59	167.43	36.84	23.10	181.17	111.42	9.09
9 Office Equipment	147.93	6.83	0.19	154.58	105.42	11.95	0.14	117.23	37.35	42.51
10 Computer & Data Processing Units	355.96	42.25	0.29	397.92	274.53	30.81	0.27	305.08	92.85	81.42
11 Laboratory Equipment	41.68	0.15	0.00	41.82	27.40	2.04	-	29.44	12.38	14.28
12 Electrical Installation & Equipment	2,785.09	25.73	2.94	2,807.88	1,510.57	228.18	2.49	1,736.26	1,071.61	1,274.52
13 Hydraulic Works, Pipelines & Sluices	91.30	-	-	91.30	28.53	6.25	-	34.78	56.52	62.78
14 Leased Lands (Decommissioning)	1,155.88	365.52	-	1,521.40	143.44	103.03	-	246.46	1,274.94	1,012.45
<b>TOTAL</b>	<b>1,16,326.39</b>	<b>4,169.93</b>	<b>167.72</b>	<b>1,20,328.59</b>	<b>28,328.05</b>	<b>6,441.62</b>	<b>58.40</b>	<b>34,711.27</b>	<b>85,617.32</b>	<b>87,998.34</b>
<b>TOTAL FOR FY 2020-21</b>	<b>1,15,404.37</b>	<b>1,243.89</b>	<b>321.87</b>	<b>1,16,326.39</b>	<b>21,628.77</b>	<b>6,829.46</b>	<b>130.18</b>	<b>28,328.05</b>	<b>87,998.34</b>	<b>93,775.60</b>

Note.2.B LEASED ASSETS - RIGHT OF USE*	GROSS BLOCK			DEPRECIATION			NETBLOCK			
	COST AS ON 01-04-2021	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2022	TOTAL DEPRECIATION UPTO 31-03-2021	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
1 Lands	157.74	-	-	157.74	0.79	2.72	-	3.50	154.24	156.95
2 Buildings	251.17	-	-	251.17	161.44	17.28	-	178.72	72.45	89.73
3 Vehicles	26.88	-	1.49	25.39	16.43	8.96	-	25.39	-	10.45
<b>TOTAL</b>	<b>435.79</b>	<b>-</b>	<b>1.49</b>	<b>434.30</b>	<b>178.65</b>	<b>28.95</b>	<b>-</b>	<b>207.61</b>	<b>226.69</b>	<b>257.14</b>
<b>TOTAL FOR FY 2020-21</b>	<b>322.22</b>	<b>120.72</b>	<b>7.15</b>	<b>435.79</b>	<b>112.52</b>	<b>66.13</b>	<b>-</b>	<b>178.65</b>	<b>257.14</b>	<b>209.71</b>
<b>Total (2A+2B) FY 2021-22</b>	<b>1,16,762.18</b>	<b>4,169.93</b>	<b>169.21</b>	<b>1,20,762.89</b>	<b>28,506.70</b>	<b>6,470.57</b>	<b>58.40</b>	<b>34,918.87</b>	<b>85,844.02</b>	<b>88,255.47</b>
<b>Total (2A+2B) FY 2020-21</b>	<b>1,15,726.59</b>	<b>1,364.61</b>	<b>329.02</b>	<b>1,16,762.18</b>	<b>21,741.29</b>	<b>6,895.59</b>	<b>130.18</b>	<b>28,506.70</b>	<b>88,255.47</b>	<b>93,985.31</b>

Rs in Lakhs

**Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2022 are as follows**

Note.2.C ASSETS HELD FOR SALE	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS ON 01-04-2021	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2022	TOTAL DEPRECIATION UPTO 31-03-2021	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2022	AS AT 31-03-2021	AS AT 31-03-2022
1 Lands	0.47	-	0.47	-	-	-	-	-	-	0.47
<b>TOTAL</b>	<b>0.47</b>	<b>-</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.47</b>
<b>TOTAL FOR FY 2020-21</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.47</b>	<b>0.47</b>

**Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2022 are as follows**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS ON 01-04-2021	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2022	TOTAL DEPRECIATION UPTO 31-03-2021	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2022	AS AT 31-03-2021	AS AT 31-03-2022
1 Computer Software	751.01	35.69	-	786.70	199.88	48.34	-	248.22	538.48	551.13
<b>TOTAL</b>	<b>751.01</b>	<b>35.69</b>	<b>-</b>	<b>786.70</b>	<b>199.88</b>	<b>48.34</b>	<b>-</b>	<b>248.22</b>	<b>538.48</b>	<b>551.13</b>
<b>TOTAL</b>	<b>749.78</b>	<b>1.23</b>	<b>-</b>	<b>751.01</b>	<b>152.76</b>	<b>47.12</b>	<b>-</b>	<b>199.88</b>	<b>551.13</b>	<b>597.02</b>
<b>GRAND TOTAL FOR FY 2021-22</b>	<b>1,17,513.65</b>	<b>4,205.62</b>	<b>169.68</b>	<b>1,21,549.89</b>	<b>28,706.58</b>	<b>6,518.91</b>	<b>58.40</b>	<b>35,167.09</b>	<b>86,382.50</b>	<b>88,807.07</b>
<b>TOTAL FOR FY 2020-21</b>	<b>1,16,476.84</b>	<b>1,365.84</b>	<b>329.02</b>	<b>1,17,513.65</b>	<b>21,894.05</b>	<b>6,942.71</b>	<b>130.18</b>	<b>28,706.58</b>	<b>88,807.07</b>	<b>94,582.80</b>

\* Depreciation for the year includes an amount of Rs.1.67 lakhs capitalized.(Depreciation capitalized during the previous year : Rs 0.56 lakhs)

\*\* Company's Land located at Gujarat has been reclassified from Investment Property to "Asset Held for Sale" under Non-Current Asset, as it is proposed to be disposed within a year.

\*\*\* Building of the Company located in Delhi has been reclassified under PPE from Investment property category as the Building is being used for Business purposes.

\*\*\*\* Market Value of Investment Property as on 31.03.2021 is Rs.25 lakhs.

Additional Regulatory Information:

1. Property of value Rs 1.67 Lakhs situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.

2. One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurajala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.



Note. 3 Capital Work-in-Progress	As at 31-03-2023	As at 31-03-2022
<b>1. Building Under Construction</b>		
Opening Balance	58.32	892.11
Additions during the year	93.53	295.79
Less : Capitalisation during the year	(60.03)	(1,129.58)
Closing Balance	91.82	58.32
<b>2. Plant &amp; Machinery Under Installation</b>		
Opening Balance	365.28	1,067.27
Additions during the year	985.13	1,049.86
Less : Capitalisation during the year	(840.08)	(1,751.85)
Closing Balance	510.33	365.28
<b>Total</b>	<b>602.16</b>	<b>423.60</b>

**CWIP Ageing Schedule for the Year 2022-23**

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) Projects in Progress	447.66	92.44	61.65	0.41	602.16
(ii) Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>447.66</b>	<b>92.44</b>	<b>61.65</b>	<b>0.41</b>	<b>602.16</b>

**CWIP Ageing Schedule for the Year 2021-22**

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) Projects in Progress	373.59	49.60	0.41	-	423.60
(ii) Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>373.59</b>	<b>49.60</b>	<b>0.41</b>	<b>-</b>	<b>423.60</b>

Note 6. Non Current Financial Assets - Investments:	As at 31-03-2023	As at 31-03-2022
<b>Unquoted Equity instruments</b>		
<b>Investment in Subsidiary:</b>		
2,03,23,332 (31 March 2022: 2,03,23,332) Equity shares of US \$ 1/- each fully paid up in KCP Vietnam Industries Ltd. Vietnam.	2,371.44	2,371.44
<b>Investment in Joint Venture:</b>		
4,00,000 (31 March 2022: 4,00,000) equity shares of Rs.10/- each fully paid up in Fives-cail KCP Ltd.	40.00	40.00
<b>Common Stock (unquoted):</b>		
1640 (31 March 2022: 1640) Non-Voting common stock of BGE Global Inc. par value \$0.01 per share	77.00	77.00

Note 6. Non Current Financial Assets - Investments:	As at 31-03-2023	As at 31-03-2022
<b>Preference Shares (unquoted):</b>		
375 (31 March 2022: 750) Non-Voting preferred stock of BGE Global Inc. par value \$0.01 per share.	192.50	385.00
Sub Total	2,680.93	2,873.43
<b>Investment in equity instruments(quoted):</b>		
100 (31st March 2022: 100 ) equity shares of Rs.10/- each fully paid up in IFCI Ltd.	-	0.01
14,240 (31st March 2022: 14,240 ) equity shares of Rs.10/- each fully paid up in IDBI Bank	6.17	6.09
<b>Equity instruments (unquoted):</b>		
30 (31st March 2022: 30 ) equity shares of Rs. 10/- each Fully paid up in Andhra Pradesh Heavy Machinery and Engg Co.Ltd (Written off to the extent of Rs. 299/-)	0.00	0.00
1,00,000 (31st March 2022: 1,00,000 ) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd. (Written off to the extent of Rs. 9,99,999/-) (The Shares are not traded in the Stock Exchange though listed).	0.00	0.00
<b>Other Investments - Unit Trust of India - Quoted:</b>		
44,703.884 (31st March 2022 : 42,002.734) UTI Balanced Fund Units of Rs.10/- each	14.15	13.80
	<b>20.33</b>	<b>19.90</b>
<b>Total</b>	<b>2,701.26</b>	<b>2,893.34</b>

Aggregate amount of quoted Investments - Market Value	20.33	19.90
Aggregate amount of quoted Investments - Book Value	15.54	15.54
Aggregate amount of unquoted Investments	2,680.93	2,873.43
Aggregate amount of impairment in value of Investments	-	-

Note. 6.1 Category wise Investment- as per IND AS 109 classification	As at 31-03-2023	As at 31-03-2022
Financial assets carried at cost		
Equity Instruments	2,680.93	2,873.43
Financial assets carried at amortised cost		
Equity Instruments	-	-
Financial assets carried at fair value through Profit or loss (FVTPL)		
Equity Instruments	-	-
Financial assets carried at fair value through OCI		
Equity Instruments	20.33	19.90
<b>TOTAL</b>	<b>2,701.26</b>	<b>2,893.34</b>

**Reasons for classification of Financial assets as per IND AS-107:**

The company has elected an irrevocable option of classifying equity instrument that are not held primarily for trading at fair value through Other Comprehensive income (OCI).

Accounting for investments in Subsidiaries and joint venture are mentioned in accounting policy XIV of note 1.5 forming part of the Accounts.

**Note 6.2 Details of Subsidiary and Joint venture**

Name of the Company Principal Activity & Place of domicile	Proportion of ownership interest / voting rights	
	As at 31-03-2023	As at 31-03-2022
KCP Vietnam Industries Ltd	66.67%	66.67%
Manufacturers of Sugar and generation of power Socialistic Republic of Vietnam		
Fives Cail KCP Ltd	40.00%	40.00%
Manufacturer of machinery India		

The company has right to cast 66.67% of voting rights in the case of KCP Vietnam industries Ltd and 40% of Fives Cail KCP Ltd.

Note. 7 Non Current Financial Assets- Trade Receivables	As at 31-03-2023	As at 31-03-2022
Secured considered good	-	-
Unsecured considered good	434.14	215.61
Receivables having Significant increase in credit risk	57.59	63.12
	491.73	278.73
Less: Provision for Doubtful Receivables	-	-
Less: Provision for expected credit loss	57.59	63.12
<b>Total</b>	<b>434.14</b>	<b>215.61</b>

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The provision matrix is as follows:

CREDIT RISK	DEFAULT RATE(%)
Current	Nil
1-60 days past due	0.25
60-90 days past due	0.50
More than 90 days past due	1.00

Rs in Lakhs

**Non Current Trade Receivables for the year 2022-23**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3 Years	More than 3 Years	
(i) Undisputed trade receivables-Considered Good	491.73	-	-	-	-	-	491.73
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired							
(iv) Disputed trade receivables-Considered Good							
(v) Disputed trade receivables-which have significant increase in credit risk							
(vi) Disputed trade receivables-credit impaired							
<b>Total</b>	491.73	-	-	-	-	-	491.73
Less: Provision for doubtful debts							
Less: Provision for expected credit loss							
<b>Total</b>							<b>57.59</b>
							<b>434.14</b>

**Non Current Trade Receivables for the year 2021-22**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3 Years	More than 3 Years	
(i) Undisputed trade receivables-Considered Good	215.61	-	-	-	-	-	215.61
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	63.12	-	63.12
(iii) Undisputed trade receivables-credit impaired							
(iv) Disputed trade receivables-Considered Good							
(v) Disputed trade receivables-which have significant increase in credit risk							
(vi) Disputed trade receivables-credit impaired							
<b>Total</b>	215.61	-	-	-	-	-	<b>278.73</b>
Less: Provision for doubtful debts							
Less: Provision for expected credit loss							
<b>Total</b>							<b>63.12</b>
							<b>215.61</b>

Note. 8 Non current- Other Financial Assets	As at 31-03-2023	As at 31-03-2022
Earnest money deposit	5.81	4.50
Bank deposits with maturity more than 12 months	2,996.66	3,764.38
<b>Total</b>	<b>3,002.47</b>	<b>3,768.88</b>

Note.9 Non current- Other asset	As at 31-03-2023	As at 31-03-2022
Capital Advances	35.98	15.82
<b>Sub-total</b>	<b>35.98</b>	<b>15.82</b>
<b>Advances other than Capital Advances</b>		
Security Deposits	328.24	165.28
<b>Sub-total</b>	<b>328.24</b>	<b>165.28</b>
<b>Others</b>		
Prepaid expenses	17.82	26.29
Deposits/ Advances with Government Authorities	1,538.58	899.92
Others	0.39	0.39
<b>Sub-total</b>	<b>1,556.79</b>	<b>926.60</b>
<b>TOTAL</b>	<b>1,921.00</b>	<b>1,107.69</b>

Note.10 Inventories	As at 31-03-2023	As at 31-03-2022
Raw materials and components at Cost (includes those in transit Rs. 202.89 lakhs) ( As on 31-03-2022-Rs 62.59 Lakhs )	1,703.53	1,111.87
Coal At Cost (includes those in transit Rs.24.24 lakhs) ( As on 31-03-2022- Rs. 109.34 Lakhs )	7,806.45	3,658.78
Work-in-progress		
: At Cost	5,597.07	6,428.84
: At Estimated Realisable Value	990.86	1,667.45
Finished goods	-	-
: At Cost (includes in transit NIL) (As on 31-03-2022 - Rs. 243.65 Lakhs)	678.45	1,410.57
: At Estimated Realisable Value	-	-
Stores spares at Cost (includes in transit Rs. 2.66 lakhs ) (As on 31-03-2022 Rs 8.34 Lakhs)	3,955.03	3,951.40
<b>TOTAL</b>	<b>20,731.39</b>	<b>18,228.89</b>

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs. 42,774.58 lakhs for year ended 31-03-2023 (Rs. 35,752.47 lakhs for the year ended 31-03-2022).

The Amount of Write down of inventories to Net Realisable Value recognised as an expense was Rs.441.87 Lakhs (Rs 374.72 Lakhs for the year ended 31-03-2022). The mode of valuation of Inventories has been stated in accounting policy XI of Note1.5 forming part of the Account.

The amount of goods in transit is Rs. 229.80 lakhs (Rs. 423.92 lakhs for previous year)

Note.11 Current- Trade receivables	As at 31-03-2023	As at 31-03-2022
Secured considered good	5,008.02	4,121.78
Unsecured considered good	1,378.78	1,376.73
Contract Assets	1,180.30	1,171.31
Receivables having Significant increase in credit risk	-	65.02
Less: Provision for doubtful debts	5.00	5.10
Less: Provision for expected credit loss	16.10	8.96
<b>TOTAL</b>	<b>7,546.01</b>	<b>6,720.78</b>

**Current Trade Receivables for the year 2022-23**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables- Considered Good	2,624.68	2,512.65	344.38	391.03	214.75	275.51	<b>6,363.00</b>
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired						-	-
(iv) Disputed trade receivables- Considered Good	-	-	-	-	-	23.81	<b>23.81</b>
(v) Disputed trade receivables- which have significant increase in credit risk						-	-
(vi) Disputed trade receivables- credit impaired						-	-
<b>Total</b>	2,624.68	2,512.65	344.38	391.03	214.75	299.32	<b>6,386.81</b>
Add: To be billed							<b>1,180.30</b>
Less: Provision for doubtful debts							<b>5.00</b>
Less: Provison for expected credit loss							<b>16.10</b>
<b>Total</b>							<b>7,546.01</b>

**Current Trade Receivables for the year 2021-22**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables- Considered Good	1,878.57	1,972.24	1,252.42	111.78	143.35	106.46	<b>5,464.81</b>
(ii) Undisputed trade receivables- which have significant increase in credit risk	8.73	56.29	-	-	-	-	<b>65.02</b>
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered Good						23.81	<b>23.81</b>
(v) Disputed trade receivables- which have significant increase in credit risk							
(vi) Disputed trade receivables- credit impaired							
<b>Total</b>							<b>5,553.64</b>
Add: To be billed							<b>1,181.20</b>
Less: Provison for expected credit loss							<b>5.10</b> <b>8.96</b>
<b>Total</b>							<b>6,720.78</b>

Note 12 Cash and cash equivalents	As at 31-03-2023	As at 31-03-2022
Balances with Banks:		
Current accounts	28.03	182.57
Cheques/drafts on hand	-	20.10
Cash on hand	6.91	6.90
<b>Total</b>	<b>34.94</b>	<b>209.57</b>

Note 12A Bank balances other than Cash and Cash equivalents	As at 31-03-2023	As at 31-03-2022
Fixed Deposits with Banks (Maturity less than 12 months)	9,937.69	18,325.97
Fixed Deposits with banks maintained as required under the Companies Act in respect of Public deposits	762.97	744.00
Balance with banks for Unpaid dividend account	213.26	229.28
Margin money deposit for Bank Guarantees & Letters of credit	731.34	721.72
Balances with banks for public deposits	0.50	0.50
<b>Total</b>	<b>11,645.77</b>	<b>20,021.47</b>

Rs in Lakhs

Note 13. Current- Other Financial Assets	As at 31-03-2023	As at 31-03-2022
Interest accrued on fixed Deposits	34.61	14.28
Interest accrued on other Deposits	38.69	14.07
Staff Advances	26.54	30.79
Due from Gratuity Trusts	-	2.52
Non trade receivables from		
- Joint Venture	0.44	0.82
- Subsidiary - KCP VIL	3,288.68	-
Others - Employee Benefit Plan	28.70	31.61
<b>Total</b>	<b>3,417.66</b>	<b>94.10</b>

Note 14. Current Tax Assets (Net)	As at 31-03-2023	As at 31-03-2022
<b>Advance tax</b>	-	-
Advance payment of Direct Taxes/TDS/TCS Credit	5,675.54	6,353.84
Income Tax Refund Receivable	721.61	-
<b>Provision for Tax</b>		
Provision for Income tax	5,050.32	5,556.93
<b>Total</b>	<b>1,346.83</b>	<b>796.91</b>

Note 15. Other Current Assets	As at 31-03-2023	As at 31-03-2022
<b>Advances other than Capital Advances</b>		
Security Deposits	121.96	116.25
<b>Sub-Total (a)</b>	<b>121.96</b>	<b>116.25</b>
<b>Other Advances</b>		
Advances receivable in cash or kind		
Unsecured considered good	32.07	113.84
Advances to Suppliers	3,270.72	6,126.63
Prepaid expenses	584.80	468.74
Dues from Statutory/Government Authorities	3,415.90	3,169.72
<b>Sub-Total (b)</b>	<b>7,303.50</b>	<b>9,878.93</b>
<b>Total (a+b)</b>	<b>7,425.46</b>	<b>9,995.18</b>

Note:15A Assets Held for Sale	As at 31-03-2023	As at 31-03-2022
Land	-	0.47
<b>Total</b>	<b>-</b>	<b>0.47</b>

\* Company's Land located at Gujarat held for sale as on 31/03/2022 has been disposed off during the current year.



Note.16 Share Capital	As at 31-03-2023	As at 31-03-2022
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2022 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000 (31 March 2022 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	2,000.00	2,000.00
	<b>5,500.00</b>	<b>5,500.00</b>
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2022 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	<b>1,289.77</b>	<b>1,289.77</b>
<b>Subscribed and fully paid-up :</b>		
12,89,21,160 (31 March 2022 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
<b>Total issued, subscribed and fully paid-up capital</b>	<b>1,289.21</b>	<b>1,289.21</b>

**Note 16.1) Details of shareholders holding more than 5% share in the company:-**

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. Dr. V.L. Indira Dutt - 1,01,09,466 (99,69,901) equity shares of Rs 1/- each fully paid- 7.84% (7.73%)

**Note 16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity shares of the company is set out below:-**

Particulars	For FY 2022-23	For FY 2021-22
Equity Share Capital at the beginning of the Year	1,289.21	1,289.21
Add/Less : Changes during during the year	-	-
Equity Share Capital at the end of the Year	<b>1,289.21</b>	<b>1,289.21</b>

The Company has only one class of equity shares referred to equity shares having a par value of Rs.1. Each holder of equity share is entitled to one vote per each share. In the event of liquidation of company the holder of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

## Note 16.3 Disclosure of Share Holding of Promoters / Promoter Group

S.no	Promoter Name	No of Share as on [31.03.2023]	% of Holdings	% change during the year
1	V Ramakrishna Sons P Ltd	3,89,56,326	30.22	0.00
2	VRK Grandsons Investments Private Limited	42,49,193	3.30	0.00
3	Velagapudi Lakshmana Dutt (HUF)	1,13,500	0.09	0.00
4	Velagapudi Kavitha Dutt	13,60,000	1.05	0.00
5	Velagapudi Lakshmana Indira Dutt	1,01,09,466	7.84	0.11
6	Irmgard Velagapudi	1,52,490	0.12	0.00
7	S. Nalini	1,96,694	0.15	1.38
8	R Prabhu	62,880	0.05	0.00
9	Rajeswary Ramakrishnan	6,500	0.01	0.00
10	Anitha .	4,000	0.00	0.00
11	Kiran Velagapudi	4,220	0.00	0.00
12	Sivaramakrishnan Prasad	12,650	0.01	0.00
13	S Rajiv Rangasami	50,000	0.04	0.00
14	P Vikram Ramakrishnan	12,655	0.01	0.00
15	Uma S Vallabhaneni	10,000	0.01	0.00
16	Subbarao Vallabhaneni	1,73,900	0.13	0.04
17	Shivani Dutt Chitturi	13,50,000	1.05	0.00
18	V Chandra Kumar Prasad	1,000	0.00	0.00

S.no	Promoter Name	No of Share as on [31.03.2022]	% of Holdings	% change during the year
1	V Ramakrishna Sons P Ltd	3,89,56,326	30.22	0.00
2	VRK Grandsons Investments Private Limited	42,49,193	3.30	0.00
3	Velagapudi Lakshmana Dutt (HUF)	1,13,500	0.09	0.00
4	Velagapudi Kavitha Dutt	13,60,000	1.05	0.00
5	Velagapudi Lakshmana Indira Dutt	99,69,901	7.73	0.06
6	Irmgard Velagapudi	1,52,490	0.12	0.00
7	S. Nalini	1,93,874	0.15	0.14
8	R Prabhu	62,880	0.05	0.00
9	Rajeswary Ramakrishnan	6,500	0.01	0.00
10	Anitha .	4,000	0.00	0.00
11	Kiran Velagapudi	4,220	0.00	0.00
12	Sivaramakrishnan Prasad	12,650	0.01	0.00
13	S Rajiv Rangasami	50,000	0.04	(0.01)
14	P Vikram Ramakrishnan	12,655	0.01	0.00
15	Uma S Vallabhaneni	10,000	0.01	0.00
16	Subbarao Vallabhaneni	1,16,130	0.09	0.00
17	Shivani Dutt Chitturi	13,50,000	1.05	0.00
18	V Chandra Kumar Prasad	1,000	0.00	0.00

Note 17. Other Equity	As at 31-03-2023	As at 31-03-2022
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
Add : Amount transferred from Surplus in the Statement of P&L	-	-
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>
Capital Reserve on Reorganisation	279.91	279.91
On Amalgamation	103.83	103.83
<b>Total Capital Reserve</b>	<b>2,383.74</b>	<b>2,383.74</b>
<b>Investment Revaluation Reserve</b>		
Balance as per the last Financial Statements	(2.04)	(4.04)
Add: Current year revaluation gain/loss from OCI	(0.45)	2.00
<b>Closing Balance</b>	<b>(2.49)</b>	<b>(2.04)</b>
<b>Actuarial Gain/Loss</b>		
Balance as per the last Financial Statements	(746.03)	(813.91)
Add: Current year revaluation gain/loss from OCI- Net of deferred tax	(152.76)	67.88
<b>Closing Balance</b>	<b>(898.79)</b>	<b>(746.03)</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	26,763.58	26,763.58
Add/(Less): Ind AS Adjustments	-	-
<b>Closing Balance</b>	<b>26,763.58</b>	<b>26,763.58</b>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	42,672.68	32,320.91
Add/(Less): Adjustments for Lease Rentals INDAS 116	-	-
Profit for the year	(2,553.58)	12,930.20
	<b>40,119.10</b>	<b>45,251.10</b>
<b>Less : Deductions</b>		
Final Equity Dividend Paid @ Re.1 per Share (@ Rs 2 per Share in FY 2021-22)	1,289.21	2,578.42
<b>Total Deductions</b>	<b>1,289.21</b>	<b>2,578.42</b>
<b>Net Surplus in Statement of Profit and Loss</b>	<b>38,829.89</b>	<b>42,672.68</b>
<b>Total Reserves and Surplus taken to Balance Sheet</b>	<b>67,075.93</b>	<b>71,071.93</b>

- > **General Reserve:** This is used from time to time to transfer profits from retained earnings for appropriation purposes.
- > **Investment Revaluation Reserve :** This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI net of amounts reclassified if any to retained earnings when those investments are disposed off.
- > **Actuarial Gain/Loss Reserve :** This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans net of amounts reclassified if any to retained earnings.
- > **Capital Redemption Reserve:** This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.
- > **Retained Earnings:** This represents the accumulated earnings net of losses if any made by the company over the years. This reserves can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013.

