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

(Rs. in Lakhs)

	Year Ended									
	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06
SHARE CAPITAL	1289*	2089	2789	3289	3289	3289	1289	1289	1289	1289
RESERVES & SURPLUS	34592	34250	34458	33168	29542	27189	22780	17697	12984	9625
NET WORTH	35881	36339	37247	36457	32831	30478	24069	18986	14273	10914
FIXED ASSETS (NET)	69486	66453	60639	54374	50668	33448	13147	12653	11704	7572
GROSS INCOME	70893	75723	88971	72654	37626	42289	41788	41604	30051	20680
GROSS PROFIT	10680	8024	11348	15208	8224	11052	11369	11284	8321	3448
DEPRECIATION	3431	3409	3197	2935	1233	1056	914	858	618	519
INTEREST	4886	4473	3812	3795	1394	949	671	692	444	444
PROFIT BEFORE TAX	2363	120	4339	8478	5597	9047	9784	9734	7259	2485
PROFIT AFTER TAX	1587	127	3046	6153	4135	6002	6591	6654	4829	1750
EARNINGS PER SHARE(Rs)**	1.17	-0.04	2.16	4.56	2.99	45.88	51.13	51.62	37.46	13.58
BOOK VALUE PER SHARE(Rs)**	27.84	27.57	27.34	26.73	23.92	220.93	186.72	147.27	110.72	84.66
DIVIDEND ON EQUITY(%)	75	10	100	150	100	100	100	100	100	50
DEBT EQUITY RATIO	0.89	0.86	0.54	0.51	0.71	0.33	0.27	0.15	0.21	0.39

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

(Rs. in Lakhs)

	Year Ended									
	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06
SHARE CAPITAL	1289*	2089	2789	3289	3289	3289	1289	1289	1289	1289
RESERVES & SURPLUS	51887	48425	47574	46890	41684	33434	26791	19601	13532	9219
NET WORTH	53176	50514	50363	50179	44973	36723	28080	20890	14821	10508
FIXED ASSETS (NET)	75737	74502	67124	61561	57821	40750	22401	20084	18377	14391
GROSS INCOME	129229	118246	133590	115004	72100	69471	60401	58059	42575	28835
GROSS PROFIT	17990	14766	18316	23625	15288	17298	15428	14462	11150	5338
DEPRECIATION	4821	4713	4442	4104	2233	2167	2015	1605	1312	1262
INTEREST	5146	4631	3971	4154	1565	1336	1279	912	923	908
PROFIT BEFORE TAX	8023	5422	9903	15367	11490	13795	12134	11945	8915	3168
PROFIT AFTER TAX	5028	3449	6524	10605	7874	9076	8118	8022	5945	2133
EARNINGS PER SHARE(Rs)**	3.84	2.54	4.89	8.01	5.89	69.7	62.98	62.23	46.12	16.55
BOOK VALUE PER SHARE(Rs)**	41.25	38.57	37.91	37.38	33.33	269.38	217.84	162.06	114.98	81.52
DIVIDEND ON EQUITY(%)	75	10	100	150	100	100	100	100	100	50
DEBT EQUITY RATIO	0.60	0.60	0.39	0.38	0.53	0.42	0.07	0.17	0.38	0.26

\*\* During the year 2010-11 the Equity Shares of Rs. 10/- each were sub-divided into 10 Equity Shares of Re. 1/- each. EPS and Book Value per Share are reworked accordingly.

\* During the year 2014-15 last tranche of 80,00,000 preference shares of Rs. 10/- each have been redeemed.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

**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

### INDEPENDENT DIRECTORS

**Sri. O. SWAMINATHA REDDY**

**Sri. V.H. RAMAKRISHNAN**

**Sri. VIJAY SANKAR**

**Sri. P.S. KUMAR**

**Sri. M. NARASIMHAPPA**

### CHIEF FINANCIAL OFFICER

**Sri. M.R. RAMACHANDRAN**

### AUDITORS

M/s. **BRAHMAYYA & CO**

Chartered Accountants, Vijayawada

### BANKERS

**BANK OF BARODA**

**BANK OF INDIA**

**CANARA BANK**

**HDFC BANK LTD**

**INDIAN OVERSEAS BANK**

### REGISTERED AND CORPORATE OFFICE

"Ramakrishna Buildings"

2, Dr. P.V. Cherian Crescent

Egmore, Chennai - 600 008

Ph: 044 - 66772600 Fax: 66772620

E-mail: investor@kcp.co.in

Website: www.kcp.co.in

### CEMENT UNITS

**Macherla - 522426**

Guntur District, Andhra Pradesh

**Muktyala - 521175**

Krishna District, Andhra Pradesh

### HYDEL POWER UNIT

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

### THERMAL POWER UNIT

**Macherla**, Guntur District, AP

### CAPTIVE POWER PLANT

**Muktyala**, Krishna District, Andhra Pradesh

## BOARD COMMITTEES & CONSTITUTION

### AUDIT COMMITTEE

Sri. O. Swaminatha Reddy, Sri. V.H. Ramakrishnan, Sri. Vijay Sankar,  
Sri. P.S. Kumar, Sri. M. Narasimhappa, Smt. Kavitha D. Chitturi.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri. O. Swaminatha Reddy, Sri. V.H. Ramakrishnan, Sri. Vijay Sankar,  
Sri. P.S. Kumar, Sri. M. Narasimhappa.

### NOMINATION AND REMUNERATION COMMITTEE

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

### RISK MANAGEMENT COMMITTEE

Smt. Kavitha D. Chitturi, Smt. V.L. Indira Dutt, Sri. V. Gandhi, Sri. Vijay Sankar,  
Sri. P.S. Kumar, Sri. M.R. Ramachandran, Dr. G.V.K. Prasad, K. Ramakrishna.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Smt. V.L. Indira Dutt, Smt. Kavitha D. Chitturi, Sri. V. Gandhi, Sri. Vijay Sankar,  
Sri. P.S. Kumar.

### INNOVATION AND BEST PRACTICES COMMITTEE

Sri. M. Narasimhappa, Sri. V. Gandhi, Sri. V.H. Ramakrishnan, Sri. Vijay Sankar,  
Smt. Kavitha D. Chitturi,

### FINANCE COMMITTEE

Dr. V.L. Dutt, Smt. V.L. Indira Dutt, Smt. Kavitha D. Chitturi, Sri. V. Gandhi,  
Sri. Vijay Sankar, Sri. P.S. Kumar.

### INVESTMENT COMMITTEE

Sri. O. Swaminatha Reddy, Sri. V.H. Ramakrishnan, Sri. Vijay Sankar,  
Sri. P.S. Kumar, Sri. M. Narasimhappa.

### COMPANY SECRETARY

**Sri. Y. VIJAYA KUMAR**

### COST AUDITORS

M/s. **NARASIMHAMURTHY & CO**

Cost Accountants, Hyderabad

M/s. **S. MAHADEVAN & CO**

Cost Accountants, Chennai

### INTERNAL AUDITORS

M/s. **R.G.N PRICE & CO**

Chennai

M/s. **M. BHASKARA RAO & CO**

Hyderabad

### 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: 28140801/803 Fax: 281424790 E-mail:  
yuvraj@integratedindia.in Website: www.integratedindia.in

## PLANT LOCATIONS

### ENGINEERING UNITS

**Tiruvottiyur - 600 019**

Chennai, Tamilnadu

**Arakonam - 631 004**

Mosur Road, Ekhunagar, Tamilnadu

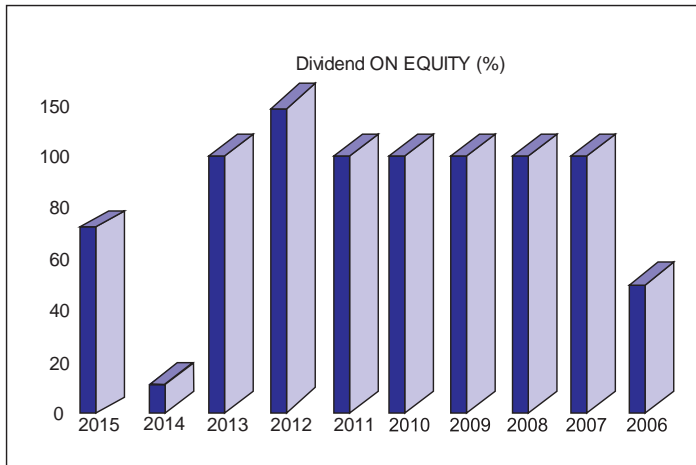
### SOLAR POWER UNIT

**Muktyala**, Krishna District, Andhra Pradesh

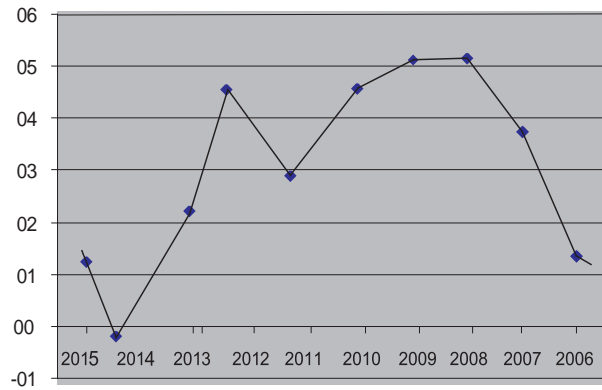
### WIND MILLS

**Uthumalai Village**, Tirunelveli District, Tamilnadu

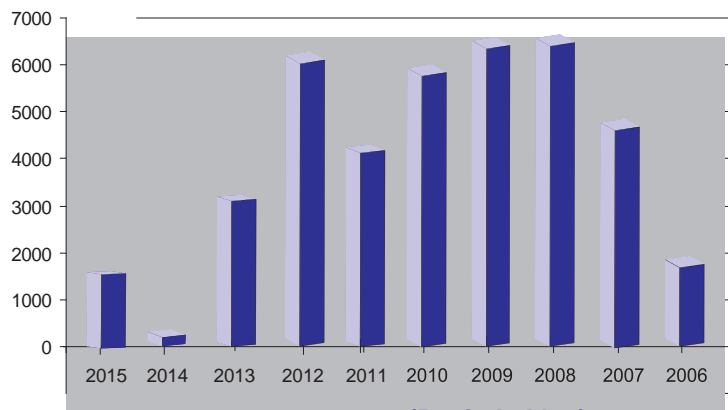
# At a Glance



Dividend History



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

(Not to Scale)

# From the Chairman's Desk

**Dear Shareholder,**

It is fascinating for me to recapitulate the turn of events during the last year. The industry has become more vocal and liberated from the various clutches and controls. Greater transparency is being ingrained into the operation of the financial and capital markets.

Indian Economy during the fiscal year 2014-15 was rather peculiar with some industries doing well and some found limping. The decline pattern in the growth though appears to have bottomed out, the desired incremental growth did not take place last year, Primary catalyst of the demand for cement, would be infrastructure spends a part from housing. The pick up in demand from infrastructure is delayed. Urban housing demand has been stagnant due to high levels of inventory in most metros. Rural demand slowed down due to unseasonal rains.



Rural demand slowed down due to unseasonal rains.

Slowing demand led to lower prices in the first half of 2014-15 coupled with diesel price hikes resulting in escalated freight costs.

A year passed since the new set of governance has taken place in the Centre and it is time that the Government policies reflect in overall robust economic development.

The Government is Pushing through GST Bill, Land Acquisition Bill etc which would encourage industry with new investments. The road ahead might be bumpy but reforms are necessary for putting back the economy on good growth trajectory, at rates seen earlier.

With the fall in crude prices and consequent reduction in trade deficit, government is enabled to focus on developmental activities, which in turn should help growth of the economy.

Coming to the company's operations, it could be seen that the operations for the fiscal year 2014-15 that had ended was a mixed bag, with the cement and power divisions performing creditably and the Engineering Division lagging behind.

The cement prices, languishing till the first half of the year under review at a low level, corrected itself to some extent, but this was followed by the increase in the cost of inputs like coal, put paid to the unit's ambitious plan for substantial redemption which did not happen. Nevertheless the unit has put up a comparatively strong performance and it is expected that the trend would continue and the volumes presently stagnant would also have an upward shift in the near future. This can happen only when there is a paradigm forward movement of the economy rather than a mere price increase.

Power division which is also basically captive have done well thanks also to a reasonably good monsoon in the previous year.

The new Thermal Power Plant at Muktyala would ensure that quality and continuous power would be made available for cement production there. The Solar plant of a very marginal capacity is doing its bit by getting the Renewable Energy Certificates though the realisation is lagging far behind.

The Engineering sector, being closely associated with the manufacturing and infrastructure sectors of the economy is of strategic importance to India's economy. Growth in the sector is driven by various sub-sectors such as infrastructure, power, steel, automotive, oil and gas, consumer durables etc. The MAKE IN INDIA campaign in order to succeed has to get the attention of several infrastructure and engineering multinationals.

Performance of the Engineering Division of the company was not satisfactory. With no real economic development there were literally no major orders. A turnaround is expected only by the second half of the current fiscal which it is hoped would revive the fortunes of the ailing engineering capital goods industry.

Going forward, the future for both Cement and Engineering segments looks positive in the long term with the Government focus on development and infrastructure. The cement market in India is expected to grow at a compound annual growth rate (CAGR) of 8.96 percent during the period 2014-2019. In 12th Five year plan, government plans to increase investment of USD 1trillion in infrastructure, which should help the industry. Government plans of 100 smart cities, construction of state capital in AP augurs well for cement industry as well as our company. It is worth noting that per capita consumption of cement in India is less than 200 kg against world average of about 500 kg, a number which suggests a growth in demand, given a proper platform for growth. Rise in GDP from various initiatives, should provide an additional impetus for especially the cement sector given the strong correlation between the GDP growth and the cement industry.

With help from the Government in terms of friendlier laws, lower taxation rates, and more infrastructure spending, the sector is likely to grow and will take India's economy forward along with it.

The Company works to ensure that sustainability considerations and values, are understood, implemented, measured and communicated to all stakeholders across the Company's value chain, so that they form a seamless part of the business practice and help customers be more effective and successful. It is committed to developing manufacturing processes that focus on clean energy and resource efficiency, and also extends its sustainability contributions to customers by developing and offering products that are resource efficient and facilitate the use of renewable energy sources.

The stakeholders trust and confidence in the capabilities of the company to protect and enhance the value, continues to grow and rather it fuels the company even further to attain greater heights.

Best Regards,

**V L Dutt**  
Chairman and Managing Director



## Interactive session with the Joint Managing Director



### How do you view the performance of the company during the year 2014-15?

In order to answer this question, I need to first say a few words on the prevailing scenario in the sectors in which the company is operating.

With the continuing stagnation in the Heavy Capital Goods sector, the demand for the engineering unit has been deeply impacted and the unit had to accept even low or nil contribution orders to keep the unit afloat. A recovery in this sector is foreseen only by the second half of the fiscal 2015-16, which would provide a stimulus for the unit and more higher value orders may be expected.

As regards cement sector, though there has been some correction in the price, volumes are still stagnant. Improvement can happen only when there is spurt in the demand for cement which would happen only when there is a rise in demand in the construction industry. Increase in Operations born out of demand increase is more lasting than such increase in operations coming out temporary correction in prices.

After the monsoon period, we expect to see a scaling up of demand for cement arising out of increased consumption in the Infrastructure segment.

With reference to power sector, the outputs from all the units were highly satisfactory and it is hoped that a decent monsoon would replenish the waters in the reservoirs for the current fiscal which would result in good power generation from the Hydel plant. The company has commissioned the 18MW Thermal power plant in Jan 2015 which would ensure quality power availability to the cement units. The Solar Plant has been a great boon by providing fossil free power and also in bringing of REC (Renewal Energy Certificates). It has always been the aim of the company to have quality and continuous power for all the manufacturing units and the installation of the Thermal power plant and the small solar power plant are steps in the right direction.

### How do you position the company in the current fiscal?

Much depends on the outlook for the Monsoon. Indian economy being agrarian based, a fall in water resources triggers of a chain of reaction causing decreased agricultural production and leading to fall in demand for cement and engineering goods due to low availability of liquidity with the people. This leads to fall in the production and the rise in cost of production resulting in losses. Hence we are looking for a normal monsoon which would be an impetus to further industrial development. An indicator for industrial development is the demand for Heavy Capital Goods signifying overall upward movement of industry. Our Engineering unit is gearing itself to meet this opportunity as and when it comes through.

The company simultaneously is also striving to be near to the customer as possible and the Building Materials Division is a forward integration step in this direction. The company has just formally launched the Bricks, Hollow Blocks and Pavers in the market and a detailed feedback is awaited. Preliminary response has been very encouraging. If found acceptable to the market, more such plants could be considered.

### How the company does fulfils its CSR's requirements?

Service to the Community has been and continues to be the motto of the organisation. The company takes pride in being a catalyst in the improvement of the livelihood of the regions where the units are situated. This, among others, consists of having RO water facilities, schools for the children, training for the women Self Help Groups (SHG) to tap their vocational skills. I would also like to point out that the company had long back since inception started the services to the local community even before CSR concept came into existence.

"The best way to find yourself is to lose yourself in the service of others." said Mahatma Gandhi. Going by that advice, the company has been and continues to contribute its mite to the service of the community especially those in the vicinity of the operating units.

### What is your vision for the company?

In our quest to achieve the vision "Organisational Excellence through Innovation", we have been taking all-round efforts to bring about the Best Practices in the way we run our operations. Every activity is being mapped and compared with the best practices available and course correction if any is being taken.

## Board of Directors



**Dr. V.L. Dutt**  
DIN: 00143013  
Chairman & Managing Director

Dr. V L Dutt was educated in London, England and secured the Grad BIM Degree.

Dr. Dutt is the Chairman of The KCP Limited, Fives Cail - KCP Limited and KCP Vietnam Industries Limited and Director of V Ramakrishna Sons Private Ltd.

Dr. Dutt was a Director on the Board of DCM Shriram Industries Limited and was the Chairman of Chennai Willingdon Corporate Foundation.

Presently, he is the Honorary Consul General of the Republic of Turkey in Chennai, for the States of Tamilnadu, Kerala, Karnataka, Andhra Pradesh and Union Territory of Pondicherry.

Dr. Dutt is the Chairman of Finance committee and Member of Nomination and Remuneration committee of the company.



**Smt. V.L. Indira Dutt**  
DIN: 00139883  
Joint Managing Director

Smt. V.L. Indira Dutt, B.A (Economics) from Madras University

She serves as Director of Fives Cail - KCP Limited, Velagapudi Foundation, KCP Vietnam Industries Limited and V Ramakrishna Sons Private Limited.

Smt. V.L.Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee, Member of Finance committee and Risk management committees of the company.

Presently she serves as the President of Andhra Chamber of Commerce.



**Smt. Kavitha Dutt Chitturi**  
DIN: 00139274  
Executive Director

Smt. Kavitha Dutt Chitturi is a graduate in Business Management from Cedar Crest College Allentown, Pennsylvania with specialization in International Business. She also holds a Post-Graduate Diploma in Human Resources from New York University (NYU).

She is also a Director on the Board of DCM Shriram Industries Limited, ABI Showatech (India) Ltd, V Ramakrishna Sons Private Limited, KCP Vietnam Industries Limited, Velagapudi Foundation and Chennai Willingdon Corporate Foundation.

Smt. Kavitha Dutt Chitturi is the Chairperson of the Risk management committee, Member of Audit committee, Finance committee, Innovation and Best practices committee and Corporate Social Responsibility Committees of the company.





**Sri. V. Gandhi**  
DIN: 00140320  
Technical Director

Sri. V. Gandhi is a part of the senior management of KCP Ltd with 31 years of experience. He is a Metallurgist by profession. He served as General Manager, Planning and Procurement in Fives-cail KCP Limited.

Sri. V. Gandhi is a Director on the Boards of Fives Cail - KCP Limited and BGE Engineering (India) Private Limited.

He is a member of the Risk management committee, Finance committee, Investment Committee, Innovation and Best practices committee and Corporate Social Responsibility Committees of the company.



**Sri. O. Swaminatha Reddy**  
DIN: 00006391  
Independent Director

Sri. O. Swaminatha Reddy, a Chartered Accountant by profession has vast banking and industrial experience spanning over decades. He has held various high ranking posts which include Chairman of Andhra Bank and Chairman and Managing Director of Andhra Pradesh State Financial Corporation.

He is the Chairman of Sagar Cements Ltd, TCI Finance Ltd, Sagar Power Ltd and a Director on the Boards of TCI Developers Limited, Transport Corporation of India Ltd and Surana Ventures Limited and Bhagyanagar India Ltd.

Sri. O. Swaminatha Reddy is the Chairman of the Audit committee, Investment Committee, Nomination and Remuneration committee, Stakeholders relationship committees of the Company.



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

Sri. V.H.Ramakrishnan, a Chartered Accountant and a Cost Accountant is a retired General Manager of the Bank of India, with 35 years of experience in India and abroad. He was a Director of Andhra Bank He Serves as a Director on the Board of Sagar Cements Limited and a member of the Group of Advisers of Shriram Group of Companies.

Sri. V.H.Ramakrishnan is a member of the Audit committee, Investment Committee, Nomination and Remuneration committee, Stakeholders relationship committee and Innovation and Best practices committees of the Company.



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

Sri. Vijay Sankar holds a Masters in Business Administration from J.L. Kellogg Graduate School of Management, Northwestern University and is also a qualified Chartered Accountant. He is the Deputy Chairman of Sanmar Group and is a Director of Sanmar Holdings Limited, SHL Securities (Alfa) Limited and Sanmar Consolidations Limited.

He is also serving as the Honorary Consul for Spain in Chennai and as Vice President of the Tamilnadu Tennis Association.

Sri. Vijay Sankar is a member of the Audit committee, Investment Committee, Risk management committee, Finance committee, Nomination and Remuneration committee, Innovation and Best practices committee and Corporate Social Responsibility Committees of the company.



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

Sri P.S. Kumar, holds a Bachelor degree in commerce from University of Madras and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He is a practicing Chartered Account and is the partner-in-charge of M/s.Brahmayya &Co., Chennai office and Managing partner of Bangalore office.

He served as the president of Andhra Chamber of Commerce, Chennai and is a Member of the Executive Committee of the International Chamber of Commerce (Indian Branch), New Delhi and Sub-committee for Corporate Laws and Legal Affairs of FICCI, New Delhi. He is a Director on the Board of Brahmayya Consultants Private Limited.

Sri. P.S.Kumar is a member of the Audit committee, Investment Committee, Risk management committee, Finance committee, Nomination and Remuneration committee and Corporate Social Responsibility Committees of the company.



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

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

He has received awards for Excellence in Tax Administration from Management Association of Pune (2009) and Delhi Telugu Academy (2004). Presently, he is the Chairman, Board of Directors of Eesavyasa Technologies Pvt, Ltd and a Director of Eesavyasa Agrotech(P) Ltd, Amara Raja Power System Ltd and Vijay Nirman (P) Ltd.

Sri M.Narasimhappa is the Chairman of the Innovation and Best practices committee and a member of the Audit committee, Investment Committee, Nomination and Remuneration committee and Stakeholders relationship committees of the Company.

# Corporate Social Responsibility

Corporate Social Responsibility, as can be seen globally, is gradually emerging as a mainstream activity where it was once practiced as a tokenism. The rapid societal changes in the era of globalization and the incumbent challenges that need immediate attention have been making it imperative on corporations to take up social responsibilities in a big way.

While that is the emerging scenario, your company has always been in the forefront in tending to all its communities long before this trend caught up with others. We have always believed in a sustainable responsible business, our social performance over the years has been the proof of our corporate conscience. There has always been a total integration of all our stakeholders, such as investors, customers, vendors, suppliers, employees, and the communities in which we have been operating, We have forever been emphasizing on our external relationships as much as we have been on our internal relationships which has stood us in good stead over the last 74 years. For long, it has been helping us build trust with our communities.

In the past seven decades and more, 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.

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 realize its responsibilities and in the process your company has been building value for all its stake-holders.

Following is a brief note on KCP fulfilling its part of the social responsibilities during the year 2014-15 in developing the communities around which the Company conducts its operations.

Our company responds proactively and supports the relief to the victims of natural calamities like floods, cyclones etc.

To support the relief measures in areas hit by the super cyclone Hudhud, our company has contributed Rs.40,00,000/- to Andhrapradesh Chief Minister relief Fund.



## Environment Protection:

Our company has been supporting the activity of plantation of trees/saplings to ensure environment sustainability and ecological balance across locations viz, corporate office, units and mines.



On the occasion of World Environment Day, our Macherla unit employees have planted 500 saplings in the factory, mines, nearby villages like Terala, Mandadi and Macherla town.

## Health:





KCP's Rural Health & Hygiene programme seeks to improve the availability of and access to quality healthcare among the poor, women and children residing in remote villages, to fulfil the vision of "Health for All" the company organizes mobile dispensaries, mega health camps in villages in the vicinity of our Cement Plants like Muktyala, K Agraharam, Srinivasa Nagar Colony, Dondapadu and Madipadu, Huzur Nagar and the mobile dispensaries are effective in reaching out to the local population and providing them with the opportunity of getting themselves checked, diagnosed and treated for various ailments, who otherwise find it difficult to get access to quality medical support.

In association with Rotary Club of Macherla pulse polio Immunization programme was organized by our Macherla Cement unit on 19.01.2015 and 23.02.2015 in villages of Macherla, Veldurthy, Durgi Mandals.



**Education**

Our company considers education as a priority area for its CSR activities, a number of initiatives have been undertaken in this respect like operating a school bus for Muktyala Children to go to Jaggayyapeta for better education.

