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KEY FINANCIAL HIGHLIGHTS - THE K.C.P LTD

(Rs. in Lakhs)

	Year Ended									
	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03	31-3-02
SHARE CAPITAL	3289	3289	1289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	29542	27189	22780	17697	12984	9625	8610	8084	8112	8435
NET WORTH	32831	30478	24069	18986	14273	10914	9899	9373	9401	9724
FIXED ASSETS (NET)	50668	33448	13147	12653	11704	7572	6850	7091	7556	8146
GROSS INCOME	37626	42289	41788	41604	30051	20680	16863	14722	14353	14092
GROSS PROFIT	8224	11052	11369	11284	8321	3448	2445	1386	1123	2734
DEPRECIATION	1233	1056	914	858	618	519	494	667	688	695
INTEREST	1394	949	671	692	444	444	489	584	774	1051
PROFIT BEFORE TAX	5597	9047	9784	9734	7259	2485	1462	135	-339	988
PROFIT AFTER TAX	4135	6002	6591	6654	4829	1750	967	117	-178	790
EARNINGS PER SHARE(Rs)*	2.99	45.88	51.13	51.62	37.46	13.58	7.50	0.91	-1.38	6.13
BOOK VALUE PER SHARE(Rs)*	23.92	220.93	186.72	147.27	110.72	84.66	76.79	72.71	72.93	75.43
DIVIDEND ON EQUITY(%)	100	100	100	100	100	50	30	10	10	20
DEBT EQUITY RATIO	0.67	0.33	0.27	0.15	0.21	0.39	0.03	0.05	0.13	0.23

KEY FINANCIAL HIGHLIGHTS - THE K.C.P LIMITED GROUP

(Rs. in Lakhs)

	Year Ended									
	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03	31-3-02
SHARE CAPITAL	3289	3289	1289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	41676	33434	26791	19601	13532	9219	7846	7092	6728	7015
NET WORTH	44965	36723	28080	20890	14821	10508	9135	8381	8017	8304
FIXED ASSETS (NET)	57821	40750	22401	20084	18377	14391	14247	15604	16648	18823
GROSS INCOME	72100	69471	60401	58059	42575	28835	23604	17898	17477	13888
GROSS PROFIT	15280	17298	15428	14462	11150	5338	4314	2606	2821	2380
DEPRECIATION	2233	2167	2015	1605	1312	1262	1221	1430	1655	745
INTEREST	1565	1336	1279	912	923	908	688	1017	1456	1581
PROFIT BEFORE TAX	11482	13795	12134	11945	8915	3168	2405	159	-290	54
PROFIT AFTER TAX	7866	9076	8118	8022	5945	2133	1602	136	-167	167
EARNINGS PER SHARE(Rs)*	5.89	69.7	62.98	62.23	46.12	16.55	12.43	1.06	-1.30	1.30
BOOK VALUE PER SHARE(Rs)*	33.33	269.38	217.84	162.06	114.98	81.52	70.87	65.02	62.20	64.42
DIVIDEND ON EQUITY(%)	100	100	100	100	100	50	30	10	10	20
DEBT EQUITY RATIO	0.52	0.42	0.07	0.17	0.38	0.26	0.20	0.09	0.15	0.84

* During the year 2010-11 the equity shares of Rs.10/- each were subdivided into 10 equity shares of Rs.1/- each EPS, Book Value per share were reworked accordingly.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

DUTT V.L.
Chairman and Managing Director

INDIRA DUTT V.L.
Joint Managing Director

KAVITHA D. CHITTURI
Executive Director

GANDHI V.
Technical Director

INDEPENDENT DIRECTORS

KOTESWARA RAO P.

RAMAKRISHNA A.

RAMAKRISHNAN V.H.

SWAMINATHA REDDY O.

CHIEF FINANCIAL OFFICER

RAMACHANDRAN M.R.

COMPANY SECRETARY

VIJAYA KUMAR Y.

AUDITORS

M/s. **BRAHMAYYA & CO**
Chartered Accountants, Vijayawada

COST AUDITORS

M/s. **NARASIMHAMURTHY & CO**
Cost Accountants, Hyderabad

BANKERS

BANK OF BARODA
BANK OF INDIA
CANARA BANK
HDFC BANK LTD

INTERNAL AUDITORS

M/s. **R.G.N PRICE & CO**
Chennai
M/s. **M. BHASKARA RAO & CO**
Hyderabad

REGISTERED AND CORPORATE OFFICE

"RAMAKRISHNA BUILDINGS"
2, DR. P.V. CHERIAN CRESCENT
EGMORE, CHENNAI - 600 008
Ph: 66772600 Fax: 66772620
E-MAIL: corporate@kcp.co.in

REGISTRAR & SHARE TRANSFER AGENTS

M/S INTEGRATED ENTERPRISES (INDIA) LIMITED
II FLOOR "KENCES TOWERS"
NO.1 RAMAKRISHNA STREET
NORTH USMAN ROAD, T. NAGAR
CHENNAI - 600 017
Ph: 28140801 Fax: 28142479
Website: www.iepindia.com

PLANT LOCATIONS

CEMENT

Macherla - 522426
Guntur District, Andhra Pradesh
Muktyala - 521175
Krishna District, Andhra Pradesh

ENGINEERING

Tiruvottiyur
Chennai 600 019, Tamilnadu
Arakonam
Mosur Road, Ekhunagar, 631 004, Tamilnadu

HYDEL UNIT

B.No. AE-1, NSP Colony, Nekarikallu 522 615,
Guntur District, AP

WIND POWER

Uthumalai Village, Tirunelveli District, Tamilnadu

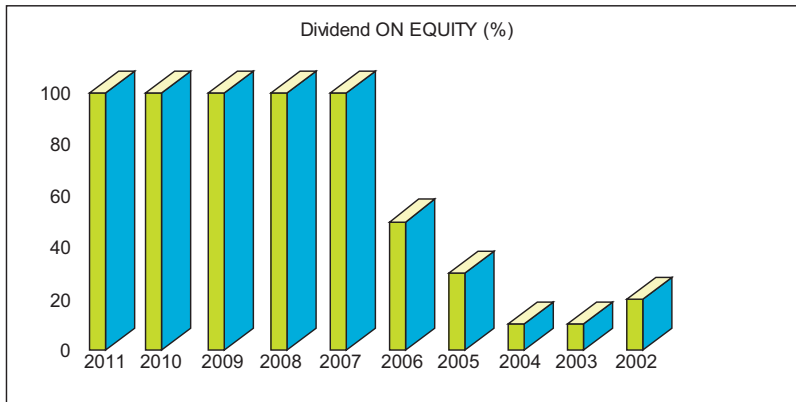
THERMAL UNIT

Macherla - 522426, Guntur District, AP

BIO TECH

Plot No.14, S.P.Biotech Park, Genome Valley,
Turkapally (village) – 500078,
Shameerpet (Mandal), R.R.District, AP

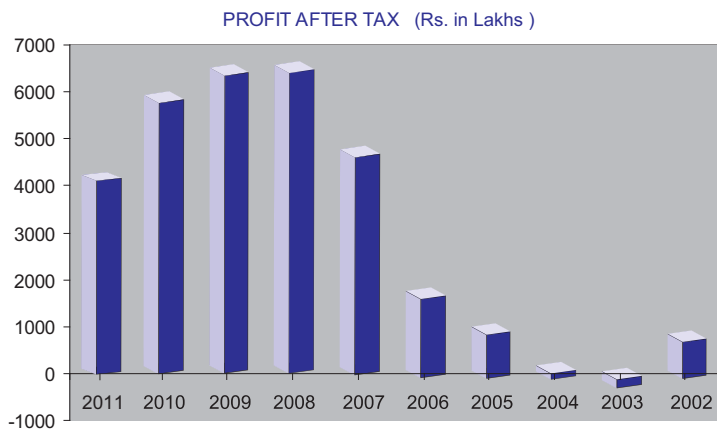
At a Glance



Dividend History



EPS



From Chairman's Desk

On the occasion of the Company's Seventieth Anniversary

Dear Shareholders,



Any landmark in the history of an institution is an occasion to recount, rejoice, reaffirm and review the path it has covered, its genesis, the progress made, the lessons to be imbibed and to define its future. Your company would be completing 70 years of its existence in the current financial year. While for an institution, it could be but a small milestone, for individuals connected with it, it is a definitive landmark to feel proud and take note of. As part of the recounting and rejoicing on this occasion, it cannot be denied that our valued shareholders are the backbone of the entire corporate structure and it is with a sense of deep gratitude that I convey my thanks for their unstinted faith in the management and for the support extended to the company over the years.

To recall in brief, the journey of the company commenced in 1941 with the acquisition of a sick cooperative sugar mill in Vuyyuru, Krishna District followed by the establishment of the Cement Factory at Macherla, Guntur District and later, the Engineering Unit at Chennai. It was the vision of the late Sri V Ramakrishna I.C.S, with his vast experience in Government in the development of industries that led to the founding of this company and the growth that followed. The cement factory to cater to the needs of the then prestigious construction of the Nagarjuna Sagar Dam, a momentous irrigation project and the engineering workshop at Madras (now Chennai) to provide the necessary technical and mechanical support to the two factories, were well crafted strategies at a time when the State of Madras, as it was then, was just on the threshold of industrial growth. The continued expansion of the Sugar Unit to become a leader in the industry with its technical achievements being considered benchmarks by its peers, the modernization of the cement unit and the humungous expansion of the Engineering Unit into a versatile capital goods manufacturer catering to the sugar and cement industries during the peak periods of their own growth are all part of the company's history. The company also witnessed in its later years, an acquisition of an adjacent sugar factory by an amalgamation, establishment of captive power generation for the cement unit from hydel sources and for the engineering factory through windmills. As the time demanded, later in 1996, the company demerged its sugar businesses under an independent management with the shareholders retaining their respective stakes in both companies.

The events of the past 70 years, the extraordinary support it has received from its stakeholders, the staff and the community in which it works, has given great moral strength to the management in the conduct of its affairs with transparency and concern and make a mark as one of the reputed companies in the country with a high value on Corporate Governance. The company also takes pride in the support by its employees in its growth over the years and the mutual trust and confidence that is marked by low attrition rates, the absence of labour unrest, the reputation as a good place to work in etc. Turning the few pages of its history, the company justifiably feels proud to have in its fold nearly 1500 employees which in turn accounts for a total of about 3000 livelihoods who contribute to its varied resources and are in turn benefitted by well established employee-relationship policies.

Your company has been encouraged to pursue a course of conservative growth backed by prudent financial management by virtue of the success of similar policies in the past resulting in consistent reward to the shareholders with good returns while simultaneously conserving resources for its planned growth in the coming years.

Strengthened by the availability of sufficient internal financial resources and ability to leverage debt for a healthy debt-equity ratio, the company embarked on a path of growth to ensure a robust increase in its top and bottom lines in the next few years.

It is a matter of immense satisfaction that the Greenfield cement plant with a capacity of 1.52 MTPA at Mukthiyala has been commissioned in this 70th year making its entry as a long-term player in the industry. It has also been thought prudent to complement the larger production with adequate captive power with a proposed 36 MW coal-based power plant which will make available quality power at lower cost.

Another significant area that the company has ventured into is the Hotel industry with a 130 room four star Project by putting to beneficial use, the available land in a strategic location in Hyderabad. The Hotel will be supported in technical management and marketing by a leading international chain, the terms of which are under finalization.

The many policies of transparent management with a set of prudent corporate governance principles have also led the company to associate with companies in the global arena established as world leaders in the fields in which we are focused. The association with Fuller of USA in the cement technology sector resulted in the formation of Fuller K C P Ltd which performed exceedingly well and paid rich dividends. The ultimate sale of the company's stake in the Joint Venture with substantial returns was the result of policies of the American group which bought out Fuller Inc itself. Needless to say, the company's business association with the corporation still continues to mutual advantage and benefit.

Presently, the company has an association with Fives group of France in the sugar technology sector under the name of Fives Cail KCP Ltd and has been doing competently well with generous technical support from its partners.

After the demerger of the sugar businesses in 1996 mentioned earlier, the company with its rich experience in the sugar industry and in the field of machinery manufacturing for that industry set up a subsidiary, KCP Vietnam Industries Ltd in Vietnam. This venture has expanded its crushing capacities since its inception and has been performing extremely well in the recent past and presently has become debt free except for working capital loans.

Dear shareholders, your steadfast support through the years has ensured that the company trains its sights in the right direction and endeavors to build up a thriving corporate asset with robust growth as behoves a responsible corporate entity to serve as the foundation to see it through the future.

The company's infrastructure in its different manufacturing units established over the years has also richly contributed to the establishment and expansion of a thriving ancillary segment giving a boost to economic activity in the area and improving the quality of life of the residents and their families.

The basic logic behind Corporate Social Responsibility has been firmly rooted in the minds of the management long before it became a formalised concept going on to become part of pronounced Government policies. The welfare of employees and that of the neighbouring communities has been the moving force behind the establishment of many educational institutions, social and community projects in the vicinity of its factories. The company has always viewed it as part of its responsibility to the community from which it derives its resources for business and has always responded in generous measure. Your company believes that Corporate Social Responsibility is as important as its manufacturing operations itself and the company has in its own way practiced this by making its surroundings greener and the environment more resident-friendly. While the details of the projects are to be found in the annual reports, it is worthwhile mentioning that community welfare measures

such as provision of drinking water, maintenance of a healthy surrounding, educating the community including children of its own employees etc have been the main creed of the company's CSR.

Looking back at the past and venturing to peep into the future, it is my earnest belief that the KCP's journey would continue with its firm belief in the core value of ethics propounded by its Founder Sri V Ramakrishna. This has, in the past enabled us to earn the goodwill of shareholders, bankers and lending institutions, employees, business associates, State and Central Governments, the public at large comprising of deposit-holders and very many others. The bankers, in particular have been a great source of strength with their trust placed in our management and the growth plans for the future, leading to their unstinted support at all times.

It is my privilege to have been given an opportunity to lead your company as Chairman for the last 35 years and to continue to steer the company forward. On behalf of the Board of Directors, the Management and the team-KCP, may I once again thank you for your continued trust and support.

Our sources of inspiration remain unchanged and we would remain steadfast in our commitment to growth with responsibility as our humble contribution to the corporate world and to the overall economic growth of the country.

Best regards,
Yours sincerely,



(V.L. DUTT)

Chairman & Managing Director

Evolution of KCP Group in 70 Years



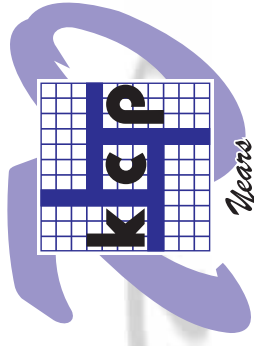
**Heavy Engineering Unit,
Tiruvottiyur, Chennai (1955)**



Sugar Factory, Vuyyuru (1941)



**Sri. Velagapudi Ramakrishna, I.C.S
Founder Chairman**



Progressive Growth

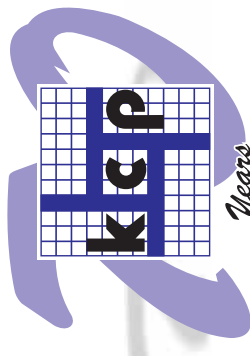
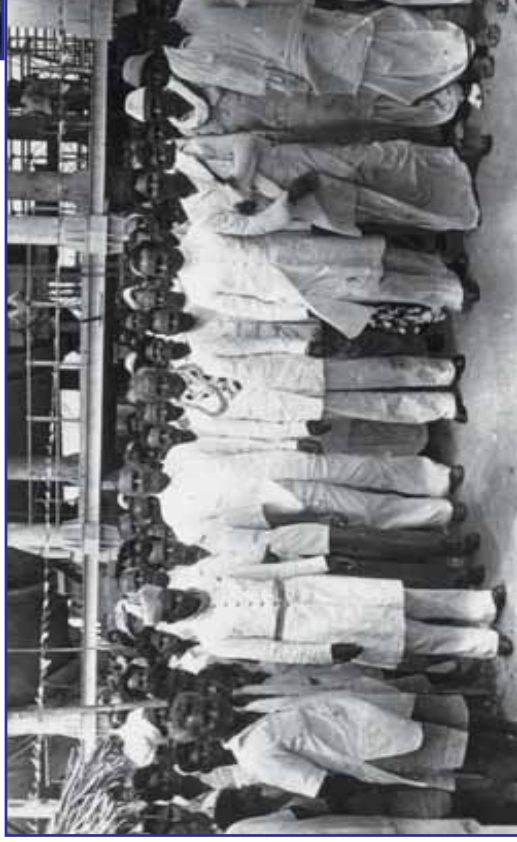


**V. Ramakrishna Hr. Sec. School,
Tiruvottiyur, Chennai (1967)**



**Cement Production Uint,
Macherla (1958)**

**Inauguration of Cement Production
Uint, Macherla (1958)**



Years

Progressive Growth



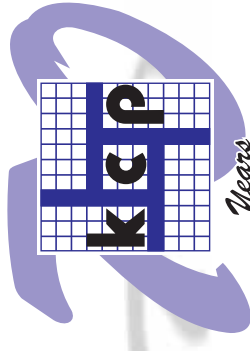
**Fuller KCP Limited,
Chennai (1984)**



**V. Ramakrishna Polytechnic College,
Tiruvottiyur, Chennai (1982)**



**Dr. V.L. Dutt,
Chairman & Managing Director
(1977)**



Progressive Growth

Hydel Unit, Nekarikallu, Guntur (1999)



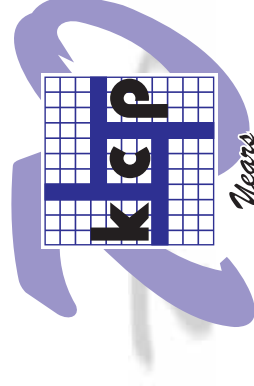
Sugar Factory, Lakshmipuram (1987)



**KCP Vietnam Industries Limited,
Son Hoa, Vietnam (2001)**



**Fives Cail - KCP Limited,
Chennai (1995)**



Progressive Growth



**Cement Production Unit, Ramakrishnapuram,
Muktyala (2011)**



**KCP Hotel (under construction),
Hyderabad (2011)**



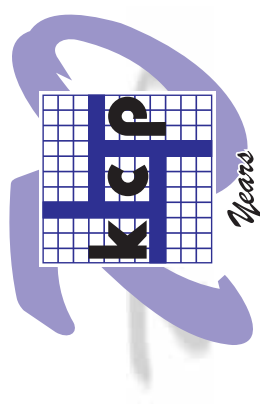
Wind Power Unit, Tirunelveli (2004)



KCP Biotech Unit, Hyderabad (2004)



KIDS Patasala, Macherla (2002)



Progressive Growth

Board of Directors



Dr. V.L. Dutt
Chairman and Managing Director

Smt. Kavitha Dutt Chitturi
Executive Director

Smt. V.L. Indira Dutt
Joint Managing Director



Sri. V. Gandhi
Technical Director

Sri. O. Swaminatha Reddy
Director



Sri. V.H. Ramakrishnan
Director

Sri. A. Ramakrishna
Director



Sri. Pinnamaneni Koteswara Rao
Director

Corporate Social Responsibility

KCP has always believed in a sustainable responsible business. Its social performance over the years has been the proof of its corporate conscience. Your company has always been in the forefront in tending to all its communities long before this trend caught up with others. Yet, Corporate Social Responsibility is now more relevant than ever. For long, it has been helping us build trust with our communities. The rapid societal changes in the era of globalisation and the incumbent challenges that need immediate attention have been making it imperative on corporations to take up social responsibilities in a big way.



As part of its societal obligations your company has been in constant touch with the communities in which it has been operating. Notable efforts have been put forward to realise its responsibilities and in the process your company has been building value for all its stake-holders. In the past several decades since inception, KCP has taken up innumerable social and community initiatives. Our aim has been to touch the lives of communities positively by taking up health-care, infrastructural, environmental, social, cultural and educational programs. Following is a brief note on KCP fulfilling its part of the social responsibilities.



Health Programmes:



Healthcare and wellbeing of the community has always been in the forefront of KCP's scheme of things. Many health camps were held for the benefit of the local community.

A General Medical Camp has been organised in the Muktyala Village on 30th January, 2011 with 4 Doctors. More than 200 people benefited from this camp.

Artificial limbs were distributed to 6 persons at Dr. Pinnamaneni Siddartha Medical College Hospital, Vijayawada by the Cement Production Unit in Muktyala.

Preventive Medicines were distributed to devotees at the Sri Yogananda Lakshmi Narasimha Kalyana Mahotsavam held in Muktyala from 15th May, 2011 to 17 May, 2011.

The Cement Production Unit in Macherla organised a free medical camp at Terala Village in April this year. More than 400 members of public underwent medical tests and were provided free medicines.

An eye vision centre, jointly conceived by the local Rotary and Lions clubs, was donated a complete block which was inaugurated in April this year.

Reacting to requests from the locals, the cement production unit in Macherla helped set up a safe drinking water plant at Mandadi village. The reverse osmosis plant has a capacity of 2000 ltrs per hour.

Drinking Water:

A drinking water plant that can generate 2000 ltrs of clean water per hour by reverse osmosis process was commissioned to provide safe drinking water to the people of Polepalli.

Green Belt:



In its quest to maintain the ecological balance, KCP is developing a Green Belt in and around Macherla.

Planting of saplings on a monthly basis apart from planting additional saplings on special occasions is being taken up on a serious scale. Hundreds of saplings have been planted so far to develop the greenery in Macherla and its surroundings. The program of planting saplings has been vigorously pursued this year too.

Infrastructure:

KCP has been donating cement bags to various infrastructural development activities in the area. These include building or renovating temples, mosques and repairs to some of the local body offices, police stations, etc. and laying of cement roads, etc. This has been continued this year too.

Mines Environmental & Mineral Conservation Week 2010-2011:

The Cement Unit I, Macherla celebrated the 15th Mines Environmental & Mineral Conservation week from 6th December to 10th December, 2010 in Mandadi mines. The program was organized by Mines Environmental & Mineral Council, Hyderabad.

Other Activities:

You company has been actively taking steps to help local communities at every given opportunity. During summers, local temple festivals, and other mass congregations, we have been distributing water and buttermilk sachet. We have also been arranging medicines, where needed, on such occasions.

It is KCP's firm belief to improve and improvise on these activities of social responsibility and expand the scope of their coverage to other areas in a phased manner.



Directors' Report

Dear Shareholders,

1. Your Directors have pleasure in presenting their 70th Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

2. Financial Results

(Rs. In Lakhs)

PARTICULARS	For the year ended		For the year ended	
	31-03-2011	31-03-2010	31-03-2011	31-03-2010
	Stand Alone		Consolidated (GROUP)	
Gross Turnover	36,172	41,175	70,467	68,362
Profit for the year (PBDIT)	8,224	11,053	15,280	17,298
Less:				
a) Interest and Finance charges	1,394	949	1,565	1,336
b) Depreciation	1,233	1,057	2,233	2,167
Profit before Tax	5,597	9,047	11,482	13,795
c) Provision for Current Tax	1,118	3,000	1,529	3,166
d) Deferred Tax	1,361	45	1,380	79
e) Minority share of profit	-	-	1,725	1,485
Add:				
a) Refund of Income Tax	18	-	18	-
b) MAT Entitlement tax	751	-	751	-
c) Excess Provision of income tax of earlier years credited back	248	-	248	10
Net Profit:	4,135	6,002	7,865	9,076
Add Surplus brought forward from earlier year	2,755	2,347	8,597	5,114
Amount available for appropriations	6,890	8,349	16,462	14,190
Less Transfer to General Reserve	1,000	4,000	1,000	4,000
Less Preference Capital Dividend	240	74	240	74
Less Interim Dividend- Equity Shares	967	967	1,396	967
Less Dividend proposed – Equity Shares	322	322	322	322
Tax on Distributed Profits – Equity	214	219	214	219
Tax on Distributed Profits – Preference	39	12	39	12
Surplus carried to next year	4,108	2,755	13,251	8,597

Segment wise Sales performance:

PARTICULARS	2010-2011		2009-2010	
	Sales Value in lakhs	% to Total Sales	Sales Value in lakhs	% to Total Sales
Engineering	13,067.64	36.13%	16,594.33	40.30%
Cement	22,375.21	61.86%	24,058.00	58.43%
Power	52.14	0.14%	47.56	0.12%
Others	677.55	1.87%	475.26	1.15%
Total	36,172.54	100.00%	41,175.15	100.00%

Analysis of financial results:

Profit before Tax has registered a downward trend in the year under review as compared to the previous year. The cement industry, throughout the country suffered severe setbacks in demand and steep fall in selling prices especially in the first half. Though a number of reasons could be attributed, some of the more major ones were a perceptible fall in public infrastructure spending in the State of Andhra Pradesh caused by political instability, severe strain on Government revenues, unusual changes in seasonal patterns, market reaction to a perception of large scale additions to manufacturing capacity etc. A major part of the year also witnessed scarce availability of coal necessitating resort to imported coal of larger quantities at higher prices pushing up the cost of production. The combination of a multitude of such factors resulted in lower off take, a slump in the average realization for the product and fall in profits.

The company's dependence on diversified activity within, however, eased the stress on its overall finances in that the Engineering Division continued to perform comparatively well under the circumstances. Its operations were at lower levels compared to the previous year when it had a one-time high value export order.

Also significantly, during the year 2010-11, the new Cement Unit II at Muktyala completed only the commissioning of its clinker Plant with cement production having commenced in the current financial year.

The net cash generation of the company during the year under review was relatively better in view of a substantially lower provision for income-tax of Rs. 1118 lacs (Rs.3000 lacs) on the basis of Minimum Alternate Tax (MAT) resulting from an increased claim of depreciation under Income-tax Rules on the capitalization of the new Cement Unit upto the clinkerisation stage.

Overall Financial position:

However, following prudent financial management of working capital, the company's cash resources have been retained at a healthy level of ` 7146 lacs providing sufficient comfort for on-going and other projects in the pipeline. The utilization of working capital limits with Banks has also been minimal.

Dividend on Preference Share Capital:

Your Directors recommend a dividend of 12% on the Preference Share Capital of the company. The amount of such dividend is ` 240.00 lacs for the year.

Sub-Division of Equity Shares:

During the year, Equity Shares of ` 10 each were sub-divided into ten Equity Shares of ` 1 each.

Dividend on Equity Shares:

The Board, on a periodical review of the working results of the company and assessment of the financial position, had declared and paid three interim dividends of 25% each during the financial year amounting to 75 % (` 0.75 per share) as of date.

Your Directors are now pleased to recommend a final dividend of 25% (` 0.25 per share) making a total equity dividend of 100% (` 1/-per share) for the year. The total amount of dividend paid on equity capital excluding Dividend Distribution Tax thereon will be ` 1,289 lacs, which is the same as in the previous year.

Reserves:

Your Directors recommend a transfer to General Reserve, of a sum of ` 1000 lacs from out of the profits available for appropriation for the year which will leave ` 4,108 lacs in the Surplus Account to be carried forward to the next year. The total amount in General Reserve as on 31st March 2011, after the proposed appropriation, would stand at ` 25,000 lacs.