Note 18. Non current Financial Liabilities- Borrowings	As at 31-03-2023	As at 31-03-2022
<b>(A) Rupee Term Loans from Banks - Secured</b>		
Cement Plant Muktyala Expansion	6,806.22	11,506.42
Corporate Loan (Capex Reimbursement)	1,024.92	1,480.44
Sub-Total	<b>7,831.14</b>	<b>12,986.86</b>
<b>(B) Other Loans and advances:</b>		
<b>Public Deposits (unsecured)</b>		
From Directors	2,145.00	890.03
From Others	3,121.44	4,012.35
Sub-Total	5,266.44	4,902.38
<b>Total</b>	<b>13,097.58</b>	<b>17,889.24</b>
<b>The above amount includes</b>		
Secured borrowings	7,831.14	12,986.86
Unsecured borrowings	5,266.44	4,902.38
Amount disclosed under the head		
Current maturities of the borrowings shown under "Current Financial Liabilities-Borrowings(Note-23A)"	8,562.25	8,807.25

#### Details of deposits held by Directors of the company (including Current Maturities disclosed seperately)

a) Smt. V. Kavitha Dutt	451.53	101.53
b) Dr. V L Indira Dutt	1,913.50	1,913.50

#### Term Loans

Particulars	Muktyala Cement Expansion	Capex Reimbursement Loan
Lending Bank	State Bank of India	HDFC Bank
Loan Amount Sanctioned (Rs Lakhs)	27563	2278
Loan Amount Availed (Rs Lakhs)	27498	2278
Loan amount outstanding as on 31-03-2023	11506	1480
No of Installments (Quarterly)	32	20
Installments Commencement	Dec,2018	July,2021
Rate of Interest	6M MCLR plus 0.65%	Repo Rate plus 3.00%
Installment Amount (Rs Lakhs)	1175	113.88
Security	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	Exclusive Charge on Commercial Building at Hyderabad.

Note : Initial Loan Processing Charges by State Bank of India are being amortised over the period of the loan. Net amount outstanding at the end of the year to be amortised was Rs. 4.03 lakhs. (Previous Year Rs.8.25 lakhs)

Carrying value of assets Pledged for Term Loan

(Rs. In Lakhs)

Particulars	Muktyala Plant Fixed Assets (including Expansion Assets)	
	As at	31-03-2023
Plant & Machinery	45,543	48,649
Lands & Buildings	8,610	8,784
Furniture & fixtures	116	127
<b>Total</b>	<b>54,269</b>	<b>57,560</b>

Cash Credit

Particulars	Muktyala		Macherla		CPP	Engineering Unit	
	Bank of Baroda	Canara Bank	Bank of Baroda	HDFC Bank		Canara Bank	AXIS Bank
Lending Bank	Bank of Baroda	Canara Bank	Bank of Baroda	HDFC Bank	Canara Bank	Canara Bank	AXIS Bank
Outstanding Amount as on 31.03.2023	17	(190)	25	522	12	2328	393
Rate of interest on 31.03.2023	0.80% over 1 Yr MCLR plus SP	1 Yr MCLR plus 1.50%	0.80% over 1 Yr MCLR plus SP	6.88%	1 Yr MCLR plus 1.50%	1 Yr MCLR plus 1.50%	3M MCLR plus 0.10%
Security	Paripassu First Charge on Current Assets of Muktyala Cement Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit		Paripassu First Charge on Current Assets of Captive Powere Plant		Paripassu First Charge on Current Assets of Engineering Unit

Working Capital Demand Loan - Secured (Carved Out of Cash Credit)

Particulars	Engineering Unit		Muktyala
	Canara Bank - Secured	AXIS Bank- Secured	
Lending Bank	Canara Bank - Secured	AXIS Bank- Secured	HDFC - Secured
Outstanding Amount as on 31.03.2023	0	600	1581
Rate of interest on 31.03.2023	3M MCLR	3M MCLR	8.00%
Security	Paripassu First Charge on Current Assets of Engineering Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit



Rs in Lakhs

Note 19. Non current- Trade payables	As at 31-03-2023	As at 31-03-2022
Due to Micro and Small Enterprises	-	-
Due to Others	-	-

Note 20. Non current- Other Financial Liabilities	As at 31-03-2023	As at 31-03-2022
Deposits Payable-Contractors	382.90	342.40
Interest accrued but not due	78.22	90.75
Outstanding Liabilities for Expenses	1,620.98	1,088.78
<b>TOTAL</b>	<b>2,082.11</b>	<b>1,521.93</b>

Note 21. Non current - Provisions	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	-	-
Provision for leave benefits	1,080.23	1,030.75
Provision for Decommissioning expenses	365.09	345.07
<b>TOTAL</b>	<b>1,445.32</b>	<b>1,375.83</b>

Note 22. Deferred Tax Liability (Net)	As at 31-03-2023	As at 31-03-2022
<b>Deferred Tax Liability</b>		
Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	14,305.56	14,414.88
Discounting of legal cases	24.69	24.67
<b>Gross Deferred Tax Liability (a)</b>	<b>14,330.25</b>	<b>14,439.55</b>
<b>Deferred Tax Asset</b>		
MAT Credit	4,117.97	4,575.09
Expected Credit Loss	5.63	3.13
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	804.66	762.13
Discounting of Trade Receivables	20.12	22.06
Unabsorbed Losses	982.48	-
Provision for decommissioning cost	127.58	120.58
Onerous Contracts	3.51	50.04
Others	88.61	90.66
<b>Gross Deferred tax asset (b)</b>	<b>6,150.56</b>	<b>5,623.68</b>
<b>Net Deferred Tax Liability (a - b)</b>	<b>8,179.69</b>	<b>8,815.87</b>

Note.23 Current Financial Liabilities- Borrowings	As at 31-03-2023	As at 31-03-2022
Cash credit from Banks		
: Secured	5,287.38	2,419.49
: Unsecured	-	2,000.00
Current maturities of long term borrowings [Refer Note 23A]	8,562.25	8,807.25
Loan Repayable on Demand (Unsecured)		
: from Directors	1,800.00	1,845.00
Inter-corporate deposit repayable on demand	1,120.00	670.00
<b>Total</b>	<b>16,769.63</b>	<b>15,741.74</b>
<b>Current Financial liabilities-Borrowings includes the following:</b>		
Secured borrowings	10,442.90	7,575.01
Unsecured borrowings	6,326.73	8,166.73

Note 23A. Current maturities of long term borrowings	As at 31-03-2023	As at 31-03-2022
<b>(A) Rupee Term Loans from Banks - Secured</b>		
Cement Plant Muktyala Expansion	4,700.00	4,700.00
Corporate Loan (Capex Reimbursement)	455.52	455.52
Sub Total	<b>5,155.52</b>	<b>5,155.52</b>
<b>(B) Public Deposits (unsecured)</b>		
From Directors	220.03	1,125.00
From Others	3,186.70	2,526.73
Sub Total	3,406.73	3,651.73
<b>TOTAL</b>	<b>8,562.25</b>	<b>8,807.25</b>

Note.24 Current Financial liabilities- Trade payables	As at 31-03-2023	As at 31-03-2022
Micro and Small Enterprises	252.60	245.00
Others	9,571.96	8,383.34
<b>TOTAL</b>	<b>9,824.55</b>	<b>8,628.34</b>

**Current Trade Payables Ageing Schedule:**

**F.Y 2022-23**

Particulars	Outstanding for following periods from due date payment					Total
	Not Due	Less than 1 Years	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) MSME	252.19	0.34	0.07	-	-	<b>252.60</b>
(ii) Others	2,978.29	6,213.26	152.19	32.69	172.34	<b>9,981.75</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>3,230.48</b>	<b>6,213.60</b>	<b>152.26</b>	<b>32.69</b>	<b>172.34</b>	<b>9,801.37</b>
Add: To be billed						<b>23.19</b>
Less: Provison for expected credit loss						
<b>Total</b>						<b>9,824.55</b>

**F.Y 2021-22**

Particulars	Outstanding for following periods from due date payment					Total
	Not Due	Less than 1 Years	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) MSME	238.48	6.52	-	-	-	<b>245.00</b>
(ii) Others	5,754.52	2,353.86	42.79	145.57	66.62	<b>8,363.63</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>5,993.00</b>	<b>2,360.38</b>	<b>42.79</b>	<b>145.57</b>	<b>66.62</b>	<b>8,608.36</b>
Add: To be billed						<b>19.98</b>
Less: Provison for expected credit loss						-
<b>Total</b>						<b>8,628.34</b>

Note 25. Current- Other Financial Liabilities	As at 31-03-2023	As at 31-03-2022
<b>Others</b>		
Interest Accrued but not due on borrowings	144.37	162.31
Interest Accrued and due on borrowings	38.06	181.79
Advance from customers	6,176.27	7,876.09
Advances from Others	-	50.02
Unpaid Dividend	213.26	229.28
Accrued Salaries and Benefits	439.62	1,162.64
Directors Remuneration Payable	-	918.16
Trade deposits	8,660.00	7,674.23
Project related payables	0.44	51.61
Outstanding Financial Liabilities	1,787.40	968.05
Outstanding Liabilities for Others	870.16	826.28
<b>TOTAL</b>	<b>18,329.57</b>	<b>20,100.46</b>



Note 26. Other Current Liabilities	As at 31-03-2023	As at 31-03-2022
Statutory Dues	3,643.12	3,379.46
<b>TOTAL</b>	<b>3,643.12</b>	<b>3,379.46</b>

Note 27. Current- Provisions	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	277.89	307.97
Provision for leave benefits	466.37	456.27
<b>TOTAL</b>	<b>744.26</b>	<b>764.23</b>

Note 28. Revenue from operations	FY 2022-23	FY 2021-22
<b>Revenue from operations</b>		
Sale of products	1,61,960.31	1,56,044.37
Sale of services	4,687.24	2,075.76
	<b>1,66,647.55</b>	<b>1,58,120.14</b>
<b>Other operating revenue</b>		
Scrap sales	284.04	88.11
Sale of Raw material	-	16.21
Other revenue	1.50	1.13
Duty Drawback	21.70	6.55
Interest Income on		
- Bank deposits	74.39	64.21
- Others	138.82	59.99
Amortisation of government Grant (VAT Incentive)	1.99	1.99
Insurance Claims Received	39.79	84.43
<b>Revenue from operations (Gross)</b>	<b>1,67,209.78</b>	<b>1,58,442.75</b>

#### Disaggregation of revenue information as per INDAS 115

Particulars	FY 2022-23	FY 2021-22
Revenue from Sale of goods	1,61,960.31	1,56,044.37
Revenue from Engineering Job works	1,840.98	717.18
Revenue from Hospitality services	2,846.26	1,358.58
<b>Total</b>	<b>1,66,647.55</b>	<b>1,58,120.14</b>

Rs in Lakhs

## Revenue from Contract with Customer as per disclosure requirements under para 126AA of INDAS-115:

Particulars	FY 2022-23	FY 2021-22
Revenue from contracts with customers (excl GST)	1,91,490.97	1,94,363.68
Less:		
Discounts	24,737.42	35,580.72
Selling Agent commission	106.01	345.19
Sales Promotion	-	317.64
<b>Gross sales as per Profit and loss account</b>	<b>1,66,647.55</b>	<b>1,58,120.14</b>

## Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works

Particulars	31.03.2023	31.03.2022
Opening balance of Trade Receivables	3,454.66	3,759.93
Opening balance of Contract assets	1,171.31	456.45
Opening balance of Contract liabilities	2,617.32	1,178.47
Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period	1,754.85	736.49
Revenue recognized in the reporting period from performance obligations satisfied in the previous period	-	-
Closing balance of receivables	4,132.20	3,454.66
Closing balance of contract assets	1,253.90	1,171.31
Closing balance of contract liabilities	1,846.66	2,617.32

Note 29 . Other Income	FY 2022-23	FY 2021-22
<b>Interest Income on Investments</b>	1,012.79	913.08
<b>Dividend income on</b>		
Investment in subsidiary - KCP Vietnam Industries Ltd. Vietnam	3,312.34	4,472.79
Investment in BGE Global Inc, USA	14.78	-
Non current investments	0.87	0.75
<b>Net gain on sale of Assets</b>	79.66	23.29
<b>Scrap Sales</b>	75.88	144.84
<b>Other non-operating income (See note below)</b>	462.90	854.39
<b>TOTAL</b>	<b>4,959.24</b>	<b>6,409.13</b>

Other Non-Operating Income	FY 2022-23	FY 2021-22
Provision for doubtful debts no longer required credited back	0.10	-
Provision no longer required credited back	158.87	587.16
Reversal of Loss Allowance	-	1.83
Reversal of Provision for Discounting of Trade Receivables	5.53	8.26
Rent Recovery	138.04	125.94
Difference In Exchange-(Net)	113.92	85.43
Fair Value Gain on FVTPL investments	0.69	0.52
Miscellaneous Receipts	45.74	45.24
<b>TOTAL</b>	<b>462.90</b>	<b>854.39</b>

Note 30. Cost of raw material and components consumed	FY 2022-23	FY 2021-22
Inventory at the beginning of the year	1,111.87	580.49
Add: Purchases	13,915.63	12,404.56
Add: Cost of raw materials produced	18,472.58	19,057.59
	33,500.08	32,042.64
Less: Inventory at the end of the year	1,703.53	1,111.87
Cost of raw material and components consumed	31,796.54	30,930.78

Details of raw material and components consumed	FY 2022-23	FY 2021-22
i) Cement Unit		
Limestone	18,226.55	19,064.96
Laterite	1,863.12	1,510.39
Fly Ash	3,964.91	2,748.04
Gypsum	3,057.03	3,286.87
Others	1,494.05	183.71
<b>Sub Total</b>	<b>28,605.66</b>	<b>26,793.97</b>
ii) Engineering Unit		
Iron and Steel, Nickel, Scrap and Equipments	2,905.18	3,975.21
iii) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	13.65	19.35
iv) Hotel		
Provisions	272.05	142.24
<b>Total</b>	<b>31,796.54</b>	<b>30,930.78</b>

Rs in Lakhs

Details of Inventory	FY 2022-23	FY 2021-22
<b>Raw materials and components</b>		
Limestone	589.53	319.13
Laterite	160.96	165.33
Fly Ash	18.53	32.00
Gypsum	688.67	517.36
Others	233.11	42.52
Iron and Steel,Nickel,Scrap and Equipments - In Transit	9.12	33.71
<b>Others</b>	3.61	1.83
<b>Total</b>	<b>1,703.53</b>	<b>1,111.87</b>

**Note 31. (Increase)/ Decrease in Inventory**

Particulars	FY 2022-23	FY 2021-22
<b>Inventories at the end of the year</b>		
Work in progress	6,587.93	8,096.29
Finished goods	678.45	1,410.57
<b>Sub Total</b>	<b>7,266.38</b>	<b>9,506.85</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	8,096.29	5,081.68
Finished goods	1,410.57	463.38
Sub Total	<b>9,506.85</b>	<b>5,545.07</b>
<b>(Increase)/ Decrease</b>	<b>2,240.47</b>	<b>(3,961.79)</b>

Note 32. Employee benefits expense	FY 2022-23	FY 2021-22
Salaries, Wages and bonus	7,085.35	8,060.58
Contribution to Provident and other funds	722.01	663.79
Gratuity expenses	149.11	509.92
Staff welfare expenses	851.17	786.78
<b>Total</b>	<b>8,807.63</b>	<b>10,021.07</b>

\* Employee Benefit Expense for the year 2021-22 included an amount of Rs.382.54 Lakhs being the past service cost arising out of restructuring of Salary in accordance with The New Wage Code.

Note 33. Finance Costs	FY 2022-23	FY 2021-22
<b>Interest</b>	<b>3,144.21</b>	<b>2,984.98</b>
<b>Other Borrowing costs</b>	<b>77.66</b>	<b>89.56</b>
<b>Unwinding of Finance Cost</b>	<b>33.56</b>	<b>83.48</b>
<b>Total</b>	<b>3,255.43</b>	<b>3,158.03</b>

Note 33A. Depreciation and amortization expense	FY 2022-23	FY 2021-22
Depreciation of tangible assets	6,579.72	6,468.90
Amortization of intangible assets	47.06	48.34
<b>Total</b>	<b>6,626.79</b>	<b>6,517.24</b>

Note 34. Other expenses	FY 2022-23	FY 2021-22
Consumption of stores and spares	8,431.88	8,572.76
Consumption of loose tools	305.69	210.72
Sub-contracting expenses	2,617.69	2,139.07
Insurance	306.28	305.85
Rent	163.48	139.98
Rates and taxes	682.72	577.17
Repairs and maintenance :		
Plant & Machinery	1,279.14	1,058.88
Buildings	369.63	341.85
Other Assets	334.47	220.82
Wheeling/Banking Charges	198.99	248.72
Advertising and sales promotion	599.29	674.00
Sales commission	291.51	28.65
Travelling and conveyance	251.50	149.44
Communication costs	77.21	69.22
Printing & Stationery	64.65	52.14
Donations	3.67	76.00
Corporate Social Responsibility (Refer Note No.51)	196.95	127.67
Professional, Consultancy and Legal fees	787.07	760.30
Directors' sitting fees	24.00	25.46
Payment to auditors (Refer details below)	49.28	40.81
Bad debts/advances written off	6.44	63.28
Bank Charges	76.68	61.34
Assets Written Off	94.64	72.00
Performance and Delivery Guarantee Claims	202.83	391.13
Provision for doubtful debts and advances	-	5.10
Expected Credit Loss	7.14	-
Security Charges	564.47	497.05
Miscellaneous expenses	1,014.86	849.07
<b>Total</b>	<b>19,002.16</b>	<b>17,758.46</b>

Rs in Lakhs

Payment to Auditors	FY 2022-23	FY 2021-22
<b>As Auditor:</b>		
Audit Fee	25.00	20.00
Certification & Other fees	9.63	9.47
Fees for Cost Auditor	11.70	10.20
Reimbursement of expenses	2.96	1.14
<b>Total</b>	<b>49.28</b>	<b>40.81</b>

### 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2023

Income tax expense:-	FY 2022-23	FY 2021-22
Current tax	-	5,050.00
Deferred tax	(1,011.24)	16.53
MAT credit Utilised/ (Entitlement)	457.11	-
Short /(Excess) provision of Income Tax/MAT	(13.07)	211.30
<b>Total tax expense for the year</b>	<b>(567.19)</b>	<b>5,277.83</b>

### Effective Tax reconciliation

Particulars	FY 2022-23	FY 2021-22
(a) Net Profit / (Loss) before taxes	(3,120.77)	18,208.03
(b) Corporate Tax as per Income Tax Act, 1961	34.94%	34.94%
(c) Tax on Accounting Profit (c) = (a)*(b)	(1,090.52)	6,362.61
(d) Increase/Decrease in tax expense on account of:-	-	-
(i) Non taxable income/Exempt income	-	-
(ii) Reduction in Depreciation/ (Accelerated Depreciation)	237.88	80.74
(iii) Expenses not allowed under Income Tax	23.56	113.12
(iv) Expenses that are allowed under payment basis	(10.82)	12.66
(v) Expected Credit Loss as per Ind AS	2.66	-
(vi) Amortisation of Government Grant as per Ind AS	(0.70)	(0.70)
(vii) Finance Cost as per Ind AS	14.71	24.00
(viii) Stripping Cost Capitalised as per Ind AS	(149.68)	(109.32)
(ix) Deduction under Sec 80-IA	-	(223.33)
(x) Deduction under Sec 80M	-	(450.50)
(xi) Foreign dividend taxable at special rates	-	(781.49)
(xii) Utilisation of brought forward business losses	-	-
(xiii) Adjustment for current tax of previous periods	(13.07)	211.30
(xiv) Carry forward of unabsorbed depreciation	982.48	-
(xv) Reduction in MAT Credit Entitlement	457.11	-
(xiv) Other adjustments	(9.58)	22.20
<b>Tax Expense recognised in Statement of P &amp; L</b>	<b>444.05</b>	<b>5,261.30</b>

**Effective Tax reconciliation Continued**
**Rs in Lakhs**

Particulars	FY 2022-23	FY 2021-22
(e) Tax as per Normal Provision under Income Tax	444.05	5,261.30
(f) Tax rate applicable to the company as per MAT Provisions	17.47%	17.47%
(g) MAT Tax expense on Net Profits	(545.26)	3,181.31
(h) Increase/Decrease in tax expense on account of:-		
(i) Items that will not be reclassified to Profit & Loss	(41.03)	18.23
(ii) Exempt Income u/s 10(34)	-	-
(iii) 1/5th of transition amount u/s 115JB(2C)	-	(34.71)
(iv) Expected Credit Loss	-	-
(v) Expenses that are not allowed as per Section 115JB	(23.26)	20.99
vi) Book loss under MAT provisions	609.63	-
Other adjustments	(0.08)	41.20
MAT tax provision under 115JB (g+h)	<b>0.00</b>	<b>3,227.02</b>
MAT credit entitlement utilised during the year	<b>(0.00)</b>	<b>1,822.98</b>

**Deferred Taxes:-**

Particulars	FY 2022-23	FY 2021-22
<b>As on reporting date</b>		
Deferred tax arising due to		
<b>a) On OCI component</b>		
-Actuarial Gain/Loss	(82.05)	36.46
<b>b) Other than OCI component</b>		
-Difference in W.D.V of Property Plant & Equipment	(109.31)	31.42
-Impact of expenditure allowed under Income tax on payment basis	39.52	40.92
-Discounting of trade receivables	1.93	2.89
-Provision for Loss allowance	(2.49)	0.64
-Discounting of Legal cases	0.02	(8.11)
-Provision for Decommissioning cost	(6.99)	(26.85)
-Unabsorbed depreciation and business losses	(982.48)	-
-Other disallowances	48.57	(24.38)
<b>c) Total for the year</b>	<b>(1,093.29)</b>	<b>52.99</b>

<b>Expense/(income) recognised for the year ended:</b>		
Deferred tax liability/(asset) recognised in statement of profit and loss	(1,011.24)	16.53
Deferred tax recognised in other comprehensive income	(82.05)	36.46
Deferred tax recognised in Total comprehensive income	<b>(1,093.29)</b>	<b>52.99</b>

## Details of Deferred tax liability/ (asset) arised during FY 2022-23:-

No.	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporarty Timing difference arised in relation to Fixed Assets					
	- Depreciation charged as per income tax act and Companies Act	14,414.88	(109.31)	-	-	14,305.56
	- Decommissioning Cost- Mines	-	-	-	-	-
2)	Bank Processing Charges					
	- Amortization	-	-	-	-	-
3)	Discounting of Legal Cases	24.67	0.02	-	-	24.69
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(762.13)	(124.59)	82.05	-	(804.66)
5)	Provision for Doubtful debts	(22.06)	1.93	-	-	(20.12)
6)	Deferred Tax Asset on Expected credit loss	(3.13)	(2.49)	-	-	(5.63)
7)	Provision for Decommissioning Cost	(120.58)	(6.99)	-	-	(127.58)
8)	MAT Credit	(4,575.09)	-	-	457.11	(4,117.97)
9)	Unabsorbed Losses	-	(982.48)	-	-	(982.48)
10)	Onerous Contract	(50.04)	46.52	-	-	(3.51)
11)	Others	(90.66)	2.05	-	-	(88.61)
	<b>Total</b>	<b>8,815.87</b>	<b>(1,175.35)</b>	<b>82.05</b>	<b>457.11</b>	<b>8,179.69</b>

## Note 36. Other Comprehensive Income

Particulars	FY 2022-23	FY 2021-22
a) Items that will not be reclassified to P&L		
- Remeasurement of Defined Benefit Plan (Loss)/Gain		
Gratuity	(102.36)	219.95
Leave Encashment	(132.46)	(115.61)
- Increase/Decrease in Fair Value of Investments	(0.45)	2.00
b) Items that will be reclassified subsequently to Profit or loss	-	-
c) Impact of income tax on above (a) and (b)	82.05	(36.46)
<b>Total - Other Comprehensive Income</b>	<b>(153.21)</b>	<b>69.88</b>



**Statement of additions, write off and payments closing as per IND AS 37 Para 84**

S.No	Provisions	Leave Benefits	Gratuity	Income Tax	Decommissioning
1	<b>Balance as at 1st April, 2022</b>	<b>1,487.02</b>	<b>307.97</b>	<b>5,556.93</b>	<b>345.07</b>
2	Provision recognised during the year				
	- In Statement of Profit & Loss	257.50	149.17	-	20.02
	- In Statement of Other Comprehensive Income	132.46	102.36	-	-
3	Amounts incurred and charged against the provision	(330.38)	(281.61)	(506.61)	-
4	<b>Balance as at 31st March, 2023</b>	<b>1,546.60</b>	<b>277.89</b>	<b>5,050.32</b>	<b>365.09</b>

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2022-23 for terala mines, 2025-26 for macherla mines and 2021-22 for mandadi mines.