The Company has supported by way of suitable donations to Z.P. High School, Vijayapuri South, Z.P. Boys High School, Macherla, Sri Vanga Venkata Reddy High School, Nekarikallu and St. Francis Xavier High School, Macherla for conducting various activities like conducting Sport meets, providing sports material, boarding & lodging facilities to the participants of tournaments and development of play grounds etc.

**Infrastructure:**



Clean Drinking water and sanitation are basic necessities for good health, We have installed 500 Ltrs per hour capacity water treatment plant (Reverse Osmosis) at Macherla Bus Depot to provide safe drinking water facility to the passengers.

Our company has commissioned another 1000 Ltrs water treatment plant (Reverse Osmosis) at Annavaram village, Krishna District for supply of safe drinking water to the villagers.

**Vocational Training**



The company focuses on building the capacity of communities around the plant locations, that it works by improving livelihood options by encouraging women to form Self Help Groups (SHGs) and in association with Indian Emporium, Hyderabad and provided training in Advanced Tailoring Techniques on Sewing and Knitting for 30 women in Muktyala Village.

**Other Activities:**

Our company has been regularly extending support to local, social and Charitable organizations for their philanthropic, charitable and Social activities thereby participating in social celebration and good causes like Repairs to chariot of lord Sri Lakshmi Chennakesava Swamy in Macherla, Contribution to Grave Yard Development Committee, Macherla for construction of the rest hall in Hindu Community Grave Yard, Donation of Submersible Motor Pump to Terala village, repair works to 40 HP & 50 HP drinking water supply Motor pumps in Macherla municipality, contribution to Veerabrahmendra swamy Temple Committee of Mandadi for Tirunala celebration. and Road safety awareness programmes.



# Directors' Report

## Dear Shareholders,

Your Directors have pleasure in presenting their 74<sup>th</sup> Annual Report of the company together with the Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2015.

## Financial Performance and Review

Financial information - Standalone and Consolidated:

(Rs in Lacs)

Particulars	For the year ended		For the year ended	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
	Stand Alone		Consolidated (GROUP)	
Revenue from Operations	69,669	73,773	1,27,775	1,16,170
Profit for the year (PBDIT)	10,763	8,024	18,073	14,765
Less: a) Interest and Finance charges	4,886	4,495	5,146	4,631
b) Depreciation	3,431	3,410	4,821	4,712
Profit before Tax	2,446	120	8,106	5,422
c) Provision for current tax	528	27	1,016	449
d) Deferred Tax	834	5	867	93
e) Tax provision for earlier years	-72	-	-	-
f) Minority share of profit			1,709	1,544
Add: a) Refund of Income Tax	-	12	-	12
b) MAT Entitlement tax	487	27	493	90
c) Excess Provision of income tax of earlier years			77	11
Profit for the Year from Continuing Operations	1,642	127	5,083	3,449
Profit / (Loss) from Discontinued Operations	-83	-	-83	-
Less : Tax expense of Discontinued Operations	-28	-	-28	-
Profit / (Loss) from Discontinued Operations After Tax	-55	-	-55	-
Profit for the Year	1,587	127	5,028	3,449
Add: Surplus brought forward from earlier year	4,365	5,374	14,279	13,815
Amount available for appropriations	5,952	5,501	19,307	17,264
Less:				
Transfer to Preference Capital Redemption Reserve	-	800	-	800
Transfer to General Reserve	-	-	-	22
Transfer to Capital Reserve / Bonus Shares	-	-	6160	-
Proposed Dividend -Preference Shares	-	30	-	30
Proposed Dividend – Equity Shares	967	129	967	169
Interim Dividends Paid –Equity Shares	-	-	637	1779
Interim Dividends Paid –Preference Shares	66	124	66	124
Tax on Distributed Profits – Equity shares	14	22	197	29
Tax on Distributed Profits – Preference shares	197	31	13	31
Surplus at the end of the Year	4,709	4,365	11,266	14,279

# Previous year figures have been re-grouped to make them comparable with current year figures.

**Business Performance:****Cement Division**

- ❖ On account of the marginal correction of price of cement and notwithstanding the higher input costs, cement units reported satisfactory operations from the second half of the year under review.
- ❖ Uncertainties and non-availability of domestic coal resulted in reliance on imported coal which however, in terms of costs, was lower than its Indian counterpart. However the increase in the statutory levies imposed in the Budget on this coal increased the cost of production of cement.
- ❖ Notwithstanding the low contribution, cement exports were buoyant throughout the year.

**Engineering Division:**

- ❖ Engineering unit performance continued to be gravely impacted by the continuing stagnation of the economy. This has resulted in fall in Sales and operating margins which have turned negative.

**Power Division:**

- ❖ The company commissioned the 18MW thermal based Captive Power Plant in the last quarter of the year. A portion of the power was also sold to the grid.
- ❖ All the power units' functioning was satisfactory.
- ❖ The Renewal Energy Certificates (REC) on the solar power unit has accrued regularly but the realization of the same in the market remains tardy.

**Dividend from subsidiary**

During the year under review the company received a dividend of Rs 632 lacs (Rs 1504 lacs in the previous year) from its subsidiary, KCP Vietnam Industries Ltd, Vietnam. The company also received a dividend of Rs 40 lacs from its Joint Venture Fives Cail KCP Ltd

**Redemption of Preference Shares**

Pursuant to the Share subscription agreement dated 23rd November, 2009, entered with M/s Tata Capital Financial Services Limited (earlier Tata Capital Limited), the Company has redeemed the last tranche of 8 crores preference share capital along with accrued dividend of Rs. 66,27,945 till the date of redemption.

**Dividend on Equity Shares**

Subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company the Board of Directors has recommended, a dividend of Re. 0.75 per equity share of Re. 1/- each (i.e 75%). The final dividend, if approved, will be paid to members within the period stipulated by the Companies Act, 2013 and the Companies (Declaration and Payment of Dividend) Rules, 2014.

**Transfer to Reserves**

Current year's profits along with carried forward balance of previous year amount to Rs. 5952 lacs. After appropriating Rs.1243 lacs for dividend on preference shares, proposed dividend on equity shares and tax thereon, the Surplus Account will have Rs. 4709 lacs to be carried forward to the next year.

The Company has not transferred any amount to the General reserve for the proposed dividend, since the Companies Act, 2013 does not mandate for any transfer to General reserve.

The total amount in General Reserve as on 31st March 2015 would stand at Rs. 27450 lacs.

**Management Discussion & Analysis:**

All matters pertaining to Industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc are discussed in Management Discussion & Analysis report forms part of this report.

**Projects under implementation:**

Discussed in detail in Mgmt Discussions & Analysis Report.

**Exit from Biotech Division**

Further to the approval of the shareholders on 31/01/2013 by way of Postal ballot, the company has completed all formalities for the transfer of Company's Biotech Unit at Hyderabad.

**Fixed Deposits:**

The total amount of Fixed Deposits outstanding as on 31<sup>st</sup> March, 2015 was Rs.79,77,39,350/- as compared to the figure of Rs.76,39,35,000/- (Rs.76,39,35,000/-). As on 31<sup>st</sup> March, 2015, Fixed Deposits matured and remained unclaimed were Rs.1,13,99,000/- from 183 depositors. As on the date of this report, Fixed Deposits of 35 depositors amounting to Rs.12,65,000/- have been renewed and Fixed Deposits of Rs. 6,35,000/- of 15 depositors repaid.



Advance intimation has been sent to depositors regarding the maturity of deposits with a request to either renew or claim their deposits. pursuant to Section 125 of the Companies Act, 2013, deposits remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, during the year, an amount of Rs. 21,000/- has been transferred to the IEPF.

The Company has not accepted any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 and rules made thereunder.

### Credit Rating

CRISIL has revised the ratings of the Company Bank loan facilities and other Debt facilities as detailed below.

<b>Long Term Rating</b>	CRISIL BBB+/Stable (Outlook revised from 'Negative' and rating reaffirmed)
<b>Short Term Rating</b>	CRISIL A2 (Reaffirmed)
<b>Rs. 700 Million Non-Convertible Debentures</b>	CRISIL BBB+/Stable (Outlook revised from 'Negative' and rating reaffirmed)
<b>Fixed Deposits</b>	FA-/Stable (Outlook revised from 'Negative' and rating reaffirmed).

### Share Capital

The paid up Equity Share Capital as on March 31, 2015 is 2,89,21,160. During the year under review, the Company has not issued shares with differential voting rights nor granted Employees Stock Options (ESOPs) nor Sweat Equity.

### Corporate Social Responsibility (CSR)

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

A Committee of the Board comprising of Smt V L Indira Dutt Joint Managing Director, Smt Kavitha D Chitturi Executive Director, Sri.P.S.Kumar, Sri V Gandhi and Sri Vijay Sankar has been formed to monitor the CSR activities and suggest further improvement to make it more productive.

The Annual Report on CSR activities is annexed herewith as "Annexure 3".

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

As some of the CSR activities are Capital in nature the unspent amount of Rs.7,71,086 will be spent in year 2015-16.

### Risk management

Risk management is a structured approach to manage uncertainty. It involves identifying potential risks, assessing their potential impact, taking timely action to minimize potential impact and continuous monitoring of identified risks. Your Company has a robust risk management process to identify and assess business risks and opportunities.

The Company's risk management policy describes the potential risks, contains an analysis of the impact of risks and includes risk strategies to help the business reduce the consequences. The policy is regularly reviewed to ensure that it accurately reflects the current potential risks to its business.

Your Company has identified the following as key risks:

#### Financial risk

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

#### Competition Risks:

The Cement Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and it's created capacities to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings.

#### Organisation Health & Safety (OH&S) Risks:

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified occupational Health & Safety as one of its focus areas.

Various training programmes have been conducted at the plants such as behaviour based safety training program,

Visible Safety Leadership program, Logistics Safety program etc.

#### **The Details In Respect Of Adequacy Of Internal Financial Controls**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134 (5) (e) of the Companies Act, 2013.

The Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

#### **Vigil Mechanism / Whistle Blower Policy**

The Company has a vigil mechanism named Whistleblower Policy to deal with instance of fraud and mismanagement, if any.

The details of the Whistleblower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

*Weblink: <http://www.kcp.co.in/downloads/PDF/wb-policy.pdf>*

#### **Report Under The Prevention Of Sexual Harassment Act**

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **Directors**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Smt.Kavitha Dutt Chitturi, Executive Director of the company retires by rotation and is eligible for re-appointment.

No Director or Key Managerial Personnel are/were appointed or have resigned during the year;

The Independent Directors of the the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Board Meetings**

During the year four Board Meetings were convened and held.

The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the listing agreement.

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**The Details of familiarisation programme arranged for independent Directors have been disclosed on website of the company and are available at the following link:**

*Weblink: <http://www.kcp.co.in/downloads/PDF/FProgramme.pdf>*

#### **Related Party Transactions**

All Related Party Transactions are placed before the Audit Committee and as also the Board for approval.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are furnished in **Form AOC-2** attached to and forms part of this report as **Annexure 6**

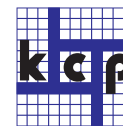
The policy on Related Party Transactions as approved by the Board is placed on the Company's website.

*Weblink: <http://www.kcp.co.in/downloads/PDF/rtpolicy.pdf>*

#### **Auditors**

At the 73<sup>rd</sup> Annual General Meeting (AGM) of the Company held on 11<sup>th</sup> August, 2014, M/s. Brahmayya &Co, Chartered Accountants, Vijayawada (Firm Registration No.000513S) have been appointed as the Statutory Auditors of the Company for a period up to 3 years. In terms of the provisions of the Companies Act, 2013 and rules made thereunder it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of original appointment.

the Board of Directors recommends your ratification of the appointment of M/s. Brahmayya &Co, Chartered



Accountants, Vijayawada (Registration No.000513S) as the Statutory Auditors of the Company for the year 2015-16.

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

#### **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 as amended, your Board of Directors, on the recommendation of the Audit Committee, have appointed M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai as the Cost Auditors for the Cement and Engineering units for the year 2015-16.

The Cost Audit Reports for the year 2013-14 were filed by the Cost Auditors within the due date.

#### **Secretarial Audit**

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Smt. Sobhana Pranesh, Company Secretary in Practice to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit Report is annexed to the report herewith as "**Annexure 7**".

#### **Subsidiary & Associate Companies**

Your Company does not have any Indian Subsidiary company. The Audit Committee and Board reviews the financial statements, significant transactions, working and the financial results of the subsidiary company in Vietnam, KCP Vietnam Industries Limited.

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

The annual accounts of the subsidiary and the related information will be made available to any member of the Company for inspection at the registered office of the Company during business hours. The Company shall furnish a copy of the details of annual accounts of the subsidiary to any member on demand.

The annual accounts of the subsidiary company will be placed on the website of the company [www.kcp.co.in](http://www.kcp.co.in).

#### **Consolidated Financial Statements**

Pursuant to the requirements of Accounting Standard – 21 and the Listing Agreement with National Stock Exchange, the audited financial statements of the Company consolidating those of its subsidiary KCP Vietnam Industries Ltd, financials and unaudited Financials of Fives Cail K C P Ltd, have been attached.

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

#### **Transfer of amounts to Investor Education and Protection Fund (IEPF)**

Pursuant to sections 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, all Unclaimed dividend, and interest on deposits as well as the principal amount of deposits, as applicable, remaining unclaimed for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government.

#### **Corporate Governance:**

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, detailed Corporate Governance Report with auditors' certificate thereon is attached and form part of this report.

#### **Human Resource Development**

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent to deliver business growth.

Our Company continued to invest in enhancing its human capital by providing opportunities to its employees to develop their skills and competencies relevant to the market requirements

The Company has 508 permanent employees at various locations across the Registered office and plant locations.

#### **Awards**

Our Cement Production Unit at Muktyala has received "**National Energy Conservation Award**" from Ministry of Power & Coal, Govt of India for the year 2014.

It is great honor to our Cement Unit and its Team to receive the award, this Award was given to us after critical analysis

of energy usage pattern in 311 Cement Units in India by Bureau of Energy Efficiency (BEE), Ministry of Power. In choosing KCP Cement Unit-II for this award, BEE recognized our efforts in continuing to build upon its sound energy management foundation.

Our unit has saved 137 lakh Units power and 736 MT of coal in 2012-13 and 110.5 lakh Units of Power and 2277 MT coal in 2013-14. Which has resulted in a net saving of Rs 886.4 Lakhs and Rs 798 lakhs in 2012-13 & 2013-14 respectively.

Our Cement Production Unit - I, Macherla was awarded with “**Best Management award**” by the Government of Andhra Pradesh.

**Policy on Directors’ Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director, Key Managerial Personnel and other employees (Section 178 of the Companies Act, 2013)**

The Board shall have minimum 3 and maximum 14 directors, unless otherwise approved. The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the Company.

Composition of the Board shall be in compliance with the requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. Majority of the Directors shall have specialised knowledge/experience in the areas like Banking, Accountancy, Finance, etc.

**Particulars of Employees**

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

**Particulars pursuant to Section 197(12) of the Companies Act, 2013 and the relevant Rules**

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

Name of the Director	Director remuneration	median employee’s remuneration	Ratio
Dr.V.L.Dutt - CMD	1,09,55,644	3,86,017	28:1
Smt.V.L.Indira Dutt - JMD	82,16,733	3,86,017	21:1
Smt.Kavitha Dutt Chitturi - ED	46,44,045	3,86,017	12:1
Sri.V.Gandhi - TD	43,50,243	3,86,017	11:1

The Company has constituted the Nomination and Remuneration committee, which has formulated the criteria for determining qualifications, positive attributes and independence of Directors and recommended a Remuneration policy to the Board.

Except for the Chairman and Managing Director, Joint Managing Director, Executive Director and Technical Director, no other directors are paid remuneration, but are paid only sitting fees.

The Chairman and Managing Director, Joint Managing Director, Executive Director and Technical Director are paid remuneration as approved by the Shareholders as per the applicable provisions of the Companies Act, 2013 and rules made there under but are not paid sitting fees.

The Chairman and Managing Director, Joint Managing Director, Executive Director, Technical Director, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Company.

All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Independent Directors are not entitled for ESOPs.

Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

- b) **The percentage increase/(decrease) in remuneration of each director, Chief Financial Officer (CFO), Company Secretary (CS), in the financial year:**

Amount in Rs.

Name of the Director	Director/CFO/CS Remuneration 2013-2014	Director/CFO/CS Remuneration 2014-2015	Increase in remuneration	Percentage increase in remuneration
Dr.V.L.Dutt - CMD	72,50,855	1,09,55,644	37,04,789	51%
Smt.V.L.Indira Dutt - JMD	84,68,201	82,16,733	(2,51,468)	(2.97%)
Smt.Kavitha Dutt Chitturi - ED	47,03,703	46,44,045	(59,658)	(1.26%)
Sri.V.Gandhi - TD	44,24,446	43,50,243	(74,203)	(1.68%)
Sri.M.R.Ramachandran - CFO	41,66,436	43,78,749	2,12,313	5%
Sri.Y.Vijayakumar - CS	14,49,417	15,63,833	1,14,416	7.89%

- c) **The percentage increase/ (decrease) in the median remuneration of employees in the financial Year: (3.24)**
- d) **The number of permanent employees on the rolls of company: 508**
- e) **The explanation on the relationship between average increase in remuneration and company Performance:**  
The Company's Profit After Tax (PAT) has grown from 127 lakhs to 1587 lakhs, an increase of 1460 lakhs(1149.60%) against which the average increase in remuneration is 9%; and this increase is aligned with the Compensation Policy of the Company.
- f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Amount in Rs.

Name	Designation	CTC	% Increase in CTC	PAT (₹ in crore)	% Increase in PAT
Dr.V.L.Dutt	CMD	1,09,55,644	51%	15.87	1149.60%
Smt.V.L.Indira Dutt	JMD	82,16,733	(2.97%)	15.87	1149.60%
Smt.Kavitha Dutt Chitturi	Executive Director	46,44,045	(1.26%)	15.87	1149.60%
Sri.V.Gandhi	Technical Director	43,50,243	(1.68%)	15.87	1149.60%
Sri.M.R.Ramachandran	CFO	43,78,749	5%	15.87	1149.60%
Sri.Y.Vijayakumar	CS	15,63,833	7.89%	15.87	1149.60%



- g) **Variations in the Market capitalisation of the company, Price Earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:**

Date	Issued Capital (Equity Shares)	Closing Market Price per shares (Rs.)	EPS	PE Ratio	Market Capitalisation (Rs.)
31.03.2014	12,89,21,160	31	-0.04	NA	399,65,55,960
31.03.2015	12,89,21,160	62.75	1.17	53.63	808,98,02,790
Increase /(Decrease)	Nil	31.75	1.21	NA	409,32,46,830
% of Increase/(Decrease)	Nil	102	121	NA	102.41
Issue Price of the share at the last Public Offer (IPO)	NA (the Company has never gone for any public issue)				
Increase in market price as on 31.03.2015 as compared to Issue Price of IPO					
Increase in %					

- h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:**
- Average increase in managerial remuneration is at par with increase in remuneration of Employees other than Managerial Personnel and there is/are no exceptional circumstances for increase in the managerial remuneration.
- i) **The key parameters for any variable component of remuneration availed by the directors:**
- Except 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 of the Company no director was paid any remuneration.
- Sitting Fees was paid to the independent Directors and for the above said whole time Directors variable component was paid in the form of Commission, which is as per the Remuneration Policy of the Company and in accordance with the provisions of the Companies Act, 2013 and rules made there under and approved by the shareholders of the company.
- j) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NA**
- k) **If remuneration is as per the remuneration policy of the company: Yes**

#### Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### Extract of Annual return

The details forming part of the extract of the Annual Return in form **MGT 9** is annexed herewith as "**Annexure 4**".

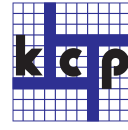
#### Significant and Material orders passed by the Regulators or Courts

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

#### Particulars regarding Conservation of Energy, Technology absorption and Foreign exchange earnings and outgo

Details provided in **Annexure: 2** forming part of the Annual report





### Director's Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards, read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and for preventing and detecting fraud and other irregularities;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

### Acknowledgements

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

For and on behalf of the Board of Directors

**Place:** Chennai  
**Date:** 18<sup>th</sup> May, 2015

**(V.L. DUTT)**  
Chairman and Managing Director

# Management Discussion and Analysis

## Overall company Performance:

(Rs. In lakhs)

FINANCIAL YEAR	2014-2015	2013-2014
Revenue from Operations	<b>69,669</b>	73,773
Profit before depreciation, interest & tax	<b>10,680</b>	8,024
Profit(+)/Loss(-) after tax	<b>1,587</b>	127
Debt equity ratio	<b>0.89</b>	0.86
Inventory Turnover (times)	<b>5.24</b>	6.11

# Previous year figures are re-grouped to make them compare with current year figures.

The overall operations of the company present a contrasting picture with the Cement and Power performing satisfactorily and the Engineering Division continuing to be impacted significantly.

Major features of the company's performance for the year under review are as follows:

- ❖ -Cement prices which were languishing at prices at times much below the cost had started correcting itself to some extent from the second half of the year under review. But the higher input costs arising on account of the Union Budget effects has to some extent further increased the cost of production.
- ❖ -The demand for cement however remains stationary and in some regions there was also a reduction in the volumes.
- ❖ Imported Coal prices were competitive and the value of the Indian Rupee vis-a vis the United States Dollar is more or less stable for most part of the year. This contributed to the lower cost of production. In the last month of the year under review the Green Energy cess was increased by Rs 100 and coupled with the higher excise duty element, and the subsequent retrospective provision of a percentage of royalty payment to the trusts created by the Central and State Government , have since increased the cost of production.
- ❖ The company commissioned the 18 MW Thermal power plant at Muktyala in the last quarter of the year. The surplus power is also being sold to the APTRANSCO.
- ❖ Thanks to the normal monsoon, Hydel production was satisfactory.

- ❖ Operations of the solar plant continue to be satisfactory. The Renewable Energy Certificates issued is also contributing to the efficiency of the plant though the realizations of the REC remains tardy.
- ❖ Engineering continues to be severely impacted by the stagnation of the economy and it is expected to show some marginal improvements only from the second half of the current fiscal.

The company's performance, the division wise analysis of the operations is discussed as under:

## Cement Division:

### Operational Performance:

FINANCIAL YEAR	2014-2015	2013-2014
Cement produced (MT)	<b>13,79,195</b>	15,55,224
Capacity Utilization (%)	<b>63.27%</b>	71.34%
Clinker produced (MT)	<b>12,35,757</b>	13,09,164
Cement sold (MT)	<b>13,81,012</b>	15,61,587
Sales (Rs In lacs)	<b>63,791</b>	64,715
Segment Profit (Rs in lacs)	<b>3,682</b>	-1,376

Cement division put up an improved performance riding on the following main factors:

- ❖ The very low realizations gave way to a moderate increase in the second half of the fiscal under review but the same were neutralized to a major extent by increase in various statutory levies.
- ❖ All the imported grades of coal were cheaper than the previous year and was available throughout the year. Prices were low on account of the reduced material cost and the stable Indian Rupee.
- ❖ Availability of quality power was ensured throughout the year.
- ❖ Gratifying Exports volume of cement in spite of low contribution.
- ❖ The incentives in the form of Power Rebate and VAT Subsidy commenced realization in the last quarter resulting in reduced stress on liquidity.

### Overview:

The cement industry in India is globally competitive as the industry continues to witness positive trends such as

cost control, continuous technology up gradation and simultaneously looking at increased construction activities.

Major cement manufacturers in India are also increasingly using alternate fuels, especially bioenergy, waste fuel to fire their kilns. This is not only helping to bring down production costs of cement companies, but is also proving effective in reducing emissions and saving fossil fuels.

Stress is always laid on increasing the profitability of the operations by optimisation of the costs rather than depending on the vagaries of the price fluctuations of the finished products.

#### Challenges:

Contrary to expectations, cement demand failed to pick up even in the post monsoon season due to continuing weak demand from infrastructure and real estate sector, and shortage of labor due to festive season. Delays in environmental clearances for industrial and infrastructure projects and sand unavailability contributed to the slow growth,

Going forward, the pricing flexibility for the industry will remain weak.

The only option available for the cement units is to improve the efficiency of operations keeping in mind the demand shall remain muted.

#### Outlook:

With the new government announcing plans for dedicated freight corridors and 100 “smart cities”, cement makers

are anticipating robust demand and have planned huge capacity expansion.

After a year in which hopes raised by elections came crashing soon after, cement makers are looking for deliverance from state spending in the year ahead. 2014 was a year of consolidation for the sector, even as companies continued to struggle with weak demand, excess capacity and falling prices. The year began with hopes that demand could rise if infrastructure growth picked up. But those dreams belied and now, the industry expects the environment to see a change for the better only in 2015.

#### Risks:

The cement units, in general, have to encounter the following risks:

- ❖ Continuing stagnancy of the demand in the absence of real infrastructure development would render many small units unviable and become the cynosure for any consolidation.
- ❖ Dependence on the Indian coal industry, given the present scenario, makes them vulnerable and make them depend on Imported coal whose levies keep on rising by the day. Quality of the Indian coal continues to oscillate between good and bad. Units are able to plan their requirement because of these uncertainties.
- ❖ Costs of Diesel and fuels plays a great part in the operations. The present low crude prices may not last long and the transport costs would again rise with the rise in these fuel costs.