Credit Rating:

The Credit Rating assigned by CRISIL to the company was revised to 'A- Positive' from (A-Stable) for Term loans and Cash Credit facilities and continued as 'P2+' in respect of for Non Fund Based limits.

Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March 2011 was ` 7624.61 lacs as compared to the figure of ` 6224.91 lacs as on 31st March 2010.

As on 31st March 2011, Fixed Deposits amounting to ` 130.36 lacs had matured and remained unclaimed from 229 depositors. As on the date of this Report, Fixed Deposits relating to 65 depositors amounting to ` 28.16 lacs have been renewed and Fixed Deposits of ` 4.00 lacs of 17 depositors repaid.

Cement Unit II: Muktyala Cement Project

The expansion of the company's cement production undertaken by way of establishment of a Greenfield plant at Muktyala, Krishna District, Andhra Pradesh with a capacity of 1.52 million tons was partly commissioned in May 2011. The delay beyond the expected date was mainly due to unprecedented

unseasonal rains hampering completion of certain portions of civil works and other procedural delays in statutory matters resulting from intermittent and frequent State-wide public agitations on certain political issues. The final commissioning, however, coincided with a recovery in cement prices which had witnessed a downward trend in the earlier part of the year.

The new Plant up to the stage of clinkerisation had however, been commissioned on 7th March 2011 within the financial year 31.3.2011, with a total clinker production of 73,638 MTs of which 28,507 MTs had been transferred to the Cement Unit I at Macherla for grinding into cement.

The company has now entered into a phase of its becoming a larger player in the cement industry with a combined production capacity of 2.18 million tons and has taken all steps to enlarge its marketing operations. Management is also considering various ways and means of taking the final product nearer to the consumer in the more rewarding markets. Establishment of grinding units, packing plants, considering proposals for forward integration etc are in the process of discussion relating to economic and technical viability and are expected to be finalized during the course of the current year.

Modernization/Expansion: Engineering Unit

The Unit has completed the modernisation and debottlenecking of operations comprised in the initial phase of its modernization-cum-expansion proposals at a cost of ` 1600 lacs funded from internal generations.

The second phase of the proposed scheme, namely, the expansion of the Foundry estimated to cost about ` 6000 lacs and expected to be implemented in 2010-11 has presently been rescheduled to be taken up in the second half of the current financial year. This has been necessitated due to the fact that following the recovery from the global economic slow-down; customers are in the process of consolidating their position before going in for procurement of capital goods to increase their capacities. They are seen to be revisiting their requirements for acquisition of capital machinery and equipment and enquiries are expected to flow in during the current year. The rescheduling of this phase of the proposal would conserve resources for the present and save considerable interest cost. The statutory approvals in respect of civil works have also witnessed delays and are expected to be in place in time for commencement of implementation later in the year.

The Banks which had sanctioned term loans for this purpose have been requested to cancel the same for the present to avoid incurrence of unnecessary commitment and other charges. Fresh proposals would be submitted at the appropriate time for funding the project.

Diversification: Hotel Project at Hyderabad

Approvals of building plans by the Greater Hyderabad Municipal Corporation have been slower than expected due to the requirement of simultaneous clearances from multifarious State agencies. Nevertheless, the proposal already has on hand NOCs from the Airport Authority of India, the Fire Department and the Metro Rail authorities and has been placed and discussed at the level of the High Rise Building Committee of the Corporation. The final approvals are expected in due course of time. Pending this, excavation of land is being completed and consultations in respect of other facilities and amenities for a Hotel Project have been taken on hand. As reported last year, the contract for civil works has been awarded and work is being carried on as per schedule commensurate with the statutory approvals.

The company has tentatively agreed on preliminary terms for a management contract and operation of the Hotel with a leading international hotel chain. The brand under consideration has models perceived as a business hotel in the upper middle segment with four star category standards and is one of the leading franchises on a global basis. In India, several properties of such brand are coming up in almost all leading cities and the growth phase for this brand appears to be impressive. The detailed terms and conditions of the agreement are under consideration and discussions before a final view is taken and agreed upon.

The estimated cost of the Project, excluding land cost, remains at ` 6302 lacs for a 130 room facility for which an in-principle sanction of a term loan of ` 4500 lacs has already been given by a Bank. Finalization of the loan facility is awaiting the sanction by GHMC of the plans which is a pre-requisite.

Establishment of a Captive Power Plant:

The proposal of the company to set up a 2x18 MW Power Plant at the site of New Cement Unit II at Muktyala for captive use of generated power in its cement production facilities has been finalized. The Detailed Project Report has been received according to which the Cost of the Project has been estimated

at ₹ 16400 lacs. Based on this, sanction from a bank has been received for Term Loan of ₹ 11400 lacs.

From a present study of power requirements for the two cement units, it is expected that a major portion of the total generation of power will be consumed on a captive basis, with the balance to be sold to the State Grid or to private consumers through Power Trading companies. The generation of power at this proposed facility will ensure continuous supply of quality power to the cement units which will maintain the quality of the final product in addition to considerable saving in its cost of production.

The basic input for the proposed Project, namely coal is to be procured under the Coal Linkage System for which necessary applications to the relevant authorities have been made and approvals awaited.

Corporate Social Responsibility:

Corporate Social Responsibility (CSR) as a form of corporate self-regulation to practice an intertwined model of business management system which automatically integrates ethical standards to safeguard the interests of all stakeholders, the public and the surrounding community, has been in vogue in one form or another in the Company over the years. Viewed as a medium to reward the community in which it works, management has endeavored to bring in best international practices in its day-to-day management of its affairs which in itself provides for the fulfillment of

its responsibility in this direction. While addressing a care for its various stake holders, it is also seen as a catalyst to many integrated community service projects which can, to some extent supplement efforts of the Governments. Clean and transparent management is one of the many ways of practicing corporate social responsibility as it includes public interest, prudent use of common resources such as energy, air, water and other natural elements leading to more efficient use of public funds.

The more visible form of Corporate Social Responsibility (CSR) involves responsibilities of a corporate in the following areas:

- ❖ Integrated Rural & Urban Community Development programmes with communities living in the periphery of its units, including provision of potable water, plantation of trees, renovation of places of worship etc.
- ❖ Encouraging voluntary involvement of employees to devote time and effort to address social issues.

A more detailed report on activities under Corporate Social Responsibility is furnished separately in this Annual Report.

Management Discussions and Analysis:

Details of Management discussions and analysis for each segment of the company’s business are presented separately for ease of access and perusal.

Details of Retiring Director seeking re-appointment

Name of Director	Sri. O. Swaminatha Reddy	Sri. Pinnamaneni Koteswara Rao
Date of Birth	25-12-1930	08-09-1929
Nationality	Indian	Indian
Date of Appointment	14-03-1991	29-01-1976
Expertise in specific general functional area	Chartered Accountant and Former Banker	Agriculturist
Qualification	B.Com (Hons), ACA	Agriculturist
List of outside Chairmanships / Directorships held	<ol style="list-style-type: none"> 1. M/s. Transport Corporation of India Ltd, New Delhi 2. M/s. Surana Ventures Ltd, Hyderabad 3. M/s. Bhagyanagar India Ltd, Hyderabad 4. M/s. K.M. Power Pvt. Ltd, Hyderabad 5. M/s. Thembu Power Pvt. Ltd, Pune 6. M/s. E.P.R. Gene Technologies Pvt. Ltd, Hyderabad 	<ol style="list-style-type: none"> 1. Veeraiah Non-conventional Power Projects Ltd.,

	7. M/s. E.P.R. Pharmaceuticals Pvt. Ltd, Hyderabad 8. M/s. E.P.R. Centre for Cancer Research and Biometrics Pvt. Ltd, Hyderabad 9. M/s. Sagar Cements Ltd - Hyderabad 10. M/s. T.C.I. Finance Ltd - Hyderabad 11. M/s. Sagar Power Ltd - Hyderabad 12. M/s. T.C.I. Developers Ltd - New Delhi	
Chairman / Member of the Committee of the Board of Directors of the Company	1. Audit Committee – Chairman 2. Remuneration Committee – Chairman 3. Investment Committee- Chairman 4. Shareholders' Grievance Committee-Chairman	1. Audit Committee- Member
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director		
a) Audit Committee	1. M/s. Sagar Cement Ltd –Chairman 2. M/s. Transport Corp. of India Ltd –Chairman 3. M/s. Bhagyanagar India Ltd - Chairman 4. M/s. Surana Ventures Ltd - Chairman	-
b) Shareholders' Grievance committee	-	-

Note: Pursuant to Clause 49 of the Listing Agreement, Chairmanship/membership of the Audit Committee and the Shareholder's Grievance Committee alone have been considered.

Director's Responsibility Statement:

The Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
2. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2011 and of the profit of the Company for the year ended as on that date.
3. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
4. They have prepared the Annual Accounts on a going concern basis.

Auditors:

M/s Brahmayya and Co, Chartered Accountants, Vijayawada, Auditors of the company retire at the conclusion of the ensuing Annual General Meeting. They are, however eligible for reappointment. They have furnished a certificate to the effect that their appointment, if made will be in accordance with the limits specified in sub section (IB) of Section 224 of the Companies Act, 1956.

The Board recommends the reappointment of M/s Brahmayya & Co Vijayawada, as Auditors of the company to hold office till the conclusion of the next Annual General Meeting.

Cost Auditors:

Pursuant to the directives from the Central Government and the provisions of Section 233B of the Companies Act 1956, M/s Narasimhamurthy & Co. Cost Accountants, Hyderabad have been appointed as Cost Auditors of the company subject to the approval of the Central Government for the ensuing year to conduct the cost audit of the cement and Power units of the company.

Human Resources:

Industrial Relations in the company, across all its units, have remained cordial throughout the year. The employees have always been a pillar of strength to the company. Your Directors appreciate the significant contribution made by the employees to the operations of your company during the year.

The information required on Particulars of Employees as per Sec. 217 (2A) of the Companies Act 1956, read with Companies, (Particulars of Employees) Amendment Rules, 2011 forms part of this report.

Subsidiary company:

The Company has fulfilled all the conditions prescribed under Sec 212 (8) of the Companies Act 1956 read with General Circular 2/2011 to avail exemption from publishing the Balance Sheet and other statements of its subsidiary company, M/s KCP Vietnam Industries Ltd. Vietnam for the financial year 2010-11. However, a statement giving certain information as required in the said circular is placed along with the Consolidated Accounts.

The company will provide to any shareholder, on request and without any cost, the Balance Sheet and other particulars and statements of accounts of the subsidiary company, M/s KCP Vietnam Industries

Ltd. Vietnam as per Section 212 of the Companies Act, 1956.

Consolidated Financial Statements:

Pursuant to the requirements of Accounting Standard – 21 and the Listing Agreement with National Stock Exchange, financial statements consolidating those of its subsidiary KCP Vietnam Industries Ltd and its Joint Venture company, Fives Cail K C P Ltd, considering the minority interest in them and duly audited have been attached to this Directors' Report.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Outgo:

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached as Annexure "2" to this report.

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 the 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 and other factors such as litigation and industrial relations.

Safety and Pollution Control:

The manufacturing units are fully compliant with pollution control measures as directed by the statutory authorities from time to time and have obtained necessary approvals from them.

Adequacy of Internal control systems:

The company firmly believes that Internal control is a process, designed to provide reasonable assurance regarding the effectiveness and efficiency of operations of a company, the reliability on its systems of financial reporting, compliance with applicable laws and regulations, effective implementation of transparency in significant transactions, agreements, contracts which may impact its financial performance, prevention of the occurrence of frauds and collusions in the conducts of its affairs, adequate reporting systems to apprise management by way of periodical MIS reports etc. The Board perceives that this process

has been adequately put in place and to ensure its effective administration and implementation, internal audits are periodically carried out by duly appointed Internal Auditors

The planning of the internal audit function by the Internal Auditors typically include test checks and processes to ensure the adequacy of the system of internal control, the reliability of data, and the efficient use of the organization's resources etc. Internal auditors also identify control problems and suggest and follow up implementation of solutions for improving and strengthening such controls on a progressive basis. Internal auditors in their reports to the Board concern themselves with the entire range of an organization's internal controls, including operational, financial, and compliance controls.

Quarterly reports are placed and discussed in considerable detail by the Internal Auditors with members of the Audit Committee and suggestions and corrective action, where necessary, are taken up and conveyed to the CFO, Company Secretary and other senior finance functionaries at such meetings. The responses of the concerned officials are also obtained and discussed on the reports of the Internal Auditors.

Risk Management System:

As a system designed to contain and minimize an organization's exposure to risk, Risk Management policies have been laid out by the Board. With operations spanning different segments of business and in different regions and countries, the company periodically evaluates the procedures by collating information in this regard from its operating units, the policies of Government, the evolving economic development, emerging competition, changes following technological upgradation, improvement in international best practices, study of peer company approaches etc. Discussions at various levels are held to analyze the various inputs and take corrective action and make changes in established risk management policies. A continuing awareness in this regard is an important ingredient to manage risk.

Place: Chennai
Date: 27th, May, 2011

The Risk Management Policy as formulated by the Board is being followed as a guide in on-going assessment and the steps to be taken as necessary from time to time.

Corporate Governance:

The company places significant reliance on a ethical and prudent governance. It has followed such a system of corporate governance over a long period of time and the same is enumerated and placed on record. Transparency in operations by means of professional management with empowered managers is firmly believed as the heart of a healthy system of corporate governance. The various internal controls laid down for day-to-day operations provide the necessary checks and balances to prevent collusion and subjective decisions and these in turn go to make governance effective. Authority flows down a line of executives in a given order with top management seeking to provide leadership and policy inputs. The mechanism also results in prudent and diligent decision making at all levels ensuring for the overall benefit of all stakeholders. It also gives considerable comfort to banks, deposit holders, vendors, customers and others who interact with the company in their assessment of the company's performance.

A Detailed Report on matters relating to Corporate Governance as statutorily required is annexed as part of this Annual Report together with the report of the Auditors on its compliance.

Acknowledgements:

Your Directors wish to thank the Central and State Governments, Financial Institutions, Banks, Government authorities, customers, vendors and shareholders for their continued co-operation and support extended. We wish to whole heartedly thank our employees for their sincere and devoted contribution to the company's continued good performance.

Ladies and gentlemen, your involvement as shareholders is deeply valued. Your Directors look forward to your continuing support in all their endeavors.

For and on behalf the Board



(V. L. DUTT)

Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Overall Company performance

FINANCIAL YEAR	(Rs. in lakhs)	
	2010-2011	2009-2010
Sales	36,172	41,175
Profit before depreciation, interest & tax	8,224	11,053
Profit(+)/Loss(-) after tax	4,135	6,002
Current ratio	2.52	2.18
Debt equity ratio	0.67	0.33
Inventory Turnover (times)	3.36	4.91

The performance of the company during the year under review has not kept pace with that of the previous year due to industry-related issues common to the country in the two major areas in which the company operates namely cement and heavy engineering. The reasons are attributable to general industry behavior, economic crisis on a global scale, sluggish demand, rising input costs etc. Turnover fell by 12.15 % and profit before interest and tax by 25.59%. Provision for tax was lower due to the incidence of Minimum Alternate Tax in view of a larger claim for Income Tax depreciation in respect of the New Cement Plant for tax purposes.

Issues:

The onset of the global economic crisis affected the export sales of the Engineering Division with a slight dip in domestic demand affecting the turnover and the profits of the Division.

Cement had to ride rough weather during the year given that the sentiment of the economic crisis left a sense of uncertainty that affected expenditure on buildings and infrastructure by the private and public sectors. Many expansion and modernisation plans had been put on hold expecting clearer signals for implementation and adequate return on investment.

While discussions and comments on the overview and risk situations are given under the respective Unit Head performances hereunder, as a general comment, there are positive signs of a return to normalcy over a period of time. Economists and world leaders in the subject opine that the worst for the

global economy is over with the phase of recovery having set in slowly but steadily. While the recovery is stated to be "fragile", it is common ground that India has weathered the crisis better than most countries due to its history of prudent controls and constant checks instituted by Government and the Central Bank of the country on the total financial system and its players. However, recovery on a global basis which will result in a boost to exports in all segments is crucial for the country and its economy to be firmly back on its feet.

In the manufacturing sector, globally, most affected countries and large Corporations are testing the water and revisiting their earlier plans for large scale spending and expansion programmes. While the global economy is yet to witness a complete recovery, there are sufficient signals to indicate adequate recovery to encourage economies dependent on such growth to get back to an increasing sphere of activity.

The division-wise results are discussed under the respective heads in this Report elsewhere.

CEMENT DIVISION

Operational Performance:

FINANCIAL YEAR	2010-2011	2009-2010
Cement produced (MT)	7,26,159	8,07,646
Capacity Utilization (%)	110.02	122.37
Clinker produced (MT)	6,86,978	6,39,411
Clinker purchased (MT)	45,986	93,640
Cement sold (MT)	7,26,538	8,07,646
Turnover (` In lacs)	22,375	24,058
Segment Profit (` in lacs)	1,634	3,468

The New Cement Plant at Muktyala commissioned its clinkerisation facility on 7th March 2011 and produced about 73638 MTs of clinker of which 28507 MTs were transferred to the Cement Unit I at Macherla.

Production of cement in the Cement Unit II partly commenced on 6th May 2011 in the current financial year with one grinding unit going on stream with the second one expected to be brought to production in July 2011.

The cement Industry, as a whole, suffered a setback in performance during the year under review due to reduced off-take, increase in coal prices and pressure on margins due to rising input costs. As would be seen from the above figures, the quantity of cement sold was lower by about 10% and segment profit down by 53% compared to the last year in spite of a marginal increase in average realization of 3.5% signifying an increase in production costs.

Availability of Coal during the year has been a major source of concern with the need to resort to higher quantities of imported coal, prices of which were ruling high.

Overview:

The industry could not achieve its expected off take from its expanded capacities due to lack of Government spending on infrastructure caused by the global crisis and unstable political situation. Similarly, private sector plans for buildings etc. also lagged behind considerably due to the uncertain situation with overseas clients caught in the throes of the economic meltdown.

Presently, there are signs of positive return to the growth phase in most of the sectors and also in infrastructure development which will spur Government spending. These signs coupled with a revival in building activity in the realty sector should give a boost to demand and prices in the cement industry.

Considering the multiple areas of concern for achieving sustained growth, the Division is looking at opportunities on solutions for cost control, creation of adequate transportation facilities, creating distribution bases such as grinding and packing units nearer the consumer cluster, venturing into backward and forward integration etc.

Outlook:

The industry is however highly positive on the long term outlook and is going in for creation of additional capacities, encashing on consolidation opportunities to synergize on operations and reduce production costs. The outlook is based on the imperative need for infrastructure creation in the country, more homes for the citizens, better and additional commercial and hospitality projects etc.

In the final result, cement as a product has come to be seen as one of the ingredients for the improve-

ment of the country's economy and standard of living and will take its place as an evergreen product.

Risks:

The production of cement is heavily dependent on availability of coal and power. Availability from the Coal Linkage System is slow and subject to many limitations and restrictions of allotment etc. With the African and Middle East crisis and the holocaust in Japan, the thermal energy is back with a bang and is gaining back to prominence. This is expected to push the prices of imported coal which has already seen increase in prices by more than 50%. Cement producers are therefore pushed to the need to be judicious in their approach for procurement of coal constantly watching the price levels and availability factor

Power, the other major input, is also the subject of considerable uncertainty given that the major source is still the Transmission companies (Transcos) which are materially controlled by the State Governments. Factors such as availability of hydel and thermal resources, seasonal fluctuations, transmission and distribution losses etc. contribute to the inadequate supply of quality power.

The need for captive power plants has therefore become an inherent necessity for a Cement Plant; though sourcing of coal is still a factor to be considered. However, coal linkage for captive units and imported sources are being used in a prudent proportion to operate these plants which gives enormous comfort of continuous supply of quality power at reduced cost.

The company has also taken steps to set up a 36 MW Captive Power Plant which is likely to commence implementation at the end of the current financial year and be completed within about 18 months.

Fluctuation in cement selling prices is yet another risk as the demand for the product has its highs and lows in any given period. With production concentrated in a cluster, distribution pose problems due to distances to be covered, logistical deficits, transport costs, timely delivery to the consumer etc. These are being met with adequate responses by the company as stated earlier in this discussion and are expected to smoothen the fluctuation curve to a manageable level. Notwithstanding the presently robust scenario, the mere cyclical nature of cement would still have its peaks and troughs in regular intervals.

The above risks inherent in the system are being addressed by the industry as a whole at the national level and the company expects to perform to its projected levels in terms of production and profits in the coming year.

POWER DIVISION

A) HYDEL POWER UNIT:

Operational Performance

FINANCIAL YEAR	2010-2011	2009-2010
Hydel power generation (in KWH)	3,64,42,306	3,67,42,900
Usage (KWH)	3,23,65,199	3,63,15,240
Turnover (₹ lacs)	954.88	984.03
Segment Profit in (₹ lacs)	332	298

Overview:

Hydro power as a renewable, economic, non-polluting and environmentally conducive source of energy, has been encouraged by Government and specific incentives prescribed for its production. In a society which is increasingly laying stress on environment-friendly measures, generation of power from non-fossil sources is highly preferred. The cost of generation is inflation-resistant where the same can be controlled. Having a predominantly longer useful life, such Projects also promote the conservation of scarce fossil fuels, besides providing employment opportunities and economic development in remote and backward areas.

Risks:

In the mini-hydel units of the company dependant on canal drops from the major irrigation dams, the risks involved are felt in the summer months and the times when monsoon fails. However, by and large, the location of the company's hydel units has the advantage of a flow from the large Nagarjuna Sagar Dam which provides water for irrigation to the farmers in the villages within its area resulting in adequate flow of water for power generation. Though dry periods have been witnessed, these are few and far between. However, the operations in the units are projected to operation for about 7 months on an average in a year.

Erosion of the bunds supporting the canal boundaries is a repetitive phenomenon due to the continuous flow of water with the company undertaking the task of strengthening them at regular intervals with allocation of substantial funds for this purpose.

The company also maintains a regular programme of renovation, modernisation and upgrading of the equipment to maintain generation levels, control down time due to repair and increase its life cycles.

B) THERMAL ENERGY GENERATION UNIT (Waste Heat Recovery):

FINANCIAL YEAR	2010-2011	2009-2010
WHR power generation (in KWH)	1,60,03,400	1,32,89,600
Usage (KWH)	1,60,03,400	1,32,89,600
Capacity utilisation (%)	100	100
Turnover (₹ lacs)	460.55	358.82
Segment Profit (₹ lacs)	248.30	109.23

Overview:

The Waste Heat Recovery Process installed to effectively capture exit heat and reuse it in the Plant has been yielding good results with about 1.6 MW being made available bringing down the average cost of power. The process also prevents escape of gases into the atmosphere thus saving the environment from pollution to that extent. The investment in this Project has been remunerative and has been put to profitable use.

This activity that has led to reduction in GHG emission is eligible for "carbon credits" that can be encashed in the market on certification. Verification by the certification Agency has been completed upto 31st March 2010 and credits are expected shortly.

Risks:

Though the technology relating to this area has been advanced and industry today prefers introduction of sixth stage pre-heater, the existing system bears no risks and is paying for itself by additional generation of power and incidental eligibility of encashable Carbon Credits.

C. WIND POWER GENERATING UNIT:

Operational Performances :

FINANCIAL YEAR	2010-2011	2009-2010
Power generated (KWH)	80,46,443	93,24,851
Capacity Utilisation (%)	76.63	87.65
Segment Turnover (` lacs)	336.56	332.16
Segment Profit (` lacs)	66.89	24.88

Overview:

Wind power, harnessed from a natural resource is highly welcome as a substitute for power generated from non-renewable sources and is also totally pollution free and is from a veritably non exhaustible resource. Presently, about 6% of the total power generation capacity in the country is established in this sector. However, in view of the policy incentives being geared towards installation of capacities and not extended to operational parameters only 1.6% of the power production is from wind power. With the country facing a perennial shortage of power, it is hoped that Government, with a view to encourage generation of power from this natural source, will look at removing this constraint and provide suitable incentives for operational purposes also keeping in view the difficulties in working in extreme rural areas.

Risks:

Wind velocity is very crucial for the operation of windmill with only limited pockets in certain states endowed with such wind power. Further wind energy can be profitably harvested only in certain seasons of the year when the velocity of winds are suitable for such activity. The pricing of such energy by the various state Governments needs to be reviewed considering the huge investment in such assets and its nature of environment-friendliness compared to all other types of energy.

ENGINEERING DIVISION

Operational Performance:

FINANCIAL YEAR	(Rs. in lakhs)	
	2010-2011	2009-2010
Turnover :		
Domestic	12,006	12,337
Export	1,061	4,257
Segment Profit	4,526	5,971

Overview:

The Capital Goods industry is the “mother” of all manufacturing industry engaged in the design and manufacture of machine tools, industrial machinery, process plant equipment, construction & mining equipment, electrical equipment, etc. A vibrant capital goods industry is a pre-requisite to propel the growth of the manufacturing activity in any country.

Following the global economic crisis, the Engineering Division has undergone a phase of deferred orders, slow realization of trade debtors, lack of fresh orders and enquiries etc. This has led to a marked fall in export sales. Domestic sales, however, has remained stable at last year’s levels. Segment profits as a percentage of sales, have been maintained at last year’s level.

The Unit with its background of a long history of profits, technical skills in design, planning, execution and delivery, upgradation of machinery and equipment, availability of pool of skilled workforce, large and satisfied customer base and prudent and conservative financial policies is able to leverage these inherent strengths and steer the course to emerge strong and robust.

Risks:

There are always constantly changing trends in product quality and safety standards, technological improvements, employment of high-end design capabilities, effective use of information technology and computerized tools of management etc. which need to be absorbed at the appropriate time and be taken advantage of and become competitive in the market.

Besides the much talked about global meltdown of the economy, the manufacturing sector has suffered from certain chronic and lasting disadvantages when compared to their International competitors. These are mainly poor infrastructure leading to insufficient port facilities leading to congestion and high turn-around time, unreliable supply of power at high costs etc.

Though these are being addressed by the Government, the pace is rather slow with competitors from other countries likely to snatch available opportunities. Ways and means to combat these are necessarily to be addressed by industry as a whole

even, if necessary through combined efforts at creating infrastructural facilities in their respective regions.

Specific to the Engineering Division as such, this segment in which it operates is on the road to recovery and customers from abroad are also revisiting their expansion and acquisition plans which will, over the short term, generate orders, revive delivery instructions on the deferred ones etc. Domestic demand has already seen a rise and the Division looking to book more orders in the current year.

Opportunities for cooperation with foreign engineering and technical companies are being explored for more orders in newer segments which can yield higher returns.

These and other steps are aimed at leveraging its existing facilities, adding to them and spreading its turnover over a larger customer and product base to minimize dependence on limited segments.