Note 37. Contingent Liabilities	As at 31st March, 2023	As at 31st March, 2022
<b>A . Claims against the company not acknowledged as debt</b>		
A.1) In respect of Statutory levies	6,484.89	6,527.00
A.2) In respect of Contractual levies	30.47	30.47
A.3) In respect of Others	462.44	430.93
<b>B. Guarantees issued by the Bankers on behalf of the Company</b>		
B.1) Against Advances obtained	4,069.22	1,793.04
B.2) Towards Performance Guarantees	3,241.36	4,118.79

Note 38. Commitments	As at 31st March, 2023	As at 31st March, 2022
<b>A. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>	49.09	11.41
<b>B. Uncalled liability pertaining to Investments</b>	-	-
<b>C. Other commitments - Sale contracts</b>	10,078.38	17,385.38
- Export Obligation under EPCG Scheme	179.78	179.78

Note 39. Value of Imports on CIF Basis	FY 2022-23	FY 2021-22
a) Raw Materials and Stock-in-Trade	-	-
b) Components ,Spares parts , Consumables & Coal	1,904.05	3,720.62
c) Tools	0.70	0.61
d) Capital goods	6.91	-
	<b>1,911.67</b>	<b>3,721.23</b>

Rs in Lakhs

Note 40. Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:		FY 2022-23		FY 2021-22	
Particulars		Rs in lakhs	%	Rs in lakhs	%
<b>a</b>	<b>Raw materials</b>				
	(i) Imported	3,057.03	9.61%	3,292.03	10.64%
	(ii) Indigenous	28,739.51	90.39%	27,638.74	89.36%
		<b>31,796.54</b>	<b>100.00%</b>	<b>30,930.78</b>	<b>100.00%</b>
<b>b</b>	<b>Components ,Spares parts , Consumables &amp; Coal (debited to respective heads)</b>				
	(i) Imported	48,796.60	71.16%	31,975.97	59.58%
	(ii) Indigenous	19,771.73	28.84%	21,689.76	40.42%
		<b>68,568.33</b>	<b>100.00%</b>	<b>53,665.73</b>	<b>100.00%</b>

Note 41. Expenditure in Foreign Currency	FY 2022-23	FY 2021-22
a) Travelling expenses	5.32	-
b) Other matters- Seminars, advance to suppliers etc	26.38	21.13
	<b>31.70</b>	<b>21.13</b>

Note 42. Earnings in Foreign Exchange	FY 2022-23	FY 2021-22
a) F.O.B value of goods exported during the year	1,356.96	410.03
c) Revenue from services	112.70	63.84
d) Dividend from Investments	3,327.12	4,472.79
	<b>4,796.78</b>	<b>4,946.66</b>

Note 43. Remittance in Foreign Currency on Account of Dividend	FY 2022-23	FY 2021-22
a) Number of Non Resident Shareholders	602	504
b) Number of Equity Shares held by them	66,80,726	54,98,767
c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	Nil	Nil
(2) Tax Deducted at Source	Nil	Nil
(3) Year to which dividend relates	Nil	Nil
<b>Note: Dividend remitted to Non-resident shareholders in Indian currency.</b>		

Note 44. Revenue Expenditure Capitalised during the year	FY 2022-23	FY 2021-22
a) Opening unallocated capital expenditure	-	152.01
<b>Add:</b>		
Salaries,wages, Bonus, PF & FPS	-	20.30
Contribution to provident fund and Family Pension Scheme	-	1.87
Staff welfare Expenses	-	2.91

Note 44. Revenue Expenditure Capitalised during the year	FY 2022-23	FY 2021-22
Stores and Spares Consumed	-	8.53
Power	-	24.21
Insurance	-	0.13
Repairs to Building	-	9.21
Repairs to Machinery	-	0.34
Repairs to Other Assets	-	1.34
Gratuity Expenses	-	0.74
Professional Fees	-	54.29
Travelling Expenses	-	1.26
Security Charges	-	14.16
Rates & taxes	-	2.21
Depreciation	-	1.67
Miscellaneous expenses	-	10.15
	-	<b>305.31</b>
<b>Less:</b>		
Miscellaneous Income	-	0.72
	-	<b>304.59</b>
<b>Less:</b>		
Capitalised/Allocated to fixed assets	-	304.59
Closing unallocated Capital Expenditure	-	-
<b>45. Revenue from operations</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
Finished goods sold		
Cement	1,52,341.95	1,48,387.85
Heavy Engineering products	9,528.69	7,526.34
Service Receipts	4,687.24	2,075.76
Others	651.90	452.80
	<b>1,67,209.78</b>	<b>1,58,442.75</b>
<b>46. Earnings Per Share (EPS)</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
i) Net Profit after tax as per Profit and Loss Statement	(2,553.58)	12,930.20
ii) Net Profit attributable to Equity Shareholders	(2,553.58)	12,930.20
iii) Weighted Average number of equity shares used as denominator for calculating EPS	12,89,21,160	12,89,21,160
iv) Basic and Diluted Earnings per share	(1.98)	10.03
v) Nominal value per each Equity share	1.00	1.00

Note 47. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of the year	1,912.71	1,487.01	1,695.63	1,384.16
Interest cost	133.04	96.68	109.63	86.38
Current service cost	136.95	160.82	124.30	143.34
Past service cost	-	-	382.54	-
Benefits paid	(185.57)	(330.38)	(185.72)	(242.49)
Actuarial loss/(gain) on obligation	116.70	132.45	(213.67)	115.62
Present value of obligations as at end of the year	<b>2,113.82</b>	<b>1,546.59</b>	<b>1,912.71</b>	<b>1,487.01</b>
<b>b) Reconciliation for fair value of plan assets</b>				
Fair Value Of Plan Assets At The Beginning Of The Year	1,604.73	-	1,597.67	-
Expected Return On Plan Assets	120.82	-	105.69	-
Contributions	281.61	330.38	80.80	242.49
Benefits Paid	(185.57)	(330.38)	(185.72)	(242.49)
Actuarial Gain On Plan Assets	14.34	-	6.28	-
Fair Value Of Plan Assets At The End Of The Year	<b>1,835.93</b>	<b>-</b>	<b>1,604.73</b>	<b>-</b>
<b>c) Net Liability recognised in the Balance Sheet</b>				
Present value of obligations as at the end of the year	2,113.82	1,546.59	1,912.70	1,487.01
Fair value of plan Assets as at the end of the year	1,835.93	-	1,604.73	-
Amount determined under para 63 of IND AS 19	<b>277.89</b>	<b>1,546.59</b>	<b>307.97</b>	<b>1,487.01</b>
Net defined benefit liability recognised in the Balance sheet	277.89	1,546.59	307.97	1,487.01
Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
<b>d) Expenses recognised in statement of Profit &amp; Loss</b>				
Current service cost	136.95	160.82	124.30	143.34
Net interest on net Defined benefit obligations	12.23	-	3.94	-
Interest cost	-	96.68	-	86.38
Net actuarial (gain)/loss recognised in the year	-	-	-	-
Past service Cost	-	-	382.54	-
Expense to be recognised in the Profit & Loss a/c	<b>149.18</b>	<b>257.50</b>	<b>510.78</b>	<b>229.73</b>

Note 47. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
<b>e) Amount recognised in the statement of OCI</b>				
Actuarial (gain)/loss on Plan obligation	116.70	132.45	(213.68)	115.62
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(14.34)	-	(6.28)	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	<b>102.36</b>	<b>132.45</b>	<b>(219.96)</b>	<b>115.62</b>
<b>f) Actuarial Assumptions</b>				
Assumptions as at 31 March, 2023				
Discount rate	7.50%	7.50%	7.31%	7.31%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	7.50%	7.50%	7.31%	7.31%
Mortality	<b>IALM (2012-14)</b>		<b>IALM (2012-14)</b>	
g) Date of Valuation	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
h) Average Duration of Defined Benefit Obligation (in Yrs)	5.63	5.13	5.88	5.11

### i) Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Sensitivity Analysis- Gratuity	FY 2022-23		FY 2021-22	
	Defined Benefit Obligation [DBO]	Percentage Change	Defined Benefit Obligation [DBO]	Percentage Change
Under Base Scenario- Defined Benefit Obligation	2,113.82	0.00%	1,912.70	0.00%
Salary Escalation- up by 1%	2,231.44	5.56%	2,023.98	5.80%
Salary Escalation- down by 1%	2,006.33	(5.08%)	1,811.19	(5.30%)
Withdrawal rates- up by 1%	2,120.15	0.30%	1,917.17	0.30%
Withdrawal rates- down by 1%	2,106.75	(0.33%)	1,906.82	(0.30%)
Discount rates- up by 1%	2,021.94	(4.35%)	1,825.00	(4.60%)
Discount rates- down by 1%	2,216.34	4.85%	2,010.68	5.10%

Sensitivity Analysis- Leave Benefits	FY 2022-23		FY 2021-22	
	Defined Benefit Obligation [DBO]	Percentage Change	Defined Benefit Obligation [DBO]	Percentage Change
Under Base Scenario- Defined Benefit Obligation	1,548.01	0.00%	1,487.02	0.00%
Salary Escalation- up by 1%	1,608.66	3.90%	1,545.50	3.90%
Salary Escalation- down by 1%	1,490.84	(3.70%)	1,431.90	(3.70%)
Withdrawal rates- up by 1%	1,550.64	0.20%	1,489.22	0.10%
Withdrawal rates- down by 1%	1,545.19	(0.20%)	1,484.66	(0.20%)
Discount rates- up by 1%	1,501.59	(3.00%)	1,442.10	(3.00%)
Discount rates- down by 1%	1,598.24	3.20%	1,535.64	3.30%

The sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date

Expected Cash flows for following years:	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
Year 1	593.02	467.78	500.96	456.27
Year 2	201.88	256.01	191.05	257.28
Year 3	220.31	231.39	181.07	202.07
Year 4	178.03	248.55	193.48	182.40
Year 5	176.60	146.24	225.64	196.42
Year 6	314.67	126.94	158.63	115.15
Year 7	156.73	108.34	157.35	99.30
Year 8	114.66	87.71	246.70	94.01
Year 9	120.61	74.76	139.52	70.29
Year 10	997.35	60.30	101.16	57.91

**Note 48. Related Party Disclosure**  
(as per separate annexure-I enclosed)

**Note 49. A Derivative Instrument For Hedging Purpose**

The company has entered into the following Derivative instruments for Hedging purpose associated with foreign currency fluctuations related to certain firm commitments and is not intended for trading or speculation. The period end foreign exchange exposures that have been hedged by a derivative instrument are stated below.

Currency	FY 2022-23		FY 2021-22	
	Amount \$	Indian Rupees Equivalent	Amount \$	Indian Rupees Equivalent
USD	-	-	-	-

**B. Foreign Currency Exposure not hedged by forward contracts**

Particulars	FY 2022-23	FY 2021-22
(i) Export Receivables	22.99	81.36
(ii) Import Creditors Payables	-	-

**Note 50. Details Of Dues To Micro And Small Enterprises (MSMED ACT,2006)**

	PARTICULARS	FY 2022-23	FY 2021-22
<b>a</b>	The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
	- Principal amount of bills to be paid	252.60	245.00
	- Interest due thereon	-	-
<b>b</b>	The amount of interest paid by the buyer in terms of Section 6 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
<b>c.</b>	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	-	-
<b>d</b>	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
<b>e</b>	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
	Note: For the purpose of the above details, of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties and has accordingly, been relied upon by the company and its auditors.		

Rs in Lakhs

Note 51 Corporate Social Responsibility (CSR)		FY 2022-23	FY 2021-22
	As per section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The areas of CSR activities are education, health care, women empowerment and rural development. The funds were utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 :		
(i)	Amount required to be spent by the company during the year	108.75	72.90
(ii)	Amount of expenditure incurred	196.95	127.67
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	-	-
(vi)	Nature of CSR activities	Education, Health Care, Women Empowerment and Rural Development	
(vii)	Details of related party transactions - Contribution to a trust controlled by the company in relation to CSR expenditure		
	V Ramakrishna Charitable Trust	31.59	68.36
	Kids Patasala, Macherla	-	13.52
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NIL	NIL
Note 52. Provision For Onerous Contracts- IND AS 37		FY 2022-23	FY 2021-22
	As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision.	10.05	143.19

**Note 53. Proposed Dividend :** In respect of the year ended March 31, 2023 the Directors proposed a dividend of Re. 0.10 Paise per share (10%) on equity share of Re.1/- each. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend is payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.128.92 lakhs.



**Note 54 Relationship with Struck Off Companies :**

Name of struck-off company	Nature of transaction with struck-off company	Balance outstanding (Rs. in Lakhs)	Relationship with the struck-off company, if any
No transaction with struck-off company			

**Note 55. Details on Statements of Current Assets submitted to the Banks:**

The Company has to submit the monthly statements on stock and debtors' positions to the bankers. During the current year in one of the segments of the Company, i) Debtors balance which were submitted to the bank in 2nd quarter are lower than the balance as per books of accounts by Rs.189.04 lakhs; ii) With respect to creditors balances the details submitted to bank are higher to an extent of Rs.27.04 lakhs, Rs.39.9 lakhs, Rs.38.29 lakhs, Rs.50.54 lakhs in Q1, Q2, Q3 and Q4 respectively. These variations are due to the adjustments considered in the books post submitting the statements to the bankers.

**Note 56. Registration/Satisfaction of Charges:**

The charges detailed in the table given below, are appearing in INDEX of Charges in Ministry of Corporate Affairs (MCA) website. These were already satisfied and relevant forms were filed with the Registrar of Companies.

The company represented before the Registrar of Companies for rectification/correction of the Index of Charges in MCA website.

As no Form 17 filed for satisfaction of Charge The Registrar of Companies, Tamilnadu, Chennai has suggested to file fresh Form CHG 4 for satisfaction of the Charge.

The company is in the process of filing Form CHG 4 with the Registrar of Companies.

SRN	Charge ID/Charge Holder	Date of Creation	Amount	Address of the Charge holder
			(Rs.) in Lakhs	
Y10423106	90300179/ ICICI	30-07-1992	860	Bank of Baroda Building, 16, Sansad Marg New Delhi 110001

**Note 57 Compliance with number of layers of companies :**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

Note 58. Accounting Ratios

	Ratio	Numerator/ Denominator	Ratio FY 2022-23	Ratio FY 2021-22	Change	Reasons for change by more than 25%
(a)	Current Ratio	Current Assets/Current Liabilities	1.06	1.15	(8.30%)	
(b)	Debt-Equity Ratio	Borrowing (Non-Current & Current)/Networth	0.71	0.75	(5.02%)	
(c)	Debt Service Coverage Ratio	[Borrowing (Non-Current & Current) + Interest on Borrowings] / Profit before Interest, depreciation and taxes (EBIDTA)	0.87	2.58	(66.37%)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.
(d)	Return on Equity Ratio	Net Profit after Tax / Equity	(3.63%)	19.26%	(118.85 %)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	7.07	6.57	7.72%	
(f)	Trade Receivables Turnover Ratio	Sales /Average trade receivables	22.34	26.80	(16.62 %)	
(g)	Trade Payable Turnover Ratio	Purchases/Average trade payables	13.68	10.19	34.26%	Favourable Change: Purchase of large value of coal without credit period resulted in over better average ratio.
(h)	Net Capital Turnover Ratio	Sales / (Current Assets minus Current Liabilities)	58.84	21.23	177.17 %	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.

	Ratio	Numerator/ Denominator	Ratio FY 2022-23	Ratio FY 2021-22	Change	Reasons for change by more than 25%
(i)	Net Profit Ratio	Net Profit after Tax/ Total Revenue	(1.53%)	8.18%	(118.74 %)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.
(j)	Return on Capital Employed	Profit before interest & tax (EBIT) / Total Assets minus current Liabilities	0.14%	20.90%	(99.32 %)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.
(k)	Return on Investment	Net Profit after Tax/ Net Worth	3.21%	14.90%	(78.45 %)	Unfavourable Change : Cement Margins were under pressure due to steep increase in coal leading to higher cost of production.

**Note 59. Financial instruments - Fair values and risk management**  
(as per separate annexure-II enclosed)

**Note 60.** Figures in brackets indicate those for the previous year.

Figures for the previous have been regrouped, wherever necessary to make them comparable.

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## Annexure - I To Standalone Notes- Related Party Disclosure

### Refer Note No 48. Related party Disclosure

#### A. List of Related parties:

#### A. List of Related parties:

<b>Subsidiary Company</b>	KCP Vietnam Industries Limited
<b>Joint Venture Company</b>	Fives Cail KCP Limited
<b>Key Management Personnel</b>	Dr. V.L. Indira Dutt - Chairperson & Managing Director Smt. V Kavitha Dutt - Joint Managing Director Sri. G.N. Murty - Chief Financial Officer (upto 31.01.2023) Sri. Anis Teybali Hyderi - Chief Financial Officer (from 01.02.2023) Sri. Y. Vijayakumar - Company Secretary
<b>Other Related Personnel</b>	Sri V.H. Ramakrishnan- Independent Director Sri P.S Kumar- Independent Director Sri Vijay Sankar- Independent Director Sri Narasimhappa Muttuluri- Independent Director Smt. Janaki Pillai - Independent Director Sri V. Chandra Kumar Prasad - Non-Executive Non-Independent Director Dr. Subbarao Vallabhaneni - Non-Executive Non-Independent Director Sri. Ravi Chitturi - Non-Executive Non-Independent Director
<b>Relatives of Key Management Personnel (KMP)</b>	Late Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister  Dr. V.L. Indira Dutt - Sri V.Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V.Rama Kumari - Sister Dr Subbarao Vallabhaneni - Brother-in-law  Smt. V. Kavitha Dutt - Kum.Shivani Dutt Chitturi - Daughter Sri Ravi Chitturi - Husband  Sri G.N. Murty Smt. Nagamani - Wife  Sri Anis Teybali Hyderi Smt. Fatema Anis Hyderi - Wife  Sri Y. Vijayakumar Smt. Y Kavitha - Wife

**Companies/Trusts/Societies controlled by  
Key management Personnel**

**Dr. V. L . Indira Dutt -**

V Ramakrishna Sons Pvt. Ltd. - Director  
V.R.K. Grandsons Investments Pvt. Ltd. - Member  
KCP Technologies Limited - Director  
Fives Cail KCP Limited - Director  
Sri V Ramakrishna Higer Secondary School - Trustee  
Kids Academy of General and Technical Education, Macherla - Trustee

**Smt. V Kavitha Dutt -**

V Ramakrishna Sons Pvt. Ltd. - Director  
V.R.K. Grandsons Investments Pvt. Ltd. - Member  
ABI Showatech (India) Pvt. Ltd. - Director  
KCP Technologies Limited - Director  
Sri V Ramakrishna Higer Secondary School - Trustee  
Kids Academy of General and Technical Education, Macherla - Trustee

**B. Transactions with the related parties:**

**Note:** Figures in brackets under Note no.48 (Annexure-I) related to previous year.

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Sale of Goods</b>					
Fives Cail KCP Limited		227.73 (278.25)			
V. Ramakrishna Charitable Trust					- (1.70)
<b>Purchase of Goods</b>					
Fives Cail KCP Limited		0.95 -			
<b>Services -Rendered</b>					
Fives Cail KCP Limited		538.52 (455.81)			
V. Ramakrishna Charitable Trust					0.13 (0.13)
<b>Dividend Income</b>					
KCP Vietnam Industries Limited	3,312.34 (4,472.79)				

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Loans/Deposits received</b>					
Dr V L Indira Dutt			2,025.00		
			(895.00)		
Smt. V Kavitha Dutt			550.00		
			(90.00)		
V. Ramakrishna Sons Pvt Limited					450.00
					(400.00)
VL Dutt (HUF)				450.00	
				(50.00)	
Kum.Shivani Dutt Chitturi				155.00	
				(58.00)	
Sri. G. N Murty			6.00		
			(30.00)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				4.00	
				(4.00)	
<b>Advances Received</b>					
Fives Cail KCP Limited		263.89			
		(117.42)			
<b>Remuneration paid</b>					
Dr V L Indira Dutt			162.12		
			(778.81)		
Smt. V Kavitha Dutt			189.97		
			(584.11)		
Sri G.N. Murty (upto 31.01.2023)			132.52		
			(96.78)		
Sri Anis Teybali Hyderi (From 01.02.2023)			16.85		
			-		
Sri Y. Vijayakumar			45.65		
			(40.24)		
<b>Directors Out of pocket Exp. &amp; Sitting fees</b>					
Sri V. H Ramakrishnan			4.63		
			(4.20)		
Sri Vijay shankar			2.00		
			(2.80)		

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Sri P. S. Kumar			5.23		
			(4.80)		
Sri M. Narasimhappa			4.63		
			(4.20)		
Smt Janaki Pillai			2.03		
			(2.40)		
Sri V Chandra Kumar Prasad			1.80		
			(2.40)		
Sri Subbarao Vallabhaneni			1.60		
			(2.00)		
Sri Ravi Chitturi			2.23		
			(2.60)		
<b>Interest paid</b>					
Dr V L Indira Dutt			223.29		
			(242.71)		
Smt. V Kavitha Dutt			67.55		
			(39.83)		
<b>Other Relations</b>					
Kum. Shivani Dutt Chitturi				37.80	
				(35.83)	
VL Dutt (HUF)				(91.10)	
				-	
V. Ramakrishna Sons Pvt Limited					50.44
					(30.31)
Sri. G. N Murty			4.47		
			(4.05)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				0.31	
				(0.38)	
<b>Dividend paid</b>					
Dr V L Indira Dutt			100.15		
			(197.74)		
Smt. V Kavitha Dutt			13.60		
			(27.20)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				13.50	
				(27.00)	

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Smt.Uma S Vallabhaneni				0.10	
				(0.20)	
Smt.Rajeswary Ramakrishnan				0.07	
				(0.13)	
V. Ramakrishna Sons Pvt Limited					389.56
					(779.13)
VRK Grandsons Investment (Private) Limited					42.49
					(84.98)
Dr V L Dutt (HUF)				1.14	
				(2.27)	
Vallabhaneni Subbarao			1.52		
			(2.32)		
<b>Loans/Deposit Repaid</b>					
Dr. V. L. Indira Dutt			2,270.00		
			(330.00)		
Smt. V Kavitha Dutt			-		
			(90.00)		
Dr V L Dutt (HUF)				350.00	
				(600.00)	
Kum.Shivani Dutt Chitturi				105.00	
				(58.00)	
Sri. G. N Murty			6.00		
			(30.00)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				4.00	
				(4.00)	
<b>Rent Paid</b>					
Dr V L Indira Dutt			143.46		
			(149.56)		
Smt. V Kavitha Dutt			4.29		
			(4.29)		
<b>Other Relations</b>					
Smt.Uma.s.Vallabhaneni				144.29	
				(151.60)	
Smt.V.Rama Kumari				106.69	
				(112.00)	



	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Bala Tripurasundari Ammavaru Trust					141.98
					(149.33)
Sri.V.Chandra kumar				59.66	
				(62.58)	
<b>Corporate Social Responsibility (CSR ACTIVITIES)</b>					
V Ramakrishna Charitable Trust					31.59
					(68.36)
Kids Patasala Machrla					0
					(13.52)
<b>Donations</b>					
Sri V Ramakrishna Higer Secondary School					3.67
					(76.00)
<b>Balances as at 31.03.2023</b>					
<b>Share Capital held by KCP in</b>					
KCP Vietnam Industries Limited	2,371.44				
	(2,371.44)				
Fives Cail KCP Limited		40.00			
		(40.00)			
<b>Receivable - Trade dues/others</b>					
Fives Cail KCP Limited		336.03			
		(229.76)			
V. Ramakrishna Sons Pvt Limited					0.09
					(0.08)
<b>Share capital in KCP held by</b>					
Dr. V. L. Indira Dutt			101.09		
			(99.70)		
Smt. V Kavitha Dutt			13.60		
			(13.60)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				13.50	
				(13.50)	
Smt.Rajeswary Ramakrishnan				0.07	
				(0.07)	

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Smt.Uma S Vallabhaneni				0.10	
				(0.10)	
Sri. Vallabhaneni Subbarao				1.74	
				(1.16)	
V. Ramakrishna Sons Pvt Limited					389.56
					(389.56)
VRK Grandsons Investment (Private) Limited					42.49
					(42.49)
Dr. VL Dutt (HUF)				1.14	
				(1.14)	
<b>Loans/Advances held</b>					
Fives Cail KCP Limited		66.24			
		-			
Dr V L Indira Dutt			1,150.00		
			(1,395.00)		
Smt. V Kavitha Dutt			650.00		
			(450.00)		
V. Ramakrishna Sons Pvt Limited					1,120.00
					(670.00)
<b>Deposits held with the company</b>					
Dr V L Indira Dutt			1,913.50		
			(1,913.50)		
Smt. V Kavitha Dutt			451.53		
			(101.53)		
<b>Other Relations</b>					
VL Dutt (HUF)				1,150.00	
				(1,050.00)	
Kum.Shivani Dutt Chitturi				465.00	
				(415.00)	
Sri. G. N Murty			47.00		
			(47.00)		
Smt Nagamani (W/o. Sri. G.N. Murty)				4.00	
				(4.00)	

	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Commission payable</b>					
Dr. V. L. Indira Dutt			-		
			(511.24)		
Smt. V Kavitha Dutt			-		
			(406.93)		
<b>Superannuation Payabale</b>					
Dr. V L Indira Dutt			-		
			(12.15)		
<b>Payable-Trade Dues</b>					
Dr. V. L. Indira Dutt			39.09		
			(39.63)		
Smt. V Kavitha Dutt			1.16		
			(1.16)		
Fives Cail KCP Limited		1.12			
		-			
<b>Other Relations</b>					
Smt.V.Rama Kumari				32.71	
				(34.34)	
Sri.V.Chandra kumar				15.34	
				(16.06)	
Smt.Uma.S.Vallabhaneni				33.80	
				(35.61)	
Bala Tripurasundari Ammavaru Trust					38.85
					(41.11)
Sri V Ramakrishna Higer Secondary School					-
					(34.10)
V Ramakrishna Charitable Trust					-
					(7.11)

**Note:** Figures in brackets under Note no.48 (Annexure-I) related to previous year.

**Annexure - II Referred in Note No. 59**

**Rs in Lakhs**

**59 A. Financial Assets & Financial Liabilities and their fair values**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair Value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**As at 31st March, 2023**

Particulars	Note	Carrying amount					Fair value of instruments measured at FVTPL / FVTOCI								
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total				
<b>Financial assets</b>															
Investments	6	-	20.33	-	2,680.93	-	-	-	-	2,701.26	20.33	-	-	-	20.33
Trade receivables	7 & 11	-	-	-	6,812.45	-	-	-	-	6,812.45	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	34.94	-	-	-	-	34.94	-	-	-	-	-
Bank balances other than above	12A	-	-	-	11,618.35	-	-	-	-	11,618.35	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff Advance	13	-	-	-	26.54	-	-	-	-	26.54	-	-	-	-	-
Other Financial assets	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	-	5.81	-	-	-	-	5.81	-	-	-	-	-
Bank Balances with maturity more than 12 months	8	-	-	-	2,996.65	-	-	-	-	2,996.65	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	34.61	-	-	-	-	34.61	-	-	-	-	-
Due from Gratiuity Trust	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gratiuity plan assets (Net)	13	-	-	-	0.44	-	-	-	-	0.44	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	1,180.30	-	-	-	-	1,180.30	-	-	-	-	-
Contract Assets	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (Employee Benefit Plan)	13	-	-	-	28.70	-	-	-	-	28.70	-	-	-	-	-
<b>Total</b>		-	<b>20.33</b>	<b>28.70</b>	<b>25,391.02</b>	-	<b>25,440.05</b>	<b>20.33</b>	-	<b>20.33</b>	-	-	-	-	<b>20.33</b>
<b>Financial liabilities</b>															
Borrowings	18 & 23	-	-	-	-	-	-	-	-	29,863.79	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	-	-	-	9,776.59	-	-	-	-	-
Other financial liabilities ( Non Current)	20	-	-	-	-	-	-	-	-	1,799.71	-	-	-	-	-
Other financial liabilities (Current) :-															
Accrued salaries and benefits	25	-	-	-	-	-	-	-	-	439.62	-	-	-	-	-
Payable to directors	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding liabilities for expenses	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	25	-	-	-	-	-	-	-	-	18,182.35	-	-	-	-	-
Lease Liability		-	-	-	-	-	-	-	-	248.57	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	<b>60,310.63</b>	-	-	<b>60,310.63</b>	-	-	-	-	-

As at 31st March, 2022

Rs in Lakhs

Particulars	Note	Carrying amount					Fair value of instruments measured at FVTPL / FVTOCI							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
<b>Financial assets</b>														
Investments	6	-	19.90	-	2,873.43	-	2,893.34	19.90	-	-	19.90	-	-	19.90
Trade receivables	7 & 11	-	-	-	5,765.08	-	5,765.08	-	-	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	209.57	-	209.57	-	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	20,021.47	-	20,021.47	-	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-
Staff Advance	13	-	-	-	30.79	-	30.79	-	-	-	-	-	-	-
Other Financial assets	8	-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	-	4.50	-	4.50	-	-	-	-	-	-	-
Bank Balances with maturity more than 12 months	8	-	-	-	3,764.38	-	3,764.38	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	14.07	-	14.07	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	14.28	-	14.28	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	2.52	-	2.52	-	-	-	-	-	-	-
Gratuity plan assets (Net)	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	0.82	-	0.82	-	-	-	-	-	-	-
Contract Assets	13	-	-	-	1,171.31	-	1,171.31	-	-	-	-	-	-	-
Others (Employee Benefit Plan)	13	-	-	31.61	-	-	31.61	31.61	-	-	31.61	-	-	31.61
<b>Total</b>		-	<b>19.90</b>	<b>31.61</b>	<b>33,872.23</b>	-	<b>33,923.75</b>	<b>51.52</b>	-	-	<b>51.52</b>	-	-	<b>51.52</b>
<b>Financial liabilities</b>														
Borrowings	18 & 23	-	-	-	-	-	33,630.98	-	-	-	33,630.98	-	-	-
Trade payables	19 & 24	-	-	-	-	-	8,628.34	-	-	-	8,628.34	-	-	-
<b>Other financial liabilities ( Non Current)</b>	20	-	-	-	-	-	1,521.93	-	-	-	1,521.93	-	-	-
Other financial liabilities (Current) :-														
Accrued salaries and benefits	25	-	-	-	-	-	1,162.64	-	-	-	1,162.64	-	-	-
Payable to directors	25	-	-	-	-	-	918.16	-	-	-	918.16	-	-	-
Outstanding liabilities for expenses	25	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	25	-	-	-	-	-	18,019.66	-	-	-	18,019.66	-	-	-
Lease Liability		-	-	-	-	-	254.33	-	-	-	254.33	-	-	-
<b>Total</b>		-	-	-	-	-	<b>64,136.03</b>	<b>64,136.03</b>	-	-	<b>64,136.03</b>	-	-	-

**Note 59 B. Financial instruments - Fair values and risk management****Financial risk management objectives and policies**

The Company's activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**b) Interest rate risk**

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations. The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings majorly consists of project funding loans, working capital loans having variable rate of interest.