#### Power Division:

##### Operational Performance

Details	Hydel		Waste Heat Recovery		Windmill		Solar		Thermal Plant	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Gross Generation KWH	2,94,47,187	3,34,40,443	93,57,500	1,19,59,700	62,17,328	69,71,011	18,44,400	13,46,700	2,33,56,472	-
Capacity Utilization %	80	78	86	87	59.21	66.39	18.31	18.21	60	-
Turnover Rs lacs	1263	987	459	586	346	345	112	73	1,152	-
Segment EBIDT Rs lacs	906	889	306	432	187	191	226	178	52	-
Segment Profit Rs lacs	847	617	284	365	120	98	187	148	(-) 246	-

- ❖ All the power units are basically captive in nature.
- ❖ The Captive Thermal Power Plant was commissioned in the last Quarter of 2014-15.
- ❖ All the units performed creditably during the fiscal year under review.

**Overview:**

The Indian Power Industry is undergoing significant change that is redefining the industry outlook. Sustained economic growth and purchasing power continues to drive power demand in India. The Government of India focus on Power for all has accelerated capacity addition in the country. At the same time competition intensity is increasing in both the market and supply side.

Power costs occupy a sizeable portion of the total cost of production of both cement and Engineering goods. Hence the company has put in place various steps for the reduction of the energy costs. These efforts include the following:

- ❖ Proper and timely calibration of the equipments.
- ❖ Installation of VFDs throughout the units
- ❖ Proper strengthening of the bunds of the canal where the Hydel units are situated.
- ❖ Proper maintenance of the Cooler Boilers in the Waste Heat Recovery Plant
- ❖ Prompt sale of REC in the IEX Exchange

**Risks:**

- ❖ Power Generation in Hydel unit is always at a risk as it depends on sufficient water in the canal. In this year, with a prediction of a below normal monsoon, one needs to keep his fingers crossed and hope for the bounty from the rain god.
- ❖ Any change in the wind pattern could cause fluctuations in the Wind Energy Generation.
- ❖ Though the REC benefits are available for the units, the sale and realization of these RECs continues to be slow .
- ❖ Carbon Credits accrual though uniform, poses challenge in the realization.
- ❖ With the uncertainty prevailing in the domestic coal industry, the thermal unit has to rely on imported coal with its inherent price and exchange fluctuations.

**Engineering Division**

**Operational Performance:**

FINANCIAL YEAR	2014-2015	2013-2014
Turnover :		
Domestic (Rs lacs)	<b>5,153</b>	6,694
Export (Rs lacs)	<b>94</b>	2,096
Segment Profit (Rs lacs)	<b>-1,723</b>	-141

Operations of the Engineering unit were greatly hampered by the following factors:

- ❖ The stagnant economy had its effect on the operation of the unit with a steep fall in the conversion of enquiries into orders and from orders to schedules.
- ❖ To fill up the capacities , low and nil contribution orders were accepted .
- ❖ The Pressure Vessels segment did not book sufficient orders in the year.
- ❖ Higher input costs were also witnessed.

**Overview:**

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. Coupled with favorable regulatory policies and growth in the manufacturing sector, many foreign players have started to invest in the country. India recently became a permanent member of the Washington Accord (WA) on June 13, 2014. The country now joins an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

Certain factors would seem to suggest that the market believes the worst is over for the industry. However, there is nothing in the current financial performance, nor is there any big change waiting to happen in the next half year, that would justify any such expectation. For one, there is not much improvement in order inflows, which is not surprising given that the macro environment remains challenging. Secondly, almost all major customer industries for the capital goods sector, such as Power, Oil and Gas, Metals and Cement are operating at low capacities without proposals for green field projects

### Risks:

The biggest problem for the capital goods companies is the sluggish economic growth. Additionally slower projects execution will percolate to thinning margins and, as a result, earnings will be disappointing. This scenario may well last in the current half year as well.

However there have been very few capital expenditure and expansion announcements in key industries as they seem to be waiting to see more signs of pick up in the economy. All Capital Goods Engineering units are geared up with high capacities thereby incurring huge expenditure and these risks are expected to continue at least till the current half of the fiscal 2015-16.

Another serious risk is the obsolescence of the present equipments with the ever changing technology. With the sub optimal utilization, such costs are likely to be huge and would be a burden on the engineering units.

Port and road infrastructure bottlenecks coupled with difference in tax structure across states are impacting India's competitiveness in the global market. The country also lacks of "efficient and cheap trans-shipment facilities between rail hubs and sea ports". This acts a great barrier for the exports from India.

### Outlook:

The engineering sector is a growing market. Also, the Union Budget, 2015 has allocated funds for several infrastructure projects which are further expected to provide a boost to the engineering sector. The industry can also look forward to deriving revenues from newer services and from newer geographies.

"Make in India" - A new initiative to push manufacturing growth: The Prime Minister's new initiative 'Make in India' is a serious attempt of the government, to improve the contribution of manufacturing in India, through 'import substitution' and 'increased exports'. India imports various commodities and equipments from several countries with China at the top position among the top 10 countries in total imports.

We believe that successful implementation, both in terms of 'import substitution' and 'higher exports' will be an

important driver for the capital goods players. The Goods and Service Tax has to be enacted at the earliest to at least remove some major impediments in the smooth operation and the development of the economy.

Neither the current performance till date nor any big change waiting to happen in the next half year seems good enough to turn around capital goods sector

### New Projects:

In order to unlock and provide value from the lands, the company had proposed for a construction of a Business Grade Four Star Hotel at Hyderabad. The project presently costing about Rs 8535 lacs had undergone considerable delay from various factors like the introduction of the Hyderabad Metro etc. The project is expected to be commissioned by the current half of the fiscal 2015-16.

The company is looking at various ways and means of adding value and keeping its close proximity to its customers. On these lines, the company has since launched the Building Materials Division at Muktyala with the production of Bricks, Normal and Colored pavers and Hollow Blocks in a very small way. Based on the feedback from the market, more such units would be launched in different areas.

### Joint Venture:

#### Fives Cail KCP Limited:

#### Operational Performance:

FINANCIAL YEAR	2014-15	2013-14
Turnover (Rs. lacs)	10,567	12,845
Profit before Tax (Rs. lacs)	131	789

### Risks:

This unit being dependent on the fortunes of the sugar industry is affected by the rise and fall of this industry. Further all risks associated with the sugar also affect the growth of the unit. Due to surplus in both domestic and international sugar markets, sugar prices will continue to remain under pressure in the near term and could deter the sugar producers from going ahead with their expansion plans. This has also given rise to immense competition, with pressure on margins.

**Subsidiary:****KCP Vietnam Industries Limited:****Operational Performance:**

Particulars	12 months ended March 2015	12 months ended March 2014
Crushing Capacity (TPD)	<b>6,000</b>	6,000
Cane Crushed (Mts.)	<b>8,38,265</b>	10,91,521
Sugar produced (Mts.)	<b>1,10,239</b>	1,03,357
Recovery Rate (%)	<b>9.74%</b>	<b>8.87%</b>
Average Sales Realization (Rs /mt)	<b>40,703</b>	<b>43,546</b>
Profit before Tax (Rs lacs)	<b>5,126</b>	4,986

**Overview:**

During the year company operated with a total crushing capacity of 6000 TCD (Son Hoa Unit – 5000 TCD and Dong Xuan Unit – 1000 TCD). The total cane crushed was 838,265 Mts with a recovery rate of 9.74% and the refined sugar produced was 110,239 MTs which includes sugar processed from raw sugar of 27,737 MTs

During the year the sugarcane crop got affected due to severe drought conditions. Hence there is a 15% drop in sugar cane area and sugarcane yield. Though the sugar cane qty is reduced the sugar production was maintained due to higher percentage of recovery. Due to stable market demand, raw sugar was also purchased to convert in to refined sugar to meet the market requirement.

The sugar price continued its down trend due to oversupply in Vietnam and the world, with the sugar prices touching the lowest level in five years. In spite of the adverse factors, the highest figures were achieved in the history of the company

in production, recovery, sales turn over and contribution to state budget which elevated the returns compared to last year.

The drought condition continues to prevail during the year and this is likely to affect new plantations and sugarcane yield. Company announced a land preparation incentive of 2 M' VND / Ha for new plantation which is expected to ensure adequate sugarcane area for 2015-16 seasons. The sugar prices are expected to raise in 2015.

**Future Prospects:**

Company obtained the investment license from Province People's Committee for expanding the Son Hoa factory to 10,000 TCD in two phases (8,000 TCD in 2015-16 and 10,000 TCD in 2017-18) with an investment capital of 52.5 M'USD. 14.787 Ha of land was acquired to implement this project with a power generation facility of 30 MW. Term loan will be tied up shortly and the engineering, procurement and construction activities are in progress to complete the project for 2015-16 season.

Based on the preliminary approval obtained from Province People's Committee to invest on a 60 KLPD Capacity distillery project to produce Fuel Grade Ethanol and Liquor Grade Ethanol. Company acquired the land with an area of 15.15 Ha. Other formalities are under progress to implement this project

**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.

For and on behalf of the Board of Directors

**Place:** Chennai  
**Date:** 18<sup>th</sup> May, 2015

**(V.L. DUTT)**  
Chairman and Managing Director



## Annexures to the Director's Report

### ANNEXURE - 1

Statement showing particulars of employees of the Company as required under Sec. 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Report of the Board of Directors for the year ended 31st March, 2015.

Sl. No.	Particulars	1	2
1	Name	Dr. V.L. Dutt	Smt. V.L. Indira Dutt
2.	Designation	Chairman and Managing Director	Joint Managing Director
3.	Qualification	Grad.B.I.M.	B.A.,
4.	Experience	56 years	20 years
5	Date of Commencement of Employment	3.4.1970	1.7.1996
6	Salary in Rs.	72,00,000	60,00,000
7	Commission in Rs.	36,99,150	6,82,800
8	Benefits in Rs.	56,494	15,33,933
9	Total Remuneration in Rs.	1,09,55,644	82,16,733
10	Nature of employment	Contractual	Contractual
11	Date of Birth	27/12/1937	14/09/1940
12	Particulars of previous employment-Name of the Employer	V. Ramakrishna Sons Private Ltd	Nil
13	Designation & period of employment	Administrative Director – 12 years	Nil
14	Shareholding in the company	61,19,069	30,64,479
15	Relationship with Directors.	Father of Smt. Kavitha Dutt Chitturi, Executive Director of the Company	Mother of Smt. Kavitha Dutt Chitturi, Executive Director of the Company

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

### A: CONSERVATION OF ENERGY

**Energy conservation and efficiency measures were undertaken in various areas of the Cement Manufacturing Plants (CPUs):**

#### **Macherla Plant:**

- ❖ Installation of Variable Frequency Drives (VFD) for Long travel Electric Overhead Travelling (EOT) crane resulted in saving of 8 Kwh / Hour and Installation of Variable Frequency Drive (VFD) for Short travel Electric Overhead Travelling (EOT) crane resulted in saving of 2 Kwh / Hour.
- ❖ Optimization of vibrators operation in Cement mill Gypsum hoppers resulted in saving of 0.5 KW /Hour
- ❖ By reducing the motor RPM in Cement Silo No.4 DC fan 551FN2 and avoiding damper control resulted in saving of 5.3 KW/ Hour
- ❖ At MCC room lighting control optimized by providing Occupancy Sensor resulted in saving of 8 KWH/ day
- ❖ At 132 KV substation switch yard and control room lighting controls optimised resulted in Saving of 5 KWH / Day.
- ❖ Separate control provided to switch OFF the tower lights from 10.00 PM to 04.00 AM at new colony tower lighting resulted in Saving of -saving of 5 KWH / day.
- ❖ Raw mill Hoppers D-24 dust Collector fan speed optimization through DP control loop resulted in Saving of 2 KWH / Hour
- ❖ Replacement of old SV lamp fittings with LED lights along the factory compound Wall Street, E&C colony street, S-type colony street, O-type colony street, At factory premises, lighting resulted in Saving of 258 KWH/ day.
- ❖ Stopping of cement mill hopper top two bag filter fans and rotary air locks resulted in Saving of 15 KW/Hour
- ❖ RABH dust transportation stop time increased from 0.5 hrs to one hour at peak times resulted in Saving of 24 kwh/ per day
- ❖ Switching off of lights In Raw mill, coal mill and cement mill sections at the peak times resulted in Saving of 12KW/Hour
- ❖ Installation of online pyrometer for clinker temperature resulted in Saving of 30KW/Hour

#### **Muktyala Plant:**

- ❖ Installation of Variable Frequency Drives (VFD) for Clinker tank BF Fan 55KW resulted in saving of 20KW/HR and Installation of Variable Frequency Drive (VFD) for Blending Silo vent BF Fan 22KW resulted in saving of 12KW/ HR.
- ❖ Modification of Retrofit 2x26W CFL Well glass Luminaries to 1x20 W CFL (300 numbers) resulted in saving of 9.6 KW/HR and Modification of CCR 30TR Cooling Tower Bypass to 150TR resulted in saving of 3.7KW/HR.
- ❖ Conversion of Packer Vibrating Screen 632RS1 (7.5 KW, load 43%) motor connections from Delta to Star resulted in saving of 2.4 KW/HR.
- ❖ Conversion of Vibrating Screen 631RS1 (7.5 KW, load 39%) motor connections from Delta to Star resulted in saving of 2.8 KW/HR and Conversion of CM1 ASB Motor 541AB3 (7.5 KW, load 45%) motor connections from Delta to Star resulted in saving of 2 KW/HR.

- ❖ Switching off of lighting from mid night onwards at 132KV SS Yard resulted in saving of 2.6 KW/HR
- ❖ Switching off of CCR Himast Lights from mid night onwards resulted in saving of 3.2 KW/HR
- ❖ Kiln Shell Cooling Fans Optimized by implementing Auto Logic Operation with reference to the CEM Scanner resulted in saving of 82.5 KW/HR
- ❖ Installation of Variable Frequency Drive (VFD) for 2X15 KW motor for CM Silo BF Motors 551FN1 and 552FN1 resulted in saving of 5.5 KW/HR and Installation of Variable Frequency Drive (VFD) for 2X22KW motor for Kiln Nose Ring Fan Motors 461FN7& 461FN8 resulted in saving of 8 KW/HR.
- ❖ Installation of Variable Frequency Drive (VFD) for 30KW motor for RM Hoppers BF Fan Motor 311FN1 resulted in saving of 10 KW/HR.
- ❖ Installation of Variable Frequency Drive (VFD) for 30 KW motor for RM auxiliary BF Fan Motor 351FN2 resulted in saving of 4KW/HR and Installation of Variable Frequency Drive (VFD) for 18.5KW motor for CM Hoppers BF Fan Motor 511FN3 resulted in saving of 5 KW/HR.
- ❖ Plant & Colony Street Lighting Optimized by providing timer control resulted in saving of 25 KW/HR.
- ❖ Installation of Intelligent APFC Controller for PF optimisation resulted in saving of 4KVA/HR.
- ❖ Replacement of Coal Mill HT Motor resulted in saving of 12KW/HR.

## B: TECHNOLOGY ABSORPTION:-

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

Being an 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

Particulars	2014-15 Rs	2013-14 Rs
a) Capital Expenditure	-	-
b) Recurring Expenditure	331,930	3,02,764
<b>c) Total expenditure</b>	<b>331,930</b>	<b>3,02,764</b>
d) Total R&D expenditure as % of turnover	0.005	0.005

**C: Foreign Exchange Earnings and Outgo:-****(a) EARNINGS IN FOREIGN EXCHANGE**

<b>PARTICULARS</b>	<b>2014-15 Rs.</b>	<b>2013-14 Rs.</b>
a) F.O.B value of goods exported during the year	<b>19,75,77,420</b>	31,33,22,059
b) Interest and Consultancy	-	-
c) Income from Service charge	<b>2,94,230</b>	7,22,485
d) Income from Investments held in Foreign Companies	<b>6,26,26,372</b>	15,04,43,533

**(b) EXPENDITURE IN FOREIGN CURRENCY**

<b>PARTICULARS</b>	<b>2014-15 Rs.</b>	<b>2013-14 Rs.</b>
a) Travelling expenses	<b>7,58,973</b>	10,33,464
b) Membership	<b>3,22,484</b>	2,09,170
c) Other matters- Seminars	<b>3,32,476</b>	-

## Disclosure of Particulars with respect to Conservation of Energy

### FORM A

#### CEMENT PRODUCTION UNITS, MACHERLA AND MUKTYALA .

POWER AND FUEL CONSUMPTION	CURRENT YEAR 2014 - 15		PREVIOUS YEAR 2013 - 14	
	Macherla	Muktyala	Macherla	Muktyala
<b>1. ELECTRICITY</b>				
<b>A). PURCHASED FROM APSEB</b>				
Units (K.W.H)	34,75,159	45,172,197	1,27,40,679	6,98,31,770
Total Amount Rs.	4,62,12,469	11,87,43,734	8,71,46,442	24,62,64,308
Rate/Unit (Including FSA Charges) (Rs.)	13.30	2.63	6.84	3.53
<b>B). OWN GENERATION</b>				
<b>1) THROUGH DIESEL GENERATOR</b>				
Units (K.W.H)	15,451		16,869	6,560
Units per Ltr.of Diesel Oil	0.79		1.09	3.55
Cost/Unit Rs.	115.82		158.07	36.31
<b>2) THROUGH SOLAR GENERATOR</b>				
Units (K.W.H)		18,25,400	-	13,33,799
Total Amount Rs.		89,44,460	-	65,35,615
Cost/Unit Rs.		4.9	-	4.9
<b>3) THROUGH HYDEL POWER</b>				
Units (K.W.H)	2,44,00,900		158.07	-
Total Amount Rs.	11,95,64,410		9,19,80,669	-
Cost/Unit Rs.	4.90		4.90	-
<b>4) THROUGH W H R POWER</b>				
Units (K.W.H)	85,15,207		1,08,87,692	-
Total Amount Rs.	4,17,24,513		5,33,49,690	-
Cost/Unit Rs.	4.90		4.90	-
<b>C). PURCHASED FROM OPEN AXIS</b>				
Units (K.W.H)	2,64,300	12,02,280	28,60,460	61,34,063
Total Amount Rs.	21,02,035	7116110	2,22,71,551	4,15,16,263
Rate/Unit Rs.	7.95	5.92	7.79	6.77
<b>2. COAL( SPECIFY QUANTITY AND WHERE USED)</b>				
Qty (Tonnes)	54,995	1,23,451	75,570	1,20,143
Total cost Rs.	34,26,36,989	72,97,34,260	45,80,76,198	71,93,36,320
Average rate Rs.	6,230	5,91,112	6,062	5,98,735
<b>3. DIESEL OIL</b>				
Qty (Ltrs )	9,200	4,54,475	20,505	4,86,899
Total cost Rs.	4,23,419	2,75,42,809	11,20,468	3,06,91,270
Average Rate Rs.	46.02	60.60	54.64	63.03
<b>4. CONSUMPTION PER UNIT OF PRODUCTION</b>				
Electricity (KWH)	95.10	72.03	96.96	71.75
Coal	0.139	0.123	0.157	0.112
Others: Power Consumption for Export cement	-	86.45	-	-

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

Details are provided in Page Number 11 CSR Policy is placed on the website of the company: **weblink:** <http://www.kcp.co.in/downloads/PDF/csr-policy.pdf>

2. The composition of the CSR Committee.

Smt. V.L. Indira Dutt-Chairperson
Smt. Kavitha D. Chitturi – Member
Sri. V. Gandhi – Member
Sri. Vijay Sankar – Member
Sri. P.S. Kumar - Member

3. Average net Profit of the company for last three financial years: **Rs. 4241,48,816**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 84,82,976**

5. Details of CSR spent during the financial year.

(a) Total amount spent for the financial year: 2014 - 2015: **Rs.77,11,880**

(b) Amount unspent, if any: **Rs.7,71,096**

(c) Manner in which the amount spent during the financial year is detailed below:

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
				Rs.	Rs.		
1.	Contribution to Schools, Colleges and Universities.	Promotion Education	of 1. Muktyala in Krishna District of Andhrapradesh 2. Macherla in Guntur District of Andhrapradesh 3. Tiruvottiyur, Chennai, Tamilnadu.	10,00,000	900,000	900,000	Direct
2.	Vocational training to unemployed youth, placement linked skills development training to unemployed youth and Capacity Building of women for livelihood projects, formation of Self Help Groups	Vocational Training and Upliftment / Empowerment Women	1. Muktyala in Krishna District of Andhrapradesh 2. Macherla in Guntur District of Andhrapradesh	500,000	4,14,327	4,14,327	Direct



S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
3.	Provisions for aids and appliances to the differently- able persons	Promoting health care including preventive health care.	Registered office, Egmore, Chennai.8	100,000	59,826	59,826	Direct
4.	Contribution to AP Chief Minister relief fund for HUDHUD cyclone relief programmes	Contribution to the Prime Minister relief fund or any other fund setup by the State Governments for socio-economic development and relief.	Andhrapradesh (AP)	40,00,000	38,28,271	38,28,271	AP State Government
5.	Amount spent for 30 <sup>th</sup> National Junior Athletics Championship, 2014, for providing sports material, Boarding and Lodging facilities to the participants.	Social business activities	Krishna District, Andhrapradesh	5,00,000	10,00,000	10,00,000	Krishna District Athletics Association
6.	Expenditure on Reverse osmosis plants, Chalivendrum, Motor pumps, laying of pipelines	Rural development programmes	1. Muktyala, Annavaram in Krishna District of Andhrapradesh and Macherla in Guntur District of andhrapradesh.	20,00,000	15,09,456	15,09,456	Direct and in association with local panchayats and municipalities.
<b>TOTAL</b>				<b>91,00,000</b>	<b>77,11,880</b>	<b>77,11,880</b>	

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

Rs. 7,71,096 out of Rs. 84,82,976 is the unspent amount, as some of the activities for CSR are continuous in nature and the same amount will be spent in year 2015 - 16.

**7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Sd/- V.L.Dutt (Chairman & Managing Director)	Sd/- V.L.Indira Dutt (Chairperson CSR Committee)	Sd/- Y.Vijayakumar (Company Secretary)
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## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

(Financial year ended on 31.03.2015)

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014)

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	L65991TN1941PLC001128
2.	Registration Date	03-07-1941
3.	Name of the Company	The KCP Limited
4.	Category/Sub-category of the Company	Manufacturing Company
5.	Address of the Registered office & contact details	"Ramakrishna Buildings" No. 2, Dr. P.V. Cherian Crescent, Egmore, Chennai-600008.Tel: 044-66772600, Fax: 044-66772520, Website: www.kcp.co.in, email: investor@kcp.co.in.
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Enterprises (India) Limited 2nd Floor, Kences Towers, No.1,Ramakrishna Street, Off: North Usman Road, T.Nagar Chennai- 600 017. Ph.No: 044-28140801-03; Fax: 044-28142479

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cement	2394	91.71%
2	Engineering	2825	7.54%
3	Power	3510	0.74%

III.	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)		
i)	Category-wise Share Holding	- As per attachment	'A'
ii)	Shareholding of Promoters	- As per attachment	'B'
iii)	Change in Promoters' Shareholding	- As per attachment	'C'
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	- As per attachment	'D'
v)	Shareholding of Directors and Key Managerial Personnel	- As per attachment	'E'
vi)	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	<b>- As per attachment</b>	<b>'F'</b>
vii)	<b>INDEBTEDNESS</b>		
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	- As per attachment	'G'
viii)	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>		
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	- As per attachment	'H'
B.	Remuneration to other directors As per Attachment	- As per attachment	'I'
C.	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	- As per attachment	'J'
viii)	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>	<b>- As per attachment</b>	<b>'K'</b>

**Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)**
**(i) Category-wise Shareholding**

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
<b>A</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
(1)	<b>Indian</b>									
a)	Individual/Hindu Undivided Family	1,19,87,848	-	1,19,87,848	9.30	1,19,74,748	-	1,19,74,748	9.29	(0.01)
b)	Central Government/ State Governments									
c)	Bodies Corporate	4,88,13,026	-	4,88,13,026	37.86	4,88,13,026	-	4,88,13,026	37.86	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Any other (Specify)									
	<b>Sub Total A(1)</b>	6,08,00,874	-	6,08,00,874	47.16	6,07,87,774	-	6,07,87,774	47.15	(0.01)
(2)	<b>Foreign</b>									
a)	Individual (Non resident Individuals / Foreign individuals)	2,39,050	-	2,39,050	0.19	2,39,050	-	2,39,050	0.19	-
b)	Bodies Corporate									
c)	Institutions									
d)	Qualified Foreign Investor									
e)	Any other (Specify)									
	<b>Sub Total A(2)</b>	2,39,050	-	2,39,050	0.19	2,39,050	-	2,39,050	0.19	-
	<b>Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)</b>	6,10,39,924	-	6,10,39,924	47.35	6,10,26,824	-	6,10,26,824	47.34	(0.01)
<b>B</b>	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds/ UTI	1,47,80,918	11000	1,47,91,918	11.47	1,50,72,093	2000	1,50,74,093	11.69	0.22
b)	Financial Institutions / Banks	1250	23990	25240	0.02	32050	4990	37040	0.03	0.01
c)	Central Government/ State Governments	-	-	-	-	-	-	-	-	-
d)	Venture capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	13,52,560	-	13,52,560	1.05	13,02,930	-	13,02,930	1.01	(0.04)

f)	Foreign Institutional Investors	-	500	500	0.00	-	-	-	0.00	(0.00)
g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub Total B(1)</b>	1,61,34,728	35,490	1,61,70,218	12.54	1,64,07,073	6990	1,64,14,063	12.73	0.19
(2)	<b>Non-Institutions</b>									
a)	Bodies Corporate (indian)	21,81,496	1,12,960	22,94,456	1.78	42,66,104	36,550	43,02,654	3.34	1.56
b)	Individuals									
	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	2,18,03,443	73,41,853	2,91,45,296	22.61	2,04,41,982	52,72,478	2,57,14,460	19.95	(2.66)
(i)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	1,55,74,509	21,28,740	1,77,03,249	13.73	1,76,49,382	12,83,960	1,89,33,342	14.69	0.95
(ii)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
c)	Any other **									
d)	Any other **									
d(i)	Clearing Member Corporate Cm/Tm -	1,00,003	-	1,00,003	0.08	58,857	-	58,857	0.05	(0.03)
d(ii)	Client Margin A/C Corporate Cm/Tm -	58,057	-	58,057	0.05	1,54,500	-	1,54,500	0.12	0.07
d(iii)	Client Beneficiary A/C Individual-Margin	60,569	-	60,569	0.05	1,02,412	-	1,02,412	0.08	0.03
d(iv)	Trading Account	-	-	-	-	4	-	4	0.00	0.00
d(v)	NRI /OCBs	9,68,256	13,14,571	22,82,827	1.77	8,48,162	12,99,321	21,47,483	1.67	(0.10)
d(vi)	Trusts	28,251	38,310	66,561	0.05	28,251	38,310	66,561	0.05	-
	<b>Sub Total B(2)</b>	4,07,74,584	1,09,36,434	5,17,11,018	40.11	4,35,49,654	79,30,619	5,14,80,273	39.93	(0.18)
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	5,69,09,312	1,09,71,924	6,78,81,236	52.65	5,99,56,727	79,37,609	6,78,94,336	52.66	0.01
	<b>TOTAL (A) + (B)</b>	11,79,49,236	1,09,71,924	1,28,921,160	100.00	12,09,83,551	79,37,609	12,89,21,160	100.00	-
<b>C</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A) + (B) + (C)**</b>	11,79,49,236	1,09,71,924	1,28,921,160	100.00	12,09,83,551	79,37,609	12,89,21,160	100.00	-