BIOTECH UNIT AT HYDERABAD:

Operational Performance:

FINANCIAL YEAR	2010-2011	2009-2010
Production (Kgs)	66,865	27,326
Turnover : (` lacs)	551.26	468.85
Domestic	396.79	255.49
Export	154.47	213.36
Segment Profit (` lacs)	(158.26)	(69.68)

Overview:

India, with all the capabilities to become a dominant player has a very small share in the global biotech market. One of the key features for this is the fact that there is little realisation on the advantages of the use of biotech products in the food and beverage industry and in specified industrial application such as in paints etc. This has led to the producer being overdependent on international demand in which prices fluctuate widely and the country's production quantities cannot make much impact. The consumption of biotech products in India is expected to quadruple in the next decade over which time the industry should strengthen itself with better technology and delivery

systems. More importantly, it should address itself and the authorities on the need for steady availability of the necessary raw materials at reasonable cost.

Basically the company buys chilies, turmeric and annatto and extracts color and pungency and the products are mainly exported.

The abnormally high price of turmeric and restricted seasonal availability prevented the unit from handling this product during the year.

Chili is an important cash crop in India but again its availability is in certain specific areas and at particular seasons.

During the year, prices of raw materials ruled high and the company could not handle adequate quantities to utilize its capacity better.

International prices for the products in which the unit is involved had showed considerable fluctuations resulting in sub optimal operations during the year under review.

Ways and means of procuring raw materials at advantageous prices during the season, storing them with adequate precaution and care for use throughout the year and exploring better markets and products with lower fluctuation tendencies are being actively considered by the Unit to lead to a more stable operational environment in the coming year.

Risks:

The following are the main risks associated with this division:

- ❖ Volatile raw material costs and their availability.
- ❖ Climatic conditions
- ❖ Overseas demand for the products
- ❖ Absence of economies of scale.
- ❖ Variation in the USD /Indian rupee parity

Outlook:

The company is making all-out efforts to maximize capacity utilisation and steps are being taken to explore various sources of suitable raw material and better markets. All options are being looked into by the company including the possibility of additional product opportunities with similar technology.

Joint Venture

Fives Cail KCP Limited:

Financial Year	2010 - 2011	2009 - 2010
Turnover (` lacs)	22,076	16,012
Profit before Tax (` lacs)	1,271	491

The Joint Venture Company in association with the Fives Cail group of France is in the business of supply of technological services to improve production techniques, besides design and supply of sugar machinery and major components.

Sugar industry, by nature being subjected to wide fluctuations in its fortunes, constituent companies have ventured into related areas such as co-generation of power, production of Rectified Spirit and Ethanol, chemical products, bagasse-based products like paper, boards etc. to add value to their operations.

FCKCP has been actively engaged in keeping pace with the growth of the sugar industry into the other related areas to reap the advantages of the market for additional supply of technology, equipment and machinery etc. Towards this end, it is working in close cooperation with its overseas partner, Fives Cail to improve and add to its product line.

Sales were higher than the previous year consequent to the better performance of the sugar industry going in for modernization and expansion programmes and buoyant exports to the African Subcontinent. The order book position is also comparatively higher than the previous year.

With the sugar industry in a mode of consolidation of capacities and implementation of projects for integral products, it is expected that the Joint Venture Company would improve its performance in the coming year.

Subsidiary:

KCP Vietnam Industries Limited

Particulars	12 months ended March 2011	12 months ended March 2010
Crushing Capacity (TPD)	6,000	5,000
Cane Crushed (Mts)	4,91,949	5,56,697
Sugar produced (Mts)	55,675	57,939
Recovery Rate (%)	8.58	8.90
Average Sales Realization (` /mt)	34,525	31,535
Profit before Tax (` lacs)	5,376	4,580

Overview:

During the year the expansion of capacity to 1000 TCD at Dong Xuan factory was completed taking the total crushing capacity of the company to 6000 TCD.

Sugar as a cyclical industry faces wide fluctuations in availability of sugarcane and the recovery of sugar on account of climatic conditions and marked by wide movement in the demand for the product, the selling price etc.

The international market for sugar was in general stable and the company was able to realise better average prices and achieve higher profits despite a drop in cane handled and the rate of recovery.

In view of the comfortable funds position and having repaid its long term debt to institutions and also to this company, a maiden dividend of 12.5% has been declared during the year under review.

Sugar, in general, has been witnessing a steady growth in production and demand globally, with a perceptible increase in per capita consumption. Industrial demand has also been strong and the overview for the industry is very positive. The market for the company's product in Vietnam has also been steady and it has positioned itself as one of the strong players in the country.

Risks:

The industry has its share of fluctuations having as its raw material an agricultural product which in turn is heavily dependent on climatic changes. Better use of sugarcane and its by-products has gained wide acceptance with down-stream products such as Rectified Spirit, paper, gypsum boards, power generation, chemicals etc being manufactured to make for an integrated Plant to exploit sugarcane to its full potential. The company is also in discussions with the State authorities to implement a co-generation facility to generate power from bagasse and other raw materials which will add significantly to the bottom line.

There is also the impact of the high volatility of the Vietnamese Dong vis-à-vis the US Dollar on the profitability of the company which is to be adequately managed by achieving economies in cost of production with larger production and widening its product base.

(FOR AND ON BEHALF OF THE BOARD)



(V.L. DUTT)

Chairman and Managing Director

Place: Chennai
Date: 27th May, 2011

Annexures to the Directors' Report

ANNEXURE 1

Statement showing particulars of employees of the Company as required under Sec. 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Report of the Board of Directors for the year ended 31st March, 2011.

Sl. No.	Particulars	1	2	3	4
1	Name	Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha D. Chitturi	Sri. V. Gandhi
2.	Designation	Chairman and Managing Director	Joint Managing Director	Executive Director	Technical Director
3.	Qualification	Grad.B.I.M.	B.A.,	Grad. In Business Management, PGDHR	B.E. (MET)
4.	Experience	52 years	13 years	10 years	33 years
5	Date of Commencement of Employment	3.4.1970	1.7.1996	1.10.1999	25.01.2006
6	Salary in Rs.	30,00,000	24,00,000	14,60,323	14,60,323
7	Commission in Rs.	1,20,65,609	1,19,29,941	40,85,822	34,43,689
8	Benefits in Rs.	36,272	7,71,940	10,40,758	16,82,891
9	Total Remuneration in Rs.	1,51,01,881	1,51,01,881	65,86,903	65,86,903
10	Nature of employment	Contractual	Contractual	Contractual	Contractual
11	Date of Birth	27/12/1937	14/09/1940	17/05/1971	04/3/1949
12	Particulars of previous employment-Name of the Employer	V. Ramakrishna Sons Private Ltd	Nil	Nil	Fives Cail KCP Limited
13	Designation & period of employment	Administrative Director – 12 years	Nil	Nil	General Manager (PPC)- 7 years

Annexure 2

Information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report

As a responsible Corporate Citizen Energy conservation has been given top priority across all divisions and units of the Company

Some of the initiatives taken by various units of the Company during the year 2010-11 are as follows:

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken in Cement unit-1, Macherla:

- ❖ Provided VFD drives for Cement Mills: 2, 3 and 4, there by achieved power saving of 21 KWH.
- ❖ Provided VFD for Rope way main drive in place of DC motor, there by achieved power saving of 13KWH.
- ❖ Provided VFD and AC motor for Mines apron feeder in place of DC motor, thereby achieved power saving of 6KWH.
- ❖ Main bag house dust transportation circuit modified by providing air slide thereby 11 KW drive screw conveyor avoided from the circuit resulted in power saving of 6 KWH.
- ❖ Coal firing root blowers RPM optimized from 1176 to 764 RPM, which resulted in power saving of 50KWH.
- ❖ Cement Silo. 4 feeding circuit modified, thereby 3.7 KW drive air slide avoided from the circuit, which resulted in power saving of 2 KWH.
- ❖ Main bag house reverse air fan inlet damper removed by providing VFD drive, which resulted in power saving of 1 KWH.
- ❖ Main bag house fan inlet cone modified, which resulted in power saving of 10 KWH.

(b) Energy conservation measures taken in Cement unit-2, Muktyala:

- ❖ Installed the High Efficiency (EFF1) motors for all the drives.
- ❖ Energy Monitoring System is installed and integrated with main plant automation.
- ❖ Installed VVVF Drives for most of the Pump and Fan applications for optimal energy saving.
- ❖ Installed the HV VFD for the PH Fan for optimal energy saving and best process control.
- ❖ Installed the Schenck Germany Patented MULTIKOR system for pulverized coal feeding system which helps in the optimal fuel consumption, excellent process stability and reduced fuel consumption.
- ❖ Installed the 3ph Transformers for Cooler Electro Static precipitator which helps in better power factor in turn reduce the power consumption and helps in Increased the ESP Stack height to achieve the maximum natural draft there by reducing power consumption.
- ❖ Capacitor Banks with Automatic Power Factor Controllers are installed.
- ❖ Total Plant and colony Lighting on/off control in automatic mode based on the day light.
- ❖ Used High Efficiency lighting system for the Plant and Colony by means of T5 Lamps, CFL Lamps, Electronic Ballast, LED Lamps, etc.
- ❖ Compact ducting layout for Process fans to operate at high efficiency and lower ratings.

- ❖ Selected metallic expansion joints in all areas to avoid false air entry and to get maximum fan efficiency.
- ❖ Selected high efficiency screw compressors with Centralized location and distribute to different sections instead of many compressors in many locations.
- ❖ Chimney design considered for higher natural drafts to minimize load on fans.
- ❖ Selected VRM'S instead of ball mills for Raw material grinding for energy savings.
- ❖ Short length material handling designed for conveying in layout to minimize the conveying power.
- ❖ Selected higher size twin cyclone in 1st stage for better saving in pre heater fan energy.

(c) Energy conservation measures taken in Engineering Unit, Tiruvottiyur:

- ❖ Old DC & Thyristor Drives are being replaced with AC motors and VVFD drives in Horizontal boring machines, Turning rollers, etc.
- ❖ VVFD (Variable Voltage and Frequency Drive) drives for higher capacity motors and EOT cranes are being replaced for soft starting, energy saving, Power Factor improvement .
- ❖ The critical machines like Horizontal boring and VTL with obsolete Electrical controllers are replaced with PLC retrofit
- ❖ Lighting Energy savers are installed for shop floor and street lights supply. The conventional choke was replaced totally with Electronic ballast for tube lights.

(d) Additional Investments and Proposal for reduction of consumption of energy:

- ❖ Cement unit-1, Macherla is Planning to provide Screw Compressor with VFD for packing plant, costing arounds 17lakhs. Estimated power saving: 12KWH

In Engineering Unit, Tiruvottiyur:

- ❖ The shop wise monitoring is proposed for individual cost centre for efficient monitoring of Energy calculation
- ❖ Motors with fractional HP shall be replaced with new one due to the poor performance and consumption of higher energy
- ❖ New motor shall be replaced in place of the poor performing higher HP MOTORS
- ❖ Power Factor Proposed to add one more power factor controller for the newly installed 1000KVA transformer

(e). Impact of measures at (a), (b) and (c) above for reduction of energy consumption and consequent impact on the cost of production of goods

The measures as (a), (b) and (c) have helped in reduction of power consumption to the extent indicated and utilisation of waste and proposals as in (d) shall continue to help in reduction of power and fuel consumption.

B. Technology Absorption

Efforts made in technology absorption – as per Form 'B' of this Annexure

C. Foreign Exchange Earnings and Outgo

The information on foreign exchange earnings and outgo is provided in page number 69 in Notes forming part of Accounts.

FORM A
(SEE RULE 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
CEMENT UNITS, MACHERLA AND MUKTYALA .

POWER AND FUEL CONSUMPTON	CURRENT YEAR 2010 - 11		PREVIOUS YEAR 2009 - 10
	Macherla	Muktyala	Macherla
1. ELECTRICITY			
A). PURCHASED FROM APSEB			
Unit K.W.H	1,87,36,704	21,45,679	1,86,05,806
Total Amount Rs.	7,39,16,792	77,92,076	7,57,81,915
Rate/Unit Rs.	3.95	3.63	4.07
B). OWN GENERATION			
I) THROUGH DIESEL GENERATOR			
Unit K.W.H	56,704	0	6,63,244
Units per Ltr.of Diesel Oil	1.66	0.00	3.58
Cost/Unit Rs.	225.48	0.00	14.97
2) THROUGH HYDEL POWER			
Unit K.W.H	3,08,16,027		3,49,64,753
Total Amount Rs.	9,00,87,868		9,37,78,715
Cost/Unit Rs.	2.92		2.68
3) THROUGH W H R POWER			
Unit K.W.H	1,39,96,540		1,11,97,748
Total Amount Rs.	3,99,97,345		3,02,33,920
Cost/Unit Rs.	2.86		2.70
2. COAL (SPECIFY QUANTITY AND WHERE USED)			
Qty Tonnes	1,11,161	10,007	1,11,883
Total cost Rs.	50,11,42,389	5,26,54,259	43,13,31,938
Average rate Rs.	4,508.27	5,261.74	3,855.21
3. DIESEL OIL			
Qty (Ltrs)	5,601	14,703	4,500
Total cost Rs.	2,23,332	5,98,406	1,55,259
Average Rate Rs.	39.87	40.70	34.50
4. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity KWH	93.46	39.50	86.16
Coal	0.171	0.184	0.175
Others (Specify)	-	-	-

Cement Production Unit Muktyala commenced it's operations in F.Y. 2010-11.

FORM - B
(See Rule 2)

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R&D)

1. Benefits derived as a result of the R&D

Being on going exercises they would take a period before the benefits would flow and can be identified only over a period of time.

2. Future plan of action

- a) Capability development for characterisation of waste fuels.
- b) Understanding and linking process parameters to environmental emissions.
- c) Develop low energy cement.

3. Expenditure on R&D

	(Rs)	
	2010-11	2009-10
a. Capital Expenditure	-	-
b. Recurring Expenditure	2,44,587	2,39,338
c. Total expenditure	2,44,587	2,39,338
d. Total R&D expenditure as % of turnover	0.007	0.006

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

- ❖ Training of plant and R&D personnel in absorption of specific skills in use of alternative fuels.
- ❖ Participation in international and national conferences / seminars.

2. Benefits derived as a results of the above efforts:

- ❖ Improvement in cement manufacturing process for increased use of alternative fuels.
- ❖ Reduction in cost of cement production and impact on environment protection.

Report on Corporate Governance

Corporate Governance is the set of rules, customs, policies and laws affecting the way the company is directed, administered or managed

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that

- Effective Corporate Governance is an essential component of a successful enterprise in a globalised economy.
- Value addition through wider consultations and compliance of standards sharpens the organizational skills to achieve results better than before.
- Appropriate disclosures to shareholders ensure adequate information to assess and match risk of and reward from the enterprise.
- Consequently, Corporate Governance delivers a cohesive group of shareholders who cherish similar values, share similar perspectives and expect similar returns.

The Company 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:

- I. Board of Directors
- II. Committees of the Board
- III. Shareholders' information
- IV. Other disclosures

2. BOARD OF DIRECTORS

The Company is being managed by Dr. V.L. Dutt, Chairman & Managing Director, Smt. V.L. Indira Dutt, Joint Managing Director, Smt. Kavitha Dutt Chitturi, Executive Director and Sri. V. Gandhi, Technical Director under the overall supervision, control and guidance of the Board of Directors

a) Composition of Board and attendance particulars:

The Board of Directors consists of eminent individuals drawn from management, Technical, Financial fields. The Board has an adequate combination of Executive and Non-executive Directors. As on 31st March, 2011, the Board has 8 (eight) members, comprising of 4 (four) Executive Directors (including Chairman & Managing Director) and 4 (four) Non-executive Independent Directors.

The Composition of the Board of Directors meets with the requirements of clause 49(1) (A) of the listing agreement.

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which they are Directors.

The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreement.

During the year FIVE Board meetings were held on the following dates:
28/05/2010, 28/07/2010, 26/08/2010, 27/10/2010, 24/01/2011.

The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.

b) Details of Board members and attendance details of each director at the Board Meetings and at the last AGM

The names and categories of the Directors of the Company on the Board, their attendance at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given below:

Directors	No. of Board Meetings attended out of 5 Meetings held during the year	Attendance at last AGM (28-07-2010)	*No. of other Directorships		* No. of other Board Committees in which Director is a member / Chairman		No. of shares held by Directors (Equity shares of Re.1/- each)
			Chairman	Member	Chairman	Member	
Non-Executive Independent Directors:							
Sri Pinnamaneni Koteswara Rao	4	P	1	-	-	-	19,200
Sri V.H. Ramakrishnan	5	P	-	2	-	-	Nil
Sri A. Ramakrishna	5	P	-	11	1	8	Nil
Sri O. Swaminatha Reddy	5	P	3	4	4	-	Nil
Executive Promoter Directors:							
Dr. V.L. Dutt, Chairman & Managing Director	5	P	1	1	-	1	54,94,250
Smt. V.L. Indira Dutt, Joint Managing Director	5	P	1	1	-	-	28,03,740
Smt. Kavitha D Chitturi, Executive Director	5	P	-	-	-	-	5,99,750
Executive Non Promoter Directors							
Sri V. Gandhi, Technical Director	5	P	-	1	-	-	2040

* Represents directorships in public limited companies governed by the Companies Act, 1956 and memberships of Audit and investors grievance committees.

c) Code of Conduct.

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code is posted on the website of the Company www.kcp.co.in.

Annual declaration regarding compliance with the Code is obtained from every Director/Executive covered by the Code of Conduct.

A declaration to this effect signed by the Chairman and Managing Director is forming part of this report.

The Board reviews at every meeting, compliance reports of all laws applicable to the company.

d) Remuneration of Directors

i) Remuneration to Non-Executive Directors.

Non Executive Directors are paid sitting fee for the meetings of the Board and Committees, if any, attended by them.

During the year Non-executive Directors of the Company were paid sitting fees of Rs. 20,000/- (Rupees twenty thousand only) each for every meeting of the Board and Audit Committees attended by them. For Remuneration and Investment Committee Meetings Rs. 10,000/- (Rupees ten thousand only) were paid as

sitting fees. The sitting fee is well within the limits prescribed under the provisions of the Companies Act, 1956.

The details of sitting fees paid to Non-Executive Directors for the year 2010-2011 (for attending the Board Meetings, Audit Committee meetings, Remuneration Committee Meeting and Investment Committee Meetings) are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	Rs. 2,10,000/-
Sri. Pinnamaneni Koteswara Rao	Rs. 1,60,000/-
Sri. O. Swaminatha Reddy	Rs. 2,10,000/-
Sri. A. Ramakrishna	Rs. 2,10,000/-

(ii) Remuneration to Executive Directors

Remuneration to all the Executive Directors is paid within the limits prescribed under the provisions of the Companies Act, 1956, and is approved by the Board of Directors based on the recommendations of the Remuneration Committee and sanctioned by the Shareholders at their meeting.

Particulars of their remuneration for the year ended 31st March 2011 are given below:

Particulars of Executive Directors	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman & Managing Director	30,36,272	1,20,65,609	1,51,01,881
Smt. V.L. Indira Dutt Joint Managing Director	31,71,940	1,19,29,941	1,51,01,881
Smt. Kavitha Dutt Chitturi Executive Director	25,01,081	40,85,822	65,86,903
Sri. V. Gandhi Technical Director	31,43,214	34,43,689	65,86,903

e) Pecuniary relationship or transactions of Non executive directors' vis-à-vis the company

The Company does not have any direct pecuniary relationship/transaction with any of its Non Executive Directors.

f) The information made available to the Board includes the following

- 1) Annual Operating plans and budgets and any updates.
- 2) Capital budgets and any updates
- 3) Quarterly results for the Company and its operating divisions or business segments
- 4) Minutes of meetings of the audit committee and other committees of the Board.
- 5) The information on recruitment and remuneration of senior officers just below the board level, including appointment and removal of the Chief Financial Officer and the Company Secretary.
- 6) Show cause, demand, prosecution notices and penalty notices, which are materially important.
- 7) Details of joint venture or collaboration agreements.
- 8) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement if material.

3. COMMITTEES OF THE BOARD

The Board has set up the following Committees as per the requirements of the Listing Agreement entered with the Stock exchanges.

a). Audit Committee

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit. The responsibilities of the Audit Committee include among other things overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment and remuneration of internal auditors, external auditors and cost auditors, reviewing the periodical interim and annual financial statements before submission to the Board, reviewing adequacy of internal control systems and discussing the scope of audit with external auditors.

The Audit Committee met four times during the year on 28th May, 2010, 28th July, 2010, 27th October, 2010 and 24th January, 2011.

The Audit Committee comprises 4 Non-Executive Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. O. Swaminatha Reddy, 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 committee also meets the requirements of Sec 292A of the Companies Act 1956.

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri O. Swaminatha Reddy (Chairman)	4	4
Sri V.H. Ramakrishnan	4	4
Sri A. Ramakrishna	4	4
Sri. Pinnamaneni Koteswara Rao	4	4
Executive Promoter Director :		
Smt Kavitha D Chitturi	4	4

The Company Secretary is the Secretary to the Committee. Executive Directors, 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

BROAD TERMS OF REFERENCE

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements of the Company before submission to the Board of Directors. It has also reviewed the financial and other specified information of subsidiary Company. It has reviewed the Internal Audit reports and discussed the same with them and the concerned officer of the Company, to address the matters contained therein. It has also taken on record the appointment of the Statutory Auditors, Cost Auditors and recommended to the Board the remunerations payable to them, and also to the Internal Auditors.

Sri O. Swaminatha Reddy, the Chairman of the Audit Committee, attended the Annual General Meeting of the Company held on 28th July 2010.

b). Investment 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 two times during the year on 28th May, 2010 and 24th January, 2011.

The Investment Committee comprises the following 3 Non-Executive Independent Directors.

Non-Executive Independent Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy (Chairman)	2	2
Sri V.H. Ramakrishnan	2	2
Sri A. Ramakrishna	2	2

C). Share Transfer, Transmission and issue of share certificate committee:

This Committee is constituted to approve transfer, transmission of shares and to issue duplicate share certificates as and when required.

During the year, 13 meetings of Share Transfer Committee were held on the following dates:

30/04/2010, 07/06/2010, 30/06/2010, 19/07/2010, 16/08/2010, 07/09/2010, 18/10/2010, 08/11/2010, 06/12/2010, 31/12/2010, 03/02/2011, 07/03/2011, 31/03/2011.

The Committee comprises of the following executives of the Company:

Dr. A.V. Sivarama Prasad – Vice President - HRD & S
Sri. M.R. Ramachandran - Chief Financial Officer
Sri. Y. Vijayakumar – Company Secretary
Sri. S. Nandkumar – AGM – Finance - RO

d). Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievances Committee specifically looks into redressing of Shareholders and Investors' complaints/ grievances pertaining to transfer/transmission of shares, non-receipt of

annual reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints:

The Committee comprising of the following independent directors of the Company:

Sri O. Swaminatha Reddy, Chairman

Sri V.H. Ramakrishnan, Member

Sri A. Ramakrishna, Member

As per the confirmation received from M/s. Integrated Enterprises India Limited. The Company's Registrar and share transfer Agents, no complaints are pending as on 31-03-2011. The Board has designated Mr.Y.Vijayakumar, Company Secretary, as the compliance officer of the Company.

e) Remuneration Committee

This Committee evaluates the financial position and state of affairs of the Company vis-à-vis the prevailing comparable remuneration structure of managerial personnel in other Companies and determines the remuneration and benefits for Board Members. The Committee met on 27th October, 2010 during the year, 2010-2011.

The Remuneration Committee comprises the following Independent Directors:

Non-Executive Independent Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy - Chairman	1	1
Sri V.H. Ramakrishnan, Member	1	1
Sri A. Ramakrishna, Member	1	1

The Remuneration Policy and the details of the remuneration paid to the Directors are furnished in the Section relating to the Board of Directors herein before.

4) SHAREHOLDER INFORMATION

1. Ensuing Annual General Meeting :

Date and Time:	Wednesday, the 27th July, 2011 at 10.45 a.m.
Venue:	"Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008.

2. Financial Calendar :

1st Quarter	1st April to 30th June – Last week of July
2nd Quarter	1st July to 30th September – Last week of October

3rd Quarter	1st October to 31st December – Last week of January
4th Quarter	1st January to 31st March – Last week of May (audited)

3. Book Closure 20th July, 2011 to 27th July 2011 (Both days inclusive)

4. Dividend Payment Date On or after 12th August 2011.

5. Listing on Stock Exchanges:

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

Annual listing fees has been paid to the National Stock Exchange of India (NSE).

6. Share Price Data

NATIONAL STOCK EXCHANGE (NSE)

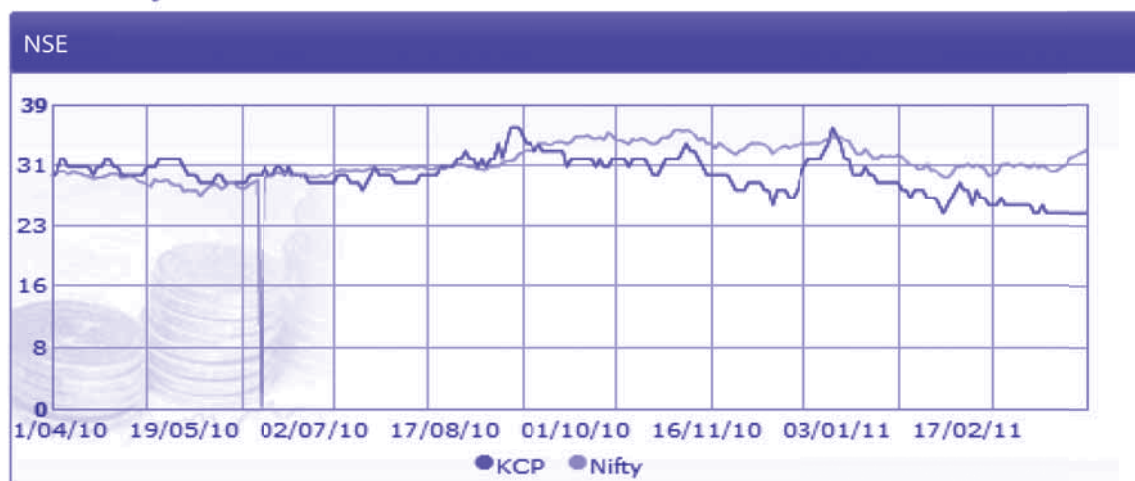
Month	High	Low
April 2010	331.00	282.30
May 2010	323.50	282.00
June 2010	320.00	284.95
July 2010	309.00	283.00
August 2010	341.00	273.60
September 2010(Face Value@ Re.1/-)	37.00	30.80
October 2010	32.90	29.15
November 2010	34.30	27.50
December 2010	35.90	25.80
January 2011	36.25	26.40
February 2011	30.80	24.10
March 2011	28.00	24.00

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.