**The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:** (Rs. in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Fixed rate instruments</b>		
Financial liabilities (Includes borrowings)	11,636.17	11,069.11
Financial assets	14,407.05	23,560.57
<b>Variable rate instruments</b>		
Financial liabilities (Includes borrowings)	18,225.62	22,561.87
<b>Total financial liabilities (Net)</b>	<b>15,454.74</b>	<b>10,070.41</b>

**i) Sensitivity analysis**

Particulars	Impact on profit/(loss)	
	31.03.2023	31.03.2022
1% increase in MCLR rate	(182.26)	(226.62)
1% decrease in MCLR rate	182.26	226.62

**ii) Fair value**

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value

**iii) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The company's credit risk for trade receivables is as follows

Particulars	31.03.2023	31.03.2022
Trade receivables	6,812.45	5,765.08

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for credit loss	31.03.2023	31.03.2022
Balance at the beginning	10.79	5.61
Impairment loss recognised	(1.83)	5.18
<b>Balance at the end</b>	<b>8.96</b>	<b>10.79</b>

No single customer accounted for more than 10% of the revenue as of 31.03.2023 and 31.03.2022.

There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and credit rating agencies.

### Note 59 C Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is expected to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table below provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

### As at March 31, 2023

Particulars	Contractual cash flows					Total
	Carrying value	Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	13,095.58	-	7,384.13	5,711.45	-	13,095.58
Current maturities of long term borrowings	8,562.25	8,562.25	-	-	-	8,562.25
Financial liabilities (Non current)	2,041.69	-	2,041.69	-	-	2,041.69
Cash credit & Demand Loans	8,203.96	8,203.96	-	-	-	8,203.96
Trade payables ( current)	9,776.59	9,776.59	-	-	-	9,776.59
Trade payables ( non -current)	-	-	-	-	-	-
Other financial liabilities(Current)	18,616.25	18,616.25	-	-	-	18,616.25
	<b>60,296.32</b>	<b>45,159.05</b>	<b>9,425.82</b>	<b>5,711.45</b>	<b>-</b>	<b>60,296.32</b>

As at 31st March 2022

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	17,889.24	-	8,208.85	9,680.39	-	17,889.24
Current maturities of long term borrowings	8,807.25	8,807.25	-	-	-	8,807.25
Financial liabilities (Non current)	1,771.53	-	1,771.53	-	-	1,771.53
Cash credit & Demand Loans	6,934.49	6,934.49	-	-	-	6,934.49
Trade payables ( current)	8,628.34	8,628.34	-	-	-	8,628.34
Trade payables ( non -current)	-	-	-	-	-	-
Other financial liabilities(Current)	20,105.19	20,105.19	-	-	-	20,105.19
	<b>64,136.03</b>	<b>44,475.27</b>	<b>9,980.38</b>	<b>9,680.39</b>	<b>-</b>	<b>64,136.03</b>

**Note 59 D. Foreign exchange risk**

The Company imports coal/chromo sand for its production operations, and exports cement/engineering equipments.

The impact of foreign exchange rate variation (US \$) on its segments' performance is as follows.

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Increase in Exchange Rate by Re.1		
Cement	(82.73)	(44.82)
Captive Power Plant	-	-
Engineering	-	-
Decrease in Exchange Rate by Re.1		
Cement	82.73	44.82
Captive Power Plant	-	-
Engineering	-	-



**Note 59 E. Commercial risk**
**Sale price risk**

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Selling price increase by 5%		
Cement	7,617.10	7,414.78
Power	-	4.62
Engineering	476.43	375.99
Hospitality & other Services	234.36	103.79
Selling price decrease by 5%		
Cement	(7,617.10)	(7,414.78)
Power	-	(4.62)
Engineering	(476.43)	(375.99)
Hospitality & other Services	(234.36)	(103.79)

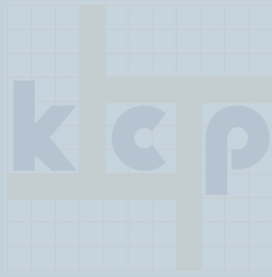
**Raw material price risk**

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Raw material price increase by 5%		
Cement		
Limestone	(911.33)	(953.42)
Laterite	(93.16)	(75.52)
Fly Ash	(198.25)	(137.40)
Gypsum	(152.85)	(164.34)
Engineering		
Iron and Steel, Nickel and Scrap	(145.26)	(198.76)
	(1,500.85)	(1,529.44)
Raw material price decrease by 5%		
Cement		
Limestone	911.33	953.42
Laterite	93.16	75.52
Fly Ash	198.25	137.40
Gypsum	152.85	164.34
Engineering		
Iron and Steel, Nickel and Scrap	145.26	198.76
	1,500.85	1,529.44



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# The KCP Limited (Group)

## Financial Statements

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## KCP Viet Nam Industries Limited



# Independent Auditors' Report on Financial Statements (Group)

To the members of The KCP Limited, Chennai

## Report on Consolidated Financial Statements: Opinion

We have audited the accompanying consolidated financial statements of **THE KCP LIMITED** ("the Holding Company") its subsidiary (Holding company and its subsidiary together referred as "the Group") and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (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 consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of the other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes

in equity and consolidated cash flows of the Group including its joint venture with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and Joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the Group's ability and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and joint venture are also responsible for overseeing the financial reporting process of the Group and joint venture

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on

the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, joint venture and its subsidiary company which is accompany incorporated outside India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the holding company included in the consolidated financial statements of which we are the independent auditors. For the other entity and joint venture included in the consolidated financial statements, which has been audited by other auditors, such other auditors remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in para (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

#### Other Matters

- a) We did not audit the financial statements /financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/ financial information reflect total assets of Rs.1,23,962.89 Lakhs as at 31st March 2023, total revenues of Rs. 60,327.95 Lakhs and net cash flows from operating activities amounting to Rs. (16,496.24) Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements include the share of net profit of Rs.9,878.66 Lakhs for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statements, whose financial statements/financial information have not been audited by us. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- b) We did not audit the financial statements / financial information of Fives Cail KCP Limited (Joint Venture), and the consolidated Ind AS financial statements also includes the Group's share of net profit of Rs. 137.52 Lakhs and other comprehensive loss of of Rs.31.07 Lakhs for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statements, in respect of Fives Cail KCP Limited (Joint Venture), whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the

other auditor and the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

With reference to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditor of the Joint Venture company included in the consolidated financial statements, as provided to us by the management of the Parent, the unfavorable remarks, qualifications or adverse remarks given by respective auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO) is given in Annexure-A.

1. As required by section 143(3) of the Act, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards( Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the report of Statutory auditor of a joint venture none of the directors of the Holding company and

joint venture incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting 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 internal financial control over financial reporting of those companies, for reasons stated therein;
- g) With respect to Managerial Remuneration to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid during the year by the Holding Company and its joint venture is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its joint venture, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and joint venture – Refer Note No 37 of the consolidated Ind AS financial statements.
  - (ii) the Group and joint venture has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 46 to the Consolidated Ind AS financial statements.
  - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and joint venture incorporated in India.



- (iv) (a) The respective Managements of the Company and joint venture which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiary, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Company and joint venture which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiary, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The dividend declared and paid during the year by the holding company is in compliance with section 123 of the Companies Act, 2013. The joint venture company incorporated in India have neither declared nor paid any dividend during the year.
- (b) the Board of directors of the Holding Company have recommended a dividend of Rs 0.10 per share subject to the approval of the members at the ensuing Annual General Meeting, The dividend recommended is in accordance with the provisions of section 123 of the Companies Act.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintain books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company and its joint venture which is incorporated in India, with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for **K.S.RAO & CO**  
Chartered Accountants  
Firm Regn.No.003109S

**(P. GOVARDHANA REDDY)**  
Partner

Place : Hyderabad      Membership No. 029193  
Date :24.05.2023      UDIN 23029193BGWHKC8982

## Annexure 'A' To The Independent Auditor's Report

**Annexure-A to the Independent Auditor's Report on the Consolidated Financial Statements of the The KCP Limited for the year ended 31<sup>st</sup> March, 2023.**

In our opinion and according to the information and explanations given to us, following Companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

S.No.	Name	CIN	Holding Company/ Joint Venture	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	The KCP Limited	L65991TN1941PLC001128	Holding Company	(i)(c)
2.	The KCP Limited	L65991TN1941PLC001128	Holding Company	(ii)(b)
3.	The KCP Limited	L65991TN1941PLC001128	Holding Company	(vii)(b)
4.	Fives Cail KCP Limited	U29254TN1995PLC033300	Joint Venture	(ii)(b)

for **K.S.RAO & CO**  
Chartered Accountants  
Firm Regn.No.003109S

**(P. GOVARDHANA REDDY)**  
Partner

Place : Hyderabad                      Membership No. 029193  
Date :24.05.2023                      UDIN 23029193BGWHKC8982

## Annexure ‘B’ To The Independent Auditor’s Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

#### Opinion

In conjunction with our audit of the consolidated financial statements of **The KCP Limited** (hereinafter referred to as “The Holding Company”) and its joint venture, as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the holding company and such companies incorporated in India under the Companies Act, 2013 which are its joint venture as of that date.

In our opinion, the Holding Company and its joint venture company incorporated in India, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal control with reference to the consolidated financial statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 those 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its joint venture have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control with reference to financial statements 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.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one joint venture, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company

Our opinion is not modified in respect of the above matters.

for **K.S.RAO & CO**  
Chartered Accountants  
Firm Regn.No.003109S

**(P. GOVARDHANA REDDY)**  
Partner

Place : Hyderabad

Membership No. 029193

Date :24.05.2023

UDIN 23029193BGWHKC8982

## Balance Sheet (Group)

Rs in Lakhs

	Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
I	<b>Assets</b>			
(1)	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	2	99,305.87	1,05,219.07
	(b) Capital Work-in-progress	3	1,042.22	844.01
	(c) Investment Property	4	-	-
	(d) Other Intangible Assets	5	499.47	538.48
	(e) Financial Assets			
	(i) Investments	6	1,039.38	1,125.00
	(ii) Trade Receivables	7	434.14	215.61
	(iii) Loans		-	-
	(iv) Other financial assets	8	6,312.00	6,737.81
	(f) Deferred Tax Assets (Net)		-	-
	(g) Other Non-current Assets	9	1,921.00	1,107.69
(2)	<b>Current Assets</b>			
	(a) Inventories	10	55,263.67	35,998.43
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	11	15,661.64	12,562.66
	(iii) Cash and cash equivalents	12	308.56	382.78
	(iv) Bank balances other than (iii) above	12A	63,816.05	56,819.65
	(vi) Other financial assets	13	128.98	94.10
	(c) Current Tax Assets (Net)	14	1,346.83	796.91
	(d) Other Current assets	15	14,686.49	15,722.37
	Assets Held for Sale	15A	-	0.47
	<b>Total Assets</b>		<b>2,61,766.30</b>	<b>2,38,165.03</b>
II	<b>Equity and Liabilities</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	1,21,145.57	1,16,391.09
	Non Controlling Interest	17A	29,510.10	23,543.75
	Deferred Government Grant		24.44	26.43
	<b>Liabilities</b>			
(1)	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	13,097.58	17,889.24
	(ii) Lease Liabilities		243.90	249.60
	(iii) Trade Payables	19		
	Due to Micro and Small Enterprises		-	-
	Due to Others		-	-
	(iv) Other financial liabilities	20	7,610.63	5,982.08
	(b) Provisions	21	1,445.32	1,375.83
	(c) Deferred Tax Liabilities (Net)	22	8,179.69	8,815.87
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	23	42,423.23	25,543.17
	(ii) Lease Liabilities		4.67	4.73
	(iii) Trade Payables	24		
	Due to Micro and Small Enterprises		252.60	245.00
	Due to Others		10,979.74	10,001.72
	(iii) Other financial liabilities	25	20,920.24	22,453.11
	(b) Other current liabilities	26	3,895.14	3,589.96
	(c) Provisions	27	744.26	764.23
	<b>Total Equity and Liabilities</b>		<b>2,61,766.30</b>	<b>2,38,165.03</b>

The accompanying notes form an integral part of the financial statements

1,37 to 60

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## Profit and Loss Statement (Group)

Rs in Lakhs

Particulars	Note No	FY 2022-2023	FY 2021-2022
<b>Income</b>			
Revenue from Operations	28	2,25,364.97	2,10,827.28
Other Income	29	3,843.33	3,850.12
<b>Total Revenue (I)</b>		<b>2,29,208.29</b>	<b>2,14,677.40</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	30	80,708.81	63,344.43
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	31	(12,346.70)	(7,437.82)
Employee Benefits expense	32	11,729.32	12,507.58
Power and fuel		69,392.49	46,791.03
Freight and forwarding charges		36,054.64	37,151.95
Finance Costs	33	3,802.68	3,384.73
Depreciation and amortization expense	33A	8,991.13	8,706.17
Other expenses	34	22,467.37	21,037.05
<b>Total Expenses (II)</b>		<b>2,20,799.75</b>	<b>1,85,485.11</b>
<b>Profit/(Loss) before Exceptional items and tax</b>		<b>8,408.54</b>	<b>29,192.29</b>
<b>Add : Exceptional Items (Net)</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>		<b>8,408.54</b>	<b>29,192.29</b>
<b>Add : Income Tax Refund</b>			
<b>Less : Tax expenses</b>	35		
Short /Excess provision of Income Tax		(13.07)	338.95
Short /(Excess) MAT credit utilised / (entitlement)		-	(127.64)
Current tax		-	5,050.00
Deferred tax		(1,011.24)	16.53
<b>Add: MAT credit entitlement</b>		<b>457.11</b>	<b>-</b>
<b>Total tax expense</b>		<b>(567.19)</b>	<b>5,277.83</b>
<b>Profit/(Loss) for the year from continuing operations (A)</b>		<b>8,975.73</b>	<b>23,914.46</b>
Profit / (Loss) from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax) (B)		-	-
<b>Profit / (Loss) for the year (A) + (B)</b>		<b>8,975.73</b>	<b>23,914.46</b>
Share of profit from joint venture		137.52	48.95
Less: Non Controlling share of Profit	17A	4,939.33	5,152.35
<b>Profit / (Loss) after Non controlling interest</b>		<b>4,173.93</b>	<b>18,811.06</b>
<b>Other Comprehensive Income- OCI</b>			
Items that will not be reclassified to P&L	36	2,845.80	2,901.35
Income tax relating to items that will not be reclassified to profit or loss		82.05	(36.46)
Share of OCI from joint venture		(31.07)	(6.55)
Less: Non controlling share of OCI	17A	1,027.02	955.33
<b>OCI after Non controlling share</b>		<b>1,869.76</b>	<b>1,903.00</b>
Total Comprehensive Income for the period (Comprising P&L + OCI)		12,010.04	26,821.74
Less: Minority share of Total Comprehensive income	17A	5,966.35	6,107.68
<b>Total Comprehensive income after minority interest</b>		<b>6,043.69</b>	<b>20,714.06</b>
<b>Earnings per share (for Continuing Operations) Basic and diluted</b>	<b>Rs.</b> 42	<b>3.24</b>	<b>14.59</b>
<b>Earnings per share (for Discontinued Operations) Basic and diluted</b>			
<b>Total Earnings per share - Basic and diluted</b>	<b>Rs.</b>	<b>3.24</b>	<b>14.59</b>
(Face value of share is Rs.1)			
The accompanying notes form an integral part of the financial statements		1,37 to 60	

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## Statement of Changes in Equity for the year ended March 31, 2023

(Rs.in Lakhs)

### A. Equity share capital

Particulars	No of Shares	Amount (Rs.Lakhs)
Balance as at 1st April, 2021	12,89,21,160	1,289
Changes in equity share capital due to prior period errors during 2020-21	-	-
Restated Balance at the beginning of the current period	12,89,21,160	1,289
Changes in equity share capital during 2021-22	-	-
Balance as at 31st March, 2022	12,89,21,160	1,289
Changes in equity share capital due to prior period errors during 2021-22	-	-
Restated Balance at the beginning of the current period	12,89,21,160	1,289
Changes in equity share capital during 2022-23	-	-
Balance as at 31st March, 2023	12,89,21,160	1,289

### B. Other Equity

Particulars	Reserves & Surplus							Other Comprehensive Income			Total		
	Share application money pending allotment	Equity component of compound financial instruments	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	"Other Reserves (General reserve)"	Retained Earnings	Equity instruments through Other Comprehensive Income		Actuarial Gains/ losses reserve	Money received against share warrants
<b>Balance at the beginning of reporting period - 01-04-2021</b>			<b>2,000.00</b>	<b>279.91</b>	<b>103.83</b>	<b>9,015.16</b>	<b>2,890.76</b>	<b>27,248.40</b>	<b>57,580.59</b>	<b>(4.04)</b>	<b>(859.15)</b>		<b>98,255.45</b>
Changes in accounting policy or prior period errors													
Restated Balance at the beginning of the previous reporting period													
Profit for the period			-	-	-	-	-	-	18,762.11	-	-		18,762.11
Share of profit of joint venture			-	-	-	-	-	-	48.95	-	-		48.95
Additions/(Deletions) during the year to translation reserve			-	-	-	617.90	1,221.78	-	-	-	-		1,839.68
Other Comprehensive Income										2.00	61.33		63.32
Total Comprehensive Income for the year			2,000.00	279.91	103.83	9,633.06	4,112.54	-	76,391.65	(2.04)	(797.83)		1,18,969.51
Transfer from/to General Reserve			-	-	-	-	-	-	-	-	-		-
Ind AS Adjustments			-	-	-	-	-	-	-	-	-		-
Final Dividends			-	-	-	-	-	-	(2,578.42)	-	-		(2,578.42)
Dividend Distribution tax			-	-	-	-	-	-	-	-	-		-
<b>Balance at the end of reporting period - 31-03- 2022</b>			<b>2,000.00</b>	<b>279.91</b>	<b>103.83</b>	<b>9,633.06</b>	<b>4,112.54</b>	<b>27,248.40</b>	<b>73,813.22</b>	<b>(2.04)</b>	<b>(797.83)</b>		<b>1,16,391.09</b>

Particulars	Reserves & Surplus							Other Comprehensive Income			Total	
	Share application money pending allotment	Equity component of compound financial instruments	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	"Other Reserves (General reserve)"	Retained Earnings	Equity instruments through Other Comprehensive Income		Actuarial Gains/ losses reserve
Changes in accounting policy or prior period errors												
Restated Balance at the beginning of the current reporting period												
Profit for the period			-	-	-	-	-	4,036.40	-	-	-	4,036.40
Share of profit of joint venture			-	-	-	-	-	137.52	-	-	-	137.52
Additions/(Deletions) during the year to translation reserve			-	-	-	672.89	1,381.15	-	-	-	-	2,054.04
Ind AS Adjustments			-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income			-	-	-	-	-	-	(0.45)	(183.83)	-	(184.28)
Total Comprehensive Income for the year			2,000.00	279.91	103.83	10,305.94	5,493.70	27,248.40	77,987.15	(2.49)	(981.66)	1,22,434.78
Final Dividends			-	-	-	-	-	-	(1,289.21)	-	-	(1,289.21)
Dividend Distribution tax			-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2023</b>			<b>2,000.00</b>	<b>279.91</b>	<b>103.83</b>	<b>10,305.94</b>	<b>5,493.70</b>	<b>27,248.40</b>	<b>76,697.94</b>	<b>(2.49)</b>	<b>(981.66)</b>	<b>1,21,145.57</b>

1,37 to 53

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report annexed  
**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S  
**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

(FOR AND ON BEHALF OF THE BOARD)  
**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883  
**Y VIJAYAKUMAR**  
Joint Managing Director  
DIN: 00139274  
**ANIS TYEBALI HYDERI**  
Chief Financial Officer  
**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

Place: Chennai  
Date : May 24, 2023



# Cash Flow Statement (Group)

(Rs.in Lakhs)

Particulars	For FY 2022-2023	For FY 2021-2022
<b>(A) Cash flow from operating activities</b>		
Profit before tax from continuing operations	8,408.54	29,192.29
Share of profits from joint venture	137.52	48.95
<b>Profit before tax</b>	<b>8,546.07</b>	<b>29,241.24</b>
<b>Adjustments for:</b>		
Depreciation on tangible fixed assets	8,944.07	<b>8,657.83</b>
Amortization on intangible fixed assets	47.06	48.34
Loss/[profit] on sale of fixed assets	(79.66)	(23.29)
Assets written off	94.64	72.00
Expected Credit loss	7.14	(1.83)
Discounting of trade receivables	(5.53)	(8.26)
Amortisation of government grant	(1.99)	(1.99)
Unrealised foreign exchange loss/ (gain)	(113.92)	(85.43)
Actuarial gain/(loss) on defined benefit plan-gratuity	(102.36)	148.98
Actuarial gain/(loss) on defined benefit plan-leave	(132.46)	(115.61)
Interest expense	3,802.68	3,158.03
Interest income	(3,387.12)	(2,936.63)
Dividend income	(39.32)	84.68
Translation gain/loss during the year	3,081.06	2,865.99
Share of OCI of joint venture	(31.07)	(6.55)
<b>Operating profit before working capital changes</b>	<b>20,629.29</b>	<b>41,097.47</b>
<b>Movements in working capital:</b>		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	985.62	187.01
Increase/[decrease] in other financial liabilities (non-current)	1,641.07	1,542.71
Increase/[decrease] in long term provisions	69.49	6.70
Increase/[decrease] in other financial liabilities (Current)	(1,371.21)	4,524.66
Increase/[decrease] in other current liabilities	305.18	11.82
Increase/[decrease] in current provisions	(19.98)	306.16
Adjustments for [Increase]/decrease in operating assets :		
[Increase]/decrease in trade receivables (non-current)	(213.00)	337.27
[Increase]/decrease in other financial assets (non-current)	425.81	(3,756.74)
[Increase]/decrease in other non-current assets	(793.16)	(106.97)
[Increase]/decrease in inventories	(19,265.24)	(8,160.22)
[Increase]/decrease in trade receivables (current)	(3,106.12)	165.86
[Increase]/decrease in other bank deposits	(7,012.42)	(13,252.54)
[Increase]/decrease in other financial assets (current)	10.07	(744.77)
[Increase]/decrease in other current assets	1,036.34	(5,176.44)
<b>Cash generated from/[used in] operations</b>	<b>(6,678.25)</b>	<b>16,981.99</b>
Direct taxes paid (net of refunds)	(536.85)	(3,125.33)
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>(7,215.10)</b>	<b>13,856.66</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP	(3,366.42)	(3,540.79)
Proceeds from sale of fixed assets	94.16	109.32
Purchase of non-current investments	191.62	(2,186.67)
Purchase of current investments	-	(0.75)
(Increase)/Decrease in value of investments in joint venture	(106.46)	(42.40)
Interest received	3,342.17	2,952.33
Dividends received	153.24	71.72
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>308.32</b>	<b>(2,637.24)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of long term Borrowings (net)	(4,791.66)	(7,944.14)
Proceeds from short term borrowings	16,880.06	4,813.07
Principal repayment of lease liabilities	(5.76)	(24.02)
Interest repayment of lease liabilities	(27.62)	(29.48)
Interest paid	(3,949.26)	(3,007.54)
Dividends paid	(1,273.19)	(4,953.66)
<b>Net cash flow from/[used in] in financing activities [C]</b>	<b>6,832.57</b>	<b>(11,145.78)</b>
Net increase/[decrease] in cash and Bank Balances (A+B+C)	(74.22)	73.64
Cash and Bank Balances at the beginning of the year	382.78	309.13
<b>Cash and Bank Balances at the end of the year</b>	<b>308.56</b>	<b>382.78</b>
<b>Components of cash and Bank Balances</b>		
Cash on hand	11.40	17.59
With banks on current account	297.16	345.08
Cheques/drafts on hand	-	20.10
<b>Total Cash and Bank Balances</b>	<b>308.56</b>	<b>382.78</b>

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

# Notes Forming Part of the Financial Statements (Group)

## 1. Group overview and significant accounting policies

### 1.1. Group overview

The KCP Limited (“the group”) a public limited group incorporated and domiciled in India and has its registered office at Chennai. The securities of the group are listed in National Stock Exchange of India Limited. The Group is engaged in the business of manufacture and sale of cement, sugar, heavy engineering, power generation for captive use and hospitality. The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorize for issue on 24th May, 2023. The KCP Limited has a subsidiary by name KCP Vietnam Industries Ltd (KCP VIL), a group incorporated in Socialist Republic of Vietnam, in which it holds 2/3 rd of the share capital. KCP VIL owns and operates sugar business and also runs cogen power plant in Vietnam. The KCP Limited has a joint venture by name Fives Cail KCP Ltd (FC KCP), a Group incorporated in India. In FC KCP group it holds 40% interest in equity capital. FC KCP manufactures sugar machinery, boilers and steam generating plants.

### 1.2. Basis for preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, under the provisions of the Companies Act, 2013 (‘the Act’) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter Accounting policies have been consistently applied except where 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. The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
  - held primarily for the purpose of trading and
  - expected to be realized within twelve months after the reporting period.
- b) All other assets are classified as non-current. c) A liability is treated as current when:
- it is expected to be settled in the normal operating cycle
  - it is held primarily for the purpose of trading
  - it is due to be settled within twelve months after the reporting period, or
  - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- d) All other liabilities are classified as non-current.
- e) Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 1.3. Basis of consolidation

The KCP Limited (Parent) has prepared the group consolidated financial statements by Consolidating its accounts and those of its subsidiary KCP VIL and Joint venture FC KCP. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns.