**Attachment 'B'**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of theyear			Shareholding at the end of theyear			% Change during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	V. Ramakrishna Sons P Ltd	3,89,56,326	30.22	-	3,89,56,326	30.22	-	-
2	V.R.K. Grandsons Investment Private Ltd.	95,78,330	7.43	-	95,78,330	7.43	-	-
3	Velagapudi Lakshmana Dutt	60,05,569	4.66	-	60,05,569	4.66	-	-
4	V.L. Indira Dutt	30,64,479	2.38	-	30,64,479	2.38	-	-
5	Shivani Dutt Chitturi	13,00,000	1.01	-	13,00,000	1.01	-	-
6	Kavitha D Chitturi	9,00,000	0.70	-	9,00,000	0.70	-	-
7	The Jeypore Sugar Company Limited	2,78,370	0.22	-	2,78,370	0.22	-	-
8	Rajeswary Ramakrishnan	2,24,020	0.17	-	2,24,020	0.17	-	-
9	Uma S Vallabhaneni	1,63,120	0.13	-	1,63,120	0.13	-	-
10	Irmgard Velagapudi	1,52,490	0.12	-	1,52,490	0.12	-	-
11	Velagapudi Lakshmana Dutt	1,13,500	0.09	-	1,13,500	0.09	-	-
12	Subbarao Vallabhaneni	75,930	0.06	-	75,930	0.06	-	-
13	R. Prabhu	62,880	0.05	-	62,880	0.05	-	-
14	Ravi Chitturi	50,000	0.04	-	50,000	0.04	-	-
15	S. Rajiv Rangasami	46,405	0.04	-	46,405	0.04	-	-
16	R. Baba Chandrasekar	13,100	0.01	-	-	0.00	-	(0.01)
17	P. Vikram Ramakrishnan	12,655	0.01	-	12,655	0.01	-	-
18	Sivaramakrishnan Prasad	12,650	0.01	-	12,650	0.01	-	-
19	S. Nalini	11,250	0.01	-	11,250	0.01	-	-
20	Rajeswary Ramakrishnan	6,500	0.01	-	6,500	0.01	-	-
21	Kiran Velagapudi	4,220	0.00	-	4,220	0.00	-	-
22	Anitha .	4,000	0.00	-	4,000	0.00	-	-
23	Rajeswary Ramakrishnan	3,500	0.00	-	3,500	0.00	-	-
24	Rajyalakshamma S R V	630	0.00	-	630	0.00	-	-
	<b>Total</b>	<b>6,10,39,924</b>	<b>47.35</b>		<b>6,10,26,824</b>	<b>47.34</b>	<b>0.00</b>	<b>(0.01)</b>

**Attachment 'C'**
**(iii) Change in Promoters Shareholding**

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
R. Baba Chandrasekar				
Opening Balance as on 01/04/2014	13,100	0.00		
Date wise increase /(Decrease) in Promoters Shareholding during the year				
5/23/2014	-	-	(13,100)	0.00
Closing Balance as on 31/03/2015	-	0.00	-	-



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Date wise increase / (Decrease) in Shareholding of Top ten Shareholders during the year				
1	SBI Tax Advantage Fund Series II / SBI Emerging Businesses Fund / SBI Small and Midcap Fund / Sbi Magnum Children's Benefit Plan				
	Opening Balance as on 01/04/2014	91,73,254	7.115		
	02/05/2014	10,00,000	0.776	1,01,73,254	7.891
	04/07/2014	(29,040)	(0.023)	1,01,44,214	7.869
	11/07/2014	(1,52,813)	(0.119)	99,91,401	7.750
	29/08/2014	2,391	0.002	99,93,792	7.752
	21/11/2014	2,068	0.002	99,95,860	7.753
	28/11/2014	47,932	0.037	1,00,43,792	7.791
	12/12/2014	45,728	0.035	1,00,89,520	7.826
	19/12/2014	60,776	0.047	1,01,50,296	7.873
	31/12/2014	8,000	0.006	1,01,58,296	7.879
	02/01/2015	99,364	0.077	1,02,57,660	7.957
	09/01/2015	17,086	0.013	1,02,74,746	7.970
	16/01/2015	7,046	0.005	1,02,81,792	7.975
	23/01/2015	(15,000)	(0.012)	1,02,66,792	7.964
	<b>Shareholding as on 31/03/2015</b>	<b>7,617</b>	<b>0.006</b>	<b>1,02,74,409</b>	<b>7.970</b>
2	HDFC Trustee Company Limited A/C HDFC Growth Fund				
	Opening Balance as on 01/04/2014	36,02,343	2.794		
	25/04/2014	(10,00,000)	(0.776)	26,02,343	2.019
	<b>Shareholding as on 31/03/2015</b>			<b>26,02,343</b>	<b>2.019</b>
3	Reliance Capital Trustee Co. Ltd-A/C Reliance Small Cap Fund				
	Opening Balance as on 01/04/2014	20,00,000	1.551		
	05/09/2014	190,315	0.148	21,90,315	1.699
	<b>Shareholding as on 31/03/2015</b>			<b>21,90,315</b>	<b>1.699</b>

<b>4</b>	<b>Vinod H. Punwani</b>				
	Opening Balance as on 01/04/2014	13,30,951	1.032		
	11/04/2014	73,550	0.057	14,04,501	1.089
	22/08/2014	7,739	0.006	14,12,240	1.095
	29/08/2014	125,761	0.098	15,38,001	1.193
	30/09/2014	73,000	0.057	16,11,001	1.250
	31/10/2014	41,000	0.032	16,52,001	1.281
	21/11/2014	45,600	0.035	16,97,601	1.317
	28/11/2014	12,400	0.010	17,10,001	1.326
	12/12/2014	10,500	0.008	17,20,501	1.335
	19/12/2014	(10,500)	(0.008)	17,10,001	1.326
	31/12/2014	16,000	0.012	17,26,001	1.339
	02/01/2015	(16,000)	(0.012)	17,10,001	1.326
	09/01/2015	45,000	0.035	17,55,001	1.361
	16/01/2015	3,000	0.002	17,58,001	1.364
	23/01/2015	12,000	0.009	17,70,001	1.373
	30/01/2015	4,300	0.003	17,74,301	1.376
	06/02/2015	23,000	0.018	17,97,301	1.394
	13/02/2015	11,847	0.009	18,09,148	1.403
	20/02/2015	33,148	0.026	18,42,296	1.429
	27/02/2015	27,705	0.021	18,70,001	1.450
	<b>Shareholding as on 31/03/2015</b>			<b>18,70,001</b>	<b>1.451</b>
<b>5</b>	<b>The New India Assurance Company Limited</b>				
	Opening Balance as on 01/04/2014	13,02,930	1.011		
	<b>Shareholding as on 31/03/2015</b>			<b>13,02,930</b>	<b>1.011</b>
<b>6</b>	<b>G.V. Reddy (Dr)</b>				
	Opening Balance as on 01/04/2014	12,87,250	0.998		
	<b>Shareholding as on 31/03/2015</b>			<b>12,87,250</b>	<b>0.998</b>
<b>7</b>	<b>Sakunthala Devi Boppana</b>				
	Opening Balance as on 01/04/2014	10,52,410	0.816		
	<b>Shareholding as on 31/03/2015</b>			<b>10,52,410</b>	<b>0.816</b>
<b>8</b>	<b>Raavi Sobhanadri Chowdary</b>				
	Opening Balance as on 01/04/2014	10,08,999	0.783		
	29/08/2014	(5,000)	(0.004)	10,03,999	0.779
	05/09/2014	(36,000)	(0.028)	9,67,999	0.751
	<b>Shareholding as on 31/03/2015</b>			<b>9,67,999</b>	<b>0.751</b>
<b>9</b>	<b>Boppana Vinay Kumar</b>				
	Opening Balance as on 01/04/2014	9,35,250	0.725		
	<b>Shareholding as on 31/03/2015</b>			<b>9,35,250</b>	<b>0.725</b>
<b>10</b>	<b>Padmini Rajan</b>				
	Opening Balance as on 01/04/2014	8,67,790	0.673		
	<b>Shareholding as on 31/03/2015</b>			<b>8,67,790</b>	<b>0.673</b>

## Attachment 'E'

## v) Shareholding of Directors and Key Managerial Personnel:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Date wise increase / Decrease in Key Managerial Personnel Shareholding during the year				
Velagapudi Lakshmana Dutt				
Opening Balance as on 01/04/2014	6005569	4.66		
Closing Balance as on 31/03/2015			6005569	4.66
V L Indra Dutt				
Opening Balance as on 01/04/2014	3064479	2.38		
Closing Balance as on 31/03/2015			3064479	2.38
Kavitha D Chitturi				
Opening Balance as on 01/04/2014	900000	0.70		
Closing Balance as on 31/03/2015			900000	0.70
Gandhi Valluri				
Opening Balance as on 01/04/2014	2040	0.00		
Closing Balance as on 31/03/2015			2040	0.00
Swaminatha Reddy Onteddu				
Opening Balance as on 01/04/2014	20	0.00		
Closing Balance as on 31/03/2015			20	0.00
<b>Total</b>	<b>9972108</b>	<b>7.73</b>	<b>9972108</b>	<b>7.73</b>

## Attachment 'F'

## vi) Particulars of Holding, Subsidiary and Associate Companies

S.No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	Percentage of Holding	Applicable Section
1.	<b>KCP Vietnam Industries Ltd.</b>	Cung Son Town, Son Hoa (Dist), Phuyen Province, Vietnam.	NA	Subsidiary	66.67%	2(87)
2.	<b>Fives Cail KCP Ltd.</b>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai - 600 008	U29254TN1995 PLC 033300	Associate	40%	2(6)

**vii) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Public Deposits (Unsecured Loans) (Rs.)	Total (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	288,73,76,307	27,85,00,000	76,39,35,000	392,98,11,307
ii) Interest due but not paid				
iii) Interest accrued but not due			2,53,11,374	2,53,11,374
<b>Total (i+ii+iii)</b>	<b>288,73,76,307</b>	<b>27,85,00,000</b>	<b>78,92,46,374</b>	<b>395,51,22,681</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	72,12,62,500	30,00,000	32,81,94,077	105,24,56,577
* Reduction	-33,03,00,000	-2,65,00,000	-28,15,83,411	-63,83,83,411
<b>Net Change</b>	<b>39,09,62,500</b>	<b>-2,35,00,000</b>	<b>4,66,10,666</b>	<b>41,40,73,166</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	327,83,38,807	25,50,00,000	79,77,39,350	433,10,78,157
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			3,81,17,690	3,81,17,690
<b>Total (i+ii+iii)</b>	<b>327,83,38,807</b>	<b>25,50,00,000</b>	<b>83,58,57,040</b>	<b>436,91,95,847</b>

**viii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount Rs.
		Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha Dutt Chitturi	Shri. V.Gandhi	
	<b>Gross salary (Rs.)</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,00,000	60,00,000	46,44,045	43,50,243	2,21,94,288
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	56,494	15,33,933	-	-	15,90,427

Continued...

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha Dutt Chitturi	Shri. V.Gandhi	
						Rs.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
	Stock Option	-	-	-	-	
	Sweat Equity	-	-	-	-	
	Commission - as % of profit	36,99,150	6,82,800	-	-	43,81,950
	Others, please specify	-	-	-	-	
	<b>Total (A)</b>	<b>1,09,55,644</b>	<b>82,16,733</b>	<b>46,44,045</b>	<b>43,50,243</b>	<b>2,81,66,665</b>
	Ceiling as per the Act	4% of net profits	3% of net profits	1.5% of net profits	1.5% of net profits	10% of net profits

Attachment 'I'

## B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. O. Swaminatha reddy	Sri. V.H. Ramakrishnan	Sri. Vijay sankar	Sri. P.S. Kumar	Sri. M. Narasimhappa	
							Rs.
	<b>Independent Directors</b>						
	Fee for attending board committee meetings	190,000	200,000	240,000	230,000	200,000	10,60,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>190,000</b>	<b>200,000</b>	<b>240,000</b>	<b>230,000</b>	<b>200,000</b>	<b>10,60,000</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>190,000</b>	<b>200,000</b>	<b>240,000</b>	<b>230,000</b>	<b>200,000</b>	<b>10,60,000</b>
	Total Managerial Remuneration	190,000	200,000	240,000	230,000	200,000	10,60,000
	Overall Ceiling as per the Act						1% of net profits

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	15,63,833	42,79,321	58,43,154
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	99,422	99,422
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>15,63,833</b>	<b>43,78,743</b>	<b>59,42,576</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## Statement containing salient features of the Financial statement of Subsidiaries / Joint ventures

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Part "A" : Subsidiaries

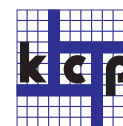
1	Name of the subsidiary	KCP VIETNAM INDUSTRIES LIMITED	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	
3	Reporting currency of foreign subsidiaries	Vietnamese Dongs (VND) ('000)	INR
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 344.8730 VND as on 31.03.2015	
4	Share Capital	54,58,56,275	83,31,39,750
5	Reserves & Surplus	43,97,68,353	202,47,95,025
6	Total Assets	114,42,06,378	331,77,61,254
7	Total Liabilities	15,85,81,750	45,98,26,479
8	Investments	-	-
9	Turnover	188,76,90,602	539,87,01,740
10	Profit before taxation	18,69,80,336	56,07,08,361
11	Provision for taxation	1,68,29,092	4,81,30,370
12	Profit after taxation	17,01,51,244	51,24,77,991
13	Proposed Dividend	3,29,39,042	9,55,10,634
14	% of shareholding	66.667	66.667

## Part "B" : Associates and Joint Ventures

	Name of Joint Venture	FIVES CAIL - KCP LIMITED	
1	Latest Unaudited Balance Sheet Date	31st March 2015	
2	Shares of Joint Venture held by the Company on the year end (No.)	4,00,000	
	Amount of Investment in Joint Venture (Rs.)	40,00,000	
	Extent of Holding %	40%	
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital held.	
4	Reason why the Joint Venture is not consolidated	N.A.	
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs.)	6,53,22,515	
6	Profit / (Loss) for the year		
	(i) Considered in Consolidation (Rs.)	24,22,891	
	(ii) Not Considered in Consolidation	-	

(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 SecretaryPlace: Chennai  
Date: 18th May, 2015



## ANNEXURE - 6

**Particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

### FORM AOC-2

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

Sl.No	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction (Rs.)
1.	KCP Vietnam Industries Limited	Subsidiary company	Sales and Services	73,47,336
2.	Fives Cail KCP Limited	Joint Venture	Sales and Services	5,79,23,398
3.	Fives Cail KCP Limited	Joint Venture	Leasing of property	87,26,356
4.	KCP Technologies Limited	Associate Company	Services	17,72,560
5.	KCP Technologies Limited	Associate Company	Leasing of property	1,41,574
6.	V R & Sons Private Limited	Associate Company	Leasing of property	14,159
7.	Smt.V.L.Indira Dutt	Joint Managing Director (JMD)	Lease rentals	44,35,031
8.	Smt. S R V Rajyalakshamma	Mother of JMD	Lease rentals	7,82,836
9.	Smt.Uma.S.Vallabhaneni	Sister of JMD	Lease rentals	57,99,811
10.	Smt.V.Rama Kumari	Sister of JMD	Lease rentals	42,06,268
11.	Bala Tripurasundari Ammavaru Trust	JMD is Trustee	Lease rentals	58,35,933
12.	Sri.V.Chandra kumar	Brother of JMD	Lease rentals	23,11,720
13.	Smt. Kavitha Dutt Chitturi	Executive Director	Lease rentals	4,81,800

(a) **Name of the related party and Nature of Relationship:** As provided in the table above

(b) **Nature, duration of the contract and particulars of the contract or arrangement.**

- (1) The transactions in Serial number 1 and 2 contract of Sales and Services include contracts meant for expansion of our subsidiary company M/s KCP Vietnam Industries Limited and other contracts of our Joint Venture Company M/s Fives Cail KCP Limited undertaken by them at arm length prices.
- (2) The transaction in Serial No.4 is relating to Consultation services proposed to be rendered by our Associate company M/s KCP Technologies Limited on Engineering business process services which includes documentation, analysis and reporting.
- (3) The transactions in serial numbers 3, 5 and 6 are relating to leasing of office space owned by the company at "Ramakrishna Buildings" 2, Dr.P.V.Chерian crescent, Egmore, Chennai-600008 to M/s Fives Cail KCP Limited (10,500 sft), KCP Technologies Limited (300sft) and M/s V.Ramakrishna Sons Private Limited (30 sft) at Rs.35 per sft per month which is the rate prevailing in that area.
- (4) The transactions in serial numbers 7 to 12 are relating to Lease Agreements entered on 21st July 1972 (for a period of 90 years) with certain Land owners including the parties mentioned in the table as related parties for taking of lands at Muktyala on Lease and the lease Rent is payable to all parties both related and un related as follows for the purpose of mining Limestone:
  - 25% of the Annual Dead Rent payable to the Government or
  - 25% of the Royalty payable to the Government whichever is higher.

The Lands have been taken on lease 40 years earlier for which the Lease costs have been minimal. If the Lease lands are not available, the company would have to get the lands on lease from the Government and there were significant costs and the obligations like:

- Surrender of the land at the Present value computed earlier.

- Convert the same into water bodies while handing over.
  - Legal requirements like filing of annual returns during the currency of the lease.
- (c) **Duration of the contracts / arrangements/transactions** – From 11 months to 40 years
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** As explained above.
- (e) **Date of approval by the Board:** 22/05/2013
- (f) **Amount paid as advances, if any:** NIL
- (g) **Date on which the special resolution was passed in general meeting as required under first proviso to section 188:** 11/08/2014
- (h) Transaction in serial Number 13 is relating to mining at Muktyala on same terms and conditions as explained in (4) above, approved by the Board of Directors on the recommendation of the Audit Committee of the Company and recommended for the approval of the Shareholders at the ensuing Annual General Meeting.

For and on behalf of the Board of Directors

**Place:** Chennai  
**Date:** 18<sup>th</sup> May, 2015

**(V.L. DUTT)**  
Chairman and Managing Director

# Secretarial Audit Report

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

To,  
The Members,  
THE KCP LIMITED

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

Based on my verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, Its officers, agents and authorised representatives during the conduct of secretarial audit.

I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by THE KCP LIMITED for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013(the Act) and the rules made thereunder;
- ii. The Securities Contracts ( Regulation) Act, 1956('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act')viz.:-
  - a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India( Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) regulations , 2009 – The Company has not issued any capital this year.
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines , 1999 – Not Applicable
- e) The Securities Exchange Board of India ( Issue and Listing of Debt securities) Regulations,2008 – Not Applicable
- f) The Securities and Exchange Board of India(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India ( Delisting of Equity shares) Regulations, 2009 –Not Applicable and
- h) The Securities and Exchange Board of India ( Buyback of Securities ) Regulations , 1998 – Not Applicable

vi. and the following Laws:

- a) Factories Act, 1948,
- b) Payment of Gratuity Act, 1972;
- c) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- d) Employees' State Insurance Act, 1948
- e) Minimum wages Act, 1948
- f) Payment of wages Act, 1936
- g) Payment of Bonus Act, 1965

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange.

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

The Company is in the process of effecting corrective steps to match the register of charges maintained by the Company and the register available on the electronic data base of the Registrar of Companies (ROC) office, which has arisen due to non reflection of satisfaction of charges filed in earlier years in the electronic data base.

I have also examined the approvals required under:

The Mines Act, 1952, Indian Boilers Act, 1923, Environment Protection Act, 1986 and report that necessary licences, approvals required under the said acts have been obtained and are valid for the period under review.

I further report that, The Board of Directors is duly constituted with proper balance of Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as a part of the minutes.

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

I further report that 80,00,000 12% Redeemable cumulative Non – convertible Preference shares of Rs.10 each were redeemed during the year.

Place: Chennai

Date: 18.05.2015

sd/-:

**(Sobana Pranesh)**

Company secretary in Practice

ACS No. 7915

C P No.: 2403

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

### 'Annexure'

The Members

The KCPLimited

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

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

Place: Chennai

Date: 18.05.2015

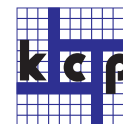
sd/-:

**(Sobana Pranesh)**

Company secretary in Practice

ACS No. 7915

C P No.: 2403



# Report on Corporate Governance

Corporate governance refers to the set of systems, principles and processes by which a company is governed.

It is based on principles such as conducting the business in an ethical manner with integrity and fairness, making all the necessary disclosures and decisions, complying with all the laws of the land. It is all about balancing individual and societal goals, as well as, economic and social goals.

## The Company's philosophy on code of Governance

KCP's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

The Company's Code of Business Conduct, its Risk Management Policy and its well structured Internal Control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled the Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Our Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

## I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically.

The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders and sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework.

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, manage the business of the Company under the overall supervision, control and guidance of the Board.

### 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 Independent Directors.



Composition of the Board as on 31st March, 2015

Category	Number of Directors
Executive Directors including the Chairman	4
Non Executive Independent Directors	5
Total	9

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

### Board Independence

As per the Listing Agreement entered with Stock Exchanges, the independence of the Five Independent Directors meets with the requirements of Clause 49.

As required under Section 149 of the Companies Act, 2013, Smt.V.L.Indira Dutt, Joint Managing Director and Smt. Kavitha Dutt Chitturi, Executive Director are Women Directors on the Board of the company..

### b) Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the company.

The notice of each Board meeting is given in writing to each Director. The agenda along with the relevant notes and other material information are sent in advance separately to each Director.

The minutes of the Board meetings are also circulated in advance to all directors and confirmed at subsequent meetings.

In the Financial year 2014-15, the Board met four times, the Board meetings were held on the following dates: 22/05/2014, 11/08/2014, 12/11/2014 and 13/02/2015

The interval between two meetings was less than 120 days as stipulated under Clause 49 of the Listing Agreement.

### c) Details of Board members and attendance of Directors at the Board Meetings and at the last Annual General Meeting (73rd AGM) of the Company

The details of each member of 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:

#### Attendance of Directors at Board Meetings and Annual General Meeting

Director	No. of Board Meetings attended out of 4 Meetings held during the year	Attendance at last AGM (11/08/2014)	*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 O. Swaminatha Reddy	4	P	2	4	4	1	20
Sri V.H. Ramakrishnan	4	P	-	1	-	-	Nil
Sri. Vijay Sankar	4	P	-	4	-	-	Nil
Sri. P.S. Kumar	4	P	-	-	-	2	
Sri. M. Narasimhappa	4	P	-	1	-	-	
Executive Promoter Directors:	4	P	-	1	-	-	
Dr. V.L. Dutt, Chairman & Managing Director	4	P	1	-	-	-	6005569
Smt. V.L. Indira Dutt, Joint Managing Director	4	P	-	2	-	-	3064479
Smt. Kavitha D Chitturi, Executive Director	4	P	-	2	-	-	900000
Executive Non Promoter Directors:							
Sri V. Gandhi, Technical Director	4	P	-	2	-	-	2040

(\*Chairmanship /Membership of Committee includes only Audit Committee and Shareholders Grievances Committee in Indian Public Limited companies other than the Company)

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

**d) The information required to be 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 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 or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources / industrial relations front like signing of wage agreement, implementation of Voluntary Retirement scheme etc.

13. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

**e) Code of Conduct**

The Board has laid-down a “Code of Conduct” (Code) for all the Board members and the senior management Personnel of the Company, and the Code is posted on the website of the Company.

The Board of Directors and the members of Senior Management Team are required to affirm compliances of this Code on annual basis.

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.

*Web link: <http://www.kcp.co.in/downloads/PDF/coc.pdf>*

**Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

**Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The

Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

Web link: <http://www.kcp.co.in/downloads/PDF/Insider-trading-policy.pdf>

#### f) Familiarization Programme:

The company has conducted Familiarization Programme to Independent Directors about their roles, rights, responsibilities in the company, nature of industry in which the company operates, business model of the company etc. The details of such Familiarization programme disclosed on the Website of the Company.