The KCP Limited price Vs NSE Nifty

Historic Graphs



For the period 01.04.2010 – 31.03.2011

8. Registrars & Share Transfer Agents For demat & physical shares:

M/s. Integrated Enterprises India Limited
 II Floor, "Kences Towers"
 No.1, Ramakrishna Street, North Usman Road
 T.Nagar, Chennai 600 017.
 Ph : 2814 0801
 Email: corpseiv@iepindia.com
 www.iepindia.com

9. Share Transfer System:

The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. A summary of transfer/ transmission of securities so approved by the share transfer and transmission committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by Registrar and

Share Transfer Agent. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e.NSDL and CDSL, expeditiously.

Pursuant to the Clause 47-C of the Listing Agreement, certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants)

Regulations, 1996 are sent to the stock exchanges.

In addition, a Reconciliation of Share Capital Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

10. Distribution of Shareholding as on March 31st, 2011 by number of shares

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	15,694	91.15	1,25,91,464	9.76
5001-10000	697	4.05	51,48,901	3.99
10001-20000	363	2.11	51,03,034	3.96
20001-30000	139	0.81	34,12,282	2.65
30001-40000	77	0.45	26,91,144	2.09
40001-50000	60	0.35	27,81,275	2.16
50001-100001	85	0.49	59,35,657	4.60
Above 100001	101	0.59	9,12,57,403	70.79
TOTAL	17216	100.00	12,89,21,160	100.00

11. Shareholding as on March 31st, 2011 by category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	83	2,94,676	0.2286
Bank Foreign	1	500	0.0004
Foreign Institutional	1	500	0.0004
Indian Financial Institutions	14	26,81,320	2.0798
Indian Promoters	27	5,96,42,240	46.2626

Mutual Funds & UTI	8	82,53,940	6.4023
NRI / OCBs	204	21,66,222	1.6803
Private Corporate Bodies	337	36,22,623	2.8099
Indian Public	16,539	5,22,18,829	40.5044
Trusts	2	40,310	0.0313
TOTAL	17,216	12,89,21,160	100.0000

12. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital 5,72,24,010 Equity shares are held in dematerialized form with NSDL and CDSL as on March 31st, 2011.

13. The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments that are outstanding.

14. Plant Locations :

CEMENT	Macherla - 522426 Guntur District, Andhra Pradesh Muktyala - 521175 Krishna District, Andhra Pradesh
ENGINEERING	Tiruvottiyur Chennai 600 019. Tamilnadu Mosur Road Ekhunagar, Arakonam 631 004, Tamilnadu
ELECTRICITY ENERGY	
HYDEL UNIT	B.No. AE-1, NSP Colony Nekarikallu 522 615, Guntur District, AP
WIND POWER	Uthumalai Village Tirunelveli District, Tamilnadu
THERMAL UNIT	Macherla - 522426, Guntur District, AP
BIO TECH	Plot No.14, S.P.Biotech Park Genome Valley, Turkapally (village) – 500078 Shameerpet (Mandal), R.R.District, AP
RO	The K.C.P. Limited "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai – 600 008

15. Compliance Certificate of the Auditors

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30,2010, September 30, 2010, December 31, 2010 and March 31, 2011. The Statutory Auditors have certified that the Company has complied with

the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the stock exchanges. 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.

Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors/officers / designated employees. Under this Code, they are prohibited to deal in shares of the Company during the closure of Trading Window and other specified period(s).

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

16. OTHER DISCLOSURES

1. During the year there were no materially significant related party transactions that might have had potential conflict with the interest of the company at large.
2. During the last three years, there were no instances of non compliance by the company, with any statutory matters concerning capital markets, nor were any penalties or strictures imposed on it with regard thereto by any concerned regulatory authorities.
3. The company does not have a whistle-blower policy. However, the company does not deny any of its personnel, access to the audit committee.
4. The Company has, to the best of its understanding, complied with all the mandatory requirements of Clause 49 of the Listing Agreement. With regard to the non-mandatory requirements, in addition to the matters already implemented as reported herein elsewhere,
 - There were no qualifications by the auditors that are material in nature, and the company is taking corrective steps in response to the observations if any made by the auditors
 - All the Directors of the company have considerable experience and expertise as directors in this company and other companies, and hence in the opinion of the Board no further training or evaluation is considered necessary for them.
 - For the time being there is no ceiling on the tenure of the non-executive directors.
5. Adoption of Non-mandatory requirements of clause 49 of the listing agreement are being reviewed by the Board from time to time.

1. Details of Annual General Meetings & Special Resolutions :

(a) 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 thereof	Result
2008	67th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	25/09/2008	11.00 a.m	-	-
2009	68th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	27/07/2009	11.00 a.m	Resolution for Alteration in capital clause of the Memorandum of Association.	Passed
					Resolution for Alteration in capital clause of the Articles of Association.	Passed
					Resolution for Issue of 200,00,000 Redeemable, Non-convertible, Cumulative Preference Shares of Rs.10/- each.	Passed
2010	69th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	28/07/2010		Resolution for alteration of Capital Clauses in Memorandum	Passed
					Resolution for alteration of Capital Clause in Articles of Association	Passed

(b) During the year 2010-11, the following resolutions were passed by way of Postal Ballot.

- 1) Re-appointment of Dr. V.L. Dutt as Chairman & Managing Director and fixing his remuneration (Special Resolution)
- 2) Re-appointment of Smt. V.L. Indira Dutt as Joint Managing Director and fixing her remuneration (Special Resolution)
- 3) Re-appointment of Sri. V. Gandhi as Technical Director and fixing his remuneration (Ordinary Resolution)

4) Revision in remuneration to Smt. Kavitha Dutt Chitturi, Executive Director of the Company (Ordinary Resolution).

Sri. R. Balasubramaniam, Practising Company Secretary was appointed as the Scrutinizer for the Postal Ballot.

(c) No EGM was held by the company during the financial year ended 31st March, 2011.

Subsidiary Company

As per the revised clause 49 of the Stock Exchange Listing Agreement, your Company does not have

any Material non-listed Subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

The Audit Committee reviews the financial statements of the subsidiary Company KCP Vietnam Industries Limited, Vietnam.

The minutes of the Board meetings as well as statements of all significant transactions with the subsidiary company are placed before the Board of Directors of the Company for their review.

2. Means of Communication

The quarterly unaudited financial results and the annual audited financial results, Intimation of Board Meeting date, Record Date, Book Closure and dividend declaration notices are normally published in a leading business daily, viz. Business Line (English) and in Dinamani (Tamil):

The company does not send a half yearly declaration of its financial performance to each household of its shareholders.

The quarterly financial results, annual reports and the share holding pattern etc. are posted on the Company's website at www.kcp.co.in. The Company has not issued any official news release, nor made any presentations to the investors about its financial results during the year. A management discussion analysis of relevant matters forms part of the Report of the Board of Directors.

As per Clause 51 of the Listing Agreement financial results and quarterly compliance reports on corporate governance will be posted on Corporate Filing and Dissemination System (CFDS) at their portal www.corpfilings.co.in.

The Company Secretary as the Compliance Officer is responsible for filing the above information in the CFDS system.

Place: Chennai

Date: 27th May, 2011

DEMATERIALIZATION OF SHARES:


Dematerialisation is the process by which physical share certificates of an investor are converted to an equivalent number of securities in electronic form and credited into the investor's account maintained with his/ her depository participant (DP).

Those shareholders who are holding shares in physical form are advised to convert their holdings into demat form.

The following are the benefits of Dematerialisation:

1. Immediate transfer of securities;
2. No stamp duty on transfer of securities;
3. Elimination of risks associated with physical certificates such as bad delivery, fake securities etc;
4. Reduction in paperwork involved in transfer of securities;
5. Reduction in transaction cost;
6. Nomination facility;
7. Change in address recorded with Depository Participant (DP) gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
8. Transmission of securities is done by DP eliminating correspondence with companies;
9. Convenient method of consolidation of folios/ accounts;
10. Holding investments in equity, debt instruments and Government securities in a single account;
11. Automatic credit into demat account, of shares, arising out of split/consolidation/ merger etc.

(FOR AND ON BEHALF OF THE BOARD)



(V.L. DUTT)

Chairman and Managing Director

Auditors' Certificate on Corporate Governance

The Members
The K.C.P Limited
Ramakrishna Buildings
No. 2, Dr. P.V. Cherian Crescent
Egmore,
Chennai - 600 008

We have examined the compliance of conditions of Corporate Governance by The KCP Limited for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further 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.

FOR BRAHMAYYA & CO
Chartered Accountants
Firm Regd. No. 000513S

Place: Chennai
Date: 27th May 2011

Sd/-
T. V. RAMANA
Partner
(ICAI MEMB.NO.200523)

Declaration under clause 49 of the Listing Agreement

I, V.L. Dutt, Chairman & Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct of the Company during the year ended 31.03.2011.

For THE K.C.P LIMITED
V.L. DUTT
Chairman and Managing Director

Place: Chennai
Date: 27th May, 2011

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, 2011 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 violative 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


V.L. Dutt
Chairman and Managing Director

For The KCP Limited


M.R. Ramachandran
Chief Financial Officer

Place: Chennai
Date: 27th May, 2011

Auditors' Report

To
The Shareholders of
The K.C.P Limited
Chennai

We have audited the attached Balance Sheet of The KCP Limited, as at 31st March 2011, its Profit and Loss Account for the year ended on that date annexed thereto, and its cash-flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have 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 appears from our examination of such books;

- c. The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Profit and Loss account and the Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011,
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date,
 - iii. In the case of the cash-flow statement, of the cash-flows of the company for the year ended on that date

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Sd/-
T.V. RAMANA
Partner

Place: Chennai
Date: 27th May, 2011

(ICAI Memb.No.200523)

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- 1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 According to the information and explanations furnished to us, the company has physically verified some of its fixed assets during the year, in accordance with a phased programme of verification, which, in our opinion, is reasonable, having regard to the size of the company and the nature of the assets. As per the said information and explanations, no material discrepancies were noticed on such verification carried out during the year.
- 1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year.
- 2.1 According to the information and explanations furnished to us, the company has physically verified its inventories during the year. In our opinion, the frequency of such verification is reasonable.
- 2.2 In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 According to the information furnished to us, the company is maintaining proper records of its inventory and the discrepancies if any noticed on verification between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the company has, at the date of the Balance Sheet under report, taken loans aggregating to Rs.18.06 crores from three directors, Rs.1.09 crores from a relative of the director and Rs. 7.00 crores from a company, covered by the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties listed in the registers maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company

has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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 58A and 58AA of the Companies Act 1956.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the company at its cement and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the company has generally been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- 9.2 There were no undisputed statutory dues mentioned in the preceding paragraph in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 9.3 According to the information furnished to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, Service Tax 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

S. No	Nature of Dues	Applicable Statute	Amount (in Rs.)	Pending Before
1.	Excise duty and related demands	Central Excise Act 1944	97,10,577	Commissioner of Appeals
2.	Sales tax and related demands	Sales tax Acts of various state Govts.	11,03,86,239	Various appellate authorities

10. According to the information and explanations furnished to us by the company, it had no accumulated losses at the end of the financial year, and it did not incur cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, and according to the information furnished to us, there are no guarantees outstanding as at the year end that are given by the company for loans taken by subsidiary company from banks.
16. In our opinion, and according to the information and explanations furnished to us, the term loans taken by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
20. The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys does not arise during the year.
21. According to the information and explanations furnished to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

For BRAHMAYYA & Co
Chartered Accountants
Firm Regd No 000513S

Sd/-

T. V. Ramana
Partner

(ICAI Memb. No. 200523)

Place: Chennai

Date: 27th May, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	Schedule	AS AT 31-03-2011		AS AT 31-03-2010	
		Rs.	Rs.	Rs.	Rs.
(I) SOURCES OF FUNDS:					
1. Shareholders' Funds:					
(a) Capital	A	32,89,21,160		32,89,21,160	
(b) Reserves & Surplus	B	2,95,41,54,647		2,71,88,86,005	
			3,28,30,75,807		3,04,78,07,165
2. Loan Funds:					
(a) Secured Loans	C	2,35,10,54,867		1,09,75,56,770	
(b) Unsecured Loans	D	1,14,94,61,000		94,24,91,000	
			3,50,05,15,867		2,04,00,47,770
3. Deferred Tax Liability (Net)					
(a) Deferred Tax Liability		32,88,33,124		18,99,93,263	
(b) Less: Deferred Tax Asset		96,91,466	31,91,41,658	69,85,219	18,30,08,044
Total			7,10,27,33,332		5,27,08,62,979
(II) APPLICATION OF FUNDS:					
1. Fixed Assets:					
(a) Gross Block	E	5,39,21,18,827		2,62,57,66,517	
(b) Less: Depreciation		1,43,41,75,628		1,32,70,98,099	
(c) Net Block		3,95,79,43,199		1,29,86,68,418	
(d) Capital Work-in-progress		1,10,88,38,948		2,04,60,88,031	
			5,06,67,82,147		3,34,47,56,449
2. Investments	F		24,27,39,452		24,78,53,895
3. Current Assets, Loans and Advances:					
(a) Inventories	G1	1,07,78,94,480		83,82,25,792	
(b) Sundry Debtors	G2	37,93,75,486		56,99,14,170	
(c) Cash and Bank Balances	G3	71,45,89,773		69,19,31,367	
(d) Other Current Assets	G4	1,41,24,682		62,83,993	
(e) Loans and Advances	H	79,01,17,738		99,43,19,066	
		2,97,61,02,159		3,10,06,74,388	
Less: Current Liabilities and Provisions:					
(a) Liabilities	I-1	97,25,83,201		1,01,85,84,412	
(b) Provisions	I-2	21,03,07,225		40,38,37,341	
		1,18,28,90,426		1,42,24,21,753	
Net Current Assets			1,79,32,11,733		1,67,82,52,635
Total			7,10,27,33,332		5,27,08,62,979

Notes, Schedules & Statement on Accounting Policies form an integral part of the Balance Sheet
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Rs.	Schedule	This Year	Previous Year
			Rs.	Rs.
INCOME FROM:				
Sale of Products and Services	3,61,72,54,249			
Less: Excise Duty & Cess	45,57,53,968		3,16,15,00,281	3,71,95,15,271
Other Income		1	14,52,68,635	11,13,56,358
			3,30,67,68,916	3,83,08,71,629
EXPENDITURE ON:				
Materials Consumed		2	62,98,02,568	82,15,17,068
Payments and Benefits to Employees		3	35,69,59,712	35,63,41,038
Manufacturing, Selling, Administrative and other expenses		4	1,48,65,74,677	1,53,77,96,072
Rates and Taxes (excluding income-tax)			1,10,26,849	99,59,973
Interest and Finance charges			13,94,07,398	9,49,13,752
Depreciation			12,33,25,957	10,56,62,113
			2,74,70,97,161	2,92,61,90,016
Profit/(Loss) for the year:			55,96,71,755	90,46,81,613
Add: Refund of Income Tax			18,27,175	
Less: Provision for Current Tax			11,18,00,000	30,00,00,000
Deferred Tax			13,61,33,614	44,70,247
Add MAT Entitlement Tax			7,51,06,187	
Excess provision of income tax of earlier years credited back			2,48,23,892	
Profit/(Loss) after Taxation			41,34,95,395	60,02,11,366
Balance brought forward from last Year			27,55,11,836	23,46,71,581
			68,90,07,231	83,48,82,947
Appropriations (See Directors' Report)	This Year	Previous Year		
	Rs.	Rs.		
Less: Transfer to General Reserve	10,00,00,000	40,00,00,000	10,00,00,000	40,00,00,000
Proposed Dividend	3,22,30,290	3,22,30,290	3,22,30,290	3,22,30,290
Proposed Dividend on 12% Preference Share Capital	2,40,00,000	74,30,137	2,40,00,000	74,30,137
Interim Dividend paid	9,66,90,870	9,66,90,870	9,66,90,870	9,66,90,870
Tax on distributed Profits	2,53,05,593	2,30,19,814	2,53,05,593	2,30,19,814
Balance carried forward to next Year			41,07,80,478	27,55,11,836
Basic Earnings per equity share of Rs.1/- each -(EPS)			2.99	4.59
(See Note no. 24)				

Notes, Schedules & Statement on Accounting Policies form an integral part of the Profit and Loss Account
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

“SHARE CAPITAL”

Schedule ‘A’

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
Authorised:		
12,89,77,480 Equity Shares of Rs.1/-each	12,89,77,480	12,89,77,480
(Previous year 1,28,97,748 Equity Shares of Rs. 10/-each)		
2,00,00,000 Redeemable Cumulative Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
22,10,22,520 Unclassified Shares of Rs.1/- each	22,10,22,520	22,10,22,520
(Previous year 2,21,02,252 unclassified Shares of Rs. 10/-each)		
	55,00,00,000	55,00,00,000
Issued:		
12,89,77,480 Equity Shares of Rs.1/-each	12,89,77,480	12,89,77,480
(Previous year 1,28,97,748 Equity Shares of Rs. 10/-each)		
2,00,00,000 12% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
	32,89,77,480	32,89,77,480
Subscribed and Paid-up:		
12,89,21,160 Equity Shares of Rs.1/-each	12,89,21,160	12,89,21,160
(Previous year 1,28,92,116 Equity Shares of Rs. 10/-each)		
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
Total taken to Balance Sheet	32,89,21,160	32,89,21,160

- Note: 1. Of the above subscribed and paid up equity shares 12,66,52,200 shares represent Bonus Shares allotted as fully paid up, by capitalisation of Profits / Reserves.
2. Preference Shares are redeemable within a period of five years but after the expiry of two years of the completion date (i.e. share allotment date - 09/12/2009) in the following manner:
- (i) In the third year Rs. 5,00,00,000;
 - (ii) In the fourth year Rs. 7,00,00,000;
 - (iii) In the fifth year Rs. 8,00,00,000.

“RESERVES & SURPLUS”

Schedule ‘B’

PARTICULARS	AS AT 31-03-2010 Rs.	Added during the year Rs.	Withdrawn during the year Rs.	AS AT 31-03-2011 Rs.
Capital Reserve -				
on Reorganisation	2,79,91,144	-	-	2,79,91,144
Capital Subsidy	50,00,000	-	-	50,00,000
On Amalgamation	1,03,83,025	-	-	1,03,83,025
General Reserve	2,40,00,00,000	10,00,00,000	-	2,50,00,00,000
Surplus in Profit and Loss Account	27,55,11,836	-	-	41,07,80,478
Total taken to Balance Sheet	2,71,88,86,005			2,95,41,54,647

"SECURED LOANS"

Schedule 'C'

PARTICULARS	AS AT	AS AT
	31-03-2011 Rs.	31-03-2010 Rs.
I. Short-Term Loans:		
a) From banks secured by pari passu first charge on the Current assets and Pari passu second charge on the fixed assets of the Macherla Cement division.	5,88,22,801	11,11,18,943
b) From a bank secured by first charge on movable, immovable properties and current assets of the Biotech division	1,17,90,528	1,01,28,986
c) From a bank secured by paripassu first charge on the current assets and pari passu second charge on the fixed assets of the Engineering division	7,39,29,344	4,20,75,961
d) From banks secured by pari passu first charge on the Current assets and Pari passu second charge on the fixed assets of the Muktyala Cement division.	14,08,75,704	-
II. Long-Term Loans :*		
a) From a bank secured by first charge on the Windmill Division of the company	6,09,60,000	9,14,40,000
b) From a bank secured by first charge on movable, immovable properties and current assets of the Biotech division	79,62,000	2,39,72,000
c) From banks secured by paripassu first charge on the Fixed Assets and pari passu second charge on the Current Assets of the Engineering Division.	-	1,20,49,112
d) From banks secured by paripassu first charge on the Fixed Assets, pari passu second charge on the Current Assets and a charge on the leasehold rights of the leased lands of the Muktyala Cement Division.	1,76,24,04,000	77,31,06,422
e) Foreign Currency Loan - Buyers credit from a bank secured by pari passu first charge along with other lenders on the existing and proposed assets of the Engineering division at Tiruvottiyur Chennai and Cement Division at Muktyala.	23,43,10,490	3,36,65,346
Total taken to Balance Sheet	2,35,10,54,867	1,09,75,56,770

* Amount Repayable within 1 Year Rs. 3288.42Lakhs

"UNSECURED LOANS" *

Schedule 'D'

PARTICULARS	AS AT	AS AT
	31-03-2011 Rs.	31-03-2010 Rs.
i) From a Bank	14,00,00,000	10,00,00,000
ii) Fixed Deposits (including Rs. 39,03,000/- (Rs.35,03,000/-) from Directors.)	76,24,61,000	62,24,91,000
iii) From Directors	17,70,00,000	15,90,00,000
iv) Inter Corporate Loan	7,00,00,000	6,10,00,000
Total taken to Balance Sheet	1,14,94,61,000	94,24,91,000

* Amount Repayable within 1 Year Rs. 6888.59 Lakhs.

Schedule 'E'

"Fixed Assets"

S. No	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost upto 31-03-2010	Additions during the year	Deductions during the year	Cost upto 31-03-2011	Total Depreciation upto 31-03-2010	For the Year	On Deletions	Total Depreciation upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Lands	2,79,43,428	-	-	2,79,43,428	-	-	-	-	2,79,43,428	2,79,43,428
2.	(a) Buildings	26,08,72,102	22,81,61,810	-	48,90,33,912	9,86,54,262	65,83,338	-	10,52,37,600	38,37,96,312	16,22,17,840
	(b) Leasehold Buildings	15,47,500	-	-	15,47,500	4,62,790	25,224	-	4,88,014	10,59,486	10,84,710
3.	Tramways & Railway Sidings	67,94,361	-	-	67,94,361	61,86,264	2,68,379	-	64,54,643	3,39,718	6,08,097
4.	Plant & Machinery										
	Owned	2,19,98,92,894	2,53,00,60,212	1,70,48,928	4,71,29,04,178	1,16,13,79,352	11,03,49,222	1,57,74,028	1,25,59,54,546	3,45,69,49,632	1,03,85,13,542
5.	Furniture, Fixtures & Office Equipments	3,66,12,886	94,97,461	9,25,668	4,51,84,679	2,45,91,089	26,06,058	7,13,027	2,64,84,120	1,87,00,559	1,20,21,797
6.	Vehicles & Earthmoving Equipments										
	Owned	8,62,44,889	2,32,15,647	66,08,224	10,28,52,312	3,35,58,638	76,97,994	41,39,191	3,71,17,441	6,57,34,871	5,26,86,251
7.	Research & Development Equipments	44,68,457	-	-	44,68,457	8,75,704	1,73,560	-	10,49,264	34,19,193	35,92,753
8.	Patents	13,90,000	-	-	13,90,000	13,90,000	-	-	13,90,000	-	-
	Grand Total	2,62,57,66,517	2,79,09,35,130	2,45,82,820	5,39,21,18,827	1,32,70,98,099	12,77,03,775	2,06,26,246	1,43,41,75,628	3,95,79,43,199	1,29,86,68,418
	Previous Year	24,30,23,516	17,99,32,175	71,89,174	2,62,57,66,517	1,22,28,26,158	10,84,07,587	41,35,646	1,32,70,98,099	1,29,86,68,418	1,23,01,97,358

* Depreciation for the year includes Rs. 43, 77, 818/- Capitalised during the year.

"INVESTMENTS"

Schedule 'F'

PARTICULARS	Details Rs.	AS AT	AS AT
		31-03-2011 Total Rs.	31-03-2010 Total Rs.
I. SHARES OF COMPANIES:			
1. Trade Investments:			
(a) Unquoted Equity Shares - Fully paid:			
i) 4,00,000 Shares of Rs.10/- each in Fives Cail KCP Limited	40,00,000		40,00,000
	(A)	40,00,000	40,00,000
2. Non-Trade Investments:			
(a) Quoted Equity Shares -Fully Paid:			
(i) 350 Shares of Rs.10/- each in ICICI Bank Limited	18,005		
Less Sold during the year	18,005	-	18,005
(ii) 360 Shares of Rs.10/- each in State Bank of India	1,25,400		
Less Sold during the year	1,25,400	-	1,25,400
(iii) 100 Shares of Rs. 10/- each in Industrial Finance Corporation of India	3,500		3,500
(iv) 14,240 shares of Rs.10/- each in Industrial Development Bank of India	11,57,000		11,57,000
		11,60,500	
	(B)	11,60,500	13,03,905
(b) Unquoted Equity Shares - Fully Paid:			
(i) 30 Equity Shares of Rs.10/-each in Andhra Pradesh Heavy Machinery & Engineering Company Limited	300		
Less : Written off to the extent of	299	1	1
(ii) 5,00,000 Equity Shares of Rs.10/- each in Somayajulu & Company Limited.	50,00,000		
Less : Sold during the year	50,00,000	-	50,00,000
(iii) 1,00,000 shares of Rs.10/- each in Prudential Mouli Sugars Ltd.	10,00,000		
Less : Written off to the extent of	9,99,999	1	1
In Subsidiary company:			
(iv) 102,00,000 (83,99,760) Equity Shares of US\$ 1 each, KCP Vietnam Industries Ltd, Vietnam. (18,00,240 Bonus shares of US\$ 1 each issued during the year)	23,71,43,668		23,71,43,668
		23,71,43,670	
	(C)	23,71,43,670	24,21,43,670

Schedule 'F' (Contd.)