#### KCP VIL:

The subsidiary accounts have been consolidated by combining line-by-line like items of assets, liabilities, equity, income, expenses and cash flows after eliminating material intra group balances and transactions. Non-controlling share of the minority in the net profit for the year is identified and adjusted against the profit after tax of the group to the extent of the share of minorities in the equity.

## FIVES CAIL KCP:

The accounts of FC KCP have been consolidated based on equity method. As per the equity method, only share of the KCP Limited in the profits and reserves of FC KCP which is 40%, have been added to the profits and equity respectively in the consolidated accounts.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted there-after to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its Joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(v) below.

### Changes in ownership interests: -

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained

interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or Significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## 1.4 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statement.

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date

for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

### 1.5. Significant Accounting Policies

This note provides a list of the Significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The KCP Limited (the 'Group') and its subsidiary and the Joint Venture group.

#### i. Revenue Recognition Revenue from contracts with customers

The Group derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

Effective April 1, 2018 The Group adopted Ind AS 115 "Revenue from contracts with the customers" and applied prospectively to contracts with the customers existing as on 1st April 2018.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration that the entity expect to receive in exchange for those products or services.

Revenue relating to products sale is recognized when control over the promised goods is transferred to the customers. Engineering job work can be either 'material cum service' contracts or service contracts.

Performance obligation in case of 'material cum services' is satisfied at a point in time consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of 'service contracts' revenue is recognized based on performances completed to date by using either 'Input method' or 'output method' as prescribed for measuring progress of performance obligation under IND AS 115.

The Group accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/ commission.

#### Trade receivables and contract balances:-

The Group classifies the right to consideration in

exchange for transferring control over goods or services either as a trade receivable or as contract asset.

Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

#### Other income:-

a) Dividend income:- Dividend is recognized in statement of profit or loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to The Group, and the amount of dividend can be reliably measured.

b) Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

#### ii. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all stipulated conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

#### iii. Employee benefits:

Employee benefits includes short term employee benefits, Post-employment benefits, Other long-term benefits and Termination benefits.

#### Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**Post employment benefits:**

**Defined contribution plans:**

These benefits include PF, superannuation and Employee state insurance. Entity contributes at statutorily specified rate monthly to Provident fund, Employee state insurance and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation. So, these PF, superannuation, ESI benefits will be defined contribution plans. Employer contributions for these benefits will be recognized in statement of profit and loss by way of charge against income.

**Defined benefit plans: Leave absences and Gratuity**

These benefits include leave absences, gratuity. Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components one is 'service cost' and 'Remeasurements'. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses as result of experience adjustment and changes in actuarial assumptions.

**Defined benefit plans: Covid Death**

Family of the employees who have died due to Covid are provided with monthly pension till the deemed superannuation date of the deceased employee, by subscribing to the customized insurance policy through lumpsum payment to the insurer.

The Plan assets created by the insurer are remeasured at the end of accounting period for recognition of gain or loss through FVTPL.

**iv. PROPERTY, PLANT AND EQUIPMENT**

**Tangible assets:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended

use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Construction Period Expenses on Projects:**

All identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

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

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best

estimation of getting economic benefits from those class of assets /components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

Non-current assets held for sale- Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-Current Assets and disposal group that cease to be classified as "Held for Sale", shall be measured at the lower of carrying amount before the Non - Current Assets and disposal group, was classified as "Held for Sale" and the recoverable amount at the date of subsequent decision not to sell.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

### **Stripping Costs:**

#### **Developmental stripping costs**

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets.

#### **Mine closure, site restoration and decommissioning obligations**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The company recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier.

The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting, etc.

The estimate of expenses are escalated for inflation,

and then discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds creating an expense recognised as financial expenses.

Subsequent adjustments to the obligation for changes in the estimated cashflows/disbursement period/ discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

### **Intangible Assets:**

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and useful lives are reviewed at the end of financial year.

### **Investment Property:**

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated Impairment loss, if any. Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

### **Depreciation**

Depreciation is provided in accordance with the useful life as prescribed as follows.

In respect of assets existing as on 30-6-1988, under the written down value method; and in respect of assets acquired on or after 1-7-1988, under the

straight line method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having Significant cost, has been assessed based on technical estimate which is different from the life given under the Schedule II to the Companies Act, 2013 as given below:

S. No	Description of the Asset	Estimated useful life
1	Transformers	30 Years
2	Economisers in Boilers in the Captive Power Plant; Turbines, Generators, Sluice Gates, Switchgears and Cables in Hydel Plant.	25 Years
3	Electrical Components like Panels, Motors , Insulators which are components of Plant and Machinery	10 Years
4	Economisers in Boilers and Water pre-heater in Waste Heat Recovery Plant; Evaporators in the Captive thermal Power Plant	5 Years
5	Moulds in Heavy Engineering Unit	3 Years

#### v. Impairment:

Recognizing Impairment does not require for financial assets classified at fair value through profit and loss (FVTP&L) and fair value through other comprehensive income (FVTOCI). It is required only in respect of financial assets classified as amortized cost i.e. Loans, Debt securities and trade receivables. Impairment for such financial assets is recognized by Expected credit loss (ECL) model. In this approach expected credit loss means expected shortfall in contractual cash flows. The estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. Expected credit loss (ECL) for trade receivable is measured at Lifetime ECL.

The amount of ECL required during the period is arrived after considering the already recognized ECL in books and it is reported either as expense or income in statement of profit& loss.

#### vi. Financial Instruments:-

##### a. Initial Recognition:

The group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

##### b. Subsequent Recognition & Classification : 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 gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

##### 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 asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

##### Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method.

##### Impairment: -

The Group recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant finance component is measured at an amount equal to lifetime ECL using provision matrix as shown below. This estimation of ECL should consider past events,

current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

### **De-recognition of financial assets and liabilities:**

#### **Financial assets:**

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the financial asset and the transfer qualifies for de-recognition. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

#### **Financial Liabilities:**

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid shall be recognised in profit or loss.

### **vii. Inventories**

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

### **viii. Cash And Cash Equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **ix. Cash flow Statement:**

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

### **x. Foreign Exchange Transactions:**

Functional Currency of the group is Indian Rupee and the Subsidiary KCP VIL is Vietnamese Dong (VND) These financial statements are presented in Indian Rupees, rounded off to Lakhs.

Transactions and translations: 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 in determining net profit for the period.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expenses in the year in which they are arise.

### **xi. Income tax:**

Income tax expense comprises current and deferred



income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized 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 substantially 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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where The Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, The Group accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

## **xii. Earnings Per Share**

The Group Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

## **xiii. Provisions/ Contingent Liabilities and Contingent Assets**

### **Contingent liabilities:**

#### **Provision:**

A provision is recorded when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

### **Contingent liabilities:**

Contingent liability is recognised when it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### **Onerous contracts:**

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Company estimates and provides provision at the lower of the following for onerous contracts.

- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfil it i.e. Cost of terminating the contract.

### **Contingent assets:**

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

#### **xiv. Leases :**

The Company's lease asset consists of lease for Land, buildings and vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present

value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **xv. Segment reporting:**

Operating segments are defined as components for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The group has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Hotel and 4) Sugar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

(Rs.in Lakhs)

**Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2023 are as follows**



Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	COST AS ON 31-03-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UP TO 31-03-2023	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022		
1 Lands	Rs. 4,676.94	-	-	-	4,676.94	-	-	-	-	-	4,676.94	4,676.94		
2. (a) Buildings	24,286.19	93.74	0.01	422.69	24,802.61	164.18	5,738.00	805.32	0.01	6,707.49	18,095.13	18,548.20		
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	1.45	0.24	-	1.70	7.24	7.48		
3 Roads	302.33	61.09	-	-	363.42	-	171.00	31.40	-	202.40	161.02	131.33		
4 Plant & Machinery	1,31,205.68	1,453.01	146.01	2,304.01	1,34,816.69	1,554.19	53,275.42	7,668.91	53.50	62,445.02	72,371.67	77,930.26		
5 Furniture, Fixtures	2,068.58	8.37	12.18	3.92	2,068.70	3.92	1,467.58	193.94	11.26	1,654.18	414.52	601.00		
6 Motor Vehicles	1,394.01	291.93	173.95	13.39	1,525.39	12.47	977.55	111.38	160.16	941.24	584.15	416.46		
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	17.94	1.62	-	19.56	12.97	14.59		
8 Ropeway Structures	292.59	-	0.15	-	292.44	-	181.17	55.13	0.15	236.16	56.28	111.42		
9 Office Equipment	294.50	62.30	1.96	7.86	362.70	7.46	248.29	20.74	1.76	274.73	87.97	46.21		
10 Computer & Data Processing Units	398.17	59.80	3.49	-	454.48	-	305.13	32.31	3.20	334.24	120.24	93.05		
11 Laboratory Equipment	41.82	2.31	1.29	-	42.84	-	29.44	1.94	1.23	30.15	12.69	12.38		
12 Electrical Installation & Equipment	2,807.88	27.10	14.40	-	2,820.57	-	1,736.26	213.28	13.05	1,936.49	884.08	1,071.61		
13 Hydraulic Works, Pipeline & Sluices	91.30	-	-	-	91.30	-	34.78	6.25	-	41.03	50.27	56.52		
14 Leased Lands (Decommissioning)	1,521.40	428.36	-	-	1,949.76	-	246.46	147.57	-	394.03	1,555.73	1,274.94		
15 Leased Lands (Right of Use)	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>1,69,422.87</b>	<b>2,488.00</b>	<b>353.45</b>	<b>2,751.88</b>	<b>1,74,309.31</b>	<b>1,742.22</b>	<b>64,430.49</b>	<b>9,290.02</b>	<b>244.32</b>	<b>75,218.41</b>	<b>99,090.90</b>	<b>1,04,992.38</b>		
<b>TOTAL FY 2021-22</b>	<b>1,62,735.96</b>	<b>4,336.20</b>	<b>167.72</b>	<b>2,518.43</b>	<b>1,69,422.87</b>	<b>1,462.83</b>	<b>53,983.93</b>	<b>9,042.13</b>	<b>58.40</b>	<b>64,430.49</b>	<b>1,04,992.38</b>	<b>1,08,752.02</b>		

(Rs.in Lakhs)

Note.2B LEASED ASSETS - RIGHT OF USE	GROSSBLOCK						DEPRECIATION					NETBLOCK	
	Cost as on 31-03-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UP TO 31-03- 2023	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	TOTAL DEPRECIATION UPTO 31-03- 2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2022	AS AT 31-03-2023	
1 Lands	157.74	-	-	-	157.74	-	3.50	2.72	-	6.22	151.52	154.24	
2 Buildings	251.17	1.87	36.59	-	216.45	-	178.72	10.05	35.76	153.00	63.45	72.45	
3 Vehicles	25.39	-	25.39	-	-	-	25.39	-	25.39	-	-	-	
<b>TOTAL</b>	<b>434.30</b>	<b>1.87</b>	<b>61.97</b>	<b>-</b>	<b>374.19</b>	<b>-</b>	<b>207.61</b>	<b>12.76</b>	<b>61.15</b>	<b>159.22</b>	<b>214.97</b>	<b>226.69</b>	
<b>TOTAL FY 2021-22</b>	<b>435.79</b>	<b>-</b>	<b>1.49</b>	<b>-</b>	<b>434.30</b>	<b>-</b>	<b>178.65</b>	<b>28.95</b>	<b>-</b>	<b>207.61</b>	<b>226.69</b>	<b>257.14</b>	
<b>Total (2+2B)</b>	<b>1,69,857.17</b>	<b>2,489.87</b>	<b>415.42</b>	<b>2,751.88</b>	<b>1,74,683.50</b>	<b>1,742.22</b>	<b>64,638.10</b>	<b>9,302.78</b>	<b>305.46</b>	<b>75,377.63</b>	<b>99,305.87</b>	<b>1,05,219.07</b>	
<b>Total (2+2B) for FY 2021-22</b>	<b>1,63,171.75</b>	<b>4,336.20</b>	<b>169.21</b>	<b>2,518.43</b>	<b>1,69,857.17</b>	<b>1,462.83</b>	<b>54,162.59</b>	<b>9,071.09</b>	<b>58.40</b>	<b>64,638.10</b>	<b>1,05,219.07</b>	<b>1,09,009.16</b>	

Note.4 INVESTMENT PROPERTY	GROSSBLOCK						DEPRECIATION				NETBLOCK	
	COST AS ON 31-03-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2023	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	COST AS ON 31-03- 2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	COST UPTO 31-03-2023	AS AT 31-03-2022	AS AT 31-03-2023
1 Lands	-	-	-	-	0.00	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FY 2021-22</b>	<b>0.47</b>	<b>0.00</b>	<b>0.47</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.47</b>

(Rs.in Lakhs)

Note. 5 IN-TANGIBLE ASSETS	GROSS BLOCK						DEPRECIATION			NET BLOCK		
	COST AS ON 31-03-2022	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UP TO 31-03-2023	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	TOTAL DEPRECIATION UPTO 31-03-2022	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
1 Computer Software	800.20	8.05	-	0.84	809.10	0.84	261.72	47.06	-	309.63	499.47	538.48
<b>Total</b>	<b>800.20</b>	<b>8.05</b>	<b>-</b>	<b>0.84</b>	<b>809.10</b>	<b>0.84</b>	<b>261.72</b>	<b>47.06</b>	<b>-</b>	<b>309.63</b>	<b>499.47</b>	<b>538.48</b>
<b>TOTAL</b>	<b>765.28</b>	<b>35.69</b>	<b>-</b>	<b>0.77</b>	<b>800.20</b>	<b>0.77</b>	<b>214.15</b>	<b>48.34</b>	<b>-</b>	<b>261.72</b>	<b>538.48</b>	<b>551.13</b>
<b>GRAND TOTAL FOR FY 2022-23</b>	<b>1,70,657.37</b>	<b>2,497.93</b>	<b>415.42</b>	<b>2,752.72</b>	<b>1,75,492.60</b>	<b>1,743.06</b>	<b>64,899.82</b>	<b>9,349.84</b>	<b>305.46</b>	<b>75,687.26</b>	<b>99,805.34</b>	<b>1,05,757.55</b>
<b>GRAND TOTAL FOR FY 2021-22</b>	<b>1,63,937.03</b>	<b>4,371.90</b>	<b>169.68</b>	<b>2,519.21</b>	<b>1,70,657.37</b>	<b>1,463.60</b>	<b>54,376.74</b>	<b>9,119.43</b>	<b>58.40</b>	<b>64,899.82</b>	<b>1,05,757.55</b>	<b>1,09,560.29</b>

\* Depreciation capitalized during the year is Nil.(Depreciation capitalized during the previous year : Rs 1.67 Lakhs)

\*\* Company's Land located at Gujarat which has been classified as "Asset Held for Sale" under Non-Current Asset, as on 31/03/2022 has been disposed off during the current year.

\*\*\* During the year an amount of Rs. 356.12 lakhs (previous year: Rs. 329.91 lakhs) has been adjusted against scientific and Technology Development Fund.

#### Additional Regulatory Information:

1. Property of value Rs 1.67 Lakhs situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.
2. One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurajala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

**Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2022 are as follows**

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	COST AS ON 31-03-2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2022	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	UPTO 31-03-2021	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021		
	Rs.	Rs.												
1 Lands	4,675.92	1.02	-	-	4,676.94	-	-	-	-	-	4,676.94	4,675.92		
2. (a) Buildings	22,904.27	996.47	2.70	388.15	24,286.19	135.22	4,805.39	798.95	1.56	5,738.00	18,548.20	18,098.88		
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	1.21	0.24	-	1.45	7.48	7.72		
3 Roads	226.30	76.03	-	-	302.33	-	148.35	22.65	-	171.00	131.33	77.95		
4 Plant & Machinery	1,26,730.26	2,425.63	57.99	2,107.78	1,31,205.68	1,306.41	44,487.48	7,501.95	20.41	53,275.42	77,930.26	82,242.78		
5 Furniture, Fixtures	2,010.77	54.82	0.62	3.60	2,068.58	3.60	1,268.09	196.22	0.33	1,467.58	601.00	742.68		
6 Motor Vehicles	1,271.10	121.18	10.57	12.30	1,394.01	10.93	878.83	97.90	10.10	977.55	416.46	392.28		
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	15.75	2.19	-	17.94	14.59	16.78		
8 Ropeway Structures	176.52	208.50	92.43	-	292.59	-	167.43	36.84	23.10	181.17	111.42	9.09		
9 Office Equipment	269.44	18.90	0.19	6.59	294.75	6.67	226.93	14.89	0.14	248.35	46.40	42.51		
10 Computer & Data Processing Units	355.96	42.25	0.29	-	397.92	-	274.53	30.81	0.27	305.08	92.85	81.42		
11 Laboratory Equipment	41.68	0.15	0.00	-	41.82	-	27.40	2.04	-	29.44	12.38	14.28		
12 Electrical Installation & Equipment	2,785.09	25.73	2.94	-	2,807.88	-	1,510.57	228.18	2.49	1,736.26	1,071.61	1,274.52		
13 Hydraulic Works, Pipeline & Sluices	91.30	-	-	-	91.30	-	28.53	6.25	-	34.78	56.52	62.78		
14 Leased Lands (Decommissioning)	1,155.88	365.52	-	-	1,521.40	-	143.44	103.03	-	246.46	1,274.94	1,012.45		
15 Leased Lands (Right of Use)	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>1,62,735.96</b>	<b>4,336.20</b>	<b>167.72</b>	<b>2,518.43</b>	<b>1,69,422.87</b>	<b>1,462.83</b>	<b>53,983.93</b>	<b>9,042.13</b>	<b>58.40</b>	<b>64,430.49</b>	<b>1,04,992.38</b>	<b>1,08,752.02</b>		
<b>TOTAL FY 2020-21</b>	<b>1,62,403.27</b>	<b>1,498.68</b>	<b>321.87</b>	<b>844.12</b>	<b>1,62,735.96</b>	<b>445.95</b>	<b>45,182.84</b>	<b>9,377.20</b>	<b>130.18</b>	<b>53,983.93</b>	<b>1,08,752.02</b>	<b>1,17,220.43</b>		

(Rs.in Lakhs)

Note.2.B LEASED ASSETS - RIGHT OF USE	GROSSBLOCK					DEPRECIATION				NETBLOCK		
	COST AS ON 31-03-2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2022	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	COST AS ON 31-03-2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	COST UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
1 Lands	157.74	-	-	-	157.74	-	0.79	2.72	-	3.50	154.24	156.95
2 Buildings	251.17	-	-	-	251.17	-	161.44	17.28	-	178.72	72.45	89.73
3 Vehicles	26.88	-	1.49	-	25.39	-	16.43	8.96	-	25.39	-	10.45
<b>Total</b>	<b>435.79</b>	<b>-</b>	<b>1.49</b>	<b>-</b>	<b>434.30</b>	<b>-</b>	<b>178.65</b>	<b>28.95</b>	<b>-</b>	<b>207.61</b>	<b>226.69</b>	<b>257.14</b>
<b>TOTAL FY 2020-21</b>	<b>322.22</b>	<b>120.72</b>	<b>7.15</b>	<b>-</b>	<b>435.79</b>	<b>-</b>	<b>112.52</b>	<b>66.13</b>	<b>-</b>	<b>178.65</b>	<b>257.14</b>	<b>209.71</b>

<b>Total (2+2B)</b>	<b>1,63,171.75</b>	<b>4,336.20</b>	<b>169.21</b>	<b>2,518.43</b>	<b>1,69,857.17</b>	<b>1,462.83</b>	<b>54,162.59</b>	<b>9,071.09</b>	<b>58.40</b>	<b>64,638.10</b>	<b>1,05,219.07</b>	<b>1,09,009.16</b>
<b>Total (2+2B) for FY 2020-21</b>	<b>1,62,725.49</b>	<b>1,619.40</b>	<b>329.02</b>	<b>844.12</b>	<b>1,63,171.75</b>	<b>445.95</b>	<b>45,295.36</b>	<b>9,443.33</b>	<b>130.18</b>	<b>54,162.58</b>	<b>1,09,009.16</b>	<b>1,17,430.14</b>

**Note.4 INVESTMENT PROPERTY**

Particulars	GROSSBLOCK					DEPRECIATION				NETBLOCK		
	COST AS ON 31-03-2021	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2022	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	COST AS ON 31-03-2021	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	COST UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
1 Lands	0.47	-	0.47	-	-	-	-	-	-	-	-	0.47
<b>TOTAL</b>	<b>0.47</b>	<b>-</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.47</b>
<b>TOTAL FY 2020-21</b>	<b>0.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.47</b>	<b>0.47</b>

(Rs.in Lakhs)

Note. 5 INTANGIBLE ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	COST AS ON 31-03-2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2022	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	COST AS ON 31-03-2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	COST UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
1 Computer Software	765.28	35.69	-	0.77	800.20	0.77	214.15	48.34	-	262	538.48	551.13
<b>Total</b>	<b>765.28</b>	<b>35.69</b>	<b>-</b>	<b>0.77</b>	<b>800.20</b>	<b>0.77</b>	<b>214.15</b>	<b>48.34</b>	<b>-</b>	<b>261.72</b>	<b>538.48</b>	<b>551.13</b>
<b>TOTAL FY 2020-21</b>	<b>764.32</b>	<b>1.23</b>	<b>0.00</b>	<b>0.26</b>	<b>765.28</b>	<b>0.26</b>	<b>167.30</b>	<b>47.12</b>	<b>-</b>	<b>215.15</b>	<b>551.13</b>	<b>597.02</b>
<b>GRAND TOTAL FOR FY 2021-22</b>	<b>1,63,937.50</b>	<b>4,371.90</b>	<b>169.68</b>	<b>2,519.21</b>	<b>1,70,657.37</b>	<b>1,463.60</b>	<b>54,376.74</b>	<b>9,119.43</b>	<b>58.40</b>	<b>64,899.82</b>	<b>1,05,757.55</b>	<b>1,09,560.76</b>
<b>TOTAL FOR FY 2020-21</b>	<b>1,63,490.27</b>	<b>1,620.63</b>	<b>329.02</b>	<b>844.39</b>	<b>1,63,937.50</b>	<b>446.18</b>	<b>45,462.65</b>	<b>9,490.45</b>	<b>130.18</b>	<b>54,376.74</b>	<b>1,09,560.76</b>	<b>1,18,027.62</b>

\* Depreciation for the year includes an amount of Rs.1.67 lakhs capitalized.(Depreciation capitalized during the previous year : Rs 0.56 lakhs)

\*\* During the year an amount of Rs. 329.91 lakhs (previous year: Rs. 318.88 lakhs) has been adjusted against scientific and Technology Development Fund.

\*\*\* Company's Land located at Gujarat has been reclassified from Investment Property to "Asset Held for Sale" under Non-Current Asset, as it is proposed to be disposed within a year.

\*\*\*\* Building of the Company located in Delhi has been reclassified under PPE from Investment property category as the Building is being used for Business purposes.

\*\*\*\*\* Market Value of Investment Property as on 31.03.2021 is Rs.25 lakhs.

Additional Regulatory Information:

1. Property of value Rs 1.67 Lakhs situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.

2. One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurajala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.



Note.3 Capital Work-in-Progress	As at 31-03-2023	As at 31-03-2022
<b>1 Building Under Construction</b>		
Opening Balance	188.44	984.04
Additions during the year (net)	96.54	333.98
Less : Capitalisation during the year (net)	(89.31)	(1,129.58)
Closing Balance	195.68	188.44
<b>2 Plant &amp; Machinery Under Installation</b>		
Opening Balance	655.57	1,328.96
Additions during the year (net)	1,177.90	1,078.45
Less : Capitalisation during the year (net)	(986.93)	(1,751.85)
Closing Balance	846.54	655.57
<b>Total</b>	<b>1,042.22</b>	<b>844.01</b>

**FY 2022-2023**

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) Projects in Progress	486.31	95.45	300.98	159.48	1,042.22
(ii) Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>486.31</b>	<b>95.45</b>	<b>300.98</b>	<b>159.48</b>	<b>1,042.22</b>

**FY 2021-2022**

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) Projects in Progress	421.82	174.23	97.33	150.63	844.01
(ii) Projects temporarily Suspended	-	-	-	-	-
<b>Total</b>	<b>421.82</b>	<b>174.23</b>	<b>97.33</b>	<b>150.63</b>	<b>844.01</b>

Note.6 Non current Financial Assets- Investments	As at 31-03-2023	As at 31-03-2022
<b>Unquoted Equity instruments-Investments measured at cost</b>		
<b>Investment in Joint Venture:</b>		
4,00,000 (31 March 2022: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fives-cail KCP Ltd.,	749.55	643.09
<b>Common Stock (unquoted):</b>		
1,640 (31 March 2022: 1,640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
<b>Preferred Shares (unquoted):</b>		
375 (31 March 2022: 750)Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	192.50	385.00
<b>Subtotal</b>	<b>1,019.05</b>	<b>1,105.09</b>
<b>Investments at fair value through other comprehensive income</b>		
<b>investment in equity instruments(quoted):</b>		
100 (31st March 2022: 100 ) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	-	0.01
14,240 (31st March 2022: 14,240 ) equity shares of Rs.10/- each, fully paid up in IDBI Bank	6.17	6.09
<b>Equity shares (unquoted):</b>		
30 (31st March 2022: 30 ) equity shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd (Written off to the extent of Rs. 299/-)	-	-
1,00,000 (31st March 2022: 1,00,000 ) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9,99,999/-) (The Shares are not traded in the Stock Exchange though listed).	-	-
<b>Other Investments - Unit Trust of India - Quoted:</b>		
44,703.884 (31st March 2022 : 42,002.734) UTI Balanced Fund Units. of Rs.10/- each	14.15	13.80
<b>Sub Total</b>	<b>20.33</b>	<b>19.90</b>
<b>Total</b>	<b>1,039.38</b>	<b>1,125.00</b>
Aggregate amount of quoted Investments - Market Value	20.33	19.90
Aggregate amount of quoted Investments - Book Value (cost)	15.54	15.54
Aggregate amount of unquoted Investments	1,019.05	1,105.09
Aggregate amount of impairment in value of Investments	-	-

Note. 6.1 Category wise Investment- as per IND AS 109 classification	As at 31-03-2023	As at 31-03-2022
Financial assets carried at cost		
Equity Instruments	1,019.05	1,105.09
Debt Instruments		-
Financial assets carried at amortised cost		
Equity Instruments		
Financial assets carried at fair value through Profit or loss (FVTPL)		
Equity Instruments		
Financial assets carried at fair value through OCI (FVTOCI)		
Equity Instruments	20.33	19.90
<b>Total</b>	<b>1,039.38</b>	<b>1,125.00</b>

Note.7 Non Current Financial Assets- Trade Receivables	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good	434.14	215.61
Receivables having Significant increase in credit risk	57.59	63.12
	491.73	278.73
Less: Provision for Doubtful Receivables	-	-
Less : Provision for expected credit loss	57.59	63.12
<b>Total</b>	<b>434.14</b>	<b>215.61</b>

**Non Current Trade Receivables Ageing Schedule:**
**F.Y 2022-23**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables-Considered Good	491.73	-	-	-	-	-	<b>491.73</b>
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-Considered Good	-	-	-	-	-	-	-

Rs in Lakhs

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>491.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>491.73</b>
Less: Provison for doubtful debts							-
Less: Provison for expected credit loss							57.59
<b>Total</b>							<b>434.14</b>

**F.Y 2021-22**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables-Considered Good	215.61	-	-	-	-	-	215.61
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	63.12	-	63.12
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-Considered Good	-	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>215.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63.12</b>	<b>-</b>	<b>278.73</b>
Less: Provison for doubtful debts							-
Less: Provison for expected credit loss							63.12
<b>Total</b>							<b>215.61</b>

Note.8 Non current- Other Financial Assets	As at 31-03-2023	As at 31-03-2022
Earnest money deposit	5.81	4.50
Bank deposits with maturity more than 12 months	6,306.18	6,733.30
<b>Total</b>	<b>6,312.00</b>	<b>6,737.81</b>

Note.9 Non current- Other asset	As at 31-03-2023	As at 31-03-2022
Capital Advances	35.98	15.82
<b>[A]</b>	<b>35.98</b>	<b>15.82</b>
<b>Advances other than Capital Advances</b>		
Security Deposits	328.24	165.28
<b>(B)</b>	<b>328.24</b>	<b>165.28</b>
<b>Others</b>		
Prepaid expenses	17.82	26.29
Balance with Government Authorities	1,538.58	899.92
Others	0.39	0.39
<b>(C)</b>	<b>1,556.79</b>	<b>926.60</b>
<b>Total [A+B+C]</b>	<b>1,921.00</b>	<b>1,107.69</b>

Note.10 Inventories	As at 31-03-2023	As at 31-03-2022
Raw materials and components at Cost (includes those in transit Rs. 202.89 lakhs) ( As on 31-03-2022- Rs 62.59 Lakhs )	1,703.53	1,111.87
Coal At Cost (includes those in transit Rs.24.24 lakhs) ( As on 31-03-2022- Rs. 109.34 Lakhs )	7,806.45	3,658.78
Work-in-progress		
: At Cost	6,233.67	6,888.79
: At Estimated Realisable Value	990.86	1,667.45
Finished goods		
: At Cost (includes in transit NIL) (As on 31-03-2022 - Rs. 243.65 Laksh)	30,408.76	16,730.36
: At Estimated Realisable Value	-	-
Stores, spares and Coal at Cost (includes in transit Rs. 2.66 lakhs ) (As on 31-03-2022 Rs 8.34 Lakhs)	8,120.39	5,941.19
<b>Total</b>	<b>55,263.67</b>	<b>35,998.43</b>

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs. 78,080.72 lakhs for year ended 31-03-2023 (Rs. 65,433.13 lakhs for the year ended 31-03-2022).