Web link: <http://www.kcp.co.in/downloads/PDF/FProgramme.pdf>

### COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee and Innovation and Best Practises Committee. Each of these Committees has been mandated to operate within a given framework.

The Board committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The minutes of the committee meetings are placed before the Board.

The Company Secretary Acts as Secretary to all the above Committees.

#### 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 22/05/2014, 11/08/2014, 12/11/2014 and 13/02/2015

The Audit Committee comprises 5 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 Section 177 of the Companies Act 2013.

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
<b>Non-Executive Independent Directors :</b>		
Sri O. Swaminatha Reddy - Chairman	4	4
Sri V.H. Ramakrishnan	4	4
Sri. Vijay Sankar	4	4
Sri. P.S. Kumar	4	4
Sri. M. Narasimhappa	4	4
<b>Executive Promoter Director :</b>		
Smt Kavitha D Chitturi	4	4

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.

#### Role of the Audit Committee

- ❖ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- ❖ Recommending the appointment, remuneration and terms of appointment of statutory auditors including Cost Auditors of the Company
- ❖ Approving payment to statutory auditors, including cost auditors, for any other services rendered by them
- ❖ Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the

- Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013; Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgement by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and Qualifications in draft audit report.
- ❖ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
  - ❖ Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
  - ❖ Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process
  - ❖ Approval or any subsequent modification of transactions of the Company with related parties.
  - ❖ Scrutiny of inter-corporate loans and investments.
  - ❖ Valuation of undertakings or assets of the Company, wherever it is necessary
  - ❖ Evaluation of internal financial controls and risk management systems
  - ❖ Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems
  - ❖ Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
  - ❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
  - ❖ Discussion with internal auditors of any significant findings and follow-up thereon
  - ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
  - ❖ To review the functioning of the Vigil Mechanism
  - ❖ Approval of appointment of the CFO (i.e. the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate
  - ❖ Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
  - ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on 22nd August, 2014
- b) Stakeholders Relationship Committee (SR Committee)**
- In compliance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has renamed the existing "Shareholders'/ Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".
- The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints
- The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013.
- Role of the SR Committee**
- ❖ To Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, Non-receipt of declared Dividend etc.
  - ❖ To Oversee the performance of the Company's Registrar and Share Transfer Agents

- ❖ To Recommend methods to upgrade the standard of services to investors
- ❖ To Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- ❖ To Perform such other functions as may be necessary or appropriate for the performance of its duties

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 31-03-2015.

The Board has designated Mr.Y. Vijayakumar, Company Secretary, as the compliance officer of the Company.

The Committee met on 13/02/2015 during the year, 2014-2015. The 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. Vijay Sankar, Member	1	1
Sri. P.S. Kumar, Member	1	1
Sri. M. Narasimhappa, Member	1	1

**c) Nomination and Remuneration Committee**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

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

- ❖ Succession planning of the Board of Directors and Senior Management Employees;
- ❖ Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- ❖ Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;

- ❖ To Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- ❖ To Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

The Committee met on 13/02/2015 during the year, 2014-2015.

The composition of the Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy - Chairman	1	1
Sri V.H. Ramakrishnan, Member	1	1
Sri. Vijay Sankar, Member	1	1
Sri. P.S. Kumar, Member	1	1
Sri. M. Narasimhappa, Member	1	1
Dr.V.L.Dutt, Member	1	1

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Dr.V.L.Dutt, Chairman & Managing Director of the company was made a Member of the Committee.

The Remuneration Policy and the details of the remuneration paid to the Directors are furnished in page 57 of this Report.

**d) Corporate Social Responsibility (CSR) committee:**

In compliance with the provisions of the Companies Act, 2013, rules made thereunder and clause 49 of the listing agreement the company has constituted a Corporate Social responsibility (CSR) committee.

The composition of the Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:



Directors :	No. of meetings held	No. of Meetings attended
Smt. V.L. Indira Dutt-Chairperson	1	1
Smt. Kavitha D. Chitturi – Member	1	1
Sri. V. Gandhi – Member	1	1
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1

During the year the committee met on 22/05/2014

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- ❖ To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- ❖ To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The CSR policy adopted by the Board of Directors of the company is placed on the website of the company.

Web link: <http://www.kcp.co.in/downloads/PDF/csr-policy.pdf>

#### e) Risk management Committee

Risk Evaluation and Management is an ongoing process within the Organization and the Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- ❖ Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- ❖ Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- ❖ Reviewing Risks and evaluate treatment including initiating mitigation actions;

The Committee met on 13/02/2015 during the year, 2014-2015.

The composition of the Risk Management Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Members	No. of meetings held	No. of Meetings attended
Smt. Kavitha D. Chitturi – Chairperson	1	1
Smt. V.L. Indira Dutt- Member	1	1
Sri. V. Gandhi – Member	1	1
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1
Dr.G.V.K. Prasad (Executive President) CPU – II, Muktyala - Member	1	1
Sri.M.R. Ramachandran (Chief Financial Officer) - Member.	1	1
Sri.K.Ramakrishna (Executive President) Marketing – Member.	1	1

The Risk policy adopted by the Board of Directors of the company is placed on the website of the company.

Web link: <http://www.kcp.co.in/downloads/PDF/Risk-policy.pdf>

#### f) 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 comprises the following 4 Non-Executive Independent Directors. The Committee did not have an occasion to meet during the year, 2014-15.

Non-Executive Independent Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy – Chairman	-	
Sri V.H. Ramakrishnan – Member	-	
Sri. Vijay Sankar – Member	-	
Sri. P.S. Kumar - Member	-	
Sri. M. Narasimhappa	-	



### g) 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, 15 meetings of Share Transfer Committee were held on the following dates:

01/04/2014, 17/04/2014, 23/05/2014, 10/06/2014,  
23/06/2014, 11/08/2014, 12/09/2014, 25/09/2014,  
27/10/2014, 10/11/2014, 25/11/2014, 08/12/2014,  
22/12/2014, 06/01/2015, 22/01/2015, 12/02/2015,  
09/03/2015, 24/03/2015.

The Committee comprises of the following executives of the Company:

Dr. A.V. Sivarama Prasad – Executive President - HRD & S
Sri. M.R. Ramachandran - Chief Financial Officer
Sri. Y. Vijayakumar – Company Secretary
Sri. Ch. Sree Ramachandra Murthy – Vice President – Finance

### h) Finance Committee

The Committee looks into approval of the sanctions received from the banks and other financial decisions.

Terms of Reference of the Committee, inter alia, includes the following:

- ❖ Review the Company's financial policies, risk assessment and minimisation procedures, strategies and capital structure, working capital and cash flow management, and make such reports and recommendations to the Board with respect thereto, as it may deem advisable
- ❖ Review banking arrangements and cash management Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board, and take necessary actions connected therewith.
- ❖ To Give guarantees/issue letters of comfort/providing securities within the limits approved by the Board.
- ❖ To Provide corporate guarantee/performance guarantee by the Company within the limits approved by the Board
- ❖ To Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

- ❖ To Delegate authorities from time to time to the executives/authorised persons to implement the Committee's decisions

During the year the Committee met on the following dates: 30/12/2014 & 31/03/2015

The composition of the Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Directors	No. of meetings held	No. of Meetings attended
Executive Directors:		
Dr. V.L. Dutt – Chairman	2	2
Smt. V.L. Indira Dutt – Member	2	2
Smt. Kavitha D. Chitturi – Member	2	2
Sri. V. Gandhi – Member	2	2
Non-Executive Independent Directors:		
Sri. Vijay Sankar – Member	2	2
Sri. P.S. Kumar - Member	2	2

### i) Innovation and Best practices committee:

The Company has an Innovation and Best practices committee, which comprises of the following members.

During the year the committee met on 11/11/2014.

Directors	No. of meetings held	No. of Meetings attended
Sri. Narasimhappa – Chairman	1	1
Smt. Kavitha D. Chitturi – Member	1	1
Sri. V.H. Ramakrishnan – Member	1	1
Sri. Vijaysankar – Member	1	1
Sri. V. Gandhi – Member	1	1

### Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 13, 2015, inter alia, to discuss:

- ❖ Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- ❖ Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non Executive Directors.
- ❖ Evaluation of the quality, content and timeline of flow of information between the Management and the

Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### 3. Remuneration policy,

#### i) Remuneration to Independent Directors.

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

During the year Independent 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 of the Board attended by them. For other Committee Meetings Rs. 10,000/- (Rupees ten thousand only) was paid as sitting fees. The sitting fee is well within the limits prescribed under the provisions of the Companies Act, 2013 and rules made thereunder.

During the year the Company does not have any direct pecuniary relationship/transaction with any of its Independent Directors.

The details of sitting fees paid to Independent Directors for the year 2014-2015 (for attending the Board Meetings, Audit Committee meetings and other Committees Meetings) are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	Rs. 2,00,000.00
Sri. O. Swaminatha Reddy	Rs. 1,90,000.00
Sri. Vijay Sankar	Rs. 2,40,000.00
Sri. P.S. Kumar	Rs. 2,30,000.00
Sri. M. Narasimhappa	Rs. 2,00,000.00

#### (ii) Remuneration to Executive Directors

Remuneration to all the Executive Directors is within the limits prescribed under the provisions of the Companies Act, 2013, rules made thereunder and is approved by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee and sanctioned by the Shareholders of the Company.

Particulars of the Executive Directors remuneration for the year ended 31st March, 2015 are given below:

Executive Directors	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman & Managing Director	72,56,494	36,99,150	1,09,55,644
Smt. V.L. Indira Dutt Joint Managing Director	75,33,933	6,82,800	82,16,733
Smt. Kavitha Dutt Chitturi Executive Director	46,44,045	-	46,44,045
Sri. V. Gandhi Technical Director	43,50,243	-	43,50,243

### 4. GENERAL SHAREHOLDER INFORMATION

#### 1. Date, Time and Venue of the Annual General Meeting

Date	Wednesday, 12th August, 2015
Time	10.25 A.M.
Venue (Registered Office)	"Ramakrishna Buildings", No.2, Dr. P.V. Cheriaan Crescent, Egmore, Chennai 600 008.

#### 2. Financial Calendar :

##### Key Financial Reporting Dates for the financial year 2015-16

First Quarter ending 30 <sup>th</sup> June, 2015	Within Forty five Days from the end of the Quarter
Second Quarter ending 30 <sup>th</sup> September, 2015	Within Forty five Days from the end of the Quarter
Third Quarter ending 31 <sup>st</sup> December, 2015	Within Forty five Days from the end of the Quarter
Fourth Quarter ending 31 <sup>st</sup> March, 2016	Within Sixty Days from the end of the Financial year

#### 3. Book Closure: 6th August - 12th August (Both days inclusive)

#### 4. Dividend:

The Board of Directors of the Company at their meeting held on May 18, 2015, have recommended a dividend of Re. 0.75 per equity share of Re. 1/- each (75%) for the Financial Year 2014-2015 subject to the approval of the shareholders at the ensuing Annual General Meeting.

**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

The Company has paid the listing fees for the year 2015-2016 to the National Stock Exchange of India Limited (NSE).

**6. Share Price Data :**

**NATIONAL STOCK EXCHANGE (NSE)**

Month	High	Low
April 2014	34.35	30.50
May 2014	44.50	28.15
June 2014	58.65	37.40
July 2014	54.30	42.25
August 2014	54.60	41.05
September 2014	58.40	45.80
October 2014	52.30	46.15
November 2014	66.90	49.25
December 2014	77.50	57.45
January 2015	86.90	67.85
February 2015	76.20	60.25
March 2015	71.90	53.60

**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**



**8. Registrar & 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: 28140801/803, Email: corpserv@iepindia.com  
 www.integratedindia.in

**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.

**10. Distribution of the Equity Shareholding as on 31st March, 2015 by number of shares:**

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	12863	91.66	8844273	6.86
5001-10000	502	3.58	3616921	2.81
10001-20000	300	2.14	4251581	3.30
20001-30000	116	0.83	2865334	2.22
30001-40000	62	0.44	2167142	1.68
40001-50000	41	0.29	1886708	1.46
50001-100001	63	0.45	4469070	3.47
Above100001	86	0.61	100820131	78.20
TOTAL	14033	100.00	128921160	100.00

**11. Equity Shareholding as on 31st March, 2015 by category**

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	95	3,15,773	0.24
Bank Foreign	1	500	0.00
Indian Financial Institutions	8	13,39,470	1.04

Indian Promoters	23	6,10,26,824	47.34
Mutual Funds & UTI	9	1,50,74,093	11.69
NRI / OCBs	151	21,47,483	1.67
Private Corporate Bodies	260	43,02,654	3.34
Indian Public	13,482	4,46,47,802	34.63
Trusts	4	66,561	0.05
<b>TOTAL</b>	<b>14,033</b>	<b>12,89,21,160</b>	<b>100</b>

### 12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2015

SL NO	NAME OF THE SHARE HOLDER	NUMBER OF SHARES	%
1	SBI Emerging Businesses Fund	92,93,792	7.21
2	HDFC Trustee Company Limited A/C Hdfc Growth Fund	26,02,343	2.02
3	Reliance Capital Trustee Co. Ltd-A/C Reliancesmall Cap Fund	21,90,315	1.70
4	Vinod H. Punwani	18,70,001	1.45
5	The New India Assurance Company Limited	13,02,930	1.01
6	G.V. Reddy (Dr)	12,87,250	1.00
7	Hitesh Satishchandra Doshi	10,69,788	0.83
8	Sakunthala Devi Boppana	10,52,410	0.82
9	SBI Small And Midcap Fund	9,37,617	0.73
10	Boppana Vinay Kumar	9,35,250	0.72
	<b>TOTAL</b>	<b>2,25,41,696</b>	<b>17.48</b>

### 13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 12,89,21,160 Equity shares 12,09,83,551 (93.84%) Equity shares are held in dematerialized form with NSDL and CDSL as on 31st March 2015.

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

### 14. Reconciliation of Share Capital Audit Report

As stipulated by SEBI, Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central

Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

### 15. Plant Locations:

<b>Cement</b>	Macherla - 522426 Guntur District, Andhra Pradesh
	Ramakrishnapuram, Muktyala – 521175 Krishna District, Andhra Pradesh
<b>Engineering</b>	Tiruvottiyur Chennai 600 019. Tamilnadu
	Mosur Road Ekhunagar, Arakonam 631 004, Tamilnadu
<b>Power</b>	
<b>Hydel Unit</b>	B.No. AE-1, NSP Colony Nekarikallu 522 615, Guntur District, AP
<b>Wind Power</b>	Uthumalai Village Tirunelveli District, Tamilnadu
<b>Thermal Unit</b>	Macherla - 522426, Guntur District, AP
<b>Captive Power Plant</b>	Muktyala, Krishna District, Andhra Pradesh
<b>Solar Power Unit</b>	Muktyala, Krishna District, Andhra Pradesh

### 16. 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 entered 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, 2014, September 30, 2014, December 31, 2014 and March 31, 2015. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

### 17. Risk Management:

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

### 18. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### 19. 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 has, to the best of its understanding, complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- 4) 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
- 5) 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.
- 6) Adoption of Non-mandatory requirements of clause 49 of the listing agreement are being reviewed by the Board from time to time.

## 20. Other Information

### 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	Result
2012	71 <sup>st</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	13/08/2012	10.15 a.m.	Resolution for reclassification of unclassified shares	Passed
2013	71 <sup>nd</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	08/08/2013	11.35 a.m.	-	-
2014	73 <sup>rd</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	11/08/2014	10.45 a.m.	1. Adoption of new set of Articles of Association of the company. 2. Resolution for acceptance of deposits from public and shareholders. 3. Resolution under section 180(1) (c) of the Companies Act, 2013 4. Resolution under section 180(1) (a) of the Companies Act, 2013 5. Resolution for amendment to liability clause of Memorandum of Association of the company. 6. Resolution under section 188 of the Companies Act, 2013 for approval of related party transactions.	Passed

(b) No EGM was held by the company during the financial year ended 31<sup>st</sup> March 2015.

#### (c) Postal Ballot:

During the year the Company had obtained the approval of the members under Section 196,197,198, 203, 110, Schedule V of the Companies Act,2013, read with the Companies (Management and Administration) Rules, 2014 for the Special/ Ordinary resolutions with respect to following business:

- 1) Resolution for Re-appointment of Dr.V.L.Dutt as Chairman & Managing Director and fixing his remuneration (Special Resolution)
- 2) Resolution for Re-appointment of Smt.V.L.Indira Dutt as Joint Managing Director and fixing her remuneration (Special Resolution)
- 3) Resolution for Re-appointment of Smt. Kavitha Dutt Chitturi, Executive Director and fixing her remuneration (Ordinary Resolution)

#### Voting Pattern and Procedure for Postal Ballot:

1. The Board of Director of the Company at their meeting held on 11<sup>th</sup>September, 2014 has appointed Sri. R. Balasubramaniam as the Scrutinizer for conducting the Postal Ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on 29/10/2014 the last date and time fixed by the company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on 30<sup>th</sup>September, 2014 at the Registered Office of the Company as per the Scrutinizer Report as under:



**Resolution No. 1**

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	76	6179185	503	80559596	579	86738781
2.	Less Invalid votes	0	0	4	7350	4	7350
3.	Net valid votes	76	6179185	499	80552246	575	86731431
4.	Total votes favoring the resolution.	70	6176261	488	80542805	558	86719066
5.	Total votes against the resolution.	6	2924	11	9441	17	12365

% of votes in favor of the resolution : 99.09

% of votes against the resolution : 0.01

**Resolution No. 2**

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	76	6179186	503	80557596	579	86736782
2.	Less Invalid votes	0	0	4	7350	4	7350
3.	Net valid votes	76	6179186	499	80550246	575	86729432
4.	Total votes favoring the resolution.	67	6176017	488	80540805	555	86716822
5.	Total votes against the resolution.	9	3169	11	9441	20	12610

% of votes in favor of the resolution : 99.09

% of votes against the resolution : 0.01

**Resolution No. 3**

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	77	6179277	503	80557596	580	86736873
2.	Less Invalid votes	0	0	4	7350	4	7350
3.	Net valid votes	77	6179277	499	80550246	576	86729523
4.	Total votes favoring the resolution.	69	6175964	488	80540805	557	86716769
5.	Total votes against the resolution.	8	3313	11	9441	19	12754

% of votes in favor of the resolution : 99.09

% of votes against the resolution : 0.01

Accordingly, the Special/ordinary Resolutions indicated above have been passed by the requisite majority.

**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 M/s KCP Vietnam Industries Limited, Vietnam.

The minutes of the Board meetings of the subsidiary company 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**

- (i) The Board of Directors of the Company considers and approves all quarterly and annual financial results in the Pro-forma prescribed by Clause 41 of the Listing Agreement.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a National English newspaper. In addition, the same are published in local language (Tamil) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

- (iii) The Company's financial results and official press releases are displayed on the Company's Website- www.kcp.co.in
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

### 3. Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### 4. Dematerialisation 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.

### Unclaimed share certificates lying With Company / R&T agent

SEBI vide its notification dated 16.12.2010 has made it mandatory for every listed Company, which has issued shares in physical mode in past and where such share

certificates could not reach the concerned shareholder due to insufficient/ incorrect information or for any other reasons, to send at least three reminders to such shareholders whose shares have remained unclaimed as above and in case no response is received from concerned shareholder, such unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and kept in a separate Demat Account. Pursuant to above amendment, Company's R&T agent has sent Three reminders to all such shareholders whose share certificate(s) are lying undelivered with Company / R&T agent.

As on 31st March, 2015, 2218980 Equity shares were transferred to "Unclaimed Suspense Account".

### Green Initiative of Ministry of Corporate Affairs (Servicing of documents by e-mode)

Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the circular no.17/2011 dated 21.04.2011 and circular no.18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to their shareholders through electronic mode to the registered e- mail addresses of shareholders. In view of above, the investors, who have not registered their email addresses with their DP / RTA of the Company, are requested to register their e-mail addresses with the RTA, M/s Integrated Enterprises (India) Limited.

### NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

### SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### Designated Exclusive email-ids:

The Company has designated the following email-ids exclusively for investor

- ❖ For queries on Annual Report: vijaycs@kcp.co.in
- ❖ For other queries: investor@kcp.co.in

Place: Chennai

(V.L. DUTT)

Date: 18<sup>th</sup> May, 2015 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, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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: 18<sup>th</sup> May 2015

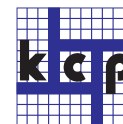
T. V. RAMANA  
Partner  
(ICAI MEMB.NO.200523)

## Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

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 confirmed the compliance to the Code of Conduct of the Company during the year ended 31-03-2015.

Place: Chennai  
Date: 18<sup>th</sup> May, 2015

**V.L. DUTT**  
Chairman and Managing Director



## 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 31<sup>st</sup> March, 2015 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, we have not come across any reportable deficiencies in the design or operation of such internal controls.
- 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.

Place: Chennai  
Date: 18<sup>th</sup> May, 2015

**V.L. Dutt**  
Chairman and Managing Director

**M.R. Ramachandran**  
Chief Financial Officer

# Independent Auditors' Report

To the members of The KCP Limited, Chennai

## Report on Standalone Financial Statements:

We have audited the accompanying standalone financial statements of **The KCP Limited**, Chennai, which comprise the Balance sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Companies Act, the accounting and auditing standards and matters which are required to be included in the audit report under

the provisions of the Companies Act and the Rules made thereunder.

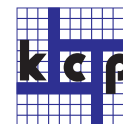
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
  - f) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
    - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts and did not have derivative contracts – Refer Note 48 to the financial statements;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd No 000513S

Place: Chennai

Date: 18th May, 2015

**T. V. Ramana**  
Partner  
(ICAI Memb. No. 200523)



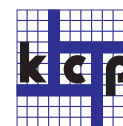
## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Annexure to the Independent Auditor's Report:

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE KCP LIMITED, CHENNAI for the year ended 31 March 2015. We report that :

- 1.1 The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- 2.1 The inventory has been physically verified by the management at reasonable intervals during the year under report. 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 On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
- 3.1 The company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Therefore the provisions of clause 3(iii), (iii)a, and (iii) (b) of the said order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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. In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
6. We have broadly reviewed the books of account and records maintained by the company at its cement, engineering and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
  - 7.1 According to the information and explanations given to us and the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it.
 

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.
  - 7.2 According to the information and explanations given to us, there were no amounts of Sales Tax, duty of



Customs, duty of Excise, 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	Name of the statute	Period	Amount in Rs	Forum where the dispute is pending
1	Excise duty and related demands	The Central Excise Act, 1944	1996-2013	33,73,07,556	At various Appellate forums
2	Sales tax and related demands	The AP Sales Tax Act, 1957	1996-01	80,99,276	Hon'ble AP High Court
3	Sales tax and related demands	The UP Sales Tax Act, 1948	1988	19,97,469	Hon'ble Allahabad High Court
4.	Forest Permit Charges	A.P. Forest Produce transit Rules 1970	2010-15	2,09,57,218	Hon'ble AP High Court
5	Royalty	MMDR Act,1957	1986-87	93,056	ADMG - Guntur
6	Net Present Value of Safety Zone Area	The Forest Conservation Act,1980	2014-15	17,87,100	DFO - Guntur
7.	Income Tax	The Income Tax Act 1961	2011-12	11,32,117	CIT (Appeals)

- 7.3 According to the information and explanations given to us, amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules there under has been transferred to such fund within time.
8. The company 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.
9. According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
10. In our opinion, and according to the information and the explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year under report.
11. In our opinion, and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
12. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted audited practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd No 000513S

Place: Chennai

Date: 18th May, 2015

**T. V. Ramana**  
Partner  
(ICAI Memb. No. 200523)

**BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Notes	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	12,89,21,160	20,89,21,160
Reserves and Surplus	4	345,92,48,692	342,49,50,092
		<b>358,81,69,852</b>	363,38,71,252
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	318,28,80,157	312,51,85,307
Trade Payables	6.1	1,57,44,519	1,08,04,691
Deferred Tax Liability (Net)	7	65,97,85,544	57,63,48,048
Other Long-Term Liabilities	6.2	37,23,99,056	31,01,38,506
Long-term Provisions	8.1	4,24,51,813	3,96,94,130
		<b>427,32,61,089</b>	406,21,70,682
<b>Current Liabilities</b>			
Short-term Borrowings	9	41,52,13,181	89,14,43,427
Trade Payables	10.1	47,62,04,348	57,03,61,169
Other Current Liabilities	10.2	157,26,01,219	114,96,61,757
Short term Provisions	8.2	19,07,64,279	3,22,44,362
		<b>265,47,83,027</b>	264,37,10,716
<b>TOTAL</b>		<b>1051,62,13,968</b>	1033,97,52,649
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	591,90,40,148	513,89,36,787
Intangible Assets	12	47,07,055	23,89,272
Capital Work in Progress		102,48,70,413	150,39,35,637
Non-current Investments	13	28,90,50,808	28,89,81,241
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	14.1	51,41,67,332	50,61,88,672
Trade Receivables	15.1	56,02,414	1,53,92,554
Other Non-Current Assets	15.2	5,23,239	82,56,931
		<b>775,79,61,409</b>	746,40,81,093
<b>Current Assets</b>			
Current Investments	16	-	-
Inventories	17	147,91,15,863	123,52,72,427
Trade Receivables	15.1	15,95,87,848	45,18,29,448
Cash and Bank Balances	18	32,81,44,247	19,72,28,488
Short term Loans and Advances	14.2	71,30,40,648	91,55,94,466
Other Current Assets	15.2	7,83,63,953	7,57,46,726
		<b>275,82,52,559</b>	287,56,71,555
<b>TOTAL</b>		<b>1051,62,13,968</b>	1033,97,52,649
<b>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>			
The accompanying notes are an integral part of the Financial Statements.			
	2		

(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)

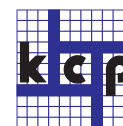
**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**M.R. RAMACHANDRAN**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 18th May, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Notes	This Year	Previous Year
		Rs.	Rs.
<b>Income</b>			
Revenue from operations (Gross)	19	696,68,65,153	737,72,76,795
Less: Excise duty		89,45,89,248	100,37,94,440
Revenue from operations (Net)		607,22,75,905	637,34,82,355
Other Income	20	12,24,43,452	19,50,13,883
<b>Total Revenue (I)</b>		<b>619,47,19,358</b>	<b>656,84,96,238</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	21	136,77,42,624	132,64,88,493
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	22	(13,22,81,533)	14,43,81,411
Employee Benefits expense	23	52,58,23,660	52,49,54,032
Finance Costs	24	48,86,40,821	44,94,65,305
Depreciation and amortization expense	25	34,30,68,242	34,09,19,918
Other expenses	26	334,46,86,999	377,02,55,588
<b>Total Expenses (II)</b>		<b>593,76,80,813</b>	<b>655,64,64,747</b>
<b>Profit/(Loss) before Exceptional &amp; Extraordinary items and tax [(I) - (II)]</b>		<b>25,70,38,545</b>	<b>1,20,31,491</b>
Less : Exceptional Items (Net)		(1,24,37,418)	
<b>Profit/(Loss) before Extraordinary items and tax</b>		<b>24,46,01,127</b>	<b>1,20,31,491</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before tax</b>		<b>24,46,01,127</b>	<b>1,20,31,491</b>
Add : Income Tax Refund		-	12,39,576
Less : Tax expenses			
Short / (Excess) provision of Income Tax of Eariler Years		(71,74,636)	-
Current tax		5,28,36,876	27,50,000
Deferred tax		8,34,37,497	4,94,064
Add: MAT credit entitlement		4,86,66,348	27,37,726
<b>Total tax expense</b>		<b>8,04,33,389</b>	<b>(7,33,238)</b>
<b>Profit/(Loss) for the year from continuing operations (A)</b>		<b>16,41,67,738</b>	<b>1,27,64,729</b>
<b>Profit / (Loss) from discontinuing operations</b>		<b>(83,46,207)</b>	<b>-</b>
Less : Tax expense of discontinuing operations		(28,36,876)	-
<b>Profit / (Loss) from discontinuing operations (after tax) (B)</b>		<b>(55,09,331)</b>	<b>-</b>
<b>Profit / (Loss) for the year (A) + (B)</b>		<b>15,86,58,407</b>	<b>1,27,64,729</b>
<b>Earnings per equity share [nominal value of share Re.1 /-]</b>		<b>1.17</b>	<b>(0.04)</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year		1.17	(0.04)
<b>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		
The accompanying notes are an integral part of the Financial Statements.			