PARTICULARS	Details Rs.	AS AT 31-03-2011 Total Rs.	AS AT 31-03-2010 Total Rs.
II. OTHER INVESTMENTS:			
(a) Quoted:			
Unit Trust of India			
(Earmarked towards deposits under companies (Acceptance of Deposits) Rules, 1975)			
20,533.174(19,308.531) UTI Balanced Fund Units of Rs.10/- each1,224.643 Units reinvested during the year		4,35,282	4,06,320
	(D)	4,35,282	4,06,320
Total taken to Balance Sheet	(A+B+C+D)	24,27,39,452	24,78,53,895
NOTES:			
1. All the above are long term investments.			
2. Aggregate values of quoted investments :			
At Cost		15,95,782	17,10,225
At Market value		26,82,562	31,55,583
3. Aggregate cost of unquoted investments			
		24,11,43,670	24,61,43,670

"CURRENT ASSETS"

INVENTORIES

Schedule 'G-1'

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
(1) Stores and Spares at Cost	41,72,75,019	33,53,50,006
(2) Stores and Raw Materials in transit at Cost	1,10,21,444	3,79,63,687
(3) Stocks-in-trade		
a) Raw Materials at cost	6,12,74,380	2,12,79,436
b) i) Finished Goods at Cost	2,25,19,990	1,11,53,192
ii) Finished Goods at Estimated Realisable Value	80,62,673	2,19,17,545
c) Work-in-progress		
At Cost	55,59,82,644	37,47,69,970
At Estimated Realisable Value	17,58,330	3,57,91,956
Total taken to Balance Sheet	1,07,78,94,480	83,82,25,792

“SUNDRY DEBTORS”

Schedule ‘G-2’

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
Sundry Debtors		
(A) Debts outstanding for a period exceeding six months: Considered Good		
(a) Fully Secured:	35,78,601	8,56,764
(b) Unsecured :	9,48,58,653	6,30,97,279
	9,84,37,254	6,39,54,043
(B) Other Debts Considered Good		
(a) Fully Secured	1,51,57,974	84,84,170
(b) Unsecured (includes Rs1,89,875 /-(Rs.65,61,772) due from subsidiary company)	26,57,80,258	49,74,75,957
Total taken to Balance Sheet	37,93,75,486	56,99,14,170

“CASH AND BANK BALANCES”

Schedule ‘G-3’

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
(1) Cash /Cheques on hand	1,43,10,915	94,02,560
(2) At Scheduled Banks:		
i) in Fixed Deposits	55,41,83,329	61,58,77,895
ii) in Current Accounts	14,60,95,529	6,66,50,912
Total taken to Balance Sheet	71,45,89,773	69,19,31,367

“OTHER CURRENT ASSETS”

Schedule ‘G-4’

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
Interest accrued (includes Rs. NIL/- (Rs.4,63,430/-) from Subsidiary company)	1,41,24,682	62,83,993
Total taken to Balance Sheet	1,41,24,682	62,83,993

“LOANS AND ADVANCES”

Schedule “H”

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
(1) Advances, (unsecured , recoverable in cash or in kind , for value to be received)		
Considered Good	19,68,40,742	
Considered Doubtful	-	
	<u>19,68,40,742</u>	
Less : Provision for Doubtful Advances	-	34,92,90,280
(2) Prepaid Expenses	1,86,82,803	1,50,98,987
(3) Indirect Taxes paid in advance	23,92,48,527	15,55,17,857
(4) Direct Taxes paid in advance	17,44,23,218	36,59,61,051
(5) Income-tax deducted at source	3,52,97,688	4,55,94,890
(6) MAT Credit Entitlement	7,51,06,187	-
(7) Deposits recoverable	4,97,63,348	3,25,13,127
(8) Claims recoverable	7,55,225	25,96,852
(9) Loans to Subsidiary Company (KCP Vietnam Industries Limited)	-	2,77,46,022
Total taken to Balance Sheet	79,01,17,738	99,43,19,066

"CURRENT LIABILITIES AND PROVISIONS"

Schedule "I-1"

PARTICULARS	AS AT	AS AT
	31-03-2011	31-03-2010
	Rs.	Rs.
A. CURRENT LIABILITIES:		
(1) a. Sundry Creditors - Due to Micro and Small Enterprises	8,28,835	23,01,280
b. Sundry Creditors - Due to Others (includes Rs.3,18,05,586/- (Rs.5,91,06,465/-) due to wholetime directors)	43,89,09,436	52,81,23,485
(2) Advances received against sales	37,50,51,306	38,88,90,156
(3) Trade Deposits	10,48,99,964	6,32,50,000
(4) Deposits from Contractors and others	3,09,720	3,65,698
(5) Security Deposits from staff	27,000	65,000
(6) Unclaimed Dividends	1,33,40,354	1,12,39,019
(7) Interest accrued but not due on loans	3,32,64,183	1,48,29,471
(8) Due to Superannuation and Gratuity Trusts	59,52,403	94,98,557
(9) Due to Investor Education and Protection Fund	-	21,746
Total taken to Balance Sheet	97,25,83,201	1,01,85,84,412

Schedule "I-2"

PARTICULARS	AS AT	AS AT
	31-03-2011	31-03-2010
	Rs.	Rs.
B. PROVISIONS:		
(1) For Income Tax ,Wealth Tax & Fringe Benefit Tax	12,13,31,006	33,15,58,442
(2) For Proposed Dividend	5,62,30,290	3,96,60,427
(3) For Tax on Distributed Profits	91,21,959	65,87,200
(4) For Leave Encashment	2,29,53,822	1,67,43,722
(5) For Retirement Gratuity (Net of value of plan assets)	6,70,148	92,87,550
Total taken to Balance Sheet	21,03,07,225	40,38,37,341

Signature to Schedules A to I-2
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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Partner
(ICAI Memb No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT

“OTHER INCOME”

Schedule-1

PARTICULARS	This Year Rs.	Previous Year Rs.
(1) Interest received from Banks and others (Tax deducted on above Rs.60,26,018/- (Previous year Rs. 64,90,214) (Includes interest received Rs.3,93,346/- (Rs.26,40,773) from KCP Vietnam Industries Limited a subsidiary company)	6,27,05,952	5,27,51,837
(2) Dividends Received (Gross)		
-From Trade Investments(Includes amount of Rs. 4,87,32,613/-received from KCP Vietnam Industries Limited a subsidiary company)	5,21,32,613	-
-From Non-Trade Investments	83,183	66,344
(3) Rents received	40,20,353	32,22,360
(4) Miscellaneous Receipts	37,93,234	51,00,195
(5) Profit on sale of Assets	8,23,564	4,44,336
(6) Unclaimed balances credited back	7,64,323	12,84,465
(7) Bad Debts recovered	3,62,338	2,86,73,512
(8) Provisions no longer required credited back	1,91,13,504	1,98,13,309
(9) Difference in exchange (Net)	2,05,471	-
(10) Profit on sale of investments	12,64,100	-
Total taken to Profit and Loss Account	14,52,68,635	11,13,56,358

“MATERIALS CONSUMED”

Schedule-2

PARTICULARS	Details Rs.	This Year Rs.	Details Rs.	Previous Year Rs.
Opening Stocks:				
Raw materials	2,12,79,436		5,74,47,453	
Work-in-Progress	41,05,61,926		39,49,69,528	
Finished goods	3,30,70,737		4,39,39,175	
		46,49,12,099		49,63,56,156
Add: Trial Run Production stocks				
Raw materials	2,70,73,398			
Work-in-Progress	3,74,43,407	6,45,16,805		
Add:				
i) Purchases of				
Raw materials & Components	41,21,02,013		55,78,28,441	
ii) Cost of raw materials produced	33,80,34,794		23,23,86,667	
		75,01,36,807		79,02,15,108
		1,27,95,65,711		1,28,65,71,264

Schedule-2 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Details Rs.	Previous Year Rs.
Less:				
Closing Stocks:				
Raw materials	6,12,74,379		2,12,79,436	
Work-in-Progress	55,77,40,974		41,05,61,926	
Finished goods	3,05,82,663		3,30,70,737	
		64,95,98,016		46,49,12,099
Excise Duty differential on Opening/ Closing Stocks of Finished goods		-1,65,127		-1,42,097
Total taken to Profit and Loss Account		62,98,02,568		82,15,17,068

“PAYMENTS AND BENEFITS TO EMPLOYEES”**Schedule-3**

PARTICULARS	This Year Rs.	Previous Year Rs.
Salaries, Wages and Bonus	29,01,15,313	26,63,37,829
Contribution to Provident Fund and Family- Pension Scheme	1,53,11,214	1,34,57,042
Contribution to Superannuation Funds	75,54,657	3,06,38,696
Contribution to Gratuity Funds	69,91,696	85,95,029
Workmen and Staff Welfare expenses	3,69,86,832	3,73,12,442
Total taken to Profit and Loss Account	35,69,59,712	35,63,41,038

“MANUFACTURING, SELLING, ADMINISTRATIVE AND OTHER EXPENSES”**Schedule-4**

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Manufacturing:			
Stores and Spares (including Packing- Materials) consumed		25,69,71,282	34,26,07,425
Sub-contracted works		9,06,70,205	11,92,52,710
Power and Fuel	90,14,46,278		
Less: Self consumption of Power generated internally	16,99,85,058	73,14,61,220	58,72,45,113
Insurance		44,94,046	47,87,774
Research & Development		5,44,905	6,05,735

Schedule-4 (Contd.)

PARTICULARS	Rs.	This Year Rs.	Previous Year Rs.
Repairs to Buildings		2,66,98,215	2,91,09,879
Repairs to Machinery		6,79,23,086	8,28,28,406
Repairs to Other Assets		2,35,20,296	2,14,64,736
	(A)	1,20,22,83,255	1,18,79,01,778
Selling:			
Advertisement		2,59,43,828	3,52,44,946
Loading, Unloading, Transport etc		8,73,67,959	7,79,08,806
Commission on Sales		24,45,093	26,15,238
	(B)	11,57,56,880	11,57,68,990
Administrative:			
Rent		64,03,362	49,77,059
Payments to Auditors (see note No.15(a))		20,94,267	15,01,953
Directors' Sitting Fee		7,90,000	6,20,000
Managerial Remuneration (see note no.16(ii))		4,33,77,568	6,81,27,376
Miscellaneous Expenses		9,70,66,481	12,52,04,894
	(C)	14,97,31,678	20,04,31,282
Other Items:			
Warranty Claims		1,44,89,847	1,71,16,326
Provision for doubtful advances		-	-
Bad debts and irrecoverable advances written off		1,23,393	4,76,794
Discarded assets written off		12,20,533	15,69,832
Loss on sale of assets		14,69,091	4,41,789
Difference in exchange (Net)		-	1,40,89,281
Loss on Sale of Investments		15,00,000	-
	(D)	1,88,02,864	3,36,94,022
Totals taken to Profit and Loss Account	(A+B+C+D)	1,48,65,74,677	1,53,77,96,072

Signatures to Schedules 1 - 4
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

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Company Secretary

Place: Chennai
Date: 27th May, 2011

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

2. FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, and taxes, incidental expenses relating thereto, interest on direct borrowals upto commissioning, wherever applicable, and the cost of installation/erection, as applicable. CENVAT availed, if any, on Fixed Assets, is not included in the Cost of such Fixed Assets capitalised.

3. LEASED ASSETS

(A) ASSETS UNDER FINANCE LEASE:

Assets acquired under finance lease arrangement on or after 01.04.2001 are recognised separately among the fixed assets, at the inception of the lease at lower of their fair value or the present value of minimum lease payments in respect thereof. Depreciation and lease charges on such assets are accounted for, in accordance with the Accounting Standard-19 – “Accounting for Leases” issued by The Institute of Chartered Accountants of India.

(B) ASSETS UNDER OPERATING LEASE:

Assets used by the Company as a lessee under operating lease agreement are not recognised in the Company's accounts. Lease payments under operating lease are charged to the profit and loss account on a systematic basis representative of the pattern of the benefit accruing to the Company from the use of the asset under operating lease.

4. INVESTMENTS

Investments (Long Term) are stated at cost less provision for diminution in value other than temporary, if any. Short term investments are valued at Cost or Fair value whichever is lower.

5. INVENTORIES

(a) Finished goods are valued at cost or market value, whichever is lower.

(b) Stock of scrap –

- i. In respect of Engineering Unit, purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.
- ii. In respect of other scrap, the stock of scrap is not valued and adjusted. Sales, as and when made, are adjusted.

(c) Work-in-Progress, raw materials, stores, spares, material in transit, are valued at cost except where the net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.

6. SALES AND OTHER EARNINGS

- (a) Sales and service earnings are inclusive of excise duty, service tax, freight, insurance etc. recovered thereon.
- (b) Despatches from Engineering Unit are in completely knocked down condition and are invoiced at the appropriate technically evaluated values, which are matched with contracted sale prices.
- (c) Electricity generated by the power units of the company, sold to its other units is accounted at the tariff rates charged by the State Electricity Boards. Such earnings are adjusted to the power charges.
- (d) Dividend income is accounted as and when the right to receive arises.
- (e) Other income – Revenue in respect of other incomes are recognised when there is a reasonable certainty as to its realisation.

7. FOREIGN EXCHANGE TRANSACTIONS

A) 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.

B) At each Balance Sheet date

- foreign currency monetary items are reported using the rate of exchange on that date

- foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- C) In respect of forward exchange contracts in the nature of hedges
- Premium or discount on the contract is amortised over the term of the contract,
 - Exchange differences on the contract are recognized as profit or loss in the period in which they arise

8. ACCOUNTING FOR DERIVATIVES

The company uses derivative instruments to hedge its exposure to movements in foreign exchange rates, interest rates and currency risks. The objective of these derivative instruments is only to reduce the risk or cost to the company and is not intended for trading or speculation purposes.

9. EMPLOYEE BENEFITS

- a) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b) Long Term Employee Benefits i.e. such benefits which do not fall due wholly within twelve months after the end of the period in which the employees render the related service, are recognized as follows
- Expense is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which employee has rendered services in lieu of such leave.
 - Liability as at the date of each Balance Sheet is arrived at and recognized therein as per actuarial valuation.

c) Post-Employment Benefits:

- (i) **Defined Contribution plans:** The company's employees are covered under superannuation schemes, state governed provident fund scheme, employee state insurance scheme and employee pension scheme, which are in the nature of Defined Contribution Plans. The contributions paid/payable under the schemes are recognized during the period in which the employee renders the related service.

(ii) **Defined Benefit plans:**

The company's liability to gratuity on retirement of its eligible employees is funded under a Defined Benefit Plan with the Life Insurance Corporation of India. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss account in the year in which the employee has rendered service.

The fair value of the plan assets and the gross plan obligation, under the said plan, are recognized in each Balance Sheet on net basis.

- d) Actuarial Gains/losses are charged to the Profit and Loss account immediately in each year.

10. DEPRECIATION

Depreciation is provided in accordance with the rates and rules prescribed under Schedule XIV to the Companies Act, 1956, as follows:--

- i. In respect of assets existing as on 30-6-1988, under the written down value method: and
- ii. In respect of assets acquired on or after 1-7-1988, under the straight line method.

11. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each Balance sheet date to assess, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever that carrying amount of the assets exceeds its recoverable amounts. The recoverable amount is the greater of the assets net selling price and value in use. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

12. WARRANTY CLAIMS

Company's liability for Warranty claims and Guarantee claims are accounted on accrual basis as per contracts, after adjusting the claims no longer required.

13. DIVIDENDS

Provision is made in the accounts for the dividends paid / payable by the Company as recommended by the Board of Directors, pending approval of the shareholders at the Annual General Meeting. Income Tax on dividend payable is provided for in the year to which such dividends relate.

14. BORROWING COSTS

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. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

15. EXPENDITURE DURING CONSTRUCTION PERIOD

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.

16. EXPENDITURE ON APPROVED RESEARCH AND DEVELOPMENT PROGRAMME

In respect of approved Research and Development Programme, expenditure of capital nature is included in the fixed assets and other expenditure is charged off to revenue in the year in which such expenditure is incurred.

17. TAXATION

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

- Deferred tax resulting from timing differences between taxable and accounting income is

accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

- Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised. Deferred tax assets arising on other temporary timing differences are recognised only if there is a reasonable certainty of realisation.
- MAT Credit Entitlement as per the provisions of Income Tax Act, 1961, is treated as an asset by credit to the Profit and loss account.

18. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's Basic EPS is the attributable net profit or loss to the equity shareholders as per AS-20 "Earnings Per Share". The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

19. PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes on accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

Notes Forming Part of the Accounts

BALANCE SHEET

PARTICULARS	31st March,2011 Rs.	31st March,2010 Rs.
1. Claims against the Company not admitted		
Statutory Levies	14,73,46,026	13,16,04,001
Contractual Levies	-	-
Others	77,50,127	1,00,50,215
2. Outstanding guarantees furnished to Banks at the year end	14,92,02,033	11,28,89,413
Performance Guarantees	9,97,57,639	9,01,72,379
3. Estimated amount of contracts remaining to be executed on Capital account and not provided for	30,71,25,034	73,97,96,633

4. No provision has been made in accounts towards probable liability upto Jute year ended 30th June, 1998, if any, that may arise as a result of non-compliance with the requirements of Jute Packaging Materials (Compulsory Use of Packaging Commodities) Act, 1987, consequent to differing decisions of different courts and also the representations of industry before the Government, since the same is not ascertainable at this stage.
5. Fixed Assets : Lands includes Rs. 4,62,475/- being the value of Land measuring 14.23 Acres of Magazine Land at Macherla assigned and notified in Revenue records vide Dist. Collector, Guntur order No. Rc No. 3567/2000-E1, dt. 23.10.2002 in favour of company.
6. In compliance with AS-22 "Accounting for Taxes on Income" major components of deferred tax assets and liabilities arising on account of timing differences are :

PARTICULARS	ASSETS	LIABILITIES
1. Depreciation		32,88,33,124
2. Items u/s 43 B of the Income Tax Act, 1961	96,91,466	
	96,91,466	32,88,33,124
Net deferred tax liability as on 31.03.2011		31,91,41,658

7. Cash and Bank balances include
- Rs.1,50,000/- (Rs.1,50,000/-) on account of Staff Security Deposit.
 - Rs.1,33,43,083 /- (Rs.1,14,36,780/-) towards Unclaimed Dividends.
 - Rs.6,09,88,031 /- (Rs.9,40,02,895/-) representing Fixed Deposit Receipts lodged with Bankers as securities against Guarantees issued by them.
 - Rs.5,46,00,000/- (Rs.2,30,06,320/-) deposited as per provisions of 58A of the Companies Act 1956 and the Rules made there under.
8. Disclosures on payments and dues to “suppliers” as defined in Micro, Small and Medium enterprises Development Act 2006 (‘The Act’).

PARTICULARS		31-03-2011 (Rs.)	31-03-2010 (Rs.)
1.	Amount remaining unpaid, beyond the appointed/agreed date at the end of the year,		
	(a) Principal amount of bills to be paid	-	3,02,414
	(b) Interest due thereon	-	2,838
2.	(a) Payments made to suppliers, during the year, but beyond appointed/agreed day	40,40,067	82,31,848
	Interest thereon in terms of Sec 16 of the Act	-	-
	(b) Interest paid alongwith such payments during the year	51,258	-
	(c) Interest due and payable at the end of the year, on such payments made during the year.	35,304	51,258
3.	Amount of interest, for the year, U/s.16 of the Act, including that accrued and remaining unpaid, at the end of the year.	35,304	51,258
4.	Total amount of interest, u/s.16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year.	35,304	51,258

Note : For the purpose of the above details of the status of the supplier’s under the Act has to be 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.

PROFIT AND LOSS ACCOUNT:

9. Sale of Products and Services (including Excise Duty/Service Tax)

PARTICULARS	Quantity	31-03-2011 Value (Rs.)	Quantity	31-03-2010 Value (Rs.)
Cement (MT)	7,26,538	2,23,75,20,884	8,07,646	2,40,58,00,607
Heavy Engineering Products *		1,18,75,16,390		1,46,24,56,956
Service Receipts		11,92,47,559		19,69,76,179
Electrical Energy (KWH)	14,61,060	52,14,369	14,86,032	47,56,219
Others	79,245	6,77,55,047		4,75,26,783
		3,61,72,54,249		4,11,75,16,744

* Unit quantification not possible.

Note: (a) Sale of Products includes:

- (1) Machinery and components valued at Rs.8,42,00,750/- (Rs.9,14,97,995/-) supplied by Engineering Unit to the other units of the Company.
- (2) Cement Quantity 7,537MT (22,015 MT) valued at Rs.1,65,94,191/- (Rs.4,19,42,013/-) used internally.
- (3) Excise Duty Rs.45,42,60,466 /-(Rs.39,63,63,125/-) and Service Tax Rs.14,93,502 /-(Rs.16,38,348/-).
- (4) Electrical energy 14,61,060KWH (14,86,032 KWH) valued at Rs. 52,14,369/- (Rs.47,56,219/-) adjusted towards wheeling and banking charges, by the buyer Electricity Company.

(b) Sale of products does not include:

- (i) Electrical Energy generated by Hydel unit 3,14,53,799 KWH (3,54,74,979 KWH) valued at Rs. 9,25,53,714/- (Rs.9,61,11,615/-), Wind Power Unit situated at Thirunelveli (Uthumalai village), 74,96,557KWH[81,17,120KWH]valuedatRs.3,13,75,931/-[Rs.3,07,52,081/-]and Powergenerated from Waste Heat Recovery Plant 1,60,03,400 KWH[1,32,89,600 KWH] valued at Rs4,60,55,413/- [Rs. 3,58,81,920/-] used internally.
- (ii) 28,507 tons of clinker valued at Rs. 5,64,54,217/- produced at Muktyala Cement Plant and consumed at Macherla Cement Plant internally.

(a). Raw Material Consumed:

PARTICULARS	Quantity	This Year Value	Quantity	Prev. Year Value
	(MT.)	(Rs.)	(MT.)	(Rs.)
i) Cement				
Limestone	9,36,375	32,27,35,828	8,32,635	24,42,07,116
Laterite	33,196	2,84,66,763	41,063	2,94,43,913
Fly Ash	6,205	60,15,106	75,350	7,14,49,727
Gypsum	34,256	5,91,57,108	38,568	6,07,26,732
Dolomite	3,130	21,09,949		
Iron Ore	12,044	93,10,282	16,214	1,12,72,979
Clinker*	74,493	9,52,68,490	93,640	18,50,24,857
*(Includes freight of Rs. 89,20,962/- paid on transfer of 28,507 tons of Clinker from Muktyala Cement Plant to Macherla Cement Plant.)				
ii) Engineering Unit				
Iron and Steel, Nickel , Scrap and Equipments	6,931	18,01,71,284	7,932	20,28,97,715
iii) Bio Products	1,250	3,39,80,452	568	2,13,60,086
Total		73,72,15,262		82,63,83,125

10(b). Raw material consumed during trial run production:

PARTICULARS	Quantity	This Year Value	Quantity	Prev. Year Value
	(MT.)	(Rs.)	(MT.)	(Rs.)
Limestone	29,626	95,45,633	-	-
Iron Ore	508	5,01,594	-	-
Laterite	1,285	9,49,911	-	-
Total		1,09,97,138	-	-

11. Opening and Closing Stock of Finished Goods:

Products	Units	Opening Stock				Closing Stock			
		This Year		Previous year		This year		Previous Year	
		Qty	Rs.	Qty	Rs.	Qty	Rs.	Qty	Rs.
Cement	(MT)	670	14,37,053	670	15,18,279	291	7,10,933	670	14,37,053
Industrial Machinery and Equipment	(Not quantifiable)	-	8,97,525	-	17,88,688	-	4,76,465	-	8,97,525
Electrical Energy *	(KWH)	77,59,468	1,23,10,116	72,43,765	1,27,26,053	1,17,23,270	2,13,32,592	77,59,468	1,23,10,116
Bio products	(Kg)	36,091	1,84,26,043	54,079	2,79,06,155	23,714	80,62,673	36,091	1,84,26,043
Total			3,30,70,737		4,39,39,175		3,05,82,663		3,30,70,737

* The Closing Stock units of 81,012 (3,50,461) were not valued based on the TNERC (Tamilnadu Electricity Regulatory Commission), (prohibiting banking of the same) order MP 10, 11, 12 of 2010 dated 29.03.2010 which was contested by the Company.

12. Particulars regarding Capacity and Production:

Class of Goods	Capacity		Actual Production	
	Licenced	Installed	31-03-2011	31-03-2010
a) Electrical Energy				
Hydel Power	8.25 MWH	8.25 MWH	3,64,42,306 KWH	3,67,42,900 KWH
Wind Power	3.75 MWH	3.75 MWH	80,46,443 KWH	93,24,851 KWH
Waste Heat Recovery Unit	2.585 MWH	2.35 MWH	1,60,03,400 KWH	1,32,89,600 KWH
b) Cement at Macherla Plant		6,60,000 TPA	7,26,159	8,07,646
c) Clinker at Muktyala Plant	13,20,000 TPA	13,20,000 TPA	73,638*	-
			* includes Trial production of 19,317 MT	
d) Industrial Machinery and equipments.	-	Not quantifiable	-	Not quantifiable
e) Bio products				
Chilly Oleoresin and Colour	36,000 KG	36,000 KG	62,358 KG	27,326 KG
Curcummin powder	54,000 KG	54,000 KG	-	160 KG
Annato Dye	9,000 KG	9,000 KG	4,507 KG	379KG

13. (a) "Materials Consumed" - Cost of raw materials (Limestone for Cement Factory) produced includes among others

PARTICULARS	31-03-2011 Rs.	31-03-2010 Rs.
(a) Salaries,Wages and Bonus	1,33,70,784	1,21,83,757
(b) Contribution to Provident Fund and gratuity	13,28,120	31,30,355
(c) Workmen and Staff Welfare Expenses	25,44,417	23,66,553
(d) Stores and Spares Consumed	98,81,416	1,36,83,110
(e) Power and Fuel	84,97,497	58,03,335
(f) Royalty	6,64,78,938	5,14,71,614
(g) Rates and Taxes	1,45,10,046	9,85,449
(h) Repairs to Building and Roads	14,08,314	11,74,617
(i) Repairs to Machinery	61,91,922	72,75,801

(j) Repairs to Other Assets	19,11,603	2,73,018
(k) Insurance	1,38,576	1,62,564
(l) Lime Stone Freight	8,54,21,479	6,85,80,991
(m) Lime Stone Loading	8,28,59,493	4,44,45,574
(n) Lease rent	23,17,121	-
(b) "Power and Fuel" - includes the following expenses among others incurred in Generation of Power.		
(a) Salaries,Wages and Bonus	13,42,235	14,06,175
(b) Contribution to Provident fund	1,07,031	2,70,398
(c) Contribution to Gratuity funds	20,784	48,557
(d) Workmen and Staff Welfare Expenses	72,582	92,417
(e) Power and Fuel	3,23,833	4,42,874
(f) Stores and Spares Consumed	16,32,736	63,67,817
(g) Repairs to Building and Roads	10,873	1,28,089
(h) Repairs to Machinery	90,35,645	5,61,625
(i) Taxes and Licences	12,400	12,400
(j) Insurance	1,74,033	2,16,236
(k) Repairs to Other Assets	1,893	1,676

14. (a) "Payment to Auditors"

PARTICULARS	31-03-2011	31-03-2010
	Rs.	Rs.
For Statutory Audit	8,00,000	8,00,000
For Taxation matters (including tax audits)	6,77,500	1,25,000
For Certification and other services	3,50,000	3,57,500
For Company law matters	10,000	10,000
For Audit of Gratuity and Superannuation Trusts	25,000	25,000
Service Tax	32,960	-
Out of pocket expenses	73,067	59,453
	19,68,527	13,76,953
Fees for Cost Audit	1,25,000	1,25,000
Fees for Certification and Other Services	-	-
Out of pocket expenses	740	-
Total	20,94,267	15,01,953
(b) "Miscellaneous Expenses" include: Donations	-	4,05,60,000
(c) Interest paid includes:		
On Fixed Loans (includes Rs.3,63,725/-(Rs 3,46,698) paid to Managing Director and other Wholetime Directors)	9,43,62,595	5,33,92,069
On other Loans from Managing Director and Other Whole-time Directors	1,49,46,985	1,22,16,439

(d) Revenue expenditure capitalised during the year		
Opening unallocated capital expenditure	11,06,96,918	1,65,37,249
Add:		
Salaries, Wages & Bonus	2,73,02,166	1,45,88,064
Contribution to Provident Fund and Family Pension scheme	25,72,761	6,48,635
Staff Welfare expenses	51,26,555	21,39,672
Stores and spares consumed	4,30,38,570	10,09,671
Power	4,62,31,301	64,76,818
Insurance	6,60,421	8,71,914
Repairs to Building	1,66,098	1,43,331
Repairs to Machinery	-	3,120
Repairs to Other assets	11,90,626	2,46,647
Payment to auditors	9,000	-
Rent	1,19,500	1,50,000
Professional fees	68,41,809	1,35,33,453
Travelling expenses	15,31,301	10,55,853
Security charges	82,36,831	54,42,106
Rates & Taxes	3,29,587	20,40,861
Interest on Fixed Loans	16,63,19,462	2,43,98,572
Depreciation	20,27,642	27,45,474
Miscellaneous expenses	16,74,19,286	1,86,65,478
Net expenditure during trial run period as detailed hereunder	25,92,330	-
Less:		
Interest Received	12,99,209	-
Miscellaneous Income	27,961	-
	59,10,84,994	-
Less:		
Capitalised/Allocated to fixed assets	42,65,72,873	-
Closing unallocated Capital Expenditure	16,45,12,121	11,06,96,918
(e) Net expenditure during trial run production		
Raw material consumed	1,09,97,138	
Stores & Spares consumed	88,545	
Salaries & Wages	6,07,579	
Contribution to Provident and other Funds	17,223	
Staff welfare expenses	23,919	
Rent	1,221	
Power & fuel	2,93,62,882	
Repairs to other Assets	157	

Interest paid to Banks & Others	17,26,014
Excise Duty(Net of Modvat)	11,85,178
Taxes & licences	62,949
Insurance	6,701
Miscellaneous expenses	3,39,434
Depreciation	20,96,145
	4,65,15,085
Less:	
Sales (including Excise Duty)	65,86,319
Interest received-Gross	23,368
Rent recovery	1,433
Misc.Income	5,085
	3,98,98,880
Add: Opening stock of Limestone	2,44,43,103
	6,43,41,983
Less:	
Value of stocks at the end of trial run production work in process	3,74,43,407
Closing stock of Limestone	2,43,06,246
Net Expenditure during trial period:	25,92,330
Stocks at the end of trial run production	
Work in process	3,74,43,407
Closing stock of Limestone	2,43,06,246

15. Remuneration to Managing Director and Whole Time Directors:

(i) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.