The Amount of Write down of inventories to Net Realisable Value recognised as an expense was Rs.441.87 Lakhs (Rs 374.72 Lakhs for the year ended 31-03-2022). The mode of valuation of Inventories has been stated in accounting policy VII of Note1.5

The amount of goods in transit is Rs. 229.80 lakhs (Rs. 423.92 lakhs for previous year)

Rs in Lakhs

Note.11 Current- Trade receivables	As at 31-03-2023	As at 31-03-2022
Secured, considered good	5,008.02	4,121.78
Unsecured, considered good	9,494.41	7,218.61
Contract Assets	1,180.30	1,171.31
Receivables having Significant increase in credit risk	-	65.02
Less: Provison for doubtful debts		5.10
Less : Provision for expected credit loss	16.10	8.96
<b>Total</b>	<b>15,661.64</b>	<b>12,562.66</b>

**Current Trade Receivables Ageing Schedule:  
For the year 2022-23**

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables- Considered Good	2,624.68	10,488.93	344.38	391.03	214.75	414.86	<b>14,478.62</b>
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired							
(iv) Disputed trade receivables- Considered Good	-	-	-	-	-	23.81	<b>23.81</b>
(v) Disputed trade receivables-which have significant increase in credit risk							
(vi) Disputed trade receivables-credit impaired							
<b>Total</b>	<b>2,624.68</b>	<b>10,488.93</b>	<b>344.38</b>	<b>391.03</b>	<b>214.75</b>	<b>438.67</b>	<b>14,502.43</b>
Add: To be billed							1,180.30
Less: Provison for Doubtful Debts							5.00
Less: Provison for expected credit loss							<b>16.10</b>
<b>Total</b>							<b>15,661.64</b>

## For the year 2021-22

Particulars	Outstanding for following periods from due date payment						Total
	Not Due	Less than 6 months	6 months- 1 Year	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	
(i) Undisputed trade receivables-Considered Good	1,878.57	7,682.16	1,257.52	106.68	275.30	106.45	<b>11,306.68</b>
(ii) Undisputed trade receivables-which have significant increase in credit risk	8.73	56.29	-	-	-	-	<b>65.02</b>
(iii) Undisputed trade receivables-credit impaired							
(iv) Disputed trade receivables-Considered Good	-	-	-	-	-	23.81	<b>23.81</b>
(v) Disputed trade receivables-which have significant increase in credit risk							
(vi) Disputed trade receivables-credit impaired							
<b>Total</b>	<b>1,887.30</b>	<b>7,738.45</b>	<b>1,257.52</b>	<b>106.68</b>	<b>275.30</b>	<b>130.26</b>	<b>11,395.51</b>
Add: To be billed							1,181.20
Less: Provison for Doubtful Debts							5.10
Less: Provison for expected credit loss							8.96
<b>Total</b>							<b>12,562.66</b>

Note 12 Cash and cash equivalents	As at 31-03-2023	As at 31-03-2022
<b>Cash and Cash Equivalents :</b>		
Balances with Banks:		
On current accounts	297.16	345.08
Deposits with original maturity of less than 3 months	-	-
Cheques/drafts on hand	-	20.10
Cash on hand	11.40	17.59
<b>Total</b>	<b>308.56</b>	<b>382.78</b>

Note 12A Bank balances other than Cash and Cash equivalents	As at 31-03-2023	As at 31-03-2022
Fixed Deposits with Banks (Maturity less than 12 months)*	62,107.98	55,124.15
Balances with banks maintained as required under the Companies Act in respect of Public deposits	762.97	744.00
Balance with banks for Unpaid dividend account	213.26	229.28
Margin money deposit for Bank Guarantees & Letters of credit	731.34	721.72
Balances with banks for public deposits	0.50	0.50
<b>Total</b>	<b>63,816.05</b>	<b>56,819.65</b>

\*Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

Note 13. Current- Other Financial Assets	As at 31-03-2023	As at 31-03-2022
Interest accrued on fixed Deposits	34.61	14.28
Interest accrued on other Deposits	38.69	14.07
Staff Advances	26.54	30.79
Due from Gratuity Trusts	-	2.52
Non trade receivables From - Joint Venture	0.44	0.82
- Others	-	-
Others - Employee Benefit Plan	28.70	31.61
<b>Total</b>	<b>128.98</b>	<b>94.10</b>

Note 14. Current Tax Assets (Net)	As at 31-03-2023	As at 31-03-2022
<b>Advance tax</b>		
Advance payment of Direct Taxes/TDS/TCS Credit	5,675.54	6,353.84
Income Tax Refund Receivable	721.61	-
<b>Provision for Tax</b>		
Provision for Income tax	5,050.32	5,556.93
<b>Total</b>	<b>1,346.83</b>	<b>796.91</b>

Note 15. Other Current Assets	As at 31-03-2023	As at 31-03-2022
<b>Advances other than Capital Advances</b>		
Security Deposits	121.96	116.25
<b>(A)</b>	<b>121.96</b>	<b>116.25</b>
<b>Other Advances</b>		
Advances recoverable in cash or kind		
Unsecured, considered good	7,004.27	4,539.90
Advances to Trade payables	3,488.59	6,262.19
Prepaid expenses	655.77	525.12
Balance with government Authorities	3,415.90	4,278.91
<b>(B)</b>	<b>14,564.53</b>	<b>15,606.12</b>
<b>Total (A+B)</b>	<b>14,686.49</b>	<b>15,722.37</b>



Note:15A Assets Held for Sale	As at 31-03-2023	As at 31-03-2022
Land	-	0.47
<b>Total</b>	<b>-</b>	<b>0.47</b>

\* Company's Land located at Gujarat held for sale as on 31/03/2022 has been disposed off during the current year.

Note.16 Share Capital	As at 31-03-2023	As at 31-03-2022
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2022 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000(31 March 2022 : 2,00,00,000) 12% Redeemable cumulative non convertible preferences shares of Rs.10/- each	2,000.00	2,000.00
	<b>5,500.00</b>	<b>5,500.00</b>
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2022 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	<b>1,289.77</b>	<b>1,289.77</b>
<b>Subscribed and fully paid-up :</b>		
12,89,21,160 (31 March 2022 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
<b>Total issued, subscribed and fully paid-up capital</b>	<b>1,289.21</b>	<b>1,289.21</b>

**Note 16.1)** Details of shareholders holding more than 5% share in the company:

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. Dr. V.L. Indira Dutt - 1,01,09,466 (99,69,901) equity shares of Rs 1/- each fully paid- 7.73% (7.67%)

**Note 16.2)** The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity & Preference shares of the company is set out below:

Particulars	For FY 2022-23	For FY 2021-22
Equity Share Capital at the beginning of the Year	1,289.21	1,289.21
Add/Less : Changes during during the year	-	-
Equity Share Capital at the end of the Year	<b>1,289.21</b>	<b>1,289.21</b>

The Company has only one class of equity shares referred to equity shares having a par value of Rs.1. Each holder of equity share is entitled to one vote per each share. In the event of liquidation of company, the holder of equity share will be entitles to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

## Note 16.3 Disclosure of Share Holding of Promoters / Promoter Group

Promoter Name	No of Shares as on 31.03.2023	% of Holdings	% change during the year
V Ramakrishna Sons P Ltd	3,89,56,326	30.22	0.00
VRK Grandsons Investments Promoters Promoters Group Private Limited	42,49,193	3.30	0.00
Velagapudi Lakshmana Dutt (HUF)	1,13,500	0.09	0.00
Velagapudi Kavitha Dutt	13,60,000	1.05	0.00
Velagapudi Lakshmana Indira Dutt	1,01,09,466	7.84	0.11
Irmgard Velagapudi	1,52,490	0.12	0.00
S. Nalini	1,96,694	0.15	1.38
R Prabhu	62,880	0.05	0.00
Rajeswary Ramakrishnan	6,500	0.01	0.00
Anitha .	4,000	0.00	0.00
Kiran Velagapudi	4,220	0.00	0.00
Sivaramakrishnan Prasad	12,650	0.01	0.00
S Rajiv Rangasami	50,000	0.04	0.00
P Vikram Ramakrishnan	12,655	0.01	0.00
Uma S Vallabhaneni	10,000	0.01	0.00
Subbarao Vallabhaneni	1,73,900	0.13	0.04
Shivani Dutt Chitturi	13,50,000	1.05	0.00
V Chandra Kumar Prasad	1,000	0.00	0.00

Promoter Name	No of Shares as on 31.03.2022	% of Holdings	% change during the year
V Ramakrishna Sons P Ltd	3,89,56,326	30.22	0.00
Vrk Grandsons Investments Private Limited	42,49,193	3.30	0.00
Velagapudi Lakshmana Dutt (Huf)	1,13,500	0.09	0.00
Velagapudi Kavitha Dutt	13,60,000	1.05	0.00
Velagapudi Lakshmana Indira Dutt	99,69,901	7.73	0.06
Irmgard Velagapudi	1,52,490	0.12	0.00
S. Nalini	1,93,874	0.15	0.14
R Prabhu	62,880	0.05	0.00
Rajeswary Ramakrishnan	6,500	0.01	0.00
Anitha .	4,000	0.00	0.00
Kiran Velagapudi	4,220	0.00	0.00
Sivaramakrishnan Prasad	12,650	0.01	0.00
S Rajiv Rangasami	50,000	0.04	(0.01)
P Vikram Ramakrishnan	12,655	0.01	0.00
Uma S Vallabhaneni	10,000	0.01	0.00
Subbarao Vallabhaneni	1,16,130	0.09	0.00
Shivani Dutt Chitturi	13,50,000	1.05	0.00
V Chandra Kumar Prasad	1,000	0.00	0.00

Note 17. Other Equity	As at 31-03-2023	As at 31-03-2022
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
Capital Reserve On Reorganisation	279.91	279.91
<u>Translation Reserve</u>		
Balance as per the last Financial Statements	4,112.54	2,890.76
Additions/(Deletions) during the year	1,381.15	1,221.78
	5,493.70	4,112.54
<u>Capital Reserve</u>		
Balance as per the last Financial Statements	9,633.06	9,015.16
Additions/(Deletions) during the year	672.89	617.90
	10,305.94	9,633.06
On Amalgamation Reserve	103.83	103.83
<b>Total Capital Reserve</b>	<b>18,183.38</b>	<b>16,129.34</b>
<b>Investment Revaluation Reserve</b>	(2.04)	(4.04)
Add: Current year revaluation gain/loss	(0.45)	2.00
	<b>(2.49)</b>	<b>(2.04)</b>
<b>Actuarial Gain/Loss</b>	(797.83)	(859.15)
Add: Current year actuarial gain/loss	(152.76)	67.88
Add : Share of Other Comprehensive income of joint venture	(31.07)	(6.55)
<b>Closing Balance</b>	<b>(981.66)</b>	<b>(797.83)</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	27,248.40	27,248.40
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	-	-
Add/(Less): Ind AS Adjustments		
<b>Closing Balance</b>	<b>27,248.40</b>	<b>27,248.40</b>
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	73,813.22	57,580.59
Add/(Less): Ind AS Adjustments	-	-
Profit for the year	4,036.40	18,762.11
Share of profit of joint venture	137.52	48.95
	<b>77,987.15</b>	<b>76,391.65</b>

Rs in Lakhs

Note 17. Other Equity	As at 31-03-2023	As at 31-03-2022
Less : Appropriations		
Final Equity Dividend Paid @ Rs 1/- per Share (@ RS. 2/- per Share in FY 2021-22)	1,289.21	2,578.42
Total Deductions	1,289.21	2,578.42
<b>Net Surplus in Statement of Profit and Loss</b>	<b>76,697.94</b>	<b>73,813.22</b>
<b>Total Reserves and Surplus taken to Balance Sheet</b>	<b>1,21,145.57</b>	<b>1,16,391.09</b>

**Restatement of retained earnings from the earliest prior period i.e., from 01st April 2021 due to prior period adjustments made in the books of joint venture**

Particulars		Amount
Balance as on 01.04.2021		57,597.61
Adjustments for prior period errors at the earliest prior period		(17.02 )
<b>Restated balance as on 01.04.2021</b>		<b>57,580.59</b>
Adjustments for prior period errors for the comparative period	(2.97 )	
Movement in reserves for 2021-22	16,235.61	16,232.64
<b>Restated balance as on 31-03-2022</b>		<b>73,813.22</b>
Movement in reserves for 2022-23		2,884.72
<b>Closing balance as on 31-03-2023</b>		<b>76,697.94</b>

- > General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.
- > Investment Revaluation Reserve : This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified, if any to retained earnings when those investments are disposed off.
- > Actuarial Gain/Loss Reserve : This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to retained earnings.
- > Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.
- > Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years. This reserves can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013

**Note No. 17A: Financial information of Subsidiary having Non-Controlling interest is given below:**

Name	Country of Incorporation	Non Controlling interest % As on 31-03-2023	Profits allocated to non-controlling interest	Other Comprehensive income allocated to non-allocated interest	Accumulated non-Controlling interest
KCP Vietnam Industries Limited	Socialist Republic Vietnam	33.33%	4,939.33	1,027.02	29,510.10

The summarised financial information of subsidiary is provided below. This information is based on amounts before inter-company eliminations.

**The summarised Statement of Profit and Loss of subsidiary is provided below:-**

Particulars	Year ended 31-03-2023	Year ended 3 1-03-2022
Income	60,327.95	54,298.30
Expenses	45,509.96	38,841.25
Profit before tax	14,817.99	15,457.05
Tax expenses	-	-
Profit for the year	<b>14,817.99</b>	<b>15,457.05</b>
-Attributable to the owners of the company	9,878.66	10,304.70
-Attributable to the non-controlling interest	4,939.33	5,152.35
Other comprehensive Income	<b>3,081.06</b>	<b>2,865.99</b>
-Attributable to the owners of the company	2,054.04	1,910.66
-Attributable to the non-controlling interest	1,027.02	955.33
Total comprehensive Income	<b>17,899.05</b>	<b>18,323.04</b>
-Attributable to the owners of the company	11,932.70	12,215.36
-Attributable to the non-controlling interest	5,966.35	6,107.68

**Summarised Balance Sheet**

Particulars	As on 31-03-2023	As on 31-03-2022
Non-Current Assets	21,610.04	22,764.39
Current Assets	1,02,352.84	66,309.98
Non-Current Liabilities	5,528.52	4,460.16
Current Liabilities	29,904.07	13,982.97
Total Equity	88,530.30	70,631.25
-Attributable to the owners of the company	59,020.20	47,087.50
-Attributable to the non-controlling interest	29,510.10	23,543.75

**Summarised Cash flow Statements for the year ended**

Particulars	FY 2022-23	FY 2021-22
Net cash inflow in operating activities	(16,496.24)	5,394.54
Net cash inflow from investing activities	1,291.73	(1,164.41)
Net cash inflow in financing activities	15,304.93	(4,194.43)
Net decrease in Cash and Cash equivalent	100.42	35.70

**NOTE 17B. NON CONTROLLING INTEREST**

Particulars	As at 31.03.2022	Additions	Deductions	As at 31.03.2023
Share Capital of KCP Vietnam Industries Limited				
101,61,668 Equity shares (101,61,668 shares); - Share capital plus General Reserve held by minority shareholders	6,002.25	336.44		6,338.69
Profit & Loss account	15,379.46	4,939.33		20,318.79
Translation Reserve	2,162.04	690.58		2,852.62
<b>Total</b>	<b>23,543.75</b>	<b>5,966.35</b>	<b>-</b>	<b>29,510.10</b>
Total Dividend declared by KCP VIL	-			
Less: The KCP Ltd- share @ 2/3 rd	-			
Non Controlling Share in Dividends	-			

Note 18. Non current Financial Liabilities- Borrowings	As at 31-03-2023	As at 31-03-2022
<b>Rupee Term Loans from Banks - Secured</b>		
Cement Plant Muktyala Expansion	6,806.22	11,506.42
Corporate Loan (Capex Reimbursement)	1,024.92	1,480.44
Sub Total	<b>7,831.14</b>	<b>12,986.86</b>
<b>Other Loans and advances:</b>		
<b>Deposits (unsecured)</b>		
From Directors	2,145.00	890.03
From Others	3,121.44	4,012.35
Sub Total	<b>5,266.44</b>	<b>4,902.38</b>
<b>Total</b>	<b>13,097.58</b>	<b>17,889.24</b>
<b>The above amount includes</b>		
Secured borrowings	7,831.14	12,986.86
Unsecured borrowings	5,266.44	4,902.38
Amount disclosed under the head		
<b>Current maturities of the borrowings shown under "Current Financial liabilities-Borrowings(Note-23A)"</b>	8,562.25	8,807.25
Details of deposits held by Directors of the company		
a) Smt. V Kavitha Dutt	451.53	101.53
b) Dr. V L Indira Dutt	1,913.50	1,913.50

**Term Loans**

Particulars	Muktyala Cement Expansion	Capex Reimbursement Loan
Lending Bank	State Bank of India	HDFC Bank
Loan Amount Sanctioned (Rs Lakhs)	27563	2278
Loan Amount Availed (Rs Lakhs)	27498	2278
Loan amount outstanding as on 31-03-2022	11506	1480
No of Installments (Quarterly)	32	20
Installments Commencement	Dec,2018	July,2021
Rate of Interest	6M MCLR plus 0.65%	Repo Rate plus 3.00%
Installment Amount (Rs Lakhs)	1175	113.88
Security	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	Exclusive Charge on Commercial Building at Hyderabad.

Note : Initial Loan Processing Charges by State Bank of India are being amortised over the period of the loan. Net amount outstanding at the end of the year to be amortised was Rs. 4.03 lakhs. (Previous Year Rs.8.25 lakhs)

(Rs. In Lakhs)

Carrying value of assets Pledged for Term Loan

Particulars	Muktyala Plant Fixed Assets (including Expansion Assets)	
	31-03-2023	31-03-2022
Plant & Machinery	45,543	48,649
Lands & Buildings	8,610	8,784
Furniture & fixtures	116	127
<b>Total</b>	<b>54,269</b>	<b>57,560</b>

Cash Credit

Particulars	Muktyala		Macherla		CPP	Engineering Unit	
	Bank of Baroda	Canara Bank	Bank of Baroda	HDFC Bank		Canara Bank	AXIS Bank
Lending Bank	17	(190)	25	522	12	2328	393
Outstanding Amount as on 31.03.2023	0.80% over 1 Yr MCLR plus SP	1 Yr MCLR plus 1.50%	0.80% over 1 Yr MCLR plus SP	6.88%	1 Yr MCLR plus 1.50%	1 Yr MCLR plus 1.50%	3M MCLR plus 0.10%
Rate of Interest on 31.03.2023	Paripassu First Charge on Current Assets of Muktyala Cement Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit		Paripassu First Charge on Current Assets of Captive Powere Plant	Paripassu First Charge on Current Assets of Engineering Unit	

Working Capital Demand Loan - Secured (Carved Out of Cash Credit)

Particulars	Engineering Unit		Muktyala
	Canara Bank - Secured	AXIS Bank - Secured	
Lending Bank	Canara Bank - Secured	AXIS Bank - Secured	HDFC - Secured
Outstanding Amount as on 31.03.2022	0	600	1581
Rate of Interest on 31.03.2022	3M MCLR	3M MCLR	8.00%
Security	Paripassu First Charge on Current Assets of Engineering Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit

Additional Information:

- The Company is not declared wilful defaulter by any bank.



Note 19. Non current- Trade payables	As at 31-03-2023	As at 31-03-2022
Due to Micro and Small Enterprises	-	-
Due to Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note 20. Non current- Other Financial Liabilities	As at 31-03-2023	As at 31-03-2022
Science & Technology development fund	5,528.52	4,460.16
Deposits Payable-Contractors	382.90	342.40
Interest accrued but not due	78.22	90.75
Outstanding Liabilities for Expenses	1,620.98	1,088.78
<b>Total</b>	<b>7,610.63</b>	<b>5,982.08</b>

Note 21. Non current - Provisions	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	-	-
Provision for leave benefits	1,080.23	1,030.75
Provision for Decommissioning expenses	365.09	345.07
<b>Total</b>	<b>1,445.32</b>	<b>1,375.83</b>

Note 22. Deferred Tax Liability (Net)	As at 31-03-2023	As at 31-03-2022
<b>Deferred Tax Liability</b>		
Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	14,305.56	14,414.88
Discounting of legal cases	24.61	24.67
<b>Gross Deferred Tax Liability</b>	<b>14,330.25</b>	<b>14,439.55</b>
<b>Deferred Tax Asset</b>		
MAT Credit	4,117.97	4,575.09
Expected Credit loss	5.63	3.13
Discounting of trade receivables	804.66	762.13
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	20.12	22.06
Unabsorbed Losses	982.48	-
Provision for decommissioning cost	127.58	120.58
Onerous Contracts	3.51	50.04
Others	88.61	90.66
<b>Gross Deferred tax asset</b>	<b>6,150.56</b>	<b>5,623.68</b>
<b>Net Deferred Tax Liability</b>	<b>8,179.69</b>	<b>8,815.87</b>

Rs in Lakhs

Note.23 Current Financial Liabilities- Borrowings	As at 31-03-2023	As at 31-03-2022
Cash credit from Banks		
: Secured	5,287.38	2,419.49
: Unsecured	18,130.07	11,801.43
Short term borrowings from banks - secured	7,523.53	-
Current maturities of long term borrowings [Refer Note 23A]	8,562.25	8,807.25
Loan Repayable on Demand (Unsecured)	-	-
:from Directors	1,800.00	1,845.00
Inter-corporate deposit repayable on demand	1,120.00	670.00
<b>Total</b>	<b>42,423.23</b>	<b>25,543.17</b>
<b>The above amount includes</b>		
Secured borrowings	17,966.43	7,575.01
Unsecured borrowings	24,456.80	17,968.16

Note 23A Current maturities of long term borrowings	As at 31-03-2023	As at 31-03-2022
<b>Rupee Term Loans from Banks - Secured</b>		
Cement plant Muktyala expansion	4,700.00	4,700.00
Corporate loan (Capex reimbursement)	455.52	455.52
<b>Sub Total</b>	<b>5,155.52</b>	<b>5,155.52</b>
<b>Other Loans and advances:</b>		
<b>Public Deposits (unsecured)</b>		
From Directors	220.03	1,125.00
From Others	3,186.70	2,526.73
<b>Sub Total</b>	<b>3,406.73</b>	<b>3,651.73</b>
<b>Total</b>	<b>8,562.25</b>	<b>8,807.25</b>

Note.24 Current Financial liabilities- Trade payables	As at 31-03-2023	As at 31-03-2022
<b>Trade payables</b>		
Due to Micro and Small Enterprises	252.60	245.00
Due to Others	10,979.74	10,001.72
<b>Total</b>	<b>11,232.34</b>	<b>10,246.72</b>

**Current Trade Payables Ageing Schedule:  
F.Y 2022-23**

Particulars	Outstanding for following periods from due date payment					
	Not Due	Less than 1 Years	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) MSME	252.19	0.34	0.07	-	-	<b>252.60</b>
(ii) Others	2,978.29	7,621.04	152.19	32.69	172.34	<b>10,956.55</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>3,230.48</b>	<b>7,621.38</b>	<b>152.26</b>	<b>32.69</b>	<b>172.34</b>	<b>11,209.15</b>
Add: To be billed						<b>23.19</b>
Less: Provison for expected credit loss						-
<b>Total</b>						<b>11,232.34</b>