(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: 18th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	31-03-2015 Rs.	31-03-2014 Rs.
<b>(A) Cash flow from operating activities</b>		
Profit before tax from continuing operations	24,46,01,127	1,20,31,491
Profit before tax from discontinuing operations	(83,46,207)	-
<b>Profit before tax</b>	<b>23,62,54,920</b>	<b>1,20,31,491</b>
<b>Adjustments for :</b>		
Depreciation/amortization on continuing operation	34,30,68,242	34,09,19,918
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	5,63,496	2,14,347
Loss/[profit] on sale of fixed assets	1,43,94,898	(15,05,791)
Unrealised foreign exchange loss	(10,88,576)	23,73,412
Interest expense	48,86,40,821	44,94,65,305
Interest income	(2,94,92,403)	(4,96,04,280)
Dividend income	(6,67,00,055)	(15,05,03,697)
<b>Operating profit before working capital changes</b>	<b>98,56,41,342</b>	<b>60,33,90,706</b>
Movements in working capital:		
<b>Adjustments for Increase / (Decrease) in operating liabilities :</b>		
Increase/[decrease] in trade payables	(8,92,16,994)	3,20,92,481
Increase/[decrease] in Long term provisions	27,57,683	32,26,727
Increase/[decrease] in short-term provisions	1,34,55,392	(17,30,45,824)
Increase/[decrease] in current liabilities	8,15,25,704	(4,90,73,498)
Increase/[decrease] in other long-term liabilities	6,22,60,550	20,02,644
<b>Adjustments for Decrease / (Increases) in operating assets :</b>		
Decrease/[increase] in trade receivables	30,20,31,739	2,65,90,847
Decrease/[increase] in inventories	(24,38,43,436)	10,99,040
Decrease/[increase] in loans and advances	(2,14,40,133)	3,75,23,716
Decrease/[increase] in short-term loans and advances	25,78,84,619	(25,77,38,073)
Decrease/[increase] in other current assets	(26,17,226)	6,23,54,531
Decrease/[increase] in other non-current assets	77,33,692	(37,50,931)
<b>Cash generated from/[used in] operations</b>	<b>135,61,72,933</b>	<b>28,46,72,366</b>
Direct taxes paid [net of refunds]	5,77,25,994	5,73,18,928
Foreign exchange difference	10,88,576	(23,73,412)
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>129,95,35,515</b>	<b>22,49,80,026</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(64,70,62,277)	(1,02,42,70,668)
Proceeds from sale of fixed assets	2,89,69,130	18,68,757
Purchase of non-current investments	(69,567)	-
Purchase of current investments	-	-
Interest received	2,94,92,403	4,61,73,581
Dividends received from subsidiary company	6,67,00,055	15,05,03,697
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>(52,19,70,255)</b>	<b>(82,57,24,633)</b>
<b>(C) Cash flows from financing activities</b>		
Proceeds from long term Borrowings	95,08,92,850	1,39,25,26,968
Repayment of long term Borrowings	(52,61,26,000)	(29,04,00,000)
Proceeds from short term borrowings	-	-
Repayment of short term borrowings	(47,62,30,246)	(29,54,25,752)
Repayment of preference capital	(8,00,00,000)	(7,00,00,000)
Interest paid	(48,86,40,821)	(44,94,65,305)
Dividends paid	(2,24,92,116)	(1,24,27,397)
Tax on dividend paid	(40,53,165)	(26,53,043)
<b>Net cash flow from/[used in] in financing activities [C]</b>	<b>(64,66,49,498)</b>	<b>27,21,55,470</b>
<b>Net increase/[decrease] in cash and Bank Balances (A+B+C)</b>	<b>13,09,15,761</b>	<b>(32,85,89,137)</b>
Cash and Bank Balances at the beginning of the year	19,72,28,488	52,58,17,624
<b>Cash and Bank Balances at the end of the year</b>	<b>32,81,44,247</b>	<b>19,72,28,488</b>
<b>Components of Cash and Bank Balances</b>		
Cash on hand	8,43,851	9,49,336
Cheques/Drafts on hand	1,83,67,260	2,01,33,790
With banks on current account	12,73,36,499	7,92,56,639
On deposit account	16,83,93,258	8,06,81,354
Unpaid dividend accounts	1,32,03,379	1,62,07,370
<b>Total Cash and Bank Balances (Note 18)</b>	<b>32,81,44,247</b>	<b>19,72,28,488</b>

(FOR AND ON BEHALF OF THE BOARD)

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Chairman and Managing Director

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Joint Managing Director

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Chief Financial Officer

Place: Chennai  
Date: 18th May, 2015

As per our report annexed  
for BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn No.000513S  
T.V. RAMANA  
Partner  
(ICAI Memb. No.200523)  
Y. VIJAYAKUMAR  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

#### 1. GENERAL

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 2013.

#### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 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 deducted from the Cost of such Fixed Assets capitalised.

##### 2.2 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.

##### 2.3. 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.

##### 2.4. 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.

##### 2.5. 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) The revenue from sale of Renewable Energy credit is recognised on delivery thereof or sale of right therein, as the case may be, in terms of the contract with the respective buyers.
- (e) The revenue from sale of thermal power is recognised based on actual billing to the State Boards at the end of each billing cycle.
- (f) Dividend income is accounted as and when the right to receive arises.
- (g) Other income – Revenue in respect of other incomes are recognised when there is a reasonable certainty as to its realisation.



## 2.6. 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

## 2.7. ACCOUNTING FOR DERIVATIVES

The company uses derivative instruments to hedge its exposure to movements in foreign exchange rates. 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.

## 2.8. 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.

## 2.9. DEPRECIATION

Depreciation is provided in accordance with the useful life and rules prescribed under Schedule II to the Companies Act, 2013, 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.

## 2.10. 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.

### 2.11. 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.

### 2.12. 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.

### 2.13. BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. 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.

### 2.14. 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.

### 2.15 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.

### 2.16. 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.

### 2.17. 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.

### 2.18. 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.

### 2.19 GOVERNMENT GRANTS

- (i) Grants from government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will complied with.
- (ii) Government grants relating to Specific fixed assets is shown as deduction from the gross value of the asset concerned in arriving at its book value.
- (iii) Grants related to revenue items are presented under general heading such as "Other Operating Revenue" or they are deducted in reporting the related expense.

**3) SHARE CAPITAL**

PARTICULARS	AS AT 31st March, 2015 Rs.	AS AT 31st March, 2014 Rs.
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2014 : 35,00,00,000) Equity shares of Rs.1/- each	<b>35,00,00,000</b>	35,00,00,000
2,00,00,000(31 March 2014 : 2,00,00,000) Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>55,00,00,000</b>	55,00,00,000
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2014 : 12,89,77,480) Equity shares of Rs.1/- each	<b>12,89,77,480</b>	12,89,77,480
2,00,00,000 (31 March 2014 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>32,89,77,480</b>	32,89,77,480
<b>Subscribed and paid-up :</b>		
12,89,21,160 (31 March 2014 :12,89,21,160) Equity shares of Rs.1/- each	<b>12,89,21,160</b>	12,89,21,160
NIL (31 March 2014 : 80,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each		- 8,00,00,000
<b>Total issued, subscribed and paid-up capital</b>	<b>12,89,21,160</b>	20,89,21,160

**3.1) Details of shareholders holding more than 5% share in the company:**

- M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Re.1/- each fully paid - 30.22%(30.22%)
- M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) equity shares of Re.1/- each fully paid- 7.43% (7.43%)
- SBI Emerging Business Fund 92,93,792 (84,38,792) equity shares of Re.1/- each fully paid up 7.21%(6.55%)
- M/s. Tata Capital Financial Services Ltd. - NIL (80,00,000) Preference shares of Rs. 10/- each fully paid - NIL (100%).

**3.2) The reconciliation of the Opening and Closing balance of the Subscribed and Paid-up equity & Preference shares of the company is set out below:**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Equity Share Capital at the beginning of the Year	<b>12,89,21,160</b>	12,89,21,160
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	<b>8,00,00,000</b>	15,00,00,000
<b>Less:</b> 80,00,000 12% Redeemable cumulative Non-convertible Preference shares of Rs 10 each redeemed during the year (70,00,000 shares in previous year)	<b>8,00,00,000</b>	7,00,00,000
Issued, Subscribed and Fully paid up capital at the end of the year	<b>12,89,21,160</b>	20,89,21,160

**3.3) 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:**

- In the third year Rs. 5,00,00,000
- In the fourth year Rs. 7,00,00,000
- In the fifth year Rs. 8,00,00,000

During the year the company has redeemed 80,00,000 12% Redeemable Cumulative, Non Convertible Preference shares of Rs.10 each along with accrued dividend till the date of redemption.

#### 4) RESERVES AND SURPLUS

PARTICULARS	AS AT 31st March, 2015 Rs.	AS AT 31st March, 2014 Rs.
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per Last Financial Statements	20,00,00,000	12,00,00,000
<b>Add:</b> Amount Transferred from Surplus Balance in Statement of Profit and Loss	-	8,00,00,000
	<b>20,00,00,000</b>	20,00,00,000
Capital Reserve 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
<b>Total Capital Reserve</b>	<b>24,33,74,169</b>	24,33,74,169
<b>General Reserve</b>		
Balance as per the last Financial Statements	274,50,00,000	274,50,00,000
<b>Add:</b> Amount transferred from Surplus Balance in the Statement of Profit and Loss	-	-
<b>Closing Balance</b>	<b>274,50,00,000</b>	274,50,00,000
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	43,65,75,923	53,74,51,920
Profit for the year	15,86,58,407	1,27,64,729
	<b>59,52,34,329</b>	55,02,16,649
<b>Less : Appropriations</b>		
Proposed Final Equity Dividend (Amount per share Rs. 0.75) (Previous year Rs.0.10))	9,66,90,870	1,28,92,116
Interim Dividend Paid	-	-
Dividend on 12% Redeemable, Cumulative Non convertible Preference Shares	66,27,945	1,53,99,452
Tax on Distributed Profits	2,10,40,991	53,49,158
Transfer to Capital Redemption Reserve	-	8,00,00,000
Transfer to General Reserve	-	-
Total Appropriations	<b>12,43,59,806</b>	11,36,40,726
<b>Net Surplus in Statement of Profit and Loss</b>	<b>47,08,74,523</b>	43,65,75,923
<b>Total Reserves and Surplus taken to Balance Sheet</b>	<b>345,92,48,692</b>	342,49,50,092

**5) LONG TERM BORROWINGS:**

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Term Loans - Secured</b>				
Rupee loan from banks - Cement Plant Muktyala	<b>53,46,29,822</b>	82,50,29,822	<b>29,04,00,000</b>	29,04,00,000
Rupee loan from bank - Hotel Project	<b>46,29,82,552</b>	34,48,82,552	<b>8,56,00,000</b>	-
Rupee loan from banks - Cement Plant- Macherla	<b>9,81,33,173</b>	12,81,33,173	<b>3,00,00,000</b>	1,50,00,000
Rupee loan from bank - Captive Power Plant- Muktyala	<b>59,69,93,260</b>	57,90,30,760	<b>9,96,00,000</b>	2,49,00,000
Rupee loan from banks - Corporate	<b>102,00,00,000</b>	68,00,00,000	<b>6,00,00,000</b>	-
	<b>271,27,38,807</b>	255,70,76,307	<b>56,56,00,000</b>	33,03,00,000
<b>Other Loans and advances:</b>				
Deposits (unsecured)				
From Directors	<b>45,03,000</b>	31,53,000	-	3,50,000
From Others	<b>46,56,38,350</b>	56,49,56,000	<b>32,75,98,000</b>	19,54,76,000
<b>Total</b>	<b>47,01,41,350</b>	56,81,09,000	<b>32,75,98,000</b>	19,58,26,000
	<b>318,28,80,157</b>	312,51,85,307	<b>89,31,98,000</b>	52,61,26,000

**The above amount includes**

<b>5.1) Secured Borrowings</b>	<b>271,27,38,807</b>	255,70,76,307	<b>56,56,00,000</b>	33,03,00,000
<b>5.2) Unsecured Borrowings</b>	<b>47,01,41,350</b>	56,81,09,000	<b>32,75,98,000</b>	19,58,26,000
<b>5.3) Amount disclosed under the head "Other Current Liabilities" (Note 10)</b>	-	-	<b>89,31,98,000</b>	52,61,26,000
	<b>318,28,80,157</b>	312,51,85,307		

- 5.4) a)** Term loans from banks for Cement plant at Muktyala are Secured by Paripassu First Charge on the Fixed Assets, paripassu Second charge on the current assets and charge on the leasehold rights of the leased Lands of the Muktyala Cement Division. The rate of interest of the abovesaid loan ranges between Base Rate plus margin 2%to 3%.
- b) The Long Term loans obtained for Cement Plant at Muktyala are repayable in 28 Quarterly Installments of Rs. 7.26 crores each with effect from 30th June 2011.
- 5.5) a)** Term loan obtained for Hotel project at Hyderabad is secured by First charge on the land, building and other assets of the company at Somajiguda Hyderabad. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) The long term loan obtained for Hotel project is repayable in 28 quarterly instalments of Rs. 1.61 crores with last instalment being Rs. 1.53 crores with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period.
- c) Additional Term loan of Rs.14.73 crores obtained for Hotel Project is repayable in 28 quarterly instalments of Rs.0.53 crores after holiday period of 18 months. First instalment of both the loans for Hotel Project falls due in June 2015.

- 5.6)** a) Term Loan obtained for the Captive Power Plant Muktyala is secured by the First Charge on the fixed Assets of the Captive Power Plant Muktyala. The rate of interest of the abovesaid loan is Base Rate plus margin 1.75%.
- b) The long Terms loans obtained Captive Power Plant Muktyala are repayable in 32 Quarterly Instalments of Rs 2.49 crores with the last instalment being Rs 2.45 crores each with an initial moratorium peroid of two years from the date of first disbursement. First instalment was paid in March'2015.
- 5.7)** a) Term Loan obtained for the Cement Plant Macherla is secured by the First Charge on the fixed Assets (both present and proposed out of the loan) and second charge on the current assets of the Cement Division at Macherla. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) The Long Term loan obtained for Cement Plant at Macherla is repayable in 28 Quarterly Installments of Rs 0.75 crores each with an initial moratorium peroid of two years from the date of first disbursement. Repayments started from November 2014.
- 5.8)** a) Term Loan of Rs.12 crores obtained for working capital and business operations is secured by Equitable Mortgage on properties at Visakhapatnam and Hyderabad. The rate of interest of this loan is Base Rate plus margin 2%.
- b) This loan is repayable in 4 equal half yearly instalments of Rs. 3 crores after 1 year moratorium.
- 5.9)** a) Term Loan of Rs.56 crores obtained for shoring up working capital is secured by Exclusive charge on land near Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) This loan is repayable in 20 quarterly instalments of Rs.2.80 crores after 2 years moratorium.
- 5.10)** a) Term Loan of Rs.40 crores obtained for shoring up working capital is secured by Exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2.25%
- b) This loan is repayable in 20 quarterly instalments of Rs.2 crores after 2 years moratorium. First instalment falls due in May 2017.

**5.11) Details of deposits held by Directors of the company**

	As on 31.03.2015 (Rs.)	As on 31.03.2014 (Rs.)
a) Dr. V. L. Dutt	33,50,000	33,50,000
b) Smt. Kavitha D. Chitturi	11,53,000	1,53,000



**6) OTHER LONG TERM LIABILITIES:**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>6.1) Trade payables</b>	<b>1,57,44,519</b>	1,08,04,691
<b>Total</b>	<b>1,57,44,519</b>	1,08,04,691
<b>6.2) Others</b>		
Outstanding Liabilities for Expenses	<b>10,34,56,170</b>	3,65,87,042
Retention Money Payable - Projects	<b>1,50,50,000</b>	85,03,911
Trade Deposits	<b>22,53,67,100</b>	23,13,27,864
Deposits Payable-Contractors	<b>1,41,90,000</b>	1,62,90,000
Interest accrued but not due	<b>1,43,35,786</b>	1,74,29,689
<b>Total</b>	<b>37,23,99,056</b>	31,01,38,506

**7) DEFERRED TAX LIABILITY (NET)**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>Deferred Tax Liability:</b>		
Fixed assets:Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	<b>84,66,06,890</b>	67,40,83,428
<b>Gross Deferred Tax liability (A)</b>	<b>84,66,06,890</b>	67,40,83,428
<b>Deferred Tax asset:</b>		
Disallowance under Sec.43B	<b>4,09,07,487</b>	1,48,29,684
Unabsorbed Loss	<b>14,59,13,859</b>	8,29,05,696
<b>Gross Deferred Tax Asset (B)</b>	<b>18,68,21,346</b>	9,77,35,380
<b>Net Deferred Tax Liability (A) - (B)</b>	<b>65,97,85,544</b>	57,63,48,048

## 8) PROVISIONS

PARTICULARS	8.1 - Long Term		8.2 - Short Term	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Provision for employee benefits:</b>				
Provision for Gratuity	-	-	-	17,79,799
Provision for Leave Benefits	<b>4,24,51,813</b>	3,96,94,130	<b>16,77,285</b>	25,48,875
	<b>4,24,51,813</b>	3,96,94,130	<b>16,77,285</b>	43,28,674
<b>Other Provisions:</b>				
Provision for Wealth tax	-	-	<b>19,81,186</b>	21,15,003
Provision for Income tax	-	-	<b>5,44,90,399</b>	72,40,399
Proposed Equity Dividend	-	-	<b>9,66,90,870</b>	1,28,92,116
Provision for tax on Distributed Profits	-	-	<b>1,96,83,941</b>	21,91,015
Proposed preference dividend	-	-	-	29,72,055
Provision for tax on proposed preference dividend	-	-	-	5,05,100
Provision for National/State Mineral Fund	-	-	<b>1,62,40,598</b>	-
	-	-	<b>18,90,86,994</b>	2,79,15,688
<b>Total</b>	<b>4,24,51,813</b>	3,96,94,130	<b>19,07,64,279</b>	3,22,44,362

## 9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Cash credit from Banks		
: Secured	<b>16,02,13,181</b>	61,29,43,427
Loan Repayable on Demand (Unsecured)		
:from Directors	<b>20,50,00,000</b>	21,70,00,000
Inter-corporate Deposits repayable on demand	<b>5,00,00,000</b>	6,15,00,000
	<b>41,52,13,181</b>	89,14,43,427
<b>The above amount includes</b>		
Secured Borrowings	<b>16,02,13,181</b>	61,29,43,427
Unsecured Borrowings	<b>25,50,00,000</b>	27,85,00,000

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>9.1) i)</b> Cash Credit 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. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>4,56,53,288</b>	19,31,62,742
ii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Macherla Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>5,38,95,913</b>	21,16,21,210
iii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Muktyala Cement division The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>6,06,63,981</b>	20,81,59,476
	<b>16,02,13,181</b>	61,29,43,427
<b>9.2) Demand loans obtained from Directors</b>		
a) Dr. V.L. Dutt	<b>13,00,00,000</b>	13,00,00,000
b) Smt. V. L. Indira Dutt	<b>4,70,00,000</b>	5,30,00,000
c) Smt. Kavitha Dutt Chitturi	<b>2,80,00,000</b>	3,40,00,000
	<b>20,50,00,000</b>	21,70,00,000
The above demand loans carry interest at the rate of 10%		
<b>9.3) Details of Inter-corporate loan</b>		
Inter Corporate loan obtained from V. Ramakrishna Sons Pvt Limited and carries interest at the rate of 10%	<b>5,00,00,000</b>	6,15,00,000
	<b>5,00,00,000</b>	6,15,00,000

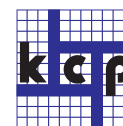
## 10) OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>10.1) Trade payables</b>		
(includes Rs. 1254994/- (Rs 1023406/-) due to Joint Managing Director and Rs.109730/- (Nil) due to Executive Director)	<b>47,62,04,348</b>	57,03,61,169
	<b>47,62,04,348</b>	57,03,61,169
<b>10.2) Other Liabilities:</b>		
Current maturities of long term borrowings (Note No. 5.3)	<b>89,31,98,000</b>	52,61,26,000
Interest accrued but not due on borrowings	<b>2,74,66,394</b>	90,82,631
Interest accrued and due on borrowings	<b>2,17,54,685</b>	1,75,36,388
Advances from customers	<b>31,74,95,463</b>	26,78,17,868
Unpaid dividend	<b>1,32,03,379</b>	1,62,07,370
<b>Others</b>	-	-
Accrued Salaries and Benefits	<b>2,32,92,741</b>	2,36,89,486
Directors Remuneration payable	<b>43,81,950</b>	-
Project Related payables	<b>10,54,12,168</b>	13,10,70,410
Statutory Dues	<b>12,75,29,406</b>	11,70,56,089
Others	<b>3,88,67,032</b>	4,10,75,515
	<b>157,26,01,219</b>	1,14,96,61,757
<b>Total</b>	<b>204,88,05,567</b>	172,00,22,927

11) TANGIBLE ASSETS and 12) INTANGIBLE ASSETS

S. No	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2014	Additions during the year	Deductions during the year	Cost upto 31-03-2015	Total Depreciation upto 31-03-2014	Depreciation For the Year	Depreciation On Deletions	Total Depreciation upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LANDS	187259079	82550320	1539950	288269449	0	0	0	0	288269449	187259079
2	(a) BUILDINGS	742042067	114676058	374605	856343520	142896099	20400725	268029	163028795	693314725	599145968
	(b) LEASE HOLD BUILDINGS	1547500	0	0	1547500	563686	23287	0	586973	960527	983814
3	ROADS	79087281	12168293	0	91255574	5671259	63280104	0	68951363	22304211	73416022
4	PLANT & MACHINERY	5998548986	867674932	74174392	6792049526	1956230382	205157520	34215805	2127172097	4664877429	4042318604
5	FURNITURE, FIXTURES	39633483	2877825	438573	42072735	21854613	2655921	388771	24121763	17950972	17778870
6	MOTOR VEHICLES	174178382	10247842	4145575	180280649	67878494	19748171	2048329	85578336	94702313	106299888
7	RAILWAY SIDING, LOCOMOTIVES, ROLLING STOCK ROLLING STOCKS	8139301	2543376	0	10682677	6632285	163232	0	6795517	3887160	1507016
8	ROPEWAY STRUCTURES	13611819	0	0	13611819	13224143	0	0	13224143	387676	387676
9	OFFICE EQUIPMENT	11396811	744749	45405	12096155	5541528	3253541	30933	8764136	3332019	5855283
10	COMPUTER & DATA PROCESSING UNITS	49969794	1762025	290719	51441100	29910475	11610243	276183	41244535	10196566	20059319
11	LABORATORY EQUIPMENT	10442793	588050	0	11030843	6363548	962619	0	7326167	3704676	4079245
12	ELECTRICAL INSTALLATION & EQUIPMENT	155309740	62066819	197183	217179376	75463737	15391091	50824	90804005	126375371	79846002
13	HYDRAULIC WORKS, PIPELINES & SLUICES	0	8916190	0	8916190	0	139137	0	139137	8777053	0
14	PATENTS	900000	0	0	900000	900000	0	0	900000	0	0
15	INTANGIBLE ASSETS	2462546	3478662	0	5941208	73274	1160879	0	1234153	4707055	2389272
	GRAND TOTAL	747,45,29,582	117,02,95,141	8,12,06,402	856,36,18,321	233,32,03,523	34,39,46,470	3,72,78,873	263,98,71,119	592,37,47,202	514,13,26,059
	PREVIOUS YEAR	709,64,05,731	47,54,20,643	9,72,96,792	747,45,29,582	202,90,52,991	34,34,52,583	3,93,02,051	233,32,03,523	514,13,26,059	506,73,52,740

Note: a) Depreciation for the year includes an amount of Rs. 496409/- capitalised during the year.  
 b) Depreciation during Trail Run Production of Captive Power Plant for an amount of Rs. 381821/- is transferred to Capital Work in Progress and credited to Accumulated depreciation.