PARTICULARS	Rs.	Rs.
Profit for the year as per Profit and Loss account		55,96,71,755
Add:		
Directors' sitting fee	7,90,000	
Remuneration to Managing Director and Whole Time Directors	4,33,77,568	
Loss on sale of investments	15,00,000	4,56,67,568
		60,53,39,323
Less:		
Profit on Sale of investments as per P & L A/c	12,64,100	12,64,100
Adjusted net profit for the year		60,40,75,223

(ii) Details of Remuneration to Managing Director and other Whole Time Directors		
PARTICULARS	31-03-2011 Rs.	31-03-2010 Rs.
Salary	83,20,646	64,20,000
House Rent Allowance	8,44,838	6,00,000
Company's Contribution to Provident Fund	6,38,478	4,89,600
Company's Contribution to Superannuation Fund	7,98,096	6,12,000
Company's Contribution to Gratuity Fund	3,31,866	4,04,252
Personal Accident Insurance Premium	34,204	26,032
Medical Expenses	70,681	31,073
Other Perquisites	8,13,698	4,37,955
Commission	3,15,25,061	5,91,06,464
	4,33,77,568	6,81,27,376

- Note: (1) Commission provided to the Managing Director and Joint Managing Director represents the balance amount of aggregate remuneration payable to them not exceeding 2.5% each, on the profits computed above, in accordance with the terms of their appointments. Commission provided to the Executive Director and Technical Director represents the balance amount of aggregate remuneration payable to them not exceeding 1% each upto 24th January 2011 and from thereon at the rate of 1.5% each, on the profits computed above, in accordance with the terms of their appointments.
- (2) The cost to the company of the non-monetary perquisites allowed during the year to the Whole Time Directors in addition to the remuneration paid above works out to Rs. 70,519/-. The value of the said perquisite computed in accordance with Income Tax Rules 1962, works out to Rs.7,89,502 /-.

16. C.I.F Value of Imports made by the Company during the year

PARTICULARS	31-03-2011 Rs.	31-03-2010 Rs.
(i) Raw Materials	64,71,112	79,74,812
(ii) Components and Spare Parts	47,32,678	36,35,812
(iii) Tools	26,444	6,25,428
(iv) Capital Goods	22,75,13,556	8,20,94,810

17. Expenditure in Foreign Currency during the financial year on account of:

PARTICULARS	31-03-2011 Rs.	31-03-2010 Rs.
(i) Foreign Travel (excluding tickets)	11,23,650	10,11,863
(ii) Membership	2,81,201	41,494
(iii) Subscriptions	-	14,494

18. Earnings in Foreign Exchange:

PARTICULARS	31-03-2011 Rs.	31-03-2010 Rs.
(i) F.O.B. value of goods exported during the year	6,75,69,773	43,82,67,497
(ii) Guarantee commission	-	-
(iii) Interest and consultancy	6,14,009	38,69,016
(iv) Income from service charges	2,68,287	3,80,242

19. Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:

PARTICULARS	31-03-2011		31-03-2010	
	Rs.	%	Rs.	%
(a) Raw Materials				
(i) Imported	98,42,019	1.34	82,70,311	1.00
(ii) Indigenous	72,73,73,243	98.66	81,81,12,814	99.00
	73,72,15,262	100	82,63,83,125	100
(b) Spare parts and components (debited to respective heads)				
(i) Imported	28,89,745	0.77	96,18,498	2.25
(ii) Indigenous	37,01,72,082	99.23	41,77,82,797	97.75
	37,30,61,827	100	42,74,01,295	100

20. Particulars disclosed pursuant to “AS-18 Related Party Disclosures” :-

A). List of Related parties

Subsidiary Company	KCP Vietnam Industries Limited
Joint Venture Company	Fives Cail KCP Limited
Key Management Personnel (KMP)	Dr. V.L. Dutt - Chairman and Managing Director Smt. V.L. Indira Dutt - Joint Managing Director Smt. Kavitha D Chitturi - Executive Director Sri. V. Gandhi - Technical Director
Relatives of Key Management Personnel	Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Smt. V.L. Indira Dutt - Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister Smt. Kavitha D Chitturi - Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband Sri. V.Gandhi - Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Swapna - Son's wife Master Nishant Sai - Son's son Smt. V. Anupama - Daughter Sri. N. Seshubabu - Daughter's Husband
Companies/Trusts controlled by Key Management Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (P) Limited V. Ramakrishna Charitable Trust Bala Tripurasundari Ammavaru Temple

B. Transactions with the related parties:

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of Goods					
KCP Vietnam Industries Limited	2,78,64,426				
	(6,78,73,889)				
Fives Cail KCP Limited		24,92,06,978			
		(17,79,75,910)			
The Jeypore Sugar company Ltd					15,90,655
					(34,84,236)
Services Received					
KCP Vietnam Industries Limited	5,03,702				
	(16,14,392)				
Fives Cail KCP Limited		1,14,87,757			
		(84,75,832)			
V. Ramakrishna Sons Private Limited					3,000
					(2,880)
KCP Technologies Limited					Nil
					(2,10,000)
Interest Received					
KCP Vietnam Industries Limited	3,93,346				
	(26,40,773)				
Fives Cail KCP Limited		2,40,00,000			
		(1,56,92,368)			
Dividend Received					
KCP Vietnam Industries Limited	4,87,32,613				
	(Nil)				
Fives Cail KCP Limited		34,00,000			
		(Nil)			
Loans received back					
KCP Vietnam Industries Limited	2,77,46,022				
	(6,64,09,939)				
Loans/Deposits received					
Dr. V.L. Dutt			3,30,00,000		
			(5,30,00,000)		
Smt. V.L. Indira Dutt			1,40,00,000		
			(3,20,00,000)		
Smt. Kavitha D. Chitturi			1,70,00,000		
			(1,15,00,000)		

V. Ramakrishna Sons Private Limited				1,09,50,000
				(2,95,00,000)
V.L. Dutt (HUF)			3,80,00,000	
			Nil	
Kum. Shivani Dutt Chitturi			18,21,000	
			Nil	
Donations				
V. Ramakrishna Charitable Trust				Nil
				(4,00,00,000)
Purchase of Goods				
Fives Cail KCP Limited		10,72,857		
		(46,47,804)		
Remuneration paid				
Dr. V.L. Dutt			1,51,01,881	
			(2,43,31,206)	
Smt. V.L. Indira Dutt			1,51,01,881	
			(2,43,31,206)	
Smt. Kavitha D. Chitturi			65,86,903	
			(97,32,482)	
Sri. V. Gandhi			65,86,903	
			(97,32,482)	
Interest paid				
Dr. V.L. Dutt			87,84,911	
			(72,60,166)	
Smt. V.L. Indira Dutt			48,12,191	
			(33,82,603)	
Smt. Kavitha D. Chitturi			17,13,608	
			(19,20,368)	
Other Relations				
V.L. Dutt (HUF)			33,39,368	
			(7,19,382)	
V. Ramakrishna Sons Private Limited				63,99,384
				(44,07,808)
Dividend paid				
Dr. V.L. Dutt			54,93,500	
			(54,92,750)	
Smt. V.L. Indira Dutt			28,03,740	
			(28,03,240)	
Smt. Kavitha D. Chitturi			5,99,750	
			(5,99,750)	
Sri. V. Gandhi			2,040	
			(2,040)	

Other Relations					
Sri. Ravi Chitturi				50,000	
				(50,000)	
Kum. Shivani Dutt Chitturi				13,00,000	
				(13,00,000)	
Smt. S.R.V. Rajyalakshamma				630	
				(630)	
Smt. Uma S. Vallabhaneni				1,63,120	
				(1,63,120)	
Smt. Rajeswari Ramakrishnan				2,34,020	
				(2,34,020)	
Smt. Kamala Devi Valluri				4,990	
				(4,990)	
Sri.V. Praveen Kumar				2,320	
				(2,320)	
Smt. Anupama Valluri				2,370	
				(2,370)	
Sri. Nagalla Seshu Babu				268	
				(2,185)	
V. Ramakrishna Sons Private Limited					3,87,44,950
					(3,87,44,950)
The Jeypore Sugar Company Limited					2,78,370
					(2,78,370)
VRK Grandsons Investment (P) Limited					95,78,330
					(95,78,330)
Loans Repaid					
Dr. V.L. Dutt			3,00,00,000		
			(65,00,000)		
Smt. V.L. Indira Dutt			75,00,000		
			(Nil)		
Smt Kavitha D. Chitturi			85,00,000		
			(1,00,00,000)		
V. Ramakrishna Sons Private Limited					19,50,000
					(Nil)
Rent Paid					
Smt. V.L. Indira Dutt			9,39,286		
			(1,986)		
Other Relations					
Smt. Uma. S. Vallabhaneni				12,01,043	
				(2,601)	
Smt. S.R.V. Rajyalakshamma				2,38,825	
				(1,506)	

Smt. V. Rama Kumari				8,95,410	
				(2,379)	
Bala Tripurasundari Ammavaru Temple					11,19,296
					(2,722)
Sri. V. Chandra kumar				88,675	
				(2,112)	
Balances as at 31.03.2011					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	23,71,43,668				
	(23,71,43,668)				
Fives Cail KCP Limited		40,00,000			
		(40,00,000)			
Loans/Advances given					
KCP Vietnam Industries Limited	Nil				
	(2,77,46,022)				
Fives Cail KCP Limited		Nil			
		(5,02,776)			
Receivable - Trade dues					
KCP Vietnam Industries Limited	1,89,875				
	(62,87,785)				
Fives Cail KCP Limited		15,59,97,016			
		(13,91,63,506)			
KCP Technologies Limited					Nil
					(93,438)
Receivable - Interest					
KCP Vietnam Industries Limited	Nil				
	(4,63,430)				
Fives Cail KCP Limited		2,40,00,000			
		(1,41,23,132)			
Receivable Others					
KCP Vietnam Industries Limited	Nil				
	(2,73,987)				
Fives Cail KCP Limited		Nil			
		(30,000)			
Share capital in KCP held by					
Dr. V.L. Dutt			54,94,250		
			(54,93,250)		
Smt. V.L. Indira Dutt			28,03,740		
			(28,03,740)		
Smt. Kavitha D. Chitturi			5,99,750		
			(5,99,750)		
Sri. V. Gandhi			2,040		
			(2,040)		

Other Relations				
Kum. Shivani Dutt Chitturi				13,00,000
				(13,00,000)
Smt. Rajeswari Ramakrishnan				2,34,020
				(2,34,020)
Smt. S.R.V. Rajyalakshamma				630
				(630)
Smt. Uma S. Vallabhaneni				1,63,120
				(1,63,120)
Sri. Ravi Chitturi				50,000
				(50,000)
Smt. Anupama Valluri				2,370
				(2,370)
Smt. Kamala Devi Valluri				4,990
				(4,990)
Smt. Nagalla Seshu Babu				1,488
				(2,390)
Sri. V. Praveen Kumar				2,320
				(2,320)
V. Ramakrishna Sons Private Limited				3,87,44,950
				(3,87,44,950)
The Jeypore Sugar Company Limited				2,78,370
				(2,78,370)
VRK Grandsons Investment (P) Limited				95,78,330
				(95,78,330)
Loans/Advances received				
KCP Vietnam Industries Limited	4,28,946			
	(4,28,946)			
Fives Cail KCP Limited		88,71,220		
		(3,00,32,300)		
Dr. V.L. Dutt			10,00,00,000	
			(9,70,00,000)	
Smt. V.L. Indira Dutt			5,20,00,000	
			(4,55,00,000)	
Smt. Kavitha D. Chitturi			2,50,00,000	
			(1,65,00,000)	
V. Ramakrishna Sons Private Limited				7,00,00,000
				(6,10,00,000)
Deposits Received				
Dr. V.L. Dutt			33,50,000	
			(33,50,000)	

Smt. Kavitha D. Chitturi			1,53,000		
			(1,53,000)		
Other Relations					
VL. Dutt [HUF]				3,80,00,000	
				(Nil)	
Kum. Shivani Dutt Chitturi				1,09,00,000	
				(90,79,000)	
Payable-Trade Dues					
Fives Cail KCP Limited		Nil			
		(Nil)			
The Jeypore Sugar company Ltd					2,52,564
					(1,05,249)
Dr. V.L. Dutt			1,20,65,609		
			(2,19,60,297)		
Smt. V.L. Indira Dutt			1,22,84,016		
			(2,18,36,872)		
Smt. Kavitha D. Chitturi			40,49,037		
			(78,53,998)		
Sri. V. Gandhi			34,06,904		
			(74,55,298)		
Other Relations					
Smt. S.R.V. Rajyalakshamma				1,10,455	
				(Nil)	
Smt. V. Rama Kumari				4,14,122	
				(Nil)	
Sri. V. Chandra kumar				78,875	
				(Nil)	
Smt. Uma. S. Vallabhaneni				5,55,475	
				(Nil)	
Bala Tripurasundari Ammavaru Temple					4,47,077
					(Nil)

- 21 . a). The Company has a 40% interest in its joint venture entity Fives Cail KCP Ltd a company incorporated in India.
- b). The Company's share (at 40%) of the contingent liabilities of Fives Cail KCP Ltd at the Balance Sheet date works out to Rs. 29,32,993/- (Rs.94,54,117/-)
- c). The Company's share (at 40%) of the capital commitments of Fives Cail KCP Ltd at the Balance Sheet date works out to Rs. Nil/- (Rs.9,20,072/-)
- d). The Interest of the Company (at 40%) in the aggregate amount of the assets, income and expenses of Fives Cail KCP Ltd was as follows:

PARTICULARS	31.03.2011 Unaudited	31.03.2010
	(Rs. Thousands)	(Rs. Thousands)
(a) Total Assets	6,08,241	5,65,321
(b) Total Liabilities	6,08,241	5,65,321
SOURCES OF FUNDS		
(a) Paid up Share Capital	4,000	4,000
(b) Reserves and Surplus	71,580	43,848
(c) Secured Loans	19,889	11,762
(d) Deferred Tax Liability	-	-
(e) Current Liabilities & Provisions	5,12,772	5,05,711
APPLICATIONS OF FUNDS		
(a) Net Fixed Assets	9,498	5,911
(b) Current Assets	5,96,799	5,59,362
(c) Deferred tax Asset	1,944	47
(d) Profit & Loss Account	-	-
PERFORMANCE OF COMPANY		
(a) Turnover	8,61,973	6,29,809
(b) Other Income	21,104	10,669
(c) Total Expenditure	8,32,216	6,20,824
(d) Profit/Loss Before Tax	50,861	19,653
(e) Profit/Loss After Tax	31,697	12,548

22. DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-15 (REVISED)- EMPLOYEE BENEFITS

PARTICULARS	Gratuity	Compensated Absences
	Rs.	Rs.
a) Reconciliation for present value of obligations		
Present value of obligations as at beginning of the year	7,56,18,256	1,67,43,722
Interest Cost	60,49,461	12,64,585
Current Service Cost	41,17,628	63,99,025
Benefits paid	52,20,058	19,09,561
Actuarial loss on obligation	49,43,318	4,56,051
Present value of obligations as at the end of the year	8,55,08,605	2,29,53,822
b) Reconciliation for Fair Value of Plan Assets		

PARTICULARS	Gratuity	Compensated Absences
	Rs.	Rs.
Fair value of plan assets at beginning of the year	6,63,30,902	-
Expected return on plan assets	72,58,963	-
Contributions	1,64,68,605	-
Benefits paid	52,20,058	-
Actuarial gain on plan assets	-	-
Fair value of plan assets at the end of the year	8,48,38,412	-
c) Expenses Recognised in statement of Profit & Loss a/c		
Current Service cost	41,17,628	63,99,025
Interest Cost	60,49,461	12,64,585
Expected return on plan assets	72,58,963	-
Net Actuarial loss recognised in the year	49,43,318	4,56,051
Expenses to be Recognised in the profit & loss account	78,51,444	81,19,661
d) Net Liability Recognised in the Balance Sheet		
Present value of obligations as at the end of the year	8,55,08,605	2,29,53,822
Fair value of plan assets as at the end of the year	8,48,38,457	-
Funded status	6,70,148	-
Net Liability Recognised in the Balance Sheet	6,70,148	2,29,53,822
e) Actuarial Assumptions		
Assumptions as at	31/03/2011	31/03/2011
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	4.50%
Attrition rate	1-3%	1-3%
Expected return on plan assets	0	0
Mortality	LIC 94-96	LIC 94-96
	Mortality Rates	Mortality Rates

23. 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	Amount	Indian Rupees Equivalent (Rs lakhs)
US Dollar	5,64,320	251
Euro	33,46,928	2,093

24. Computation of Earnings per Share

	This Year Rs.	Previous Year Rs.
Profit after Tax	41,34,95,395	60,02,11,366
Less: Dividend on Preference Shares	2,40,00,000	74,30,137
Less: Tax thereon	38,93,400	12,34,071
Profit available for Equity Share holders	38,56,01,995	59,15,47,158
No. of Equity Shares	12,89,21,160	12,89,21,160
Earnings per Share	2.99	4.59

Note: During the year existing each Equity shares of Rs 10/- each were sub-divided into 10 Equity shares of Rs. 1/- each, the EPS figures for the year ended 31st March, 2011 and 31st March, 2010 have been reworked to give effect of subdivision of shares in accordance with Accounting Standard (AS) 20 on "Earning per Share".

25. Paise have been rounded off.
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)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb.
No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	PARTICULARS	2011			2010
		ADD	LESS	TOTAL	
A	CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.	Rs.	Rs.
	Net Profit before Tax			55,96,71,755	90,46,81,613
				55,96,71,755	90,46,81,613
	ADJUSTMENTS FOR				
	Depreciation	12,33,25,957			10,56,62,113
	Foreign Exchange Difference(Nett)	-	2,05,471		1,40,89,281
	Profit/Loss on Sale/ conversion of Assets	14,69,091	8,23,564		-2,547
	Assets written off	12,20,533			15,69,832
	Profit/Loss on Sale of Investment	15,00,000	12,64,100		
	Interest (Nett)	7,67,01,446			4,21,61,915
	Dividend Received		5,22,15,796		-66,344
		20,42,17,027	5,45,08,931	14,97,08,096	16,34,14,250
	OPERATING PROFIT BEFORE WORKING CAPITAL :			70,93,79,851	1,06,80,95,864
	Trade and other Receivables		-23,24,24,453		-6,85,54,369
	Inventories		23,96,68,688		-5,70,81,597
	Trade Payables & Provision	-4,84,08,513			9,32,01,028
		-4,84,08,513	72,44,235	-5,56,52,748	-3,24,34,938
	CASH GENERATED FROM OPERATIONS			65,37,27,103	1,03,56,60,926
	Direct Taxes refunds received/ Paid		9,91,30,569	-9,91,30,569	-35,18,31,747
				55,45,96,534	68,38,29,179
	CASH FLOW BEFORE EXTRAORDINARY ITEMS				
	Foreign Exchange Difference	2,05,471	-		-1,40,89,281
		2,05,471	-	2,05,471	-1,40,89,281
	NET CASH FROM OPERATING ACTIVITIES (A)			55,48,02,005	66,97,39,898
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of /Additions to Fixed Assets		2,78,65,57,453		-17,97,43,560
	Capital Work-in-Progress		-	-94,25,56,445	-1,95,92,32,803
	Purchase of investments		28,962		-12,774
	Sale of Investments	51,43,405			1,20,00,000
	Repayment of Loan by subsidiary company	2,77,46,022			6,64,09,938
	Sale of Fixed Assets	21,36,627			12,97,646
	Interest Received	6,27,05,952			5,27,51,837
	Dividend Received	5,22,15,796			66,344
		14,99,47,802	1,84,40,29,970	-1,69,40,82,168	-2,00,64,63,372
	NET CASH USED IN INVESTING ACTIVITIES (B)			-1,69,40,82,168	-2,00,64,63,372
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long Term Borrowings (Secured)	1,25,34,98,097			67,29,31,716
	Dividends Paid		13,63,51,297		-12,89,21,160
	Tax on Distributed Profits		2,27,70,834		-2,19,10,151
	Interest Paid		13,94,07,398		-9,49,13,752
	Increase in capital				20,00,00,000
	Long Term Borrowings (Unsecured)	20,69,70,000			69,28,41,000
		1,46,04,68,097	29,85,29,529	1,16,19,38,568	1,32,00,27,653
	NET CASH USED IN FINANCING ACTIVITIES (C)			1,16,19,38,568	1,32,00,27,653
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)			2,26,58,404	-1,66,95,821
	Opening Cash Balance			69,19,31,367	70,86,27,189
	Closing Cash Balance			71,45,89,773	69,19,31,367

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amounts in Rs. Thousands)

I. Registration Details	
(a) Registration No.	1 1 2 8
(b) CIN	L 6 5 9 9 1 T N 1 9 4 1 P L C 0 0 1 1 2 8
(c) State Code	1 8
(d) Balance Sheet Date	3 1 0 3 2 0 1 1
II. Capital Raised during the Year	
(a) Public Issue	N i l
(b) Rights Issue	N i l
(c) Bonus Issue	N i l
(d) Private Placement	N i l
III. Position of Mobilisation & Deployment of Funds:	
(a) Total Assets	8 2 8 5 6 2 4
(b) Total Liabilities	8 2 8 5 6 2 4
Sources of Funds:	
(a) Paid-up Capital	3 2 8 9 2 1
(b) Reserves & Surplus	2 9 5 4 1 5 5
(c) Secured Loans	2 3 5 1 0 5 5
(d) Unsecured Loans	1 1 4 9 4 6 1
(e) Deferred Tax Liability	3 1 9 1 4 2
Total	7 1 0 2 7 3 4
Application of Funds:	
(a) Net Fixed Assets	5 0 6 6 7 8 2
(b) Investments	2 4 2 7 4 0
(c) Net Current Assets	1 7 9 3 2 1 2
Total	7 1 0 2 7 3 4
IV. Performance of Company:	
(a) Turnover	3 1 6 1 5 0 0
(b) Other Income	1 4 5 2 6 9
(c) Total Expenditure	2 7 4 7 0 9 7
(d) Profit Before Tax	5 5 9 6 7 2
(e) Profit After Tax	4 1 3 4 9 5
(f) Earnings Per Share in Rs.	2 . 9 9
(g) Dividend Rate %	1 0 0
V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)	
1. Item Code No. (ITC Code)	252321.00
Product Description	Cement
2. Item Code No.(ITC Code)	843830.02
Product Description	Machinery & Equipment for Sugar Machinery
3. Item Code No.(ITC Code)	841989.11
Product Description	Machinery & Equipment for Cement Machinery

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

Statement under section 212 of the Companies Act, 1956 in respect of subsidiary company

KCP Vietnam Industries Limited, Vietnam.

1. The company earned a net profit of VND 248913712000 (Rs.5176.20 lakhs) for the year ended 31st March 2011 and posted a net profit of VND 58,49,92,34,1000 (Rs 10982.97 Lakhs) from the date of inception.
2. During the year, there is no change in the Share Capital of the company.
3. Holding Company's interest continued to be the same as at 31st March, 2011.
4. No part of the above profit has been dealt with in the Holding Company's accounts.

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT

Chairman and Managing Director

V.L. INDIRA DUTT

Joint Managing Director

KAVITHA D CHITTURI

Executive Director

O. SWAMINATHA REDDY

Director

V. GANDHI

Technical Director

M.R. RAMACHANDRAN

Chief Financial Officer

Y. VIJAYAKUMAR

Company Secretary

Place: Chennai

Date: 27th May, 2011

Disclosure of Information relating to Subsidiary Company

(Statement pursuant to exemption granted by the Ministry of Corporate Affairs Under Section 212 (8) of the Companies Act, 1956 for the year ended 31st March 2011 by way of general circular No: 2/2011, Dt, 8th February, 2011)

Sl. No.	Name of the Subsidiary company	Country	Reporting Currency	Exchange Rate US \$/ Rupees	Capital	Reserves	Total Assets	Total Liabilities	Investments other than Investments in Subsidiaries	Turnover	Rs. in Lakhs			
											Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
1.	KCP Vietnam Industries Ltd.	Vietnam	Vietnam Dongs	44.26	2,371.44	11,418.86	19,934.89	19,934.89	Nil	26,679.95	5,376.85	200.65	5,176.20	Nil

Note : Indian rupee equivalents of figures given in foreign currencies in the accounts of the overseas subsidiary company have been given based on exchange rate at the year end March 31,2011 for the balance sheet items and average rate during the year 2010-11 for the profit and loss items.

THE K.C.P. LIMITED GROUP
CONSOLIDATED FINANCIAL STATEMENTS

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Progressive Growth

AUDITORS' REPORT TO THE DIRECTORS OF THE KCP LTD.