**F.Y 2021-22**

Particulars	Outstanding for following periods from due date payment					
	Not Due	Less than 1 Years	1 Year - 2 Years	2 Year - 3Years	More than 3 Years	Total
(i) MSME	238.48	6.52	-	-	-	<b>245.00</b>
(ii) Others	5,754.52	3,972.24	42.79	145.57	66.62	<b>9,981.75</b>
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Total</b>	<b>5,993.00</b>	<b>3,978.76</b>	<b>42.79</b>	<b>145.57</b>	<b>66.62</b>	<b>10,226.74</b>
Add: To be billed						<b>19.98</b>
Less: Provison for expected credit loss						-
<b>Total</b>						<b>10,246.72</b>

Rs in Lakhs

Note 25. Current- Other Financial Liabilities	As at 31-03-2023	As at 31-03-2022
Interest Accrued but not due on borrowings	144.37	162.31
Interest Accrued and due on borrowings	38.06	181.79
Advance from customers	8,046.41	9,610.59
Advances from Others	-	50.02
Unpaid Dividend	213.26	229.28
Accrued Salaries and Benefits	831.76	1,494.73
Directors Remuneration Payable	-	918.16
Trade deposits	8,660.00	7,674.23
Project related payables	0.44	51.61
Outstanding Financial Liabilities	1,787.40	968.05
Outstanding Liabilities for Others	1,198.55	1,112.35
<b>Total</b>	<b>20,920.24</b>	<b>22,453.11</b>

Note 26. Other Current Liabilities	As at 31-03-2023	As at 31-03-2022
Statutory Dues	3,895.14	3,589.96
<b>Total</b>	<b>3,895.14</b>	<b>3,589.96</b>

Note 27. Current- Provisions	As at 31-03-2023	As at 31-03-2022
Provision for gratuity	277.89	307.97
Provision for leave benefits	466.37	456.27
<b>Total</b>	<b>744.26</b>	<b>764.23</b>

Note 28. Revenue from operations	FY 2022-23	FY 2021-22
<b>Revenue from operations</b>		
Sale of products	2,19,933.10	2,08,220.73
Sale of services	4,687.24	2,075.76
	<b>2,24,620.34</b>	<b>2,10,296.49</b>
<b>Other operating revenue</b>		
Scrap sales	460.71	296.20
Sale of Raw material	-	16.21
Packing & Forwarding	1.50	1.13
Duty Drawback	21.70	6.55
Interest Income on		
- Bank deposits	74.39	64.21
- Others	144.54	60.07
Amortisation of govt. grant (VAT Incentive)	1.99	1.99
Insurance Claims Received	39.79	84.43
<b>Revenue from operations (Gross)</b>	<b>2,25,364.97</b>	<b>2,10,827.28</b>

**Disaggregation of revenue information as per INDAS 115**

Particulars	FY 2022-23	FY 2021-22
Revenue from Sale of cement	1,52,431.62	1,48,524.58
Revenue from Sale of sugar	57,972.79	52,176.36
Revenue from Sale of Engineering equipments	9,528.69	7,519.79
Revenue from Engineering Job works	1,840.98	717.18
Revenue from Hospitality services	2,846.26	1,358.58
<b>Total</b>	<b>2,24,620.34</b>	<b>2,10,296.49</b>

**Revenue from Contract with Customer as per disclosure requirements under para 126AA of INDAS-115:**

Particulars	FY 2022-23	FY 2021-22
Revenue from contracts with customers (excl GST)	2,49,463.77	2,46,540.03
Less:		
Discounts	24,737.42	35,580.72
Selling Agent commission	106.01	345.19
Sales Promotion	-	317.64
<b>Gross sales as per Profit and loss account</b>	<b>2,24,620.34</b>	<b>2,10,296.49</b>

**Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works**

Particulars	31.03.2023	31.03.2022
Opening balance of Trade Receivables	3,454.66	3,759.93
Opening balance of Contract assets	1,171.31	456.45
Opening balance of Contract liabilities	2,617.32	1,178.47
Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period	1,754.85	736.49
Revenue recognized in the reporting period from performance obligations satisfied in the previous period	-	-
Closing balance of receivables	4,132.20	3,454.66
Closing balance of contract assets	1,253.90	1,171.31
Closing balance of contract liabilities	1,846.66	2,617.32

Note 29. Other Income	FY 2022-22	FY 2021-21
Interest Income on Investments	3,168.20	2,812.43
Dividend income on Long-term investments	0.87	0.75
Net gain on sale of Assets	79.66	23.29
Scrap Sales	75.88	144.84
<b>Other non-operating income</b>	<b>518.71</b>	<b>868.82</b>
<b>Total</b>	<b>3,843.33</b>	<b>3,850.12</b>

Rs in Lakhs

Note 30. Cost of raw material and components consumed	FY 2022-23	FY 2021-22
Inventory at the beginning of the year	1,111.87	580.49
Add: Purchases	13,915.63	12,404.56
Add: Cost of raw materials produced	67,384.84	51,471.24
	<b>82,412.34</b>	<b>64,456.30</b>
Less: Inventory at the end of the year	1,703.53	1,111.87
<b>Cost of raw material and components consumed</b>	<b>80,708.81</b>	<b>63,344.43</b>

Details of raw material and components consumed	FY 2022-23	FY 2021-22
i) Cement Unit		
Limestone	18,226.55	19,064.96
Laterite	1,863.12	1,510.39
Fly Ash	3,964.91	2,748.04
Gypsum	3,057.03	3,286.87
Others	1,494.05	183.71
<b>Sub Total</b>	<b>28,605.66</b>	<b>26,793.97</b>
ii) Sugar Cane	48,912.27	32,413.66
iii) Engineering Unit		
Iron and Steel,Nickel,Scrap and Equipments	2,905.18	3,975.21
iv) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	13.65	19.35
v) Hotel		
Provisions	272.05	142.24
<b>Total</b>	<b>80,708.81</b>	<b>63,344.43</b>

Details of Inventory	FY 2022-23	FY 2021-22
<b>Raw materials and components</b>		
Limestone	589.53	319.13
Laterite	160.96	165.33
Fly Ash	18.53	32.00
Gypsum	688.67	517.36
Others	233.11	42.52
Iron and Steel,Nickel,Scrap and Equipments - In Transit	9.12	33.71
<b>Others</b>	3.61	1.83
<b>Total</b>	<b>1,703.53</b>	<b>1,111.87</b>

Note 31. (Increase)/decrease in inventories	FY 2022-23	FY 2021-22
<b>Inventories at the end of the year</b>		
Work in progress	7,224.53	8,556.24
Finished goods	30,408.76	16,730.36
<b>Sub Total</b>	<b>37,633.30</b>	<b>25,286.59</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	8,556.24	5,279.11
Finished goods	16,730.36	12,569.67
<b>Sub Total</b>	<b>25,286.59</b>	<b>17,848.78</b>
<b>Increase/ (Decrease)</b>	<b>(12,346.70)</b>	<b>(7,437.82)</b>

Note 32. Employee benefit expenses	FY 2022-23	FY 2021-22
Salaries, Wages and bonus	9,587.11	10,198.45
Contribution to Provident and other funds	910.14	801.37
Gratuity expenses	149.11	509.92
Staff welfare expenses	1,082.96	997.84
<b>Total</b>	<b>11,729.32</b>	<b>12,507.58</b>

\* Employee Benefit Expense for the year 2021-22 includes an amount of Rs.382.54 Lakhs being the past service cost arising out of restructuring of Salary in accordance with The New Wage Code.

Note 33. Finance Costs	FY 2022-23	FY 2021-22
Interest	3,691.46	3,211.69
Other Borrowing costs	77.66	89.56
Unwinding of Finance Cost	33.56	83.48
<b>Total</b>	<b>3,802.68</b>	<b>3,384.73</b>

Note 33A. Depreciation and amortization expense	FY 2022-23	FY 2021-22
Depreciation of tangible assets	8,944.07	8,657.83
Amortization of intangible assets	47.06	48.34
<b>Total</b>	<b>8,991.13</b>	<b>8,706.17</b>

Note 34. Other expenses	FY 2022-23	FY 2021-22
Consumption of stores and spares	9,412.93	9,315.79
Consumption of loose tools	305.69	210.72
Sub-contracting expenses	2,617.69	2,139.07
Insurance	388.05	376.13
Rent	164.32	140.32
Rates and taxes	735.48	607.03
Repairs & Maintenance :		
Plant&Machinery	1,774.73	1,506.46
Buildings	454.51	387.11
Other Assets	445.97	314.84
Wheeling/Banking Charges	198.99	248.72
Advertising and sales promotion	611.05	674.98
Sales commission	291.51	28.65
Research & Development	1,152.15	1,477.34
Travelling and conveyance	373.11	213.76
Communication costs	100.88	86.96
Printing & Stationery	81.91	64.25
Donations	3.67	76.00
Corporate Social Responsibility	196.95	127.67
Professional, Consultancy and Legal fees	789.93	763.33
Directors' sitting fees	24.00	25.46
Payment to auditors (Refer details below)	54.96	44.49
Exchange Difference - Net Loss /(Gain)	1.80	-
Bad debts/advances written off	6.44	63.28
Bank Charges	88.60	73.73
Assets Written Off	94.64	72.00
Performance and Delivery Guarantee Claims	202.83	391.13
Provision for doubtful debts and advances	-	5.10
Expected Credit Loss	7.14	-
Security Charges	577.44	497.05
Miscellaneous expenses	1,310.00	1,105.67
<b>Total</b>	<b>22,467.37</b>	<b>21,037.05</b>



Payment to Auditors	FY 2022-23	FY 2021-22
<b>As Auditor:</b>		
Audit Fee	30.68	23.69
Certification & Other fees	9.63	9.47
Fees for Cost Auditor	11.70	10.20
Reimbursement of expenses	2.96	1.14
<b>Total</b>	<b>54.96</b>	<b>44.49</b>

### Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2023

Income tax expense:-	FY 2022-23	FY 2021-22
Current tax	0	5050
Deferred tax	(1,011.24)	16.53
MAT credit Utilised/ (Entitlement)	457.11	-
Short / (Excess) provision of Income Tax/MAT	(13.07)	211.30
<b>Total tax expense for the year</b>	<b>(567.19)</b>	<b>5,277.83</b>

### Reconciliation of effective tax rate:

Tax on the company's profit before tax differs from the theoretical amount that would arise on using the enacted rate of corporate tax in India (34.94%) as follows:

Particulars	FY 2022-23	FY 2021-22
(a) Net Profit / (Loss) before taxes	8,408.54	29,192.29
(b) Corporate Tax as per Income Tax Act, 1961	0.35	0.35
(c) Tax on Accounting Profit (c) = (a)*(b)	2,938.28	10,200.95
(d) Increase/Decrease in tax expense on account of:-		
i) Non taxable income/Exempt income	(5,178.00)	(5,401.31)
ii) Reduction in Depreciation/ (Accelerated Depreciation)	237.88	80.74
iii) Expenses not allowed under Income Tax	23.56	113.12
iv) Expenses that are allowed under payment basis	(10.82)	12.66
v) Expected Credit Loss as per Ind AS	2.66	-
vi) Amortisation of Government Grant as per Ind AS	(0.70)	(0.70)
vii) Finance Cost as per Ind AS	14.71	24.00
viii) Stripping Cost Capitalised as per Ind AS	(149.68)	(109.32)
ix) Deduction under Sec 80-IA	-	(223.33)
x) Deduction under Sec 80M	-	(450.50)
xi) Foreign dividend taxable at special rates	-	(781.49)

Rs in Lakhs

Particulars	FY 2022-23	FY 2021-22
xii) Carry forward of unabsorbed depreciation	982.48	-
xiii) Difference due to elimination of dividend received from Group Companies	1,149.19	1,562.97
(xiii) Adjustment for current tax of previous periods	(13.07)	211.30
(xiv) Reduction in MAT Credit Entitlement	457.11	-
(xiv) Other adjustments	(9.58)	22.20
<b>Tax Expense recognised in Statement of P &amp; L</b>	<b>444.05</b>	<b>5,261.30</b>
Tax as per Normal Provision under Income Tax	444.05	5,261.30
Tax rate applicable to the company as per MAT Provisions	0.17	0.17
MAT Tax expense on Net Profits	1,469.14	5,100.48
Increase/Decrease in tax expense on account of:-		
i) Items that will not be reclassified to Profit & Loss	(41.03)	18.23
ii) Exempt Income u/s 10(34)	-	-
iii) 1/5th of transition amount u/s 115JB(2C)	-	(34.71)
iv) Expected Credit Loss	-	-
v) Expenses that are not allowed as per Section 115JB	(23.26)	20.99
Other adjustments	(0.08)	41.20
vi) Non taxable income/Exempt income of subsidiaries	(2,589.00)	(2,700.66)
vii) Difference due to elimination of dividend received from Group Companies	574.60	781.49
viii) Book loss under MAT provisions	609.63	-
MAT tax provision under 115JB (g+h)	0.00	3,227.02
Mat credit entitlement utilised during the year	0.00	1,822.98

**Deferred Taxes**

Particulars	FY 2022-23	FY 2021-22
<b>As on reporting date</b>		
Deferred tax arising due to		
<b>a) On OCI component</b>		
-Actuarial Gain/Loss	(82.05)	36.46
<b>b) Other than OCI component</b>		
-Difference in W.D.V of Property Plant & Equipment	(109.31)	31.42
-Impact of expenditure allowed under Income tax on payment basis	39.52	40.92
-Discounting of trade receivables	1.93	2.89
-Provision for Loss allowance	(2.49)	0.64
-Discounting of Legal cases	0.02	(8.11)
-Provision for Decommissioning cost	(6.99)	(26.85)
-Unabsorbed depreciation and business losses	(982.48)	-
-Other disallowances	48.57	(24.38)

Particulars	FY 2022-23	FY 2021-22
<b>c) Total for the year</b>	<b>(1,093.29)</b>	<b>52.99</b>
<b>Expense/(income) recognised for the year ended:</b>		
Deferred tax liability/(asset) recognised in statement of profit and loss	(1,011.24)	16.53
Deferred tax recognised in other comprehensive income	(82.05)	36.46
Deferred tax recognised in Total comprehensive income	<b>(1,093.29)</b>	<b>52.99</b>

**Details of Deferred tax liability/ (asset) arised during FY 2022-23:-**

No.	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporary Timing difference arised in relation to Fixed Assets					
	- Depreciation charged as per income tax act and Companies Act	14,414.88	(109.31)	-	-	14,305.56
	- Decommissioning Cost- Mines	-	-	-	-	-
2)	Bank Processing Charges					
	- Amortization	-	-	-	-	-
3)	Discounting of Legal Cases	24.67	0.02	-	-	24.69
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(762.13)	(124.59)	82.05	-	(804.66)
5)	Provision for Doubtful debts	(22.06)	1.93	-	-	(20.12)
6)	Deferred Tax Asset on Expected credit loss	(3.13)	(2.49)	-	-	(5.63)
7)	Provision for Decommissioning Cost	(120.58)	(6.99)	-	-	(127.58)
8)	MAT Credit	(4,575.09)	-	-	457.11	(4,117.97)
9)	Unabsorbed Losses	-	(982.48)	-	-	(982.48)
10)	Onerous Contract	(50.04)	46.52	-	-	(3.51)
11)	Others	(90.66)	2.05	-	-	(88.61)
	<b>Total</b>	<b>8,815.87</b>	<b>(1,175.35)</b>	<b>82.05</b>	<b>457.11</b>	<b>8,179.69</b>

Rs in Lakhs

Note 36. Other Comprehensive Income- OCI	FY 2022-23	FY 2021-22
Foreign translation reserve changes	3,081.06	2,795.01
Remeasurement of Defined Benefit Plan Loss/Gain		
Gratuity	(102.36)	219.95
Leave Encashment	(132.46)	(115.61)
Increase/Decrease in Fair Value of Investments	(0.45)	2.00
Deferred Tax Liability on above items	82.05	(36.46)
Share of OCI from Joint venture	(31.07)	(6.55)
<b>Sub-Total</b>	<b>2,896.78</b>	<b>2,858.33</b>
Less: Non controlling Interest share in OCI(Refer Note 17A)	1,027.02	955.33
<b>Total</b>	<b>1,869.76</b>	<b>1,903.00</b>

## Statement of additions, write off and payments closing as per IND AS 37 Para 84

S.No	Provisions	Leave Benefits	Gratuity	Income Tax	Decommissioning
1	<b>Balance as at 1st April, 2022</b>	<b>1,487.02</b>	<b>307.97</b>	<b>5,556.93</b>	<b>345.07</b>
2	Provision recognised during the year	-	-	-	-
	- In Statement of Profit & Loss	257.50	149.17	-	20.02
	- In Statement of Other Comprehensive Income	132.46	102.36	-	-
3	Amounts incurred and charged against the provision	(330.38)	(281.61)	(506.61)	-
4	<b>Balance as at 31st March, 2023</b>	<b>1,546.60</b>	<b>277.89</b>	<b>5,050.32</b>	<b>365.09</b>

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2020-21 for terala mines, 2034-35 for macherla mines and 2019-20 for terala mining lands.

Note 37. Contingent Liabilities	As at 31-03-2023	As at 31-03-2022
<b>A. Claims against the company not acknowledged as debt</b>		
Statutory Levies	6,484.89	6,527.00
Contractual Levies	30.47	30.47
Others	462.44	430.93
<b>B. Guarantees issued by the Bankers on behalf of the Company</b>		
Against Advances Received	4,069.22	1,793.04
Towards Performance Guarantees	3,241.36	4,118.79

Note 38. Commitments	As at 31-03-2023	As at 31-03-2022
A. Estimated amount of contracts remaining to be executed on capital account and not provided for	49.09	11.41
B. Other commitments - Sale contracts	10,078.38	17,385.38
- Export Obligation under EPCG Scheme	179.78	179.78

Note 39. Value Of Imports On CIF Basis	FY 2022-23	FY 2021-22
a) Raw Materials and Stock-in-Trade	-	-
b) Components, Spares parts, Consumables & Coal	1,904.05	3,720.62
c) Tools	0.70	0.61
d) Capital goods	6.91	-
	<b>3,721.23</b>	<b>5,979.63</b>

Note 40. Revenue Expenditure Capitalised During The Year	FY 2022-23	FY 2021-22
a) Opening unallocated capital expenditure	-	152.01
<b>Add:</b>		
Salaries,wages, Bonus, PF & FPS	-	20.30
Contribution to provident fund and Family Pension Scheme	-	1.87
Staff welfare Expenses	-	2.91
Stores and Spares Consumed	-	8.53
Power	-	24.21
Insurance	-	0.13
Repairs to Building	-	9.21
Repairs to Machinery	-	0.34
Repairs to Other Assets	-	1.34
Gratuity Expenses	-	0.74
Professional Fees	-	54.29
Travelling Expenses	-	1.26
Security Charges	-	14.16
Rates & taxes	-	2.21
Depreciation	-	1.67
Miscellaneous expenses	-	10.15
	-	<b>305.31</b>
<b>Less:</b>		
Miscellaneous Income	-	0.72
	-	<b>304.59</b>
<b>Less:</b>		
Capitalised/Allocated to fixed assets	-	304.59
Written off during the year	-	-
Closing unallocated Capital Expenditure	-	-

Rs in Lakhs

Note 41. Revenue from Operations	For FY 2022-23	For FY 2021-22
	Rs.	Rs.
Finished goods sold		
Cement	1,52,341.95	1,48,387.85
Heavy Engineering products	9,528.69	7,526.34
Sugar	57,972.79	52,176.36
Service Receipts	4,687.24	2,075.76
Others	834.30	660.97
<b>Total</b>	<b>2,25,364.97</b>	<b>2,10,827.28</b>

Note 42. Earnings Per Share (EPS)	As at March 31, 2023	As at 31st March 2022
i) Profit / (Loss) after Non controlling interest from continuing operations	4,173.93	18,811.06
i) Profit / (Loss) after Non controlling interest from discontinued operations	-	-
Total Profit / (Loss) after Non controlling interest	4,173.93	18,811.06
ii) Net Profit attributable to Equity Shareholders	4,173.93	18,811.06
iii) Weighted Average number of equity shares used as denominator for calculating EPS	12,89,21,160	12,89,21,160
Earnings per share (for Continuing Operations) Basic and diluted	3.24	14.59
Earnings per share (for Discontinued Operations) Basic and diluted	-	-
Total Earnings per share - Rs.	3.24	14.59
Nominal value per each Equity share - Rs.	1.00	1.00

Note 43. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of the year	1,912.71	1,487.01	1,695.63	1,384.17
Interest cost	133.04	96.68	109.63	86.38
Current service cost	136.95	160.82	124.29	143.34
Past service cost	-	-	382.54	-
Benefits paid	(185.56)	(328.96)	(185.72)	(242.48)
Actuarial loss/(gain) on obligation	116.70	132.45	(213.67)	115.62
Present value of obligations as at end of the year	<b>2,113.84</b>	<b>1,548.00</b>	<b>1,912.70</b>	<b>1,487.03</b>

Note 43. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
<b>b) Reconciliation for fair value of plan assets</b>				
Fair Value Of Plan Assets At The Beginning Of The Year	1,604.71	-	1,597.67	-
Expected Return On Plan Assets	120.81		105.69	
Contributions	281.61	328.96	80.80	242.48
Benefits Paid	(185.56)	(328.96)	(185.72)	(242.48)
Actuarial Gain On Plan Assets	14.34		6.27	
Fair Value Of Plan Assets At The End Of The Year	<b>1,835.91</b>	-	<b>1,604.71</b>	-
<b>c) Net Liability recognised in the Balance Sheet</b>				
Present value of obligations as at the end of the year	2,113.84	1,548.00	1,912.70	1,487.03
Fair value of plan Assets as at the end of the year	1,835.91	-	1,604.71	-
Amount determined under para 63 of IND AS 19	<b>277.93</b>	<b>1,548.00</b>	<b>307.99</b>	<b>1,487.03</b>
Net defined benefit liability recognised in the Balance sheet	277.93	1,548.00	307.99	1,487.03
Present value of future reduction in contribution under para 65 of IND AS 19	-	-	-	-
Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
<b>d) Expenses recognised in statement of Profit &amp; Loss</b>				
Current service cost	136.95	160.82	124.29	143.34
Net interest on net Defined benefit obligations	12.23	-	3.94	-
Interest cost	-	96.68	-	86.38
Net actuarial (gain)/loss recognised in the year	-	-	-	-
Past service Cost	-		382.54	
Expense to be recognised in the Profit & Loss a/c	<b>149.18</b>	<b>257.50</b>	<b>510.77</b>	<b>229.72</b>
<b>e) Amount recognised in the statement of OCI</b>				
Actuarial (gain)/loss on Plan obligation	116.70	132.45	(213.67)	115.62
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(14.34)	-	(6.27)	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	<b>102.36</b>	<b>132.45</b>	<b>(219.94)</b>	<b>115.62</b>

Rs in Lakhs

Note 43. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
<b>f) Actuarial Assumptions</b>				
Assumptions as at 31 March, 2023				
Discount rate	7.50%	7.50%	7.31%	7.31%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	7.50%	7.50%	7.31%	0.00%
Mortality	<b>IALM (2012-14)</b>		<b>IALM (2012-14)</b>	
g) Date of Valuation	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
h) Average Duration of Defined Benefit Obligation (in Yrs)	5.63	5.13	5.88	5.11

**i) Sensitivity Analysis**

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Sensitivity Analysis- Gratuity	FY 2022-23		FY 2021-22	
	Defined Benefit Obligation [DBO]	Percentage Change	Defined Benefit Obligation [DBO]	Percentage Change
Under Base Scenario- Defined Benefit Obligation	2,113.82	0.00%	1,912.70	0.00%
Salary Escalation- up by 1%	2,231.44	5.56%	2,023.98	5.80%
Salary Escalation- down by 1%	2,006.33	(5.08%)	1,811.19	(5.30%)
Withdrawal rates- up by 1%	2,120.15	0.30%	1,917.17	0.30%
Withdrawal rates- down by 1%	2,106.75	(0.33%)	1,906.82	(0.30%)
Discount rates- up by 1%	2,021.94	(4.35%)	1,825.00	(4.60%)
Discount rates- down by 1%	2,216.34	4.85%	2,010.68	5.10%



Sensitivity Analysis- Leave Benefits	FY 2022-23		FY 2021-22	
	Defined Benefit Obligation [DBO]	Percentage Change	Defined Benefit Obligation [DBO]	Percentage Change
Under Base Scenario- Defined Benefit Obligation	1,548.01	0.00%	1,487.02	0.00%
Salary Escalation- up by 1%	1,608.66	3.90%	1,545.50	3.90%
Salary Escalation- down by 1%	1,490.84	(3.70%)	1,431.90	(3.70%)
Withdrawal rates- up by 1%	1,550.64	0.20%	1,489.22	0.10%
Withdrawal rates- down by 1%	1,545.19	(0.20%)	1,484.66	(0.20%)
Discount rates- up by 1%	1,501.59	(3.00%)	1,442.10	(3.00%)
Discount rates- down by 1%	1,598.24	3.20%	1,535.64	3.30%

The sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date

Expected Cash flows for following years:	FY 2022-23		FY 2021-22	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
Year 1	593.02	467.78	500.96	456.27
Year 2	201.88	256.01	191.05	257.28
Year 3	220.31	231.39	181.07	202.07
Year 4	178.03	248.55	193.48	182.40
Year 5	176.60	146.24	225.64	196.42
Year 6	314.67	126.94	158.63	115.15
Year 7	156.73	108.34	157.35	99.30
Year 8	114.66	87.71	246.70	94.01
Year 9	120.61	74.76	139.52	70.29
Year 10	997.35	60.30	101.16	57.91

**Note 44. Particulars disclosed pursuant to "IND AS-24 Related Party Disclosures" :-**

(as per separate annexure-I enclosed)

**Note 45. Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act 2013, the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition, promoting education, Art and Culture, Health care, destitute care and rehabilitation and Rural development projects.