### 13) NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
<b>Investment in Subsidiary:</b>		
103,23,340 (31 March 2014:103,23,340 ) Equity shares of US \$ 1/- each, fully paid up in K.C.P.Vietnam Industries Ltd., Vietnam.	<b>23,71,43,667</b>	23,71,43,667
<b>Investment in Joint Venture:</b>		
4,00,000 (31 March 2014: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	<b>40,00,000</b>	40,00,000
<b>Common Stock (unquoted):</b>		
1640 Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	<b>76,99,947</b>	76,99,947
<b>Preferred Shares (unquoted):</b>		
750 Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	<b>3,84,99,738</b>	3,84,99,738
<b>(A)</b>	<b>28,73,43,352</b>	28,73,43,352
<b>Non-Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Equity Instruments(quoted):</b>		
100 (31st March 2014: 100 ) equity shares of Rs.10/- each, fully paid up in Industrial Finance Corporation of India.	<b>3,500</b>	3,500
14240 (31st March 2014: 14240 ) equity shares of Rs.10/- each, fully paid up in Industrial Development Bank of India.	<b>11,57,000</b>	11,57,000
<b>Equity Shares (unquoted):</b>		
30 (31st March 2014: 30 ) equity shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd., (Written off to the extent of Rs. 299/-)	<b>1</b>	1
100000 (31st March 2014: 100000 ) equity shares of Rs. 10/- each fully paid up in Prudential Mouli Sugars Ltd., (Written off to the extent of Rs. 9,99,999/-)	<b>1</b>	1
<b>Other Investments - Unit Trust of India - Quoted:</b>		
25038.651 (31st March 2014 : 22565.409) UTI Balanced Fund Units of Rs.10/- each	<b>5,46,954</b>	4,77,387
<b>(B)</b>	<b>17,07,456</b>	16,37,889
<b>(A+B)</b>	<b>28,90,50,808</b>	28,89,81,241
<b>13.1) Aggregate amount of quoted Investments - Market Value</b>	<b>17,44,510</b>	15,04,410
Aggregate amount of quoted Investments - Book Value	<b>17,07,456</b>	16,37,889
<b>13.2) Aggregate amount of unquoted Investments</b>	<b>28,73,43,352</b>	28,73,43,352
<b>13.3) Aggregate provision for diminution in value of Investments</b>	<b>NIL</b>	NIL



## 14) LOANS AND ADVANCES

PARTICULARS	14.1 - Non-current		14.2 - Current	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Capital Advances</b>				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	11,72,82,267	18,62,29,918	-	-
<b>(A)</b>	11,72,82,267	18,62,29,918	-	-
<b>Security Deposit</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	9,55,63,660	8,90,24,420	-	26,056
Doubtful	-	-	-	-
	9,55,63,660	8,90,24,420	-	26,056
Provision for Doubtful security deposit	-	-	-	-
<b>(B)</b>	9,55,63,660	8,90,24,420	-	26,056
<b>Loans and advances to related parties</b>				
Unsecured, considered good	-	-	1,83,680	3,03,680
<b>(C)</b>	-	-	1,83,680	3,03,680
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	-	-	-	-
Provision for Doubtful advances	-	-	-	-
<b>(D)</b>	-	-	-	-
<b>Other Loans and Advances</b>				
MAT Credit	28,47,19,283	22,92,33,105	-	-
Advances to Trade Payables	-	-	4,85,89,561	9,14,84,174
Advance Income-tax/TDS (net of provision for taxation)	-	-	14,38,59,555	8,85,28,754
Prepaid expenses	25,95,162	17,01,229	2,11,06,300	2,29,31,350
Loans and Advance to employees	-	-	34,61,756	28,99,669
Due to Gratuity Trusts	-	-	99,09,174	78,18,428
Balances with statutory/ government authorities	1,40,06,960	-	47,28,57,357	70,16,02,355
Gratuity Planned Assets (Net)	-	-	1,29,81,575	-
Others	-	-	91,690	-
<b>(E)</b>	30,13,21,405	23,09,34,334	71,28,56,968	91,52,64,730
<b>Total [A+B+C+D+E]</b>	51,41,67,332	50,61,88,672	71,30,40,648	91,55,94,466

### 15) TRADE RECEIVABLE AND OTHER ASSETS

15.1) TRADE RECEIVABLES	Non-current		Current	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Secured, considered good	-	-	2,51,59,049	1,94,73,313
Unsecured, considered good	56,02,414	1,53,92,554	82,70,516	20,21,24,505
Doubtful	-	-	-	-
	56,02,414	1,53,92,554	3,34,29,565	22,15,97,818
Provision for Doubtful Receivables	-	-	-	-
(A)	56,02,414	1,53,92,554	3,34,29,565	22,15,97,818
<b>Other Receivables</b>				
Secured, considered good	-	-	6,00,24,989	4,88,37,166
Unsecured, considered good	-	-	6,61,33,294	18,13,94,464
Doubtful	-	-	-	-
	-	-	12,61,58,283	23,02,31,630
Provision for Doubtful Receivables	-	-	-	-
(B)	-	-	12,61,58,283	23,02,31,630
<b>Total [A+B]</b>	<b>56,02,414</b>	<b>1,53,92,554</b>	<b>15,95,87,848</b>	<b>45,18,29,448</b>

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current Bank balances	-	80,19,692	-	-
[A]	-	80,19,692	-	-
<b>Unamortized expenditure</b>	-	-	-	-
[B]	-	-	-	-
<b>Others</b>				
Interest accrued on fixed deposits	-	-	3,05,331	24,61,664
Interest accrued on other deposits	-	-	61,94,527	45,96,099
Dividend receivable on investment	-	-	6,32,89,991	64,080
Non trade receivables(interest)				
From - Joint Venture	-	-	82,54,107	6,83,84,036
- Others	-	-	3,19,997	2,40,847
Others -Earnest Money Deposit	5,23,239	2,37,239	-	-
[C]	5,23,239	2,37,239	7,83,63,953	7,57,46,726
<b>Total [A+B+C]</b>	<b>5,23,239</b>	<b>82,56,931</b>	<b>7,83,63,953</b>	<b>7,57,46,726</b>

**16) CURRENT INVESTMENTS**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
NIL	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17) INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Raw materials and components at Cost (includes in transit Rs. 9,13,025/-) (31 March 2014:Rs.13,12,568 /-)	<b>16,09,47,519</b>	7,95,64,729
Work-in-progress : At Cost	<b>57,57,05,759</b>	46,00,58,115
Finished goods : At Cost (Includes in transit Rs. 22,81,000/- ) (includes in transit for 31st March 2014 : Rs 2,78,212/-)	<b>11,67,58,191</b>	10,01,24,302
: At Estimated Realisable Value	-	-
Stores and spares at Cost (includes in transit Rs. 17,45,668/- ) (includes in transit for 31st March 2014 : Rs 5,04,546/-)	<b>62,57,04,394</b>	54,14,07,473
Capital Stores in transit	-	13,12,568
Assets held for Sale	-	5,28,05,240
<b>Total</b>	<b>147,91,15,863</b>	123,52,72,427

**18) CASH AND BANK BALANCES**

PARTICULARS	Non-current		Current	
	31st March 2015 Rs.	31st March 2014 Rs.	31st March 2015 Rs.	31st March 2014 Rs.
<b>Cash and Cash Equivalents :</b>				
Balances with Banks:				
On Current Accounts	-		<b>12,73,36,499</b>	7,92,56,638
Deposits with original maturity of less than 3 months	-		<b>4,21,53,322</b>	5,24,41,703
Cheques/drafts on hand	-		<b>1,83,67,260</b>	2,01,33,790
Unpaid matured deposits	-		<b>8,59,910</b>	38,14,251
Cash on hand	-		<b>8,43,851</b>	9,49,336
	-		<b>18,95,60,841</b>	15,65,95,718

**CASH AND BANK BALANCES (Continued)**

PARTICULARS	Non-current		Current	
	31st March 2015 Rs.	31st March 2014 Rs.	31st March 2015 Rs.	31st March 2014 Rs.
<b>Other Bank Balances :</b>				
Deposits with original maturity for more than 12 months	-	80,19,692	-	-
Earmarked balances with banks - Unclaimed dividends	-	-	<b>1,32,03,379</b>	1,62,07,370
Deposits with original maturity for more than 3 months but less than 12 months	-	-	<b>3,31,31,445</b>	40,90,850
Margin money deposit	-	-	<b>9,22,48,582</b>	2,03,34,550
	-	80,19,692	<b>13,85,83,406</b>	4,06,32,770
<b>Amount disclosed under Non-Current Assets-(note15.2)</b>	-	80,19,692	-	-
<b>Total</b>	-	-	<b>32,81,44,247</b>	19,72,28,488

**19) REVENUE FROM OPERATIONS**

PARTICULARS	This year Rs.	Previous year Rs.
<b>Revenue from operations</b>		
Sale of products:	<b>674,24,91,721</b>	711,59,59,692
Sale of services	<b>9,30,13,700</b>	10,32,10,144
<b>Other operating revenue</b>		
Scrap sales	<b>30,76,420</b>	49,46,154
Packing & Forwarding	<b>4,54,848</b>	15,76,391
VAT Incentives	<b>8,96,32,119</b>	9,72,47,962
Interest Income on - Bank deposits	<b>91,30,718</b>	1,63,51,027
Interest from customers on overdue	<b>1,34,09,232</b>	2,29,33,183
Others	<b>69,52,452</b>	1,03,20,070
Rent Recovery	<b>87,03,942</b>	47,32,172
<b>Revenue from operations (Gross)</b>	<b>696,68,65,153</b>	737,72,76,795
Less: Excise Duty	<b>89,45,89,248</b>	100,37,94,440
<b>Revenue from operations (Net)</b>	<b>607,22,75,905</b>	637,34,82,355

**20) OTHER INCOME**

PARTICULARS	This year Rs.	Previous year Rs.
<b>Dividend income on</b>		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	<b>6,26,26,372</b>	15,04,43,533
Investment in joint venture - Fives Cail KCP Ltd.,	<b>40,00,000</b>	-
Long-term investments	<b>73,683</b>	60,164
Net gain on sale of Assets	<b>12,978</b>	5,56,115
<b>Other Non-operating income*</b>	<b>5,57,30,420</b>	4,39,54,071
<b>Total</b>	<b>12,24,43,452</b>	19,50,13,883

Other Non Operating Income (*)	This year Rs.	Previous year Rs.
Unclaimed balance Credited Back	<b>81,48,746</b>	15,02,833
Excess Provision In Earlier Years Credited Back	<b>1,68,05,391</b>	2,75,31,867
Claims Received	<b>1,32,307</b>	18,37,588
Duty Drawback	<b>24,79,912</b>	20,49,495
Difference In Exchange-(Net)	<b>10,88,576</b>	(23,73,412)
Liquidated Damages Recovered From Suppliers	<b>26,20,494</b>	15,525
Miscellaneous Receipts	<b>1,67,68,546</b>	15,21,367
Misc.Scrap Sales	<b>76,86,448</b>	1,18,68,808
<b>Total</b>	<b>5,57,30,420</b>	4,39,54,071

## 21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This year Rs.	Previous year Rs.
Inventory at the beginning of the year	7,95,64,728	6,97,07,243
Add: Purchases	43,44,08,898	28,56,79,634
Add: Cost of Raw materials produced	101,47,16,515	105,06,66,341
	<b>152,86,90,142</b>	140,60,53,218
Less: Inventory at the end of the year	16,09,47,517	7,95,64,728
Cost of Raw material and components consumed	<b>136,77,42,624</b>	132,64,88,490

Details of Raw material and components consumed	This year Rs.	Previous year Rs.
<b>i) Cement Division</b>		
Limestone	87,49,04,055	89,06,02,240
Laterite	5,90,18,269	7,16,41,620
Fly Ash	6,91,88,792	7,53,09,339
Gypsum	14,77,45,140	13,18,86,475
Dolomite	8,11,890	71,90,926
Iron Ore	-	5,25,686
	<b>115,16,68,146</b>	117,71,56,287
<b>ii) Thermal Power Unit</b>		
Coal	8,75,82,935	
<b>iii) Engineering Unit</b>		
Iron and Steel, Nickel, Scrap and Equipments	12,84,91,543	14,93,32,207
<b>Total</b>	<b>136,77,42,624</b>	132,64,88,494



DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
<b>Raw materials and components</b>		
Limestone	6,55,51,989	5,42,34,516
Laterite	52,57,544	96,28,715
Fly Ash	5,82,229	4,90,765
Gypsum	2,82,95,524	1,43,98,843
Dolomite	-	8,11,890
Coal	5,97,62,727	-
Sand	3,07,363	-
Stone Crusher Dust	2,77,116	-
Iron and Steel,Nickel,Scrap and Equipments - In Transit	9,13,025	-
<b>Total</b>	<b>16,09,47,517</b>	<b>7,95,64,728</b>

**22) (INCREASE) / DECREASE IN INVENTORIES**

PARTICULARS	This year Rs.	Previous year Rs.	(Increase)/ Decrease Rs.
<b>Inventories at the end of the year</b>			<b>2014-15</b>
Work in progress	57,57,05,759	46,00,58,115	-11,56,47,644
Finished goods	11,67,58,191	10,01,24,302	-1,66,33,889
	<b>69,24,63,950</b>	<b>56,01,82,417</b>	<b>-13,22,81,533</b>
<b>Inventories at the beginning of the year</b>			<b>2013-14</b>
Work in progress	46,00,58,115	58,40,58,811	12,40,00,696
Finished goods	10,01,24,302	12,05,05,017	2,03,80,715
<b>Total</b>	<b>56,01,82,417</b>	<b>70,45,63,828</b>	<b>14,43,81,411</b>

DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
<b>Work-in-progress</b>		
Raw meal	-	-
Clinker	16,93,15,669	13,22,76,436
Engineering goods	40,63,90,090	32,77,81,679
<b>Total</b>	<b>57,57,05,759</b>	<b>46,00,58,115</b>
<b>Finished goods</b>		
Cement	6,87,54,561	6,70,43,359
Engineering	22,81,000	-
Power - Banked Units	4,57,22,630	3,30,80,943
<b>Total</b>	<b>11,67,58,191</b>	<b>10,01,24,302</b>

### 23) EMPLOYEE BENEFIT EXPENSES

PARTICULARS	This year Rs.	Previous year Rs.
Salaries, Wages and Bonus	<b>43,47,82,117</b>	42,55,85,881
Contribution to Provident Fund and other Funds	<b>4,18,28,075</b>	4,10,71,300
Gratuity Expenses	<b>93,361</b>	77,72,831
Staff Welfare Expenses	<b>4,91,20,107</b>	5,05,24,020
<b>Total</b>	<b>52,58,23,660</b>	52,49,54,032

### 24) FINANCE COSTS

PARTICULARS	This year Rs.	Previous year Rs.
Interest	<b>48,00,77,387</b>	44,34,41,997
Other Borrowing Costs	<b>85,63,433</b>	60,23,308
<b>Total</b>	<b>48,86,40,821</b>	44,94,65,305

### 25) DEPRECIATION AND AMORTIZATION EXPENSES

PARTICULARS	This year Rs.	Previous year Rs.
Depreciation of Tangible Assets	<b>34,19,07,363</b>	34,08,46,644
Amortization of intangible assets	<b>11,60,879</b>	73,274
<b>Total</b>	<b>34,30,68,242</b>	34,09,19,918

**26) OTHER EXPENSES**

PARTICULARS	This year Rs.	Previous year Rs.
Consumption of stores and spares	<b>38,63,96,978</b>	49,33,49,134
Consumption of loose tools	<b>1,23,05,951</b>	1,35,31,281
Sub-contracting expenses	<b>9,93,56,915</b>	8,97,05,942
Power and fuel	171,88,70,572	
Less : Self Consumption of Power Generated Internally	<u>(28,14,77,303)</u>	
	<b>143,73,93,269</b>	165,14,05,129
Wheeling/Banking Charges	<b>99,95,902</b>	1,26,86,994
Freight and forwarding charges	<b>88,21,88,738</b>	108,13,69,390
Rent	<b>1,40,93,595</b>	2,22,02,348
Rates and taxes	<b>8,38,09,887</b>	2,40,54,150
Insurance	<b>70,29,941</b>	78,92,815
<b>Repairs and maintenance</b>		
To Plant&Machinery	<b>9,07,56,117</b>	10,07,85,273
Buildings	<b>2,50,05,798</b>	3,18,15,448
Other Assets	<b>1,94,72,037</b>	1,92,39,962
Advertising and sales promotion	<b>5,38,28,379</b>	3,06,48,024
Sales commission	<b>74,23,747</b>	1,31,83,149
Travelling and conveyance	<b>1,95,15,856</b>	2,20,70,177
Communication costs	<b>95,37,712</b>	98,38,706
Printing & Stationery	<b>75,36,394</b>	76,76,388
Legal and professional fees	<b>3,00,85,478</b>	2,60,98,337
Directors' sitting fees	<b>10,60,000</b>	10,00,000
Cement Cess	<b>10,36,274</b>	11,63,911
Payment to auditors (Refer details below)	<b>32,78,338</b>	34,01,809
Bad debts/advances written off	<b>4,93,181</b>	4,11,495
Assets Written Off	<b>5,63,496</b>	2,14,347
Stores written off	-	6,77,076
Loss on sale of fixed assets (net)	<b>19,70,458</b>	20,61,905
Loss on sale of Stores & Spares	<b>72,43,164</b>	-
Performance and Delivery Guarantee Claims	<b>1,85,62,847</b>	1,82,99,922
(Increase)/decrease of excise duty on inventory	<b>37,52,119</b>	(33,31,458)
Miscellaneous expenses	<b>10,32,82,550</b>	8,88,03,935
Corporate Social Responsibility Activities	<b>77,11,880</b>	-
	<b>334,46,86,999</b>	377,02,55,588

## PAYMENT TO AUDITORS

PARTICULARS	This year Rs.	Previous year Rs.
<b>As Auditor:</b>		
Audit Fee	14,00,000	14,00,000
Tax Audit Fee	3,50,000	3,50,000
Certification and Other fees	7,41,797	8,99,926
<b>In other Capacity:</b>		
Trust Audit fee	25,000	25,000
Service tax	3,417	19,158
Fees for Cost Auditor	5,14,450	5,10,000
Reimbursement of expenses	2,43,674	1,97,725
<b>Total</b>	<b>32,78,338</b>	<b>34,01,809</b>

## 27) CONTINGENT LIABILITIES

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>A. Claims against the Company / Disputed liabilities not acknowledged</b>		
a) In respect of Statutory levies	37,03,06,161	34,56,64,446
b) In respect of Contractual levies	68,27,068	19,05,791
c) In respect of others	17,15,05,615	17,25,61,985
<b>B. Guarantees</b>		
a) Guarantees to Banks and Financial Institutions	13,44,98,429	9,15,23,586
b) Performance Bank Guarantees	3,90,37,724	3,18,54,709
<b>C. Other Commitments</b>		
a) Derivative Commitments	-	-
b) Foreign Currency Exposure that are not hedged by derivative Instruments		
i) Export Receivables	1,71,66,845	73,28,538
ii) Import creditors Payable	5,86,702	-

**D.** The Income Tax Assessments of the company have been completed upto Assessment year 2012-13. The disputed demand outstanding for the Assessment year 2012-13 is Rs. 11,32,117/-

## 28) COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,28,22,644	59,05,74,562
b) Uncalled liability on Shares and Other Investments Partly paid	-	-
c) Other commitments - Sales contracts	76,97,37,565	87,07,02,083
- Export Obligation under EPCG Scheme	1,91,85,072	-

**29) Exceptional Item Comprises of the following :**

Loss on sale of Fixed Asset	<b>1,24,37,418</b>	-
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**30) Fixed Assets:** Lands include 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-E 1, dated 23-10-2002 in favour of company.

**31) VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

PARTICULARS	This year Rs.	Previous year Rs.
a) Raw Materials and Stock-in-Trade	<b>12,61,91,756</b>	30,53,002
b) Components, Spares parts and Consumables	<b>82,60,31,517</b>	88,43,55,962
c) Tools	<b>1,28,888</b>	5,90,109
d) Capital goods	<b>4,11,43,870</b>	85,60,422

**32) Comparison between Consumption of imported and indigenous Raw Materials, Spare parts and components during the Financial Year:**

PARTICULARS	This year Rs.	This year (%)	Previous year Rs.	Previous year (%)
<b>a) Raw materials</b>				
(i) Imported	<b>14,29,06,612</b>	10.45	<b>11,10,494</b>	0.08
(ii) Indigenous	<b>122,48,36,012</b>	89.55	<b>132,53,77,999</b>	99.92
	<b>136,77,42,623</b>		<b>132,64,88,493</b>	
<b>b) Spare parts and components (debited to respective heads)</b>				
(i) Imported	<b>99,41,64,366</b>	73.79	<b>110,11,44,145</b>	54.99
(ii) Indigenous	<b>35,30,93,378</b>	26.21	<b>46,83,94,617</b>	45.01
	<b>134,72,57,744</b>		<b>156,95,38,762</b>	

**33) MATERIAL CONSUMED - COST OF RAW MATERIALS PRODUCED (LIMESTONE FOR CEMENT) INCLUDES :**

Particulars	This year Rs.	Previous year Rs.
a) Salaries, Wages & Bonus	2,45,18,308	2,27,56,824
b) Contribution to P.F. & Other Funds	21,88,662	23,52,004
c) Workmen & Staff welfare expenses	41,36,313	22,71,149
d) Power & Fuel consumed	1,50,60,323	1,41,29,804
e) Stores & Spares consumed	1,46,90,678	1,72,15,285
f) Royalty	15,37,46,067	12,67,94,514
g) Taxes & Licences	28,09,631	28,80,342
h) Repairs to Building & Roads	9,15,525	6,30,054
i) Repairs to Machinery	98,35,729	1,20,33,174
j) Repairs to Other Assets	2,10,127	15,63,539
k) Insurance	3,23,460	2,93,236
l) Lime Stone Freight	27,53,10,585	30,09,06,937
m) Lime Stone Loading	23,90,42,989	26,18,53,897
n) Lime Stone Digging	8,55,55,487	8,66,99,360
o) Lime Stone - Hire Charges for Shovel and Water tank	90,13,033	1,00,47,496
p) Lease rentals & Others	4,88,64,611	5,38,95,386
	<b>88,62,21,530</b>	<b>91,63,23,002</b>

**34) EXPENDITURE IN FOREIGN CURRENCY**

PARTICULARS	This year Rs.	Previous year Rs.
a) Travelling expenses	7,58,973	10,33,464
b) Membership	3,22,484	2,09,170
c) Other matters- Seminars	3,32,476	-



**35) EARNINGS IN FOREIGN EXCHANGE**

PARTICULARS	This year Rs.	Previous year Rs.
a) F.O.B value of goods exported during the year	19,75,77,420	31,33,22,059
b) Interest and Consultancy	-	-
c) Income from Service charge	2,94,230	7,22,485
d) Income from Investments held in Foreign Companies	6,26,26,372	15,04,43,533

**36) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
a) Number of Non Resident Shareholders	153	177
b) Number of Equity Shares held by them	23,86,533	25,21,877
c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	Nil	Nil
(2) Tax Deducted at Source	Nil	Nil
(3) Year to which dividend relates	Nil	Nil

**Note:** Dividend remitted to Non-resident shareholders in Indian currency only.

### 37) REVENUE EXPENDITURE CAPITALISED DURING THE YEAR

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>Opening unallocated capital expenditure</b>	<b>26,42,89,025</b>	11,73,27,464
<b>Add:</b>		
Salaries,Wages & Bonus	1,13,04,149	1,55,59,635
Contribution to Provident fund and Family Pension Scheme	8,91,031	6,88,119
Staff Welfare Expenses	7,91,887	2,11,698
Stores and Spares Consumed	1,13,83,169	7,89,469
Power	36,70,788	16,09,374
Insurance	7,49,121	13,07,321
Repairs to Building	14,36,892	8,59,428
Repairs to Machinery	-	75,654
Repairs to Other Assets	58,735	5,993
Payment to auditors	80,257	92,273
Professional Fees	78,18,831	1,37,61,243
Travelling Expenses	15,45,083	15,83,692
Security Charges	35,25,938	43,93,496
Rates & taxes	4,92,220	(64,594)
Interest on Fixed Loan	8,72,54,508	8,24,00,693
Depreciation	7,36,565	15,43,114
Miscellaneous expenses	1,12,27,437	2,23,51,745
Net expenditure during trial run period	4,21,28,861	-
	<b>44,93,84,497</b>	<b>26,44,95,817</b>
<b>Less:</b>		
Interest Received	2,09,984	1,33,230
Miscellaneous Income	5,46,551	4,94,656
	<b>44,86,27,962</b>	26,38,67,931
<b>Less:</b>		
Capitalised/Allocated to Fixed Assets	24,18,59,783	(4,21,094)
<b>Closing Unallocated Capital Expenditure</b>	<b>20,67,68,179</b>	26,42,89,025
	<b>44,86,27,962</b>	<b>26,38,67,931</b>