To
The Board of Directors
The KCP Limited
Chennai

1. We have examined the attached consolidated Balance Sheet of The KCP Limited, its subsidiary, and its Joint venture (unaudited) as at March 31, 2011, the consolidated Profit and Loss Account and the consolidated Cash flow statement for the year then ended. These consolidated financial statements are the responsibility of The KCP Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
 3. We did not audit the financial statements of KCP Vietnam Industries Ltd, the subsidiary company whose accounts were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the consolidate statements referred to above, in respect of KCP Vietnam Industries Limited, is based solely on the reports of the other auditors, and on the information and explanations for the purpose of the consolidation referred to herein, furnished to us by the KCP Limited.
 4. We report that the consolidated financial statements have been prepared by the Company
- in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited/unaudited financial statements of The KCP Limited, its joint venture and its subsidiary, as explained in paragraph 3 above, included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of separate audit reports, wherever furnished to us, on the individual audited financial statements of The KCP Limited, its joint venture and its aforesaid subsidiary as explained in paragraph 3 above, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet of the consolidated state of affairs of The KCP Limited, its joint venture and its subsidiary as at March 31, 2011;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of The KCP Limited, its joint venture and its subsidiary for the year then ended, and
 - c) in the case of the consolidated Cash flow statement of the consolidated cash flows of The KCP Limited, its joint venture and its subsidiary for the year ended on that date.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Sd/-
(T. V. Ramana)
Partner
(ICAI Memb.No.200523)

Place: Chennai
Date: 27th May, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	Schedule	AS AT 31-03-2011		AS AT 31-03-2010	
		Rs.	Rs.	Rs.	Rs.
(I) SOURCES OF FUNDS:					
1. Shareholders' Funds:					
(a) Capital	A	32,89,21,160		32,89,21,160	
(b) Reserves & Surplus	B	4,16,76,21,431		3,33,94,45,700	
			4,49,65,42,591		3,66,83,66,860
2. Minority Interest	C		17,77,45,522		40,89,10,519
3. Loan Funds:					
(a) Secured Loans	D	2,63,17,44,076		1,63,66,77,171	
(b) Unsecured Loans	E	1,14,94,61,000		94,24,91,000	
			3,78,12,05,076		2,57,91,68,171
4. Deferred Tax Liability (Net)					
Deferred Tax Liability		32,98,20,126		19,00,53,489	
Less: Deferred Tax Asset		1,26,22,469	34,24,42,595	70,92,787	18,29,60,702
Total			8,77,26,90,846		6,83,94,06,252
(II) APPLICATION OF FUNDS:					
1. Fixed Assets:					
(a) Gross Block	F	6,72,64,84,906		3,90,74,53,813	
(b) Less: Depreciation		2,06,52,79,081		1,93,05,10,764	
(c) Net Block		4,66,12,05,825		1,97,69,43,049	
(d) Capital Work-in-Progress		1,12,08,76,917		2,09,80,19,222	
			5,78,20,82,742		4,07,49,62,271
2. Investments	G		16,17,163		67,39,133
3. Current Assets, Loans and Advances					
(a) Inventories	H-1	1,76,01,63,763		1,53,41,53,154	
(b) Sundry Debtors	H-2	79,96,58,758		93,31,81,383	
(c) Cash and Bank Balances	H-3	81,62,86,293		85,22,44,566	
(d) Other Current Assets	H-4	1,48,02,642		81,41,483	
(e) Loans and Advances	H-5	1,39,34,89,219		1,30,82,57,564	
		4,78,44,00,675		4,63,59,78,150	
Less: Current Liabilities and Provisions :					
(a) Liabilities	I-1	1,55,68,47,251		1,43,27,11,638	
(b) Provisions	I-2	23,85,62,483		44,55,61,664	
		1,79,54,09,734		1,87,82,73,302	
Net Current Assets			2,98,89,90,941		2,75,77,04,848
Total			8,77,26,90,846		6,83,94,06,252

Notes, Schedules & Statement on Accounting Policies form an integral part of the Balance Sheet

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Schedule	This Year		Previous Year
		Rs.	Rs.	Rs.
INCOME FROM:				
Sale of Products and Services				
Group Companies		6,28,52,49,541		
Less:Excise Duty		45,57,53,968	5,82,94,95,573	5,80,42,09,330
Joint Venture		76,13,76,507		
Less:Excise Duty		39,20,230	75,74,56,277	62,79,49,866
Other Income	1			
- Group Companies			16,34,07,986	11,09,71,357
- Joint Venture				
			6,75,03,59,836	6,54,31,30,553
EXPENDITURE ON:				
Materials Consumed	2		2,88,90,29,905	2,62,15,14,723
Payments and Benefits to Employees	3		45,08,44,036	43,61,85,641
Manufacturing,Selling,Administrative and other expenses	4		1,86,63,19,787	1,74,31,73,125
Rates and Taxes (excluding income-tax)	5		1,60,95,197	1,24,13,659
Interest & Finance Charges				
- Group Companies			15,31,69,301	13,09,63,274
- Joint Venture			33,49,858	26,17,458
Depreciation				
- Group Companies			21,90,26,405	21,36,40,965
- Joint Venture			43,07,320	30,75,592
			5,60,21,41,809	5,16,35,84,437
Profit for the year:			1,14,82,18,027	1,37,95,46,116
Add: Refund of Income Tax			18,27,175	-
Less: Provision for Taxation-Current				
- Group Companies			13,18,65,730	31,25,69,735
- Joint Venture			2,10,00,000	40,00,000
Less: Provision for Taxation-deferred				
- Group Companies			13,61,33,614	44,70,247
- Joint Venture			18,36,535	33,88,005
			85,92,09,323	1,05,51,18,129
Less: Minority Interest			17,25,39,894	14,85,05,661
Add Excess Provision of income tax of earlier years credited back			7,51,06,187	2,82,848
MAT Credit Entitlement			2,48,23,892	-
Deferred tax credit			-	7,34,840
Profit after taxation			78,65,99,508	90,76,30,155
Balance brought forward from last Year			85,96,67,692	51,14,08,648
			1,64,62,67,200	1,41,90,38,803
- Group Companies			10,00,00,000	40,00,00,000
- Joint Venture			-	12,54,830
			1,54,62,67,200	1,01,90,38,803
Less: Proposed Dividend				
- Proposed dividend on 12% preference Share capital			3,22,30,290	3,22,30,290
- Joint Venture			2,40,00,000	74,30,137
Interim Dividend Paid				34,00,000
- Group Companies			13,95,65,540	9,66,90,870
- Joint Venture			-	-
Tax on distributed Profits				
- Group Companies			2,53,05,593	2,30,19,814
- Joint Venture			-	5,64,699
Balance carried forward to next Year			1,32,51,65,777	85,96,67,692
Basic Earnings per equity share of Rs.1/- each -(EPS)			5.89	6.97
Net profit after tax Rs.78,65,99,508/- (Rs.90,76,30,155/-) / No.of equity shares 12,89,21,160(1,28,92,116)				

Notes , Schedules & Statement on Accounting Policies form an integral part of the Profit & Loss Account.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

“SHARE CAPITAL”

Schedule ‘A’

PARTICULARS	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
Authorised:		
12,89,77,480 Equity Shares of Rs.1/-each (Previous year 1,28,97,748 Equity Shares of Rs. 10/-each)	12,89,77,480	12,89,77,480
2,00,00,000 Redeemable Cumulative Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
22,10,22,520 Unclassified Shares of Rs.1/- each (Previous year 2,21,02,252 Unclassified Shares of Rs. 10/-each)	22,10,22,520	22,10,22,520
	55,00,00,000	55,00,00,000
Issued:		
12,89,77,480 Equity Shares of Rs.1/-each (Previous year 1,28,97,748 Equity Shares of Rs. 10/-each)	12,89,77,480	12,89,77,480
2,00,00,000 12% Redeemable Cumulative Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
	32,89,77,480	32,89,77,480
Subscribed and Paid-up:		
12,89,21,160 Equity Shares of Rs.1/-each (Previous year 1,28,92,116 Equity Shares of Rs. 10/-each)	12,89,21,160	12,89,21,160
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	20,00,00,000
Total taken to Balance Sheet	32,89,21,160	32,89,21,160

“RESERVES & SURPLUS”

Schedule ‘B’

PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
Capital reserve		
Group Companies		
- On reorganisation	2,79,91,144	2,79,91,144
- Capital Subsidy	50,00,000	50,00,000
Amalgamation Reserve	1,03,83,025	1,03,83,025
General Reserve		-
- Group Companies	2,77,43,88,765	2,39,98,27,994
- Joint Venture	3,67,59,132	3,55,04,300
Translation Reserve	-1,20,66,412	-1,83,286
Surplus (i.e) Balance in Profit Loss Account		
- Group companies	1,29,03,44,510	85,65,43,819
- Joint Venture	3,48,21,267	31,23,873
Total Taken To Balance Sheet	4,16,76,21,431	3,33,94,45,700

“MINORITY INTEREST”

Schedule ‘C’

PARTICULARS	AS AT	AS AT
	31.03.2011	31.03.2010
	Rs.	Rs.
Share capital in KCP Vietnam Industries Ltd 51,00,000 Equity shares (42,00,240 shares) held by minority shareholders	16,63,96,977	16,63,96,977
Profit and Loss Account	1,73,81,751	29,04,29,987
Translation Reserve	-60,33,206	-4,79,16,445
Total Taken To Balance Sheet	17,77,45,522	40,89,10,519

“SECURED LOANS”

Schedule ‘D’

PARTICULARS	AS AT	AS AT
	31.03.2011	31.03.2010
	Rs.	Rs.
I. Short-Term Loans:		
a) Working capital loans from Banks & Others		
- Group Companies	36,90,08,485	17,22,57,890
- Joint Venture	1,98,89,220	1,17,61,607
II. Long-Term Loans :		
From Financial institutions		
- Group Companies	2,24,28,46,371	1,45,26,57,674
- Joint Venture	-	-
Total Taken To Balance Sheet	2,63,17,44,076	1,63,66,77,171

“UNSECURED LOANS”

Schedule ‘E’

PARTICULARS	AS AT	AS AT
	31.03.2011	31.03.2010
	Rs.	Rs.
Group Companies		
From Banks	14,00,00,000	10,00,00,000
Fixed Deposits	76,24,61,000	62,24,91,000
From Directors	17,70,00,000	15,90,00,000
Intercorporate Loans	7,00,00,000	6,10,00,000
Total Taken To Balance Sheet	1,14,94,61,000	94,24,91,000

“Fixed Assets” Schedule 'F'

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost upto 31-03-2010	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31-03-2011	Exchange difference	Total Depreciation upto 31-03-2010	Total Depreciation for the Year	Total Depreciation upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Lands											
- Group companies	3,05,88,052				3,05,88,052					3,05,88,052	3,05,88,052
2. (a) Buildings											
- Group companies	26,09,12,901	2,281,61,810			48,90,74,711		9,86,54,262	65,83,338	10,52,37,600	38,38,37,111	16,22,58,639
- Joint Venture		72,36,454			72,36,454			19,76,933	19,76,933	52,59,521	-
(b) Leasehold Buildings											
- Group companies	15,47,500				15,47,500		4,62,790	25,224	4,88,014	10,59,486	10,84,710
3. Tramways & Railway Sidings											
- Group companies	67,94,362				67,94,362		61,86,264	2,68,379	64,54,643	3,39,719	6,08,098
4. Plant & Machinery Owned											
- Group companies	3,45,67,02,366	2,71,68,70,811	1,70,48,928	14,18,12,806	6,01,47,11,433	7,15,93,001	1,75,03,95,451	19,00,44,099	1,86,88,46,549	4,14,58,64,884	1,70,63,06,905
5. Furniture, Fixtures & Office Equipment Owned											
- Group companies	4,18,58,437	1,00,49,577	9,25,668	6,37,055	5,03,45,291	5,95,573	2,97,69,030	21,24,574	3,12,98,031	1,90,47,260	1,20,89,407
- Joint Venture	59,85,114	5,97,372	12,492		66,69,994		38,10,294	8,92,201	47,02,495	18,67,499	21,74,820
- Joint Venture	1,28,931				1,28,931					1,28,931	1,28,931
6. Vehicles & Earthmoving Equipment Owned											
- Group companies	9,09,74,373	2,32,15,647	66,08,224		10,75,81,796		3,35,58,638	35,58,803	3,71,17,442	7,04,64,354	5,74,15,735
- Joint Venture	40,49,786				40,49,786		14,11,770	10,02,485	24,14,255	16,35,531	26,38,016
7. Research & Development Equipment											
- Group companies	15,56,170				15,56,170		8,75,704	1,73,560	10,49,264	5,06,906	6,80,466
8. Patents											
- Group companies	20,88,588			1,23,633	19,64,955	1,23,633	20,88,588		19,64,955		
- Joint Venture	42,67,242	68,229			43,35,471		32,97,973	4,30,928	37,28,900	6,06,571	9,69,269
Grand Total	3,90,74,53,812	2,98,61,99,900	2,45,95,312	14,25,73,494	6,72,64,84,906	7,23,12,207	1,93,05,10,764	20,70,80,524	2,06,52,79,081	4,66,12,05,825	1,97,69,43,048
1. Group Companies	3,89,30,22,739	2,97,82,97,845	2,45,82,820	14,25,73,494	6,70,41,64,270	7,23,12,207	1,92,19,90,727	20,27,77,977	2,05,24,56,498	4,65,17,07,772	1,97,10,32,012
2. Joint Venture	1,44,31,073	79,02,055	12,492	-	2,23,20,636	-	85,20,037	43,02,547	1,28,22,583	94,98,053	59,11,036
Grand Totals	3,90,74,53,812	2,98,61,99,900	2,45,95,312	14,25,73,494	6,72,64,84,906	7,23,12,207	1,93,05,10,764	20,70,80,524	2,06,52,79,081	4,66,12,05,825	1,97,69,43,048

"INVESTMENTS"

Schedule 'G'

PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
- Group Companies		
1. Trade Investments:		
(a) Quoted Equity Shares - Fully paid	-	1
(b) Unquoted Equity Shares - Fully paid:	-	-
2. Non-Trade Investments:		
(a) Quoted Equity Shares -Fully Paid:	11,60,500	13,03,905
(b) Unquoted Equity Shares - Fully Paid:	2	50,00,001
3. Other Investments	4,56,661	4,35,226
Total Taken To Balance Sheet	16,17,163	67,39,133

"CURRENT ASSETS"

Schedule 'H-1'

INVENTORIES

PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
1) Stores and Spares		
- Group Companies	49,23,41,802	45,36,33,567
2) Raw Materials		
- Group Companies	6,12,74,380	2,12,79,436
- Joint Venture	12,35,75,275	9,23,79,996
3) i) Finished Goods at Cost		
- Group Companies	51,71,68,659	53,43,80,684
ii) Finished Goods at Market Value		
- Group Companies	80,62,673	2,19,17,545
4) Work-in-progress		
- Group Companies		
- At cost	55,59,82,644	37,47,69,970
- At Estimated Realisable value	17,58,330	3,57,91,956
Total Taken To Balance Sheet	1,76,01,63,763	1,53,41,53,154

“Sundry Debtors”

Schedule ‘H-2’

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2011 Rs.	31.03.2010 Rs.
Sundry Debtors			
Debts outstanding for a period exceeding six months:			
(1) Considered Good			
(a) Fully Secured			
- Group Companies	35,78,601		8,56,764
(b) Unsecured			
- Group Companies	9,48,58,653	-	49,18,07,222
- Joint Venture	5,07,99,392	14,92,36,646	7,10,65,387
		14,92,36,646	56,37,29,373
(2) Other Debts-Considered Good			
(a) Fully Secured			
- Group Companies	1,51,57,974	-	84,84,170
(b) Unsecured			
- Group Companies	42,80,89,131	-	17,89,47,434
- Joint Venture	20,71,75,007	65,04,22,112	18,20,20,406
Total Taken To Balance Sheet		79,96,58,758	93,31,81,383

“CASH AND BANK BALANCES”

Schedule ‘H-3’

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2011 Rs.	31.03.2010 Rs.
(1) Cash /Cheques on hand			
- Group Companies	1,98,76,212		1,57,25,705
- Joint Venture	1,55,104	2,00,31,316	2,53,452
(2) At Scheduled Banks:			
i) in Fixed Deposits			
- Group Companies	55,41,83,329		61,58,77,895
- Joint Venture	3,17,85,587	58,59,68,916	4,24,36,843
ii) in Current Accounts			
- Group Companies	20,96,24,508		17,51,91,476
- Joint Venture	6,61,553	21,02,86,061	27,59,195
Total Taken To Balance Sheet		81,62,86,293	85,22,44,566

“OTHER CURRENT ASSETS”

Schedule ‘H-4’

PARTICULARS	AS AT	AS AT
	31.03.2011 Rs.	31.03.2010 Rs.
Interest accrued		
- Group Companies	1,41,24,682	62,83,993
- Joint Venture	6,77,960	18,57,490
Total Taken To Balance Sheet	1,48,02,642	81,41,483

"LOANS AND ADVANCES"

Schedule 'H-5'

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2011 Rs.	31.03.2010 Rs.
(1) Advances, (unsecured , recoverable in cash or in kind , for value to be received)			
Considered Good			
- Group Companies	61,82,42,798		53,63,63,606
- Joint Venture	6,71,23,648		7,50,11,532
		68,53,66,446	
Considered Doubtful			
- Group Companies			
Less : Provision For Doubtful Advances	-	-	-
		68,53,66,446	61,13,75,138
(2) Prepaid Expenses			
- Group Companies	1,86,82,803		1,50,98,987
- Joint Venture	18,12,666	2,04,95,469	27,33,721
(3) Excise Duty Paid In Advance			
- Group Companies	23,92,48,527		15,55,17,857
- Joint Venture	5,23,19,311	29,15,67,838	1,71,01,459
(4) Income-Tax / Wealth -Tax / Sales Tax Paid In Advance			
- Group Companies	17,44,23,218		36,59,61,051
- Joint Venture	5,38,83,302	22,83,06,520	5,60,07,977
(5) Income-Tax Deducted At Source			
- Group Companies	3,52,97,688		4,55,94,890
- Joint Venture	36,84,002	3,89,81,690	32,81,552
(6) MAT Entitlement credit			
- Group Companies	7,51,06,187	7,51,06,187	
- Joint Venture			
(7) Deposits Recoverable			
- Group Companies	4,97,63,348		3,25,47,815
- Joint Venture	29,75,634	5,27,38,982	1,26,735
(8) Claims Recoverable			
- Group Companies	7,55,225		25,96,852
- Joint Venture	1,70,862	9,26,087	3,13,530
Total Taken To Balance Sheet		1,39,34,89,219	1,30,82,57,564

“CURRENT LIABILITIES AND PROVISIONS”

Schedule 'I-1'

PARTICULARS	Details Rs.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
A. CURRENT LIABILITIES:			
(1) Sundry Creditors			
- Group Companies	53,68,35,732		53,79,94,311
- Joint Venture	19,50,97,961	73,19,33,693	17,66,44,430
(2) Advances received against sales			
- Group Companies	38,97,39,544		37,64,48,290
- Joint Venture	21,53,99,714	60,51,39,258	24,11,43,938
(3) Trade Deposits			
- Group Companies		10,48,99,964	6,32,50,000
- Joint Venture			
(4) Security Deposits from staff and others			
- Group Companies		6,94,44,574	16,41,876
- Joint Venture			
(5) Interest accrued but not due on loans			
- Group Companies		2,61,37,005	1,48,29,471
- Joint Venture			
(6) Due to Superannuation and Gratuity Trusts			
- Group Companies		59,52,403	94,98,557
- Joint Venture			
(7) Unclaimed Dividend			
- Group Companies		1,33,40,354	1,12,60,765
Total Taken To Balance Sheet		1,55,68,47,251	1,43,27,11,638

GROUP

PROVISIONS:

Schedule '1-2'

PARTICULARS	Details Rs.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
(1) For Income Tax & Wealth Tax			
- Group Companies	12,28,59,495		34,29,22,934
- Joint Venture	2,56,35,329	14,84,94,824	2,58,09,801
(2) For Proposed Dividend			
- Group Companies		5,62,30,290	3,96,60,427
- Joint Venture		-	34,00,000
(3) For Tax on Dividend			
- Group Companies		91,21,959	65,87,201
- Joint Venture		-	5,64,699
(4) For Leave Encashment			
- Group Companies	2,29,53,822		1,67,43,722
- Joint Venture	10,91,440	2,40,45,262	5,85,330
(5) For Provision towards Gratuity			
- Group Companies		6,70,148	92,87,550
Total Taken To Balance Sheet		23,85,62,483	44,55,61,664

Signature to Schedules A to I-2

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

“OTHER INCOME”

Schedule-1

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
(1) Interest received from Banks and others			
- Group Companies	5,97,88,311		4,78,49,479
- Joint Venture	42,04,659	6,39,92,970	9,70,181
(2) Dividends Received (Gross)		5,22,15,796	66,344
(3) Rents received		38,29,953	30,93,360
(4) Miscellaneous Receipts			
- Group Companies		39,36,210	50,65,698
- Joint Venture		18,13,853	-
(5) Profit on sale of Assets			
- Group Companies	8,23,564		4,44,336
- Joint Venture	4,677	8,28,241	18,035
(6) Unclaimed balances credited back			
- Group Companies		7,64,323	12,84,465
- Joint Venture		98,238	-
(7) Claims/refunds received			
- Group Companies		3,62,338	2,86,73,512
- Joint Venture		-	-
(8) Profit on Sale of Investments - Group Companies		-	-
(9) Provision no longer required credited back			
- Group Companies	1,91,13,504		1,98,13,309
- Joint Venture	83,83,282	2,74,96,786	36,92,638
(10) Difference in Exchange (Net)			
- Group Companies		2,05,471	
- Joint Venture		65,99,707	
(11) Profit on sale of investments			
- Group Companies		12,64,100	
Total Taken To Profit & Loss Account		16,34,07,986	11,09,71,357

"MATERIALS CONSUMED"

Schedule-2

PARTICULARS	This Year Rs.	Previous Year Rs.
Opening Stocks:		
Raw materials		
- Group Companies	2,12,79,436	5,74,47,453
- Joint Venture	9,23,79,996	9,08,20,891
Work-in-Progress		
- Group Companies	41,05,61,926	39,49,69,528
Finished goods		
- Group Companies	55,62,98,229	47,04,25,873
	<u>1,08,05,19,587</u>	<u>1,01,36,63,745</u>
Add: Trial Run Production stocks		
- Group Companies		
Raw Materials	2,70,73,398	-
Work-in-progress	3,74,43,407	-
ADD:		
i) Purchases:		
Raw materials & Components		
- Group Companies	41,16,72,870	55,59,69,319
- Joint Venture	54,19,39,492	45,44,53,638
ii) Cost of raw materials produced		
- Group Companies	2,05,83,68,238	1,67,80,89,705
	<u>3,07,64,97,405</u>	<u>2,68,85,12,662</u>
	<u>4,15,70,16,992</u>	<u>3,70,21,76,407</u>
LESS:		
Closing Stocks: Raw materials		
- Group Companies	6,12,74,379	2,12,79,436
- Joint Venture	12,35,75,275	9,23,79,996
Work-in-Progress		
- Group Companies	55,77,40,974	41,05,61,926
Finished Goods		
- Group Companies	52,52,31,332	55,62,98,229
	<u>1,26,78,21,960</u>	<u>1,08,05,19,587</u>
Excise duty differential on Opening/Closing stocks of Finished Goods	-1,65,127	-1,42,097
Total Taken To Profit & Loss Account	2,88,90,29,905	2,62,15,14,723

“PAYMENTS AND BENEFITS TO EMPLOYEES”

Schedule-3

PARTICULARS	This Year	Previous Year
	Rs.	Rs.
Salaries, Wages and Bonus		
- Group Companies	33,74,38,152	31,60,82,113
- Joint Venture	2,41,64,369	1,61,13,618
Contribution to Provident Fund and Family Pension Scheme		
- Group Companies	1,81,68,963	1,62,62,501
- Joint Venture	20,66,200	14,71,442
Contribution to Superannuation Funds		
- Group Companies	75,54,657	3,06,38,696
Contribution to Gratuity Funds		
- Group Companies	69,91,696	85,95,029
- Joint Venture	-	-2,12,007
Workmen and Staff Welfare expenses		
- Group Companies	5,22,32,250	4,47,77,614
- Joint Venture	22,27,749	24,56,635
Total Taken To Profit & Loss Account	45,08,44,036	43,61,85,641

GROUP

“MANUFACTURING ,SELLING, ADMINISTRATIVE AND OTHER EXPENSES”

Schedule-4

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Manufacturing:			
Stores and Spares (including Packing Materials) consumed.			
- Group Companies		29,09,05,643	36,72,74,183
Sub-contracted works			
- Group Companies		9,06,70,205	11,92,52,710
- Joint Venture		1,44,95,199	29,85,447
Power and Fuel			
- Group Companies	90,44,91,248		
Less:Self consumption of Power generated internally	16,99,85,058	73,45,06,190	59,08,95,164
Insurance			
- Group Companies		58,77,939	69,14,588
- Joint Venture		48,000	20,000
Research & Development			
- Group Companies		7,35,36,789	6,05,735
Technical fee and royalty			
- Group Companies		-	-
- Joint Venture		50,47,376	50,96,098
Repairs to Buildings			
- Group Companies		2,75,20,405	2,95,27,098
Repairs to Machinery			
- Group Companies		9,40,50,897	10,69,86,378
Repairs to Other Assets			
- Group Companies		2,72,47,142	2,44,47,718
	(A)	1,36,39,05,785	1,25,40,05,119
Selling:			
Advertisement			
- Group Companies		2,59,43,828	3,52,44,946
- Joint Venture		7,94,089	6,34,892
Loading,Unloading,Transport etc			
- Group Companies		13,13,98,593	13,23,76,986
- Joint Venture		7,51,50,807	1,72,75,743
Commission on Sales			
- Group Companies		24,45,093	26,15,238

Schedule-4 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
- Joint Venture		2,80,00,000	1,07,56,894
	(B)	26,37,32,410	19,89,04,699
Administrative:			
Rent			
- Group Companies		63,54,095	50,78,026
- Joint Venture		-	-
Payments to Auditors			
- Group Companies		22,30,967	16,53,674
- Joint Venture		2,21,813	2,06,340
Directors' Sitting Fee			
- Group Companies		7,90,000	6,20,000
Managerial Remuneration			
- Group Companies		4,33,77,568	6,81,27,376
- Joint Venture		32,46,438	14,69,342
Miscellaneous Expenses			
- Group Companies		12,01,62,704	15,67,68,997
- Joint Venture		2,71,30,496	1,92,77,180
	(C)	20,35,14,081	25,32,00,935
Other Items:			
Warranty Claims			
- Group Companies		1,44,89,847	1,71,16,326
- Joint Venture		57,04,000	31,52,000
Bad debts and irrecoverable advances written off			
- Group Companies		1,62,512	4,76,794
- Joint Venture		84,04,779	-
Discarded assets written off			
- Group Companies		12,20,533	15,69,832
Loss on sale of assets			
- Group Companies		14,69,091	4,41,789
- Joint Venture		-	13,404

Schedule-4 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Loss on sale of investment			
- Group Companies		15,00,000	-
Difference in exchange (NET)			
- Group Companies		-	1,40,89,281
- Joint Venture		22,16,749	2,02,946
Bad debts written off			
- Joint Venture		-	-
	(D)	3,51,67,511	3,70,62,372
Totals of (A+B+C+D) Taken To Profit & Loss Account		1,86,63,19,787	1,74,31,73,125

“RATES & TAXES (EXCLUDING INCOME TAX)”

Schedule-5

PARTICULARS	This Year Rs.	Previous Year Rs.
Rates and Taxes		
- Group Companies	1,53,88,503	1,18,05,469
- Joint Venture	7,06,694	6,08,190
Total Taken To Profit & Loss Account	1,60,95,197	1,24,13,659

Signature to Schedules 1 to 5
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

Notes Forming Part of the Accounts

1. Basis of preparation

The KCP Limited (Parent) has prepared the group consolidated financial statements by:

Consolidating its accounts and those of its subsidiary KCP Vietnam Industries Ltd, a company incorporated in Socialist Republic of Vietnam, in which it holds 2/3rds of the share capital in accordance with “Accounting Standard 21 Consolidated Financial Statements” and also reporting therein 40% interest in its Joint Venture entity Fives Cail KCP Ltd, a Company incorporated in India, in accordance with AS 27 “Financial Reporting of interest in Joint Ventures” prescribed by The Companies (Accounting Standards) Rules, 2006.