Rs in Lakhs

Particulars		For FY 2022-23	For FY 2021-22
(i)	Amount required to be spent by the company during the year	108.75	72.90
(ii)	Amount of expenditure incurred	196.95	127.67
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	-	-
(vi)	Nature of CSR activities	Education, Health Care, Women Empowerment and Rural Development	
(vii)	Details of related party transactions - Contribution to a trust controlled by the company in relation to CSR expenditure		
	V Ramakrishna Charitable Trust	31.59	68.36
	Kids Academy of General and Technical Education, Macherla	-	13.52
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NIL	NIL

**Note 46. Provision for Onerous Contracts as per IND AS-37**

As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision for an amount of Rs.10.05 lakhs (Previous Year : Rs.143.19 lakhs)

**Note 47. Particulars disclosed pursuant to IND AS 108 “ Segment Reporting” are given in Annexure II.****Note 48. Movement in Translation Reserve**

Particulars	Majority	Minority	Total
	Rs.	Rs.	Rs.
Opening Balance (Cr)	4,112.54	2,162.04	6,274.58
<b>Movement due to Non Monetary items-</b>			
Capital, Reserves, opening Stock etc.	1,381.15	690.58	2,071.73
Exchange Difference on Dividend Received	-	-	-
Closing balance(Cr)	<b>5,493.70</b>	<b>2,852.61</b>	<b>8,346.31</b>

**Note 49. Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation :**

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of Total comprehensive income	Amount Rs.
<b>Parent</b>								
The KCP Limited	56%	68,365.14	(61%)	(2,553.58)	(8%)	(153.21)	(45%)	(2,706.79)
<b>Subsidiary</b>								
<b>Foreign</b>								
KCP Vietnam Industries Limited	72%	88,530.30	355%	14,817.99	165%	3,081.06	296%	17,899.05
Non Controlling Interest in all Subsidiaries	(24%)	(29,510.10)	(118%)	(4,939.33)	(55%)	(1,027.02)	(99%)	(5,966.35)
<b>Joint Venture (Investment as per Equity Method)</b>								
<b>Indian</b>								
Fives Cail KCP Limited	0.58%	709.55	3%	137.52	(2%)	(31.07)	2%	106.46
<b>Less : Elimination on Consolidation</b>								
Dividend received from Subsidiary & Joint Venture		3,312.34	(79%)	3,312.34			(55%)	3,312.34
Difference in Foreign Exchange Investment in Foreign Subsidiary	-	23.66		23.66	0%	-	0.39%	23.66
	(2%)	(2,371.44)						
<b>Total</b>	<b>103%</b>	<b>1,22,434.78</b>	<b>99%</b>	<b>4,173.93</b>	<b>100%</b>	<b>1,869.76</b>	<b>100%</b>	<b>6,043.69</b>

**Note 50. Proposed Dividends**

In respect of the year ended March 31, 2023 the Directors proposed a dividend of Re. 0.10 Paise per share on equity share of Re.1/- each. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.128.92 lakhs.

**Note 51. Details on Statements of Current Assets submitted to the Banks:**

"The Company has to submit the monthly statements on stock and debtors' positions to the bankers. During the current year in one of the segments of the Company, i) Debtors balance which were submitted to the bank in 2nd quarter are lower than the balance as per books of accounts by Rs.189.04 lakhs; ii) With respect to creditors balances the details submitted to bank are higher to an extent of Rs.27.04 lakhs, Rs.39.9 lakhs, Rs.38.29 lakhs, Rs.50.54 lakhs in Q1, Q2, Q3 and Q4 respectively. These variations are due to the adjustments considered in the books post submitting the statements to the bankers."

**Note 52. Financial Instruments- Fair value and risk management**

(Seperately given in the annexure-III)

**Note 53. General:**

Figures in brackets indicate those for the previous year.

Figures for the previous year have been regrouped, wherever necessary.

(FOR AND ON BEHALF OF THE BOARD)

**Dr. V.L. INDIRA DUTT**  
Chairperson & Managing Director  
DIN: 00139883

**V. KAVITHA DUTT**  
Joint Managing Director  
DIN: 00139274

**ANIS TYEBALI HYDERI**  
Chief Financial Officer

**Y VIJAYAKUMAR**  
Company Secretary  
ACS: 16353

As per our report annexed

**for K.S.RAO & CO**  
Chartered Accountants  
Firm Regn No. 003109S

**P GOVARDHANA REDDY**  
Partner  
ICAI Mem No: 029193

Place: Chennai  
Date : May 24, 2023

## Annexure - I To Consolidated Notes- Related Party Disclosure

<b>A. List of Related parties:</b>	
Subsidiary Company Joint Venture Company <b>Key Management Personnel</b>	KCP Vietnam Industries Limited Fives Cail KCP Limited Dr. V.L. Indira Dutt - Chairperson & Managing Director Smt. V Kavitha Dutt - Joint Managing Director Shri K.B Pranesh - Managing Director - Fives Cail KCP Ltd Sri. G.N. Murty - Chief Financial Officer (upto 31.01.2023) Sri. Anis Teybali Hyderi - Chief Financial Officer (from 01.02.2023) Sri. Y. Vijayakumar - Company Secretary
Other Related Personnel	Sri V.H. Ramakrishnan- Independent Director Sri P.S Kumar- Independent Director Sri Vijay Sankar- Independent Director Sri Narasimhappa Muttuluri- Independent Director Smt. Janaki Pillai - Independent Director Sri V. Chandra Kumar Prasad - Non-Executive Non-Independent Director Dr. Subbarao Vallabhaneni - Non-Executive Non-Independent Director Sri. Ravi Chitturi - Non-Executive Non-Independent Director
Relatives of Key Management Personnel (KMP)	Late Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister  Dr. V.L. Indira Dutt - Sri V.Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V.Rama Kumari - Sister Dr Subbarao Vallabhaneni - Brother-in-law Smt. V. Kavitha Dutt - Kum.Shivani Dutt Chitturi - Daughter Sri Ravi Chitturi - Husband

Companies/Trusts/Societies controlled by  
Key management Personnel

Sri G.N. Murty  
Smt. Nagamani - Wife

Sri Anis Teybali Hyderi  
Smt. Fatema Anis Hyderi - Wife

Sri Y. Vijayakumar  
Smt. Y. Kavitha - Wife

**Dr. V. L . Indira Dutt -**

V Ramakrishna Sons Pvt. Ltd. - Director  
V.R.K. Grandsons Insvestments Pvt. Ltd. - Member  
KCP Technologies Limited - Director  
Fives Cail KCP Limited - Director  
Sri V Ramakrishna Higer Secondary School -  
Trustee  
Kids Academy of General and Technical Education,  
Macherla - Trustee

**Smt. V Kavitha Dutt -**

V Ramakrishna Sons Pvt. Ltd. - Director  
V.R.K. Grandsons Insvestments Pvt. Ltd. - Member  
ABI Showatech (India) Pvt. Ltd. - Director  
KCP Technologies Limited - Director  
Sri V Ramakrishna Higer Secondary School -  
Trustee  
Kids Academy of General and Technical Education,  
Macherla - Trustee

**B. Transactions with the related parties:**

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Sale of Goods</b>					
Fives Cail KCP Limited		227.73 (278.25)			
From Fives Cail Kcp Limited to KCP Viet- nam Industries Limited	210.06 (134.40)				
V. Ramakrishna Charitable Trust					- (1.70)
<b>Purchase of Goods</b>					
Fives Cail KCP Limited		0.95 -			
<b>Services -Rendered</b>					
Fives Cail KCP Limited		536.79 (455.81)			

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
V. Ramakrishna Charitable Trust					0.13
					(0.13)
<b>Advances Received</b>					
By Fives Cail KCP limited from KCP Vietnam Industires limited	254.31				
	(149.08)				-
Fives Cail KCP Limited		264.12			
		(117.42)			
<b>Loans/Deposits received</b>					
Dr V L Indira Dutt			2,025.00		
			(895.00)		
Smt. V Kavitha Dutt			550.00		
			(90.00)		
V. Ramakrishna Sons Pvt Limited					450.00
					(400.00)
VL Dutt (HUF)				450.00	
				(50.00)	
Kum. Shivani Dutt Chitturi				155.00	
				(58.00)	
Sri. G. N Murty			6.00		
			(30.00)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				4.00	
				(4.00)	
<b>Remuneration paid</b>					
Dr V L Indira Dutt			162.12		
			(778.81)		
Smt. V Kavitha Dutt			189.97		
			(584.11)		
Sri G.N. Murty (upto 31.01.2023)			132.52		
			(96.78)		
Sri Anis Teybali Hyderi (From 01/02/2023)			16.85		
			-		
Sri Y. Vijayakumar			45.65		
			(40.24)		
Sri K.B. Pranesh			146.93		
			(102.62)		

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Directors Out of pocket Exp. &amp; Sitting fees</b>					
Sri. V. H Ramakrishnan			4.63		
			(4.20)		
Sri. Vijay shankar			2.00		
			(2.80)		
Sri. P. S. Kumar			5.23		
			(4.80)		
Sri. M. Narasimhappa			4.63		
			(4.20)		
Smt. Janaki Pillai			2.03		
			(2.40)		
Sri. V Chandra Kumar Prasad			1.80		
			(2.40)		
Sri. Subbarao Vallabhaneni			1.60		
			(2.00)		
Sri. Ravikumar Chitturi			2.23		
			(2.60)		
<b>Interest paid</b>					
Dr V L Indira Dutt			223.29		
			(242.71)		
Smt. V Kavitha Dutt			67.55		
			(39.83)		
<b>Other Relations</b>					
Kum. Shivani Dutt Chitturi				37.80	
				(35.83)	
VL Dutt (HUF)				93.19	
				(91.10)	
V. Ramakrishna Sons Pvt Limited					50.44
					(30.31)
Sri. G. N Murty			4.47		
			(4.05)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				0.31	
				(0.38)	
<b>Dividend paid</b>					
Dr V L Indira Dutt			100.15		
			(197.74)		



	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Smt. V Kavitha Dutt			13.60 (27.20)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				27.00 (1.95)	
Smt.Uma S Vallabhaneni				0.20 (0.24)	
Smt.Rajeswary Ramakrishnan				0.13 (0.01)	
V. Ramakrishna Sons Pvt Limited					779.13 (58.43)
VRK Grandsons Investment (Private) Limited					84.98 (6.37)
Dr V L Dutt (HUF)				2.27 (0.17)	
<b>Loans/Deposit Repaid</b>					
Dr. V. L. Indira Dutt			2,270.00 (330.00)		
Smt. V Kavitha Dutt			- (90.00)		
Dr V L Dutt (HUF)				350.00 (600.00)	
Kum.Shivani Dutt Chitturi				105.00 (58.00)	
Sri. G. N Murty			6.00 (30.00)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				4.00 (4.00)	
<b>Rent Paid</b>					
Dr V L Indira Dutt			143.46 (149.56)		
Smt. V Kavitha Dutt			4.29 (4.29)		

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Other Relations</b>					
Smt.Uma.S.Vallabhaneni				144.29	
				(151.60)	
Smt.V.Rama Kumari				106.69	
				(112.00)	
Bala Tripurasundari Ammavaru Trust					141.98
					(149.33)
Sri.V.Chandra kumar				59.66	
				(62.58)	
<b>Corporate Social Responsibility (CSR ACTIVITIES)</b>					
V Ramakrishna Charitable Trust					31.59
					(68.36)
Kids Patasala Machrla					-
					(13.52)
<b>Donations</b>					
Sri V Ramakrishna Higer Secondary School					3.67
					(76.00)
<b>Balances as at 31.03.2023</b>					
<b>Share Capital held by KCP in</b>					
KCP Vietnam Industries Limited	2,371.44				
	(2,371.44)				
Fives Cail KCP Limited		40.00			
		(40.00)			
<b>Receivable - Trade dues/others</b>					
Fives Cail KCP Limited		336.03			
		(229.76)			
To Fives Cail KCP Limited from KCP Vietnam Industries Limited	14.52				
	(4.98)				
V. Ramakrishna Sons Pvt Limited					0.09
					(0.08)
<b>Share capital in KCP held by</b>					
Dr. V. L. Indira Dutt			101.09		
			(99.70)		

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Smt. V Kavitha Dutt			13.60 (13.60)		
<b>Other Relations</b>				-	
Kum. Shivani Dutt Chitturi				13.50 (13.50)	
Smt. Rajeswary Ramakrishnan				0.07 (0.07)	
Smt. Uma S Vallabhaneni				0.10 (0.10)	
Sri. Vallabhaneni Subbarao				1.74 (1.16)	
V. Ramakrishna Sons Pvt Limited					389.56 (389.56)
VRK Grandsons Investment (Private) Limited					42.49 (42.49)
Dr. VL Dutt (HUF)				1.14 (1.14)	
<b>Loans/Advances held</b>					
By Fives Cail KCP Limited from KCP Vietnam Industries Limited	70.79 (16.99)				
Fives Cail KCP Limited		66.24 -			
Dr V L Indra Dutt			1,150.00 (1,395.00)		
Smt. V Kavitha Dutt			650.00 (450.00)		
V. Ramakrishna Sons Pvt Limited					1,120.00 (670.00)
<b>Deposits held with the company</b>					
Dr V L Indra Dutt			1,913.50 (1,913.50)		
Smt. V Kavitha Dutt			451.53 (101.53)		

Rs in Lakhs

	Transactions between JV and Subsidiary	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
<b>Other Relations</b>					
VL Dutt (HUF)				1,150.00	
				(1,050.00)	
Kum. Shivani Dutt Chitturi				465.00	
				(415.00)	
Sri. G. N Murty			47.00		
			(47.00)		
Smt. Nagamani (W/o. Sri. G.N. Murty)				4.00	
				(4.00)	
<b>Commission payable</b>					
Dr. V. L. Indira Dutt			-		
			(511.24)		
Smt. V Kavitha Dutt			-		
			(406.93)		
<b>Superannuation Payabale</b>					
Dr. V L Indira Dutt			-		
			(12.15)		
<b>Payable-Trade Dues</b>					
Dr. V. L. Indira Dutt			39.09		
			(39.63)		
Smt. V Kavitha Dutt			1.16		
			(1.16)		
<b>Other Relations</b>					
Smt.V.Rama Kumari				32.71	
				(34.34)	
Sri.V.Chandra kumar				15.34	
				(16.06)	
Smt.Uma.S.Vallabhaneni				33.80	
				(35.61)	
Bala Tripurasundari Ammavaru Trust					38.85
					(41.11)
Sri V Ramakrishna Higer Secondary School					-
					(34.10)
V Ramakrishna Charitable Trust					-
					(7.11)

Note: Figures in brackets under Note no.44 (Annexure-I) related to previous year.

**Note 47. Segment Report under IND AS 108 as at March 31, 2023 Annexure - II**

PARTICULARS	Engineering		Cement		Hotel		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue														
Revenue from Operations	11,741	8,448	1,52,446	1,48,508	2,852	1,361	58,155	52,385	171	120	-	-	2,25,365	2,10,821
Other Income	59	386	259	415	19	2	2,173	1,914	4,652	5,614	3,319	4,474	3,843	3,857
	11,800	8,834	1,52,705	1,48,923	2,870	1,362	60,328	54,298	4,823	5,734	3,319	4,474	2,29,208	2,14,677
Less : Inter Segment Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	11,800	8,834	1,52,705	1,48,923	2,870	1,362	60,328	54,298	4,823	5,734	3,319	4,474	2,29,208	2,14,677
Result														
Segment Result	(560)	(1,867)	(3,300)	19,039	335	(421)	15,365	15,684	(7)	2	3,289	4,473	8,545	27,964
Less : Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	(3,666)	(4,613)			(3,666)	(4,613)
Operating Profit / (Loss)	(560)	(1,867)	(3,300)	19,039	335	(421)	15,365	15,684	3,659	4,615	3,289	4,473	12,211	32,577
Less : Interest Expenses													(3,803)	(3,385)
													8,409	29,192
Less : Tax Provisions														
Current Tax													(13)	5,389
Deferred Tax													(1,011)	17
MAT Entitlement Credit													457	(128)
Total Tax Expense													(567)	5,278
Profit/(Loss) from Continuing Operations													8,976	23,914
Profit/(Loss) from Discontinued Activities													-	-
Less : Current Tax of Discontinued Operations													-	-
Profit After Tax of Discontinued Operations													-	-
Profit/(Loss) for the Year													8,976	23,914
Other Comprehensive Income													2,928	2,865
Add : Share of Profit from Joint Venture													106	42

Rs in Lakhs

PARTICULARS	Engineering		Cement		Hotel		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Less : Non Controlling of Profit / (Loss)													(5,966)	(6,108)
Total Comprehensive Income after Non-Controlling Interest													6,044	20,714
Other Information														
Segment Assets	14,097	14,978	97,912	98,939	6,646	7,240	1,23,963	89,074	175	191	(4,951)	(1,768)	2,37,843	2,08,654
Unallocated Corporate Assets													23,923	29,512
Total Assets	14,097	14,978	97,912	98,939	6,646	7,240	1,23,963	89,074	175	191	(4,951)	(1,768)	2,61,766	2,38,165
Segment Liabilities	9,054	8,995	43,913	46,697	202	201	35,433	18,443	8	9	(4,951)	(1,768)	83,659	72,576
Unallocated Corporate Liabilities													26,162	24,365
Minority Interest													29,510	23,544
Shareholders Funds													1,22,435	1,17,680
Total Liabilities	9,054	8,995	43,913	46,697	202	201	35,433	18,443	8	9	(4,951)	(1,768)	2,61,766	2,38,165
Depreciation	464	405	5,390	5,353	650	649	2,364	2,189	123	111			8,991	8,706

Particulars	Sales Revenue		Carrying amount of Assets	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
India	1,67,210	1,58,436	1,37,803	1,49,091
South East Asia - Vietnam	58,155	52,385	1,23,963	89,074

Other Disclosures :

1. The Company and its subsidiary have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of products, the different risks and rewards, the organisation structure and internal reporting system.
2. With effective from 1st April, 2022, the performance of Power Segment have been merged with corresponding units where power is captively consumed, viz. Wind Power with Engineering Segment; Hydel Power, Solar Power, Waste Heat Recovery and Captive Power (Thermal Power) with Cement Segment; and Cogen in Vietnam with Sugar Segment. Figures for previous year have been regrouped accordingly for comparison purpose.
3. No external customer individually accounted for more than 10% of the revenues in the year ended 31-03-2023.
4. Inter-Segment revenues are recognised at market price.

## ANNEXURE-III Referred in Note No.52

### Note 52A. Financial Assets & Financial Liabilities & their Fair Values Financial instruments - Fair values and risk management

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### As at 31st March, 2023

Particulars	Note	Fair value hedging instruments	Carrying amount						Fair value of instruments measured at FVTPL / FVTOCI						
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total				
<b>Financial assets</b>															
Investments	6	-	20.33	-	899.47	-	-	919.80	20.33	-	-	-	20.33		
Trade receivables	7 & 11	-	-	-	16,095.78	-	-	16,095.78	-	-	-	-	-		
Cash and Cash Equivalents	12	-	-	-	308.56	-	-	308.56	-	-	-	-	-		
Bank balances other than above	12A	-	-	-	63,816.05	-	-	63,816.05	-	-	-	-	-		
Staff Advances	13	-	-	-	26.54	-	-	26.54	-	-	-	-	-		
Other Financial assets					-			-							
EMD	8	-	-	-	5.81	-	-	5.81	-	-	-	-	-		
Bank balances with Maturity more than 12 months	8				6,306.18			6,306.18							
Interest accrued on other deposits	13	-	-	-	36.69	-	-	36.69	-	-	-	-	-		



Particulars	Note	Carrying amount						Fair value of instruments measured at FVTPL / FVTOCI						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Interest accrued on fixed deposits	13	-	-	-	34.61	-	34.61	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	0.44	-	0.44	-	-	-	-	-	-	-
Contract Assets	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Others (Employee Benefit Plan)	13	-	-	28.70	-	-	28.70	-	-	31.62	-	-	-	31.62
<b>Total</b>		-	<b>20.33</b>	<b>28.70</b>	<b>87,530.15</b>	-	<b>87,579.17</b>	-	-	<b>51.95</b>	-	-	-	<b>51.95</b>
<b>Financial liabilities not measured at fair value</b>														
Borrowings	18 & 23	-	-	-	-	-	-	55,520.81	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	-	11,232.34	-	-	-	-	-	-
Other financial liabilities ( Non Current)	20	-	-	-	-	-	-	7,328.23	-	-	-	-	-	-
Accrued salaries and benefits	26	-	-	-	-	-	-	831.76	-	-	-	-	-	-
Payable to director	26	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding liabilities for expenses	26	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	26	-	-	-	-	-	-	20,370.88	-	-	-	-	-	-
Lease Liability		-	-	-	-	-	-	248.57	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	<b>95,532.58</b>	-	-	-	-	-	<b>95,532.58</b>



As at 31st March, 2022

Particulars	Note	Fair value hedging instruments	Carrying amount						Fair value of instruments measured at FVTPL / FVTOCI						
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>															
Investments	6	-	19.90	-	1,125.09	-	-	1,144.99	19.90	-	-	-	-	-	19.90
Trade receivables	7 & 11	-	-	-	11,606.95	-	-	11,606.95	-	-	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	382.78	-	-	382.78	-	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	56,819.65	-	-	56,819.65	-	-	-	-	-	-	-
Staff Advances	13	-	-	-	30.79	-	-	30.79	-	-	-	-	-	-	-
Other Financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	-	4.50	-	-	4.50	-	-	-	-	-	-	-
Bank balances with Maturity more than 12 months	8	-	-	-	6,733.30	-	-	6,733.30	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	14.07	-	-	14.07	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	14.28	-	-	14.28	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	2.52	-	-	2.52	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	0.82	-	-	0.82	-	-	-	-	-	-	-
Contract Assets	13	-	-	-	1,171.31	-	-	1,171.31	-	-	-	-	-	-	-
Others	13	-	-	31.62	-	-	-	31.62	31.62	-	-	-	-	-	31.62
<b>Total</b>		-	<b>19.90</b>	<b>31.62</b>	<b>77,906.08</b>	<b>31.62</b>	<b>77,906.08</b>	<b>77,957.60</b>	<b>51.52</b>	<b>51.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.52</b>
<b>Financial liabilities not measured at fair value</b>															
Borrowings	18 & 23	-	-	-	-	-	-	43,432.41	-	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	-	10,246.72	-	-	-	-	-	-	-
Other financial liabilities ( Non Current)	20	-	-	-	-	-	-	5,982.08	-	-	-	-	-	-	-
Accrued salaries and benefits	26	-	-	-	-	-	-	1,494.73	-	-	-	-	-	-	-
Payable to directors	26	-	-	-	-	-	-	918.16	-	-	-	-	-	-	-
Outstanding liabilities for expenses	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	26	-	-	-	-	-	-	20,040.22	-	-	-	-	-	-	-
Lease Liability		-	-	-	-	-	-	254.33	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	<b>82,368.66</b>	<b>82,368.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 52 B Financial instruments - Fair values and risk management**

**Financial risk management objectives and policies**

"Group activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**b) Interest rate risk**

Group exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

Group policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

**The interest rate profile of the Company's interest-bearing instruments is as follows.**

Particulars	31.03.2023	31.03.2022
<b>Fixed rate instruments</b>		
Financial liabilities	8,186.44	7,417.38
Financial assets	69,914.29	63,327.68
<b>Variable rate instruments</b>		
Financial liabilities	47,334.37	36,015.03
<b>Total financial liabilities (Net)</b>	<b>(14,393.48)</b>	<b>(19,895.27)</b>

**i) Sensitivity analysis**

Particulars	Impact on profit or loss	
	31.03.2023	31.03.2022
1% increase in MCLR rate	(473.34)	(360.15)
1% decrease in MCLR rate	473.34	360.15

**ii) Fair value**

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value

**iii) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Group credit risk for trade receivables is as follows

Particulars	31.03.2023	31.03.2022
Trade receivables	16,096	12,778

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for credit loss	31.03.2023	31.03.2022
Balance at the beginning	8.96	10.79
Impairment loss recognised	7.14	-1.83
<b>Balance at the end</b>	<b>16.10</b>	<b>8.96</b>

No single customer accounted for more than 10% of the revenue as of 31.03.2023 and 31.03.2022.

There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

### Note 52 C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Group is exposed to this risk from its operating activities and financial activities. The Group's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

### As at March 31, 2023

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	13,097.58	-	7,384.13	5,713.45	-	13,097.57
Current maturities of long term borrowings	8,562.25	8,562.25	-	-	-	8,562.25
Financial liabilities (Non current)	7,572.13	-	7,572.13	-	-	7,572.13
Cash credit and demand loans	33,860.98	33,860.98	-	-	-	33,860.98
Trade payables ( current)	11,232.34	11,232.34	-	-	-	11,232.34
Trade payables ( non -current)	-	-	-	-	-	-
Other financial liabilities(Current)	21,207.31	21,207.31	-	-	-	21,207.31
	<b>95,532.58</b>	<b>74,862.87</b>	<b>14,956.26</b>	<b>5,713.45</b>	<b>-</b>	<b>95,532.57</b>

As at 31st March 2022

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	17,889.24	-	9,316.80	15,458.81	-6,886.37	17,889.23
Current maturities of long term borrowings	8,807.25	8,807.25	-	-	-	8,807.25
Financial liabilities (Non current)	6,231.68	-	6,231.68	-	-	6,231.69
Cash credit and demand loans	16,735.92	16,735.92	-	-	-	16,735.92
Trade payables ( current)	10,246.72	10,246.72	-	-	-	10,246.72
Trade payables ( non -current)	-	-	271.26	-	-	271.26
Other financial liabilities(Current)	22,457.84	22,457.84	-	-	-	22,457.84
	<b>82,368.66</b>	<b>58,247.73</b>	<b>15,819.74</b>	<b>15,458.81</b>	<b>-6,886.37</b>	<b>82,639.92</b>

**Note 52 D. Foreign exchange risk**

The Group imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation (US \$) on its segments performance, assuming no change in other parameters like price and quantity of imports, is as follows.

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Increase in Exchange Rate by Re.1		
Cement	(82.73)	(44.82)
Captive Power Plant	0.00	0.00
Engineering	0.00	0.00
Decrease in Exchange Rate by Re.1		
Cement	82.73	44.82
Captive Power Plant	0.00	0.00
Engineering	0.00	0.00

**E. Commercial risk**
**Sale price risk**

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Selling price increase by 5%		
Cement	7,617.10	7,419.39
Sugar	2,898.64	2,608.82
Engineering	476.43	376.32
Hospitality & other Services	276.08	136.84
	<b>11,268.25</b>	<b>10,541.36</b>
Selling price decrease by 5%		
Cement	(7,617.10)	(7,419.39)
Sugar	(2,898.64)	(2,608.82)
Engineering	(476.43)	(376.32)
Hospitality & other Services	(276.08)	(136.84)
	<b>(11,268.25)</b>	<b>(10,541.36)</b>

**Raw material price risk**

Particulars	Impact on profit	
	FY 2022-2023	FY 2021-2022
Raw material price increase by 5%		
Cement		
Limestone	(911.33)	(953.42)
Laterite	(93.16)	(75.52)
Fly Ash	(198.25)	(137.40)
Gypsum	(152.85)	(164.34)
Sugar		
Sugarcane	(2,445.61)	(1,620.68)
Engineering		
Iron and Stee.I, Nickel and Scrap	(145.26)	(198.76)
	<b>(3,946.46)</b>	<b>(3,150.12)</b>
Raw material price decrease by 5%		
Cement		
Limestone	911.33	953.42
Laterite	93.16	75.52
Fly Ash	198.25	137.40
Gypsum	152.85	164.34
Sugar		
Sugarcane	2,445.61	1,620.68
Engineering		
Iron and Steel, Nickel and Scrap	145.26	198.76
	<b>3,946.46</b>	<b>3,150.12</b>





SRI DR. VELAGAPUDI LAKSHMANA DUTT  
EXECUTIVE CHAIRMAN  
(127-12-1937 - 29-02-2020)  
THE KCP LIMITED



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