The accounts of all the companies taken into these consolidated accounts have been prepared for the year ended 31st March 2011.

2. Principles of consolidation

The consolidated financial statements of the KCP Ltd, its subsidiary and its Joint Venture are prepared according to the accounting policies and standards applicable to them in the countries in which they are incorporated as stated in the “Statements on Accounting Policies” in the respective companies and published separately. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements.

3. FOREIGN EXCHANGE TRANSACTIONS

- A) 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 exchanges arising on actual receipt/payment during the year.
- B) At each Balance Sheet date
 - foreign currency monetary items are reported using the rate of exchanges on that date
 - foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- C) In respect of forward exchange contracts in the nature of hedges if any,
 - a). Premium or discount on the contract is amortised over the term of the contract,
 - b). Exchange differences on the contract are recognized as profit or loss in the period in which they arise
- D) In consolidating the transactions of the non-integral foreign operations of the group, in the group financial statements, all the assets and liabilities of such operations are translated at the exchange rate on the date of the Balance Sheet, Income and expenses of such operations are translated at the yearly average rates. The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the investment in such operations.

4. Major components of deferred tax assets and liabilities arising on account of timing differences are

PARTICULARS	ASSET Rs.	LIABILITY Rs.
1. Depreciation	-	32,88,33,124
Joint Venture	-	9,87,002
2. Items U/s 43 B of IT Act	96,91,466	-
Joint Venture	29,31,003	-
	1,26,22,469	32,98,20,126
Net deferred tax liability as on 31.03.2011		31,71,97,657

5. Movement in Translation Reserve

PARTICULARS	Majority Rs.	Minority Rs.	Total Rs.
Opening Balance (Dr)	-1,83,286	-4,79,16,445	-4,80,99,731
Movement due to Non Monetary items-			
Capital, Reserves, opening Stock etc. (cr)	-1,18,83,126	4,18,83,239	3,00,00,113
Closing balance(Dr)	-1,20,66,412	-60,33,206	-1,80,99,618

6. Particulars disclosed pursuant to “AS-18 related party disclosures” :-

A). List of Related parties:

<p>Key Management Personnel (KMP)</p>	<p>Dr. V.L. Dutt - Chairman and Managing Director, The K.C.P Ltd</p> <p>Smt. V.L. Indira Dutt - Joint Managing Director, The K.C.P Ltd</p> <p>Smt. Kavitha D Chitturi - Executive Director, The K.C.P Ltd</p> <p>Sri.V. Gandhi - Technical Director, The K.C.P Ltd</p> <p>Sri.K.B. Pranesh - Managing Director, Fives Cail KCP Ltd</p>
<p>Relatives of Key Management Personnel</p>	<p>Dr. V.L. Dutt -</p> <p>Smt. Rajeswary Ramakrishanan - Sister</p> <p>Smt. V.L. Indira Dutt -</p> <p>Smt. S.R.V. Rajyalakshamma - Mother</p> <p>Sri. V. Chandra Kumar - Brother</p> <p>Smt. Uma S Vallabhaneni - Sister</p> <p>Smt.V. Rama Kumari - Sister</p> <p>Smt. Kavitha D Chitturi -</p> <p>Kum.Shivani Dutt Chitturi - Daughter</p> <p>Sri. Ravi Chitturi - Husband</p> <p>Sri. V.Gandhi -</p> <p>Smt. V. Kamala Devi - Wife</p> <p>Sri. V. Praveen Kumar - Son</p> <p>Smt. V. Swapna - Son's wife</p> <p>Master Nishant Sai - Son's son</p> <p>Smt. V. Anupama - Daughter</p> <p>Sri. N. Seshubabu - Daughter's Husband</p>
<p>Companies/Trusts controlled by Key Management Personnel/Relatives</p>	<p>KCP Technologies Limited</p> <p>V. Ramakrishna Sons Pvt Limited</p> <p>The Jeypore Sugar Company Ltd.</p> <p>VRK Grandsons Investment (Pvt) Limited</p> <p>V Ramakrishna Charitable Trust</p> <p>Bala Tripurasundari Ammavaru Temple</p>

B. Transactions with the related parties:

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ relatives of KMP
	Rs.	Rs.	Rs.
Transactions during the year			
Sale of Goods			
The Jeypore Sugar Company Ltd.			15,90,655
			(34,84,236)
Services Received			
V. Ramakrishna Sons Private Limited			3,000
			(2,880)
KCP Technologies Limited			Nil
			(2,10,000)
Loans/Deposits received			
Dr. V.L. Dutt	3,30,00,000		
	(5,30,00,000)		
Smt. V.L. Indira Dutt	1,40,00,000		
	(3,20,00,000)		
Smt. Kavitha D. Chitturi	1,70,00,000		
	(1,15,00,000)		
V. Ramakrishna Sons Private Limited			1,09,50,000
			(2,95,00,000)
V.L. Dutt (HUF)		3,80,00,000	
		(Nil)	
Kum. Shivani Dutt Chitturi		18,21,000	
		(Nil)	
Donations			
V. Ramakrishna Charitable Trust			Nil
			(4,00,00,000)
Remuneration paid			
Dr. V.L. Dutt	1,51,01,881		
	(2,43,31,206)		
Smt. V.L. Indira Dutt	1,51,01,881		
	(2,43,31,206)		
Smt. Kavitha D. Chitturi	65,86,903		
	(97,32,482)		

Sri. V. Gandhi	65,86,903	
	(97,32,482)	
Shri. K.B. Pranesh	67,63,413	
	(34,17,575)	
Interest paid		
Dr. V.L. Dutt	87,84,911	
	(72,60,166)	
Smt. V.L. Indira Dutt	48,12,191	
	(33,82,603)	
Smt. Kavitha D. Chitturi	17,13,608	
	(19,20,368)	
Other Relations		
VL. Dutt (HUF)		33,39,368
		(7,19,382)
V. Ramakrishna Sons Private Limited		63,99,384
		(44,07,808)
Dividend paid		
Dr. V.L. Dutt	54,93,500	
	(54,92,750)	
Smt. V.L. Indira Dutt	28,03,740	
	(28,03,240)	
Smt. Kavitha D. Chitturi	5,99,750	
	(5,99,750)	
Sri. V. Gandhi	2,040	
	(2,040)	
Other Relations		
Sri. Ravi Chitturi		50,000
		(50,000)
Kum. Shivani Dutt Chitturi		13,00,000
		(13,00,000)
Smt. S.R.V. Rajyalakshamma		630
		(630)
Smt. Uma S. Vallabhaneni		1,63,120
		(1,63,120)
Smt. Rajeswari Ramakrishnan		2,34,020
		(2,34,020)
Smt. Kamala Devi Valluri		4,990
		(4,990)

Sri. V. Praveen Kumar	2,320
	(2,320)
Smt. Anupama Valluri	2,370
	(2,370)
Sri. Nagalla Seshu Babu	268
	(2,185)
V. Ramakrishna Sons Private Limited	3,87,44,950
	(3,87,44,950)
The Jeypore Sugar Company Limited	2,78,370
	(2,78,370)
VRK Grandsons Investment (P) Limited	95,78,330
	(95,78,330)
Loans Repaid	
Dr. V.L. Dutt	3,00,00,000
	(65,00,000)
Smt. V.L. Indira Dutt	75,00,000
	(Nil)
Smt Kavitha D. Chitturi	85,00,000
	(1,00,00,000)
V. Ramakrishna Sons Private Limited	19,50,000
	(Nil)
Rent Paid	
Smt. V.L. Indira Dutt	9,39,286
	(1,986)
Other Relations	
Smt. Uma. S.Vallabhaneni	12,01,043
	(2,601)
Smt. S.R.V. Rajyalakshamma	2,38,825
	(1,506)
Smt. V. Rama Kumari	8,95,410
	(2,379)
Bala Tripurasundari Ammavaru Temple	11,19,296
	(2,722)
Sri. V. Chandra kumar	88,675
	(2,112)

Balances as at 31.03.2011	
Receivable - Trade dues	
KCP Technologies Limited	Nil
	(93,438)
Share capital in KCP held by	
Dr. V.L. Dutt	54,94,250
	(54,93,250)
Smt. V.L. Indira Dutt	28,03,740
	(28,03,740)
Smt. Kavitha Dutt Chitturi	5,99,750
	(5,99,750)
Sri. V. Gandhi	2,040
	(2,040)
Other Relations	
Kum. Shivani Dutt Chitturi	13,00,000
	(13,00,000)
Smt. Rajeswari Ramakrishnan	2,34,020
	(2,34,020)
Smt. S.R.V. Rajyalakshamma	630
	(630)
Smt. Uma S. Vallabhaneni	1,63,120
	(1,63,120)
Sri. Ravi Chitturi	50,000
	(50,000)
Smt. Anupama Valluri	2,370
	(2,370)
Smt. Kamala Devi Valluri	4,990
	(4,990)
Smt. Nagalla Seshu Babu	1,488
	(2,390)
Sri. V. Praveen Kumar	2,320
	(2,320)
V. Ramakrishna Sons Private Limited	3,87,44,950
	(3,87,44,950)
The Jeypore Sugar Company Limited	2,78,370
	(2,78,370)
VRK Grandsons Investment (P) Limited	95,78,330
	(95,78,330)

Loans/Advances received		
Dr. V.L. Dutt	10,00,00,000	
	(9,70,00,000)	
Smt. V.L. Indira Dutt	5,20,00,000	
	(4,55,00,000)	
Smt. Kavitha D Chitturi	2,50,00,000	
	(1,65,00,000)	
V. Ramakrishna Sons Private Limited		7,00,00,000
		(6,10,00,000)
Deposits Received		
Dr. V.L. Dutt	33,50,000	
	(33,50,000)	
Smt. Kavitha D. Chitturi	1,53,000	
	(1,53,000)	
Other Relations		
V.L. Dutt [HUF]		3,80,00,000
		(Nil)
Kum. Shivani Dutt Chitturi		1,09,00,000
		(90,79,000)
Payable-Trade Dues		
The Jeypore Sugar Company Limited		2,52,564
		(1,05,249)
Dr. V.L. Dutt	1,20,65,609	
	(2,19,60,297)	
Smt. V.L. Indira Dutt	1,22,84,016	
	(2,18,36,872)	
Smt. Kavitha D Chitturi	40,49,037	
	(78,53,998)	
Sri. V. Gandhi	34,06,904	
	(74,55,298)	
Other Relation		
Smt. S.R.V. Rajyalakshamma		1,10,455
		(Nil)
Smt. V. Rama Kumari		4,14,122
		(Nil)
Sri. V. Chandra kumar		78,875
		(Nil)
Smt. Uma. S. Vallabhaneni		5,55,475
		(Nil)
Bala Tripurasundari Ammavaru Temple		4,47,077
		(Nil)

7. a). Claims against the Company not admitted

PARTICULARS	31st March, 2011 Rs.	31st March, 2010 Rs.
Statutory Levies - Group Companies	14,73,46,026	13,16,04,001
Contractual Levies	-	-
Others - Group companies	77,50,127	1,00,50,215
Joint venture	29,32,993	94,54,117

b. Share of Contingent Liability in Joint Venture

- 1). Corporate Guarantees issued by the Company to customers Rs. 33,29,100/- (Rs.Nil/-)
- 2). Guarantees issued by bankers on behalf of the Company Rs. 2,73,60,397/- (Rs.2,20,22,459/-)
- 3). Estimate amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil/-(Rs 9,20,072/-)

8. Particulars to be disclosed pursuant to Accounting Standard 17 " Segment Reporting" are given in Annexure 1.

General:

- ❖ Paise have been rounded off.
- ❖ Figures in brackets indicate those for the previous year.
- ❖ Figures for the previous year have been regrouped, wherever necessary.
- ❖ During the year, the existing equity shares of Rs.10/- each were subdivided into 10 equity shares of Rs.1/- each, the EPS figures for the year ended 31st March 2011 and 31st March 2010 have been reworked to give effect of subdivision of shares.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011				
PARTICULARS	2011		TOTAL	2010
	ADD	LESS		
	Rs.	Rs.	Rs.	Rs.
A). CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax			1,14,82,18,027	1,37,95,46,116
			1,14,82,18,027	1,37,95,46,116
ADJUSTMENTS FOR				
Depreciation	22,33,33,725		22,33,33,725	21,67,16,557
Foreign Exchange Difference(Net)		-2,05,471	-2,05,471	1,40,89,281
Profit/Loss on Sale/conversion of Assets	6,40,850		6,40,850	-7,178
Assets written off	12,20,533	-	12,20,533	15,69,832
Transferred to general Reserve		-	-	28,75,695
Profit/Loss on Sale of Investment	2,35,900	-	2,35,900	-
Interest (Nett)	9,92,08,547	-	9,92,08,547	8,87,76,433
Dividend Received	-	-5,22,15,796	-5,22,15,796	-66,344
	27,22,18,289			32,39,54,276
OPERATING PROFIT BEFORE WORKING CAPITAL:				
			1,42,04,36,312	1,70,35,00,392
Trade and other Receivables		-8,19,92,543	-8,19,92,543	-15,14,15,001
Inventories		-21,48,99,692	-21,48,99,692	-17,15,38,559
Trade Payables & Provision	10,75,69,702		10,75,69,702	7,15,00,952
		-18,93,22,533		-25,14,52,608
CASH GENERATED FROM OPERATIONS				
			1,23,11,13,779	1,45,20,47,784
Direct Taxes refunds received / Paid (Net)		-7,96,18,198	-7,96,18,198	-36,65,95,425
CASH FLOW BEFORE EXTRAORDINARY ITEMS				
			1,11,24,70,839	1,08,54,52,359
Foreign Exchange Difference		-30,34,68,215	-30,34,68,215	26,76,20,056
NET CASH FROM OPERATING ACTIVITIES A				
			80,90,02,624	1,34,05,02,680
B). CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of / Additions to Fixed Assets		-2,83,92,48,728	-2,83,92,48,728	-45,25,47,537
Capital Work-in-Progress	98,24,49,666		98,24,49,666	-2,00,99,87,926
Purchase of Investments		-28,962	-28,962	-12,774
Repayment of Loan by subsidiary company	51,43,405		51,43,405	6,64,09,938
Sale of Fixed Assets	2,77,58,418		2,77,58,418	14,36,148
Sale of Investments	21,36,627		21,36,627	1,20,50,667
Interest Received	6,69,10,611		6,69,10,611	5,37,22,019
Dividend Received	5,22,15,796		5,22,15,796	66,344
NET CASH USED IN INVESTING ACTIVITIES ... B				
			-1,70,26,63,167	-2,32,88,63,121
C). CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Long Term Borrowings (Secured)	98,69,39,292		98,69,39,292	67,29,31,716
Dividend Paid		-18,26,25,967	-18,26,25,967	-12,89,21,160
Tax on Distributed Profits		-2,33,35,533	-2,33,35,533	-2,19,10,151
Interest Paid		-16,61,19,159	-16,61,19,159	-14,24,98,452
Increase in Capital	-	-	-	20,00,00,000
Repayment of Long Term Borrowings (Unsecured)	24,28,43,636		24,28,43,636	43,91,24,996
			85,77,02,269	1,01,87,26,949
NET CASH USED IN FINANCING ACTIVITIES ... C				
			85,77,02,269	1,01,87,26,949
Net increase / (decrease) in cash and cash equivalents (A+B+C)			-3,59,58,274	3,03,66,509
Opening Cash Balance			85,22,44,566	82,18,78,057
Closing Cash Balance			81,62,86,293	85,22,44,566

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

T.V. RAMANA
Partner
(ICAI Memb. No.200523)

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2011

SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2011

Annexure-I

Primary Segment Report - Business Segments

PARTICULARS	Engineering		Cement		Power		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
	(Rs. in lakhs)													
Revenue														
Total Revenue	21,761	23,056	22,577	24,172	1,755	1,678	26,757	21,614	1,290	578			74,139	71,098
Less: Excise Duty	1,339	1,387	3,250	2,647			7			6			4,596	4,040
	20,422	21,669	19,327	21,525	1,755	1,678	26,757	21,614	1,283	572			69,543	67,058
Less: Inter Segment Sales	0				1,627	1,627	0		0				1,943	1,627
Result														
Segment Result	5,082	6,184	1,886	3,549	745	564	5,515	4,984	-181	-149			13,228	15,281
Add: Unallocated Corporate Expenses													-181	-149
Operating Profit / (Loss)	5,082	6,184	1,886	3,549	745	564	5,515	4,984	181	149			13,046	15,132
Less: Interest Expenses													1,565	1,336
													11,481	13,796
Add: Income Tax Refund/Credited Back													18	3
Mat Entitlement credit													751	
Excess provision for earlier years													248	
Less: Income Taxes													1,528	3,165
Net Current Tax liability													1,379	72
Net Deferred Tax Liability													9,591	10,562
Profit from Ordinary Activities													1,725	1,485
less: Minority share of profit / (Loss)													7,866	9,077
Net Profit														
Other Information														
Segment Assets	17,278	22,075	52,039	33,240	5,029	5,185	19,935	18,090	1,345	923	3,172	2,771	92,454	76,742
Unallocated corporate Assets													13,227	10,436
Total Assets	17,278	22,075	52,039	33,240	5,029	5,185	19,935	18,090	1,345	923	3,172	2,771	1,05,681	87,178
Segment Liabilities	5,500	9,476	29,938	14,388	828	1,035	4,367	5,823	248	291	761	359	40,120	30,654
Unallocated Corporate liabilities													18,819	15,336
Minority Interest													1,777	4,089
Shareholders Funds	5,500	9,476	29,938	14,388	828	1,035	4,367	5,823	248	291	761	359	44,965	37,099
Total Liabilities	663	997	16,650	19,966	164	58	48	772	895	302	0	0	18,420	22,095
Capital Expenditure													18,420	22,095
Total Capital Expenditure													18,420	22,095
Depreciation	368	299	396	290	427	426	957	1,082	85	72			2,233	2,169

Secondary Segment Report - Geographical Segments

	Sales Revenue		Carrying amount of assets		Additions to Fixed Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	41159	43817	82529	69088	18372	21323
South East Asia - Vietnam	26757	21614	19935	18090	48	772

Other disclosures:

1. Segments have been identified in line with the Accounting Standard on segment reporting (AS 17) issued by the ICAI, on consolidated basis including business conducted through its subsidiaries and Joint Venture.
2. The company has disclosed business segment as the primary segment.
3. The reportable segments are further described below.
 - a) Engineering
 - b) Cement
 - c) Power
 - d) Sugar
4. Intersegment revenues are recognised at market price.

Notes:

Notice to Shareholders

NOTICE is hereby given that the **70th Annual General Meeting** of the Members of the company will be held on Wednesday, the **27th July 2011** at **10.45 a.m.** at "Ramakrishna Buildings" No. 2, Dr. P.V.Cherien Crescent, Egmore, Chennai-600008, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on 12% Redeemable, Cumulative, Non-convertible Preference shares.
3. To confirm interim dividend of Rs.0.75 per share paid during the year and to declare final dividend of Rs. 0.25 per share on equity shares of Rs.1/- each for the financial year 2010-2011.
4. To appoint a Director in the place of Sri. O. Swaminatha Reddy, who retires by rotation and, being eligible, offers himself for re-appointment and for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.
"RESOLVED THAT Sri. O. Swaminatha Reddy, who retires by rotation be and is hereby re-appointed as a Director of the Company liable to retire by rotation"
5. To appoint a Director in the place of Sri. P. Koteswara Rao, who retires by rotation and, being eligible, offers himself for re-appointment and for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.
"RESOLVED THAT Sri. P. Koteswara Rao, who retires by rotation be and is hereby re-appointed as a Director of the Company liable to retire by rotation"
6. To appoint M/s.Brahmayya & Co, Chartered Accountants, Vijayawada as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors of the Company and for

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

"RESOLVED THAT M/s. Brahmayya & Co., Chartered Accountants, Vijayawada be and are hereby re-appointed as the Statutory Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors on mutually agreed terms and conditions."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY/ REGISTRAR AND SHARE TRANSFER AGENT, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting to the Company or the Registrar and Share Transfer Agent.
4. The Register of Directors Shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the meeting.
5. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956 and all documents as mentioned in the resolutions will

be available for inspection by the members at the Registered office of the Company.

6. Pursuant to the provisions of Section 154 of the Companies Act, 1956, The Register of Members and Share Transfer Books of the Company will remain closed from **20th July 2011 to 27th July 2011** (both days inclusive).
7. Pursuant to Clause 49 of the Listing Agreement, the brief resume/profile of the Directors retiring by rotation and eligible for re-appointment is given in the Directors Report forming part of the Annual Report.
8. Dividend as recommended by the Board of Directors of the Company, if declared at the meeting, will be payable on or after **12th August, 2011** to those members whose name appear on the Register of Members as on the record date.
9. Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agents.
10. Members must quote their Folio Number/Demat Account number and contact details such as email address, contact number etc in all correspondence with the Company/Registrar and Share Transfer Agents.
11. As per the Circular No.MRD/Dop/Cir-05/2009 Dt.May, 2009 issued by the Securities Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore the transferee(s)/legal heirs are requested to furnish a copy of their PAN to the Registrar and Share Transfer Agents.

12. Payment of dividend through ECS:

We recommend to our valued shareholders to make use of Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS Scheme) of Reserve Bank of India (RBI) for dividend payment. A shareholder availing this Scheme can receive dividend directly into his bank account and avoid hassles relating to handling

of physical warrants besides elimination of risk of loss in postal transit/fraudulent encashment of warrants. In view of the conveniences which ECS/NECS offer, we request you to register the same by sending a duly signed request letter along with a cancelled cheque to our Registered office/ Registrar & Share Transfer Agents **M/s Integrated Enterprises (India) Limited** for shares held in physical form. In case shares are held in electronic form, the same may be registered with your Depository Participant (DP).

13. Members are requested to address all correspondences, including dividend matters to the Registrar & Share Transfer Agents, **Integrated Enterprises (India) Limited, II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Ph No. 044-28140801-803, Fax No. 044-28142479, email : corpseiv@iepindia.com.**
14. Shareholders who have not yet encashed their dividend warrants for the years 2003-04, 2004-05, 2005-06, 2006-07, 2008-09, 2009-10, and 2010-11 may approach the Company for revalidation, issue of duplicate warrants etc. quoting the Folio Number/Client ID. Please note that as per Section 205A and 205C of the Companies Act 1956, dividend which remains unpaid/unclaimed over a period of 7 years has to be transferred by the Company to the Investor Education & Protection Fund (IEPF) and no claim shall lie for such unclaimed dividends from IEPF by the members.
15. Members seeking any information relating to the Accounts may write to the Company at **Ramakrishna Buildings" 2 Dr. P.V. Cherian Crescent, Egmore, Chennai-600008, Ph No. 044-66772622, Fax No. 044-66772620, email : investor@kcp.co.in,** for the attention to Company Secretary at least seven days before the date of the Annual General Meeting.

For and on behalf of the Board

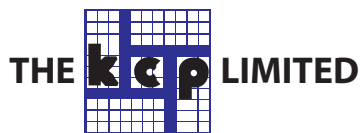


(V. L. DUTT)

Place: Chennai

Date: 27th, May, 2011

Chairman and Managing Director



ADMISSION SLIP

Regd. Office: 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008.

PLEASE COMPLETE THIS ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS	NO. OF SHARES	FOLIO NO./CLIENT ID NO
<p>70th ANNUAL GENERAL MEETING</p> <p>Date : WEDNESDAY 27th JULY, 2011 Time: 10.45 A.M.</p> <p>Place: REGISTERED OFFICE "RAMAKRISHNA BUILDINGS"</p> <p style="margin-left: 40px;">2, DR. P.V. CHERIAN CRESCENT, EGMORE,</p> <p style="margin-left: 40px;">CHENNAI - 600 008</p>		

*If you intend to appoint a Proxy, please complete the Proxy below and deposit it at the Company's Registered Office 48 hours before the meeting. Please ensure that the Proxy brings this Admission slip with him for the meeting

Name of Proxy (if any) in block letters	Signature of Member(s) / proxy
---	--------------------------------



PROXY FORM

Regd. Office: 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008

No. of Shares	Folio No./Client ID No.

SERIAL NO.	RECEIVED ON	TIME	CODE

I/We of in the district of being a member/members of the above named company hereby appoint of in the district of or failing him of in the district of as my / our proxy to vote for me / us on my / our behalf at the 70th Annual General Meeting of the Company to be held at 10.45 a.m. on Wednesday, 27th July 2011 and at any adjournment thereof.

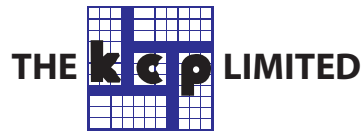
As witness my (our) hand(s) this day of 2011

Signed by the said

Affix
Rs.1/-
Revenue
Stamp

* This proxy form must be duly completed and received at the Company's Registered Office 48 hours before the commencement of meeting Proxy need not be a member of the Company

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**Members
Feedback Form
2010-2011**

Name :e-mail id :

Address : DP ID :

Client ID :

Folio No. :
(in case of physical holding)

No. of equity shares held :
(the period for which held)

Signature of member

		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors' Report and Management's Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
Shareholders' Information	Contents					
	Presentation					
Quality of Financial and non-financial information in the Annual Report	Contents					
	Presentation					
Information on Company's Website	Contents					
	Presentation					
INVESTOR SERVICES						
Turnaround time for response to Shareholder query						
Quality of response						
Timely receipt of Annual Report						
Conduct of Annual General Meeting						
Timely receipt of dividend warrants / payment through ECS						
Promptness in confirming demat/remat requests						
Overall rating						

views/Suggestions for improvement, if any

Members are requested to send this feedback form to the address given overleaf.

To

**THE COMPANY SECRETARY
THE K.C.P. LTD.
“RAMAKRISHNA BUILDINGS”
2, DR. P.V. CHERIAN CRESCENT
EGMORE, CHENNAI - 600 008**