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>b) Net expenditure during trial run production - Captive Power Plant</b>		
Raw material consumed	5,93,02,316	-
Stores & Spares consumed	2,52,298	-
Salaries & Wages	28,46,881	-
contribution to Provident and other funds	2,73,620	-
staff welfare expenses	2,02,600	-
Power & Fuel	20,32,597	-
Repairs to other Assets	90,237	-
Professional Fee	40,000	-
Statutory Audit Fee	22,742	-
Travelling Expenses	2,47,128	-
Security Services	12,38,589	-
Insurance	3,48,034	-
Interest Paid to Bank & Others	3,22,86,756	-
Miscellaneous expenses	92,971	-
Depreciation	1,41,663	-
	9,94,18,432	-
<b>Less:</b>		-
Sales - Internal Transfer	5,71,76,267	-
Fly Ash Sales	51,878	-
Rent recovery	7,123	-
Misc.Income	32,572	-
Net expenditure during trial run period	4,21,50,592	-
<b>Less:</b>		-
Value of stocks at the end of trial run production		-
Work in process	-	-
Closing stock of Fly Ash	21,731	-
Net Income/Expenditure during trial period :	4,21,28,861	-

### 38) SALES

PARTICULARS	2014-15 Rs.	2013-14 Rs.
<b>Finished goods sold (inclusive of Excise duty/Service tax)</b>		
Cement	627,89,84,526	636,50,01,331
Heavy Engineering products	41,21,29,380	73,57,68,808
Electrical Energy	5,13,77,815	66,60,120
Service Receipts	9,30,13,700	10,32,10,144
Others	13,13,59,732	16,66,36,392
<b>Total</b>	<b>696,68,65,153</b>	<b>737,72,76,795</b>

### 39) EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
i) Net Profit after tax as per Profit and Loss Statement	15,86,58,407	1,27,64,729
ii) Net Profit attributable to Equity Shareholders	15,06,73,412	(52,94,908)
iii) Weighted Average number of equity shares used as denominator for calculating EPS	12,89,21,160	12,89,21,160
iv) Basic and Diluted Earnings per share	1.17	(0.04)
v) Nominal value per each Equity share	1	1

### 40) DISCLOSURES REQUIRED BY ACCOUNTING STANDARD - 15 (REVISED)- EMPLOYEE BENEFITS

PARTICULARS	As at 31st March, 2015 Gratuity Rs	As at 31st March, 2015 Leave Benefits Rs	As at 31st March, 2014 Gratuity Rs	As at 31st March, 2014 Leave Benefits Rs
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of the year	10,49,25,158	4,22,43,005	9,56,69,197	3,75,44,596
Interest cost	82,69,168	31,80,294	76,53,536	28,28,359
Current service cost	67,52,880	2,71,37,864	2,86,34,632	82,66,661

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

PARTICULARS	As at 31st March, 2015 Gratuity	As at 31st March, 2015 Leave Benefits	As at 31st March, 2014 Gratuity	As at 31st March, 2014 Leave Benefits
	Rs	Rs	Rs	Rs
Benefits paid	1,11,38,603	49,78,639	77,28,809	44,66,130
Actuarial loss/gain on Obligation	(1,14,81,802)	(2,34,53,421)	(1,93,03,398)	(19,30,481)
Present value of obligations as at end of the year	9,73,26,801	4,41,29,103	10,49,25,158	4,22,43,005
<b>b) Reconciliation for fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	10,31,45,359	-	8,90,03,398	-
Add : Increase in value by LIC				
Expected return on Plan Assets	92,08,445	-	86,82,000	-
Contributions	90,93,175	-	1,31,88,770	-
Benefits paid	1,11,38,603	-	77,28,809	-
Actuarial gain on Plan Assets	-	-	-	-
Fair value of Plan Assets at the end of the year	11,03,08,376	-	10,31,45,359	-
<b>c) Expenses recognised in statement of Profit and Loss A/c</b>				
Current Service Cost	67,52,880	2,71,37,864	2,86,34,632	82,66,661
Interest cost	82,69,168	31,80,294	76,53,536	28,28,359
Expected return on Plan Assets	92,08,445	-	86,82,000	-
Net actuarial gain/loss recognised in the year	(1,14,81,802)	(2,34,53,421)	(1,93,03,398)	(19,30,481)
Expense to be recognised in the Statement of Profit and Loss	(56,68,199)	68,64,737	83,02,770	91,64,539
<b>d) Net Liability recognised in the Balance Sheet</b>				
Present value of obligations as at the end of the year	9,73,26,801	4,41,29,103	10,49,25,158	4,22,43,005
Fair value of Plan Assets as at the end of the year	11,03,08,376	-	10,31,45,359	-
Funded status	(1,29,81,575)	4,41,29,103	17,79,799	4,22,43,005
Net Asset/liability recognised in the Balance Sheet	(1,29,81,575)	4,41,29,103	17,79,799	4,22,43,005
<b>e) Actuarial Assumptions as at 31 March,</b>				
Discount rate	8%	8%	8%	8%
Salary escalation	5%	5%	5-8%	5%
Attrition rate	1-3%		1-3%	
Mortality	LIC 94-96		LIC 94-96	

#### 41) JOINT VENTURE DISCLOSURE

The company has 40% interest in its joint venture Company Fives Cail KCP Limited a company incorporated in India.

The Company's share (at 40%) of the contingent liabilities of Fives Cail KCP Limited at the Balance Sheet date works out to Rs 13,14,272/- (Rs.13,14,272/-)

The Company's share (at 40%) of the capital commitments of Fives Cail KCP limited at the Balance sheet date works out to Rs. Nil (Rs. Nil).

The interest of the company (at 40%) in the aggregate amount of the assets, income and expenses of Fives KCP Limited was as follows:

PARTICULARS	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
<b>Equity and Liabilities</b>		
a) Shareholders's Funds	40,00,000	40,00,000
b) Reserves and Surplus	6,13,22,513	5,88,99,624
c) Non-Current Liabilities	1,44,73,462	1,36,23,552
d) Current Liabilities	29,58,64,620	39,89,02,302
<b>Total</b>	<b>37,56,60,595</b>	<b>47,54,25,478</b>
<b>Assets:</b>		
a) Non-Current Assets	2,53,46,833	2,85,96,541
b) Current Assets	35,03,13,762	44,68,28,937
<b>Total</b>	<b>37,56,60,595</b>	<b>47,54,25,478</b>
<b>Performance of the Company</b>		
Revenue	44,73,38,694	52,72,72,650
<b>Expenses:</b>		
Cost of material consumed	35,00,91,654	34,09,03,711
Increase/Decrease in Inventories of FG and WIP	(2,82,41,814)	39,90,881
Depreciation of Plant and Machinery	13,69,589	9,74,462
Employee Benefit Expense	3,41,68,465	2,79,36,727
Other expenses	7,56,29,211	11,89,43,092
Finance Costs	90,64,017	29,53,223
<b>Total</b>	<b>44,20,81,122</b>	<b>49,57,02,096</b>
Profit before tax	52,57,572	3,15,70,554
Income-tax expense	(28,34,682)	(81,87,047)
<b>Profit after tax</b>	<b>24,22,890</b>	<b>2,33,83,506</b>

**42) Discontinued Operations**

The operations of the Bio-Tech Unit were discontinued with effect from 31st March, 2014, and its fixed assets were sold on 20th October, 2014. The loss suffered by this Unit during the financial year 2014-15 was : Rs. 83,46,027/- (2013-14 : Rs. 1,31,89,541) The Loss after tax - Rs. 55,09,212/- (Rs.87,06,416/-).

**43) PARTICULARS DISCLOSED PURSUANT TO “AS-18 RELATED PARTY DISCLOSURES”****A). List of Related parties**

<b>Subsidiary Company</b>	KCP Vietnam Industries Limited
<b>Joint Venture Company</b>	Fives Cail KCP Limited
<b>Key Managerial Personnel (KMP)</b>	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 Sri. M. R. Ramachandran - Chief Financial Officer Sri. Y. Vijaya Kumar - Company Secretary
<b>Relatives of Key Managerial Personnel</b>	<b>Dr. V.L. Dutt -</b> Smt. Rajeswary Ramakrishanan - Sister <b>Smt. V.L. Indira Dutt -</b> Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister <b>Smt. Kavitha D Chitturi -</b> Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband <b>Sri. V.Gandhi -</b> Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Swapna - Son's wife Smt. V. Anupama - Daughter Sri. N. Seshubabu - Daughter's Husband
<b>Companies/Trusts controlled by Key Managerial Personnel/Relatives</b>	KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (P) Limited BGE Engineering (India) Private Limited V. Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru



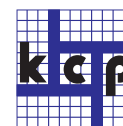
**B. Transactions with the related parties:**

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.
<b>Sale of Goods</b>					
KCP Vietnam Industries Limited	73,47,336				
	(13,98,79,090)				
Fives Cail KCP Limited		2,50,30,432			
		(4,34,60,951)			
The Jeypore Sugar Company Ltd.					-
					(1,34,550)
<b>Services -Rendered</b>					
KCP Vietnam Industries Limited	-				
	(5,48,381)				
Fives Cail KCP Limited		87,26,356			
		(7,89,897)			
V. Ramakrishna Sons Pvt Limited					14,159
					(6,742)
KCP Technologies Limited					1,41,574
					(67,416)
V. Ramakrishna Charitable Trust					14,424
					(18,174)
<b>Services -Received</b>					
KCP Technologies Limited					15,20,560
					(15,38,660)
<b>Interest Received</b>					
Fives Cail KCP Limited		1,20,38,114			
		(2,20,19,949)			
<b>Dividend Income</b>					
KCP Vietnam Industries Limited	6,26,26,372				
	(15,04,43,533)				
Fives Cail KCP Limited		40,00,000			
		(NIL)			
<b>Loans/Deposits received</b>					
Dr V L Dutt			33,50,000		
			(2,55,00,000)		

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.
Smt V L Indira Dutt			10,00,000		
			(1,25,00,000)		
Smt Kavitha D Chitturi			31,53,000		
			(16,53,000)		
VL Dutt (HUF)				6,00,00,000	
				(4,60,00,000)	
Kum. Shivani Dutt Chitturi				1,97,00,000	
				(35,21,000)	
Smt. S. R.V. Rajyalakshamma				37,50,000	
				(NIL)	
<b>Purchase of Goods</b>					
Fives Cail KCP Limited		3,28,92,966			
		(27,32,088)			
KCP Technologies Limited					2,52,000
					(NIL)
<b>Remuneration paid</b>					
Dr V L Dutt			1,09,55,644		
			(72,50,855)		
Smt V L Indira Dutt			82,16,733		
			(84,68,201)		
Smt Kavitha D Chitturi			46,44,045		
			(47,03,703)		
Sri V .Gandhi			43,50,243		
			(44,24,446)		
<b>Interest paid</b>					
Dr V L Dutt			1,33,52,330		
			(1,16,73,668)		
Smt V L Indira Dutt			48,42,192		
			(58,06,712)		
Smt Kavitha D Chitturi			29,81,791		
			(33,08,805)		
<b>Other Relations</b>					
Kum. Shivani D. Chitturi				19,76,986	
				(17,94,608)	
VL Dutt (HUF)				63,08,425	
				(60,68,712)	
V. Ramakrishna Sons Pvt Limited					57,35,644
					(64,92,466)

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.
<b>Dividend paid</b>					
Dr V L Dutt			6,00,557		
			(28,73,081)		
Smt V L Indira Dutt			3,06,448		
			(14,82,995)		
Smt Kavitha D Chitturi			90,000		
			(4,00,000)		
Sri V .Gandhi			204		
			(1,020)		
<b>Other Relations</b>					
Sri.Ravi Chitturi				5,000	
				(25,000)	
Kum.Shivani Dutt Chitturi				1,30,000	
				(6,50,000)	
Smt.S R V Rajyalakshamma				63	
				(315)	
Smt.Uma S Vallabhaneni				16,312	
				(81,560)	
Smt.Rajeswary Ramakrishnan				23,402	
				(1,17,010)	
Smt.Kamala Devi Valluri				499	
				(2,495)	
Sri.V Praveen Kumar				232	
				(1,160)	
Smt.Anupama				237	
				(1,185)	
Sri Nagalla Seshu Babu				-	
				(1,310)	
V. Ramakrishna Sons Pvt Limited					38,95,633
					(1,94,48,163)
The Jeypore Sugar Company Ltd.					27,837
					(1,39,185)
VRK Grandsons Investment (Private) Limited					9,57,833
					(47,89,165)
Dr V L Dutt (HUF)				11,350	
				(56,750)	

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.
<b>Loans/Deposit Repaid</b>					
Dr V L Dutt			33,50,000		
			(30,00,000)		
Smt. VL Indira Dutt			70,00,000		
			(2,35,00,000)		
Smt Kavitha D Chitturi			91,53,000		
			(1,53,000)		
V. Ramakrishna Sons Pvt Limited					1,15,00,000
					(1,25,00,000)
Dr V L Dutt(HUF)				3,80,00,000	
				(NIL)	
Smt.S R V Rajyalakshamma				37,50,000	
				(NIL)	
Kum.Shivani Dutt Chitturi				1,62,00,000	
				(18,21,000)	
<b>Rents Paid</b>					
Smt V L Indira Dutt			44,35,031		
			(37,25,406)		
Smt Kavitha D Chitturi			4,81,800		
			(NIL)		
<b>Other Relations</b>					
Smt.Uma.s.Vallabhaneni				57,99,811	
				(48,71,815)	
Smt. S R V Rajyalakshamma				7,82,836	
				(6,57,578)	
Smt.V.Rama Kumari				42,06,268	
				(35,33,245)	
Bala Tripurasundari Ammavaru Trust					58,35,933
					(49,02,156)
Sri.V.Chandra kumar				23,11,720	
				(23,31,686)	
<b>Balances as at 31.03.2015</b>					
<b>Share Capital held by KCP in</b>					
KCP Vietnam Industries Limited	23,71,43,667				
	(23,71,43,667)				



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.
Fives Cail KCP Limited		40,00,000			
		(40,00,000)			
<b>Loans/Advances given</b>					
V Ramakrishna Charitable Trust					-
					(58,217)
<b>Receivable - Trade dues/ others</b>					
KCP Vietnam Industries Limited	80,943				
	(1,63,86,262)				
Fives Cail KCP Limited		81,97,927			
		(15,00,79,144)			
KCP Technologies Limited					97,324
					(19,775)
The Jeypore Sugar Company Ltd.					-
					(17,913)
<b>Dividend Receivable</b>					
KCP Vietnam Industries Limited	6,32,25,910				
	(NIL)				
<b>Receivable - Interest</b>					
Fives Cail KCP Limited		56,180			
		(5,61,88,692)			
<b>Receivable Rent advance</b>					
Sri.V.Chandra kumar				1,83,680	
				(3,03,680)	
<b>Share capital in KCP held by</b>					
Dr. VL Dutt			60,05,569		
			(60,05,569)		
Smt. VL Indira Dutt			30,64,479		
			(30,64,479)		
Smt. Kavitha D Chitturi			9,00,000		
			(9,00,000)		
Sri V. Gandhi			2,040		
			(2,040)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				13,00,000	
				(13,00,000)	

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.
Smt.Rajeswary 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				2,370	
				(2,370)	
Smt.Kamala Devi Valluri				4,990	
				(4,990)	
Sri Nagalla Seshu Babu				-	
				(9,600)	
Sri.V Praveen Kumar				-	
				(50)	
V. Ramakrishna Sons Pvt Limited					3,89,56,326
					(3,89,56,326)
The Jeypore Sugar Company Ltd.					2,78,370
					(2,78,370)
VRK Grandsons Investment (Private) Limited					95,78,330
					(95,78,330)
Dr. VL Dutt (HUF)				1,13,500	
				(1,13,500)	
<b>Loans/Advances received</b>					
KCP Vietnam Industries Limited					
	(6,46,895)				
Fives Cail KCP Limited		1,91,22,043			
		(38,00,840)			
Dr V L Dutt			13,00,00,000		
			(13,00,00,000)		
Smt V L Indira Dutt			4,70,00,000		
			(5,30,00,000)		
Smt Kavitha D Chitturi			2,80,00,000		
			(3,40,00,000)		

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.
V. Ramakrishna Sons Pvt Limited					5,00,00,000
					(6,15,00,000)
<b>Deposits Received</b>					
Dr V L Dutt			33,50,000		
			(33,50,000)		
Smt Kavitha D Chitturi			11,53,000		
			(1,53,000)		
<b>Other Relations</b>					
VL Dutt[HUF]				6,00,00,000	
				(6,00,00,000)	
Kum.Shivani Dutt Chitturi				1,97,00,000	
				(1,82,00,000)	
Smt.S R V Rajyalakshamma				37,50,000	
				(NIL)	
<b>Commission payable</b>					
Dr. V L Dutt			36,99,150		
			(NIL)		
Smt. V. L. Indira Dutt			6,82,800		
			(NIL)		
<b>Payable-Trade Dues</b>					
Smt. VL Indira Dutt			12,54,994		
			(10,23,406)		
Smt Kavitha D Chitturi			1,09,730		
			(NIL)		
<b>Other Relations</b>					
Smt.S R V Rajyalakshamma				2,21,521	
				(1,80,644)	
Smt.V.Rama Kumari				11,90,261	
				(9,67,286)	
Sri.V.Chandra kumar				5,20,588	
				(4,42,313)	
Smt.Uma S.Vallabhaneni				13,06,090	
				(10,66,009)	
Bala Tripurasundari Ammavaru Trust					9,76,412
					(13,46,670)



**44) Details of dues to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
1. Amount remaining unpaid, beyond the appointed/agreed date at the end of the year		
(a) Principal amount of bills to be paid	-	-
(b) Interest due thereon	-	-
2. (a) Payments made to suppliers, during the year, but beyond appointed/agreed day	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year, on such payments made during the year	-	-
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.	-	-
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.	-	-
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.		

**45) CASH AND BANK BALANCES INCLUDES**

PARTICULARS	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
Fixed Deposit Receipts lodged with Bankers for BG and LC's issued by them	<b>9,22,48,582</b>	2,37,24,066
Deposits maintained as per the provisions of Section 73 to Section 76 of the Companies Act 2013 and Rules made there under	<b>7,52,84,767</b>	4,13,25,782
Balances held with Banks towards Unclaimed Dividends	<b>1,32,03,379</b>	1,62,07,370

**46) 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	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
1) Depreciation	<b>84,66,06,890</b>	67,40,83,428
2) Items u/s 43B of the Income Tax Act, 1961	<b>4,09,07,487</b>	1,48,29,684
3) Unabsorbed losses under the Income Tax Act 1961	<b>14,59,13,859</b>	8,29,05,696
<b>Net Deferred Tax liability</b>	<b>65,97,85,544</b>	57,63,48,048

#### 47) Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act 2013 and rules made thereunder the CSR committee has been constituted by the company. The major areas of CSR activities are Eradication of hunger and malnutrition, promoting Education, Art and Culture, Health care and Rural development projects.

	(in cash) Rs.
Gross amount required to be spent by the company during the year	84,82,976
Less: Amount spent by the company during the year towards CSR	77,11,880
Amount yet to be spent by the company	7,71,096

48) Pursuant to Section 143(3)(j) of the Companies Act 2013 read with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the company has estimated material foreseeable losses on long-term contracts at its Engineering unit and made provision for an amount of Rs.40,25,634/-.

49) ❖ Paise have been rounded off.

❖ Figures in brackets indicate those for the previous year.

❖ Figures for the previous year have been regrouped, wherever necessary to make them comparable.

(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: 18th May, 2015

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

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## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of The KCP Limited, Chennai

### Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of The KCP Limited (the "Company"), its subsidiary and its joint venture (unaudited) as at March 31, 2015, (collectively referred to as "the Group"), which comprise the Consolidated Balance sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and Jointly control entity and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Companies Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Companies Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in Sub-paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditor, on the financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the

Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and jointly controlled entity as at 31<sup>st</sup> March, 2015, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

(a) We did not audit the financial statements /financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/financial information reflect total assets of Rs.331,77,61,251/- as at 31<sup>st</sup> March 2015, total revenues of Rs. 539,84,86,310/- and net cash flows amounting to Rs.56,32,32,292/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the subsidiary's share of net profit of Rs.34,17,18,661/- for the year ended 31<sup>st</sup> March 2015, as considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

The subsidiary KCP Vietnam Industries Limited was incorporated at Vietnam and in our opinion and according to the information and explanations given to us, the Order (CARO 2015) is not applicable in the case of the company. Accordingly the Annexure attached to this report on the matters specified in paragraphs 3 and 4 of the Order do not include the matters for such subsidiary.

(b) We have relied on the unaudited financial statements /financial information of Fives Cail KCP Limited (Jointly Controlled Entity), and whose financial statements/financial information reflect total assets of Rs.37,56,60,596/- as at 31<sup>st</sup> March 2015, total revenues of Rs. 43,07,32,926/- and net cash flows amounting to Rs.(14,13,590/-) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the Joint Venture's share of net profit of Rs.24,22,891/- for the year ended 31<sup>st</sup> March 2015, as considered in the consolidated financial statements, whose financial statements/financial information have

not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Jointly Controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiary (foreign) and the jointly controlled entity incorporated in India, to whom the order applies (together referred to as "the Covered entities" in this report), we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies and jointly controlled company incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Companies Act;
- f) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and jointly controlled entity -- Refer Note 27 to the Consolidated financial statements;
  - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts – Refer 48 to the Consolidated financial statements; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd No 000513S

Place: Chennai

Date: 18th May, 2015

**T. V. Ramana**  
Partner  
(ICAI Memb. No. 200523)



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE KCP LIMITED on the consolidated financial statements for the year ended 31 March 2015. We report that :

- 1.1 The covered entities have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 The fixed assets of the covered entities have been physically verified by the management according to a phased programme designed to cover all the items over a period of 3years/reasonable intervals which, in our opinion, is reasonable having regard to the size of the covered entities and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- 2.1 The inventory has been physically verified by the management at reasonable intervals during the year under report. 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 On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. The company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Therefore the provisions of clause 3(iii), (iii)a, and (iii) (b) of the said order are not applicable to the company.
4. According to the information and explanations furnished to us, the covered entities have not granted any loans to companies, firms or other parties covered by the register maintained under Section 189 of the Companies Act 2013, at the beginning of the year or during the year, and therefore the provisions of

clause 3(iii), (iii)(a) and (iii)(b) of the said order are not applicable to the Covered entities.

5. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Covered entities 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, on the basis of our examination of the books and records of the Covered entities, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
6. In our opinion and according to the information and explanations given to us, the Covered entities has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
7. We have broadly reviewed the books of account and records maintained by the Covered entities, wherever applicable, pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148 of the Companies Act, 2013 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.

7.1 According to the information furnished to us, the Covered entities has generally been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it.

- 7.2 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.
- 7.3 According to the information furnished to us, there were no amounts of Sales Tax, duty of Customs, duty of Excise, 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	Name of the statute	Period	Amount in Rs	Forum where the dispute is pending
1	Excise duty and related demands	The Central Excise Act 1944	1996-2013	33,73,07,556	At various Appellate forums
2	Sales tax and related demands	The AP Sales Tax Act, 1957	1996-01	80,99,276	Hon'ble AP High Court
3	Sales tax and related demands	The UP Sales Tax Act, 1948	1988	19,97,469	Hon'ble Allahabad High Court
4.	Forest Permit Charges	The A.P. Forest Produce Rules 1970	2010-15	2,09,57,218	Hon'ble High Court
5	Royalty	The MMDR Act,1957	1986-87	93,056	ADMG - Guntur
6	Net Present Value of Safety Zone Area	The Forest Conservation Act,1980	2014-15	17,87,100	DFO - Guntur
7.	Income Tax	The Income Tax Act 1961	2011-12	11,32,117	CIT (Appeals)

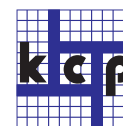
- 7.4 According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules there under the rules thereunder has been transferred to such fund within time.
8. According to the information and explanations furnished to us by the Covered entities, 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.
9. In our opinion and according to the information and explanations furnished to us by the Covered entities, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
10. 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 Covered entities for loans taken by others from banks or financial statements.
11. In our opinion, and according to the information and explanations furnished to us, the term loans taken by the Covered entities have been applied for the purpose for which they were raised.
12. 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 covered entities 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

Place: Chennai

Date: 18th May, 2015

**T. V. Ramana**  
Partner  
(ICAI Memb. No. 200523)



## BALANCE SHEET AS AT 31ST MARCH 2015

PARTICULARS	Notes	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	12,89,21,160	20,89,21,160
Reserves and Surplus	4	518,87,17,393	484,24,87,174
Minority Interest	4.1	95,26,44,924	79,78,90,560
		<b>627,02,83,475</b>	584,92,98,894
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	318,28,80,157	312,51,85,307
Trade Payables	6.1	1,57,44,519	45,25,851
Deferred Tax Liability (Net)	7	64,83,60,482	56,16,07,663
Other Long-term Liabilities	6.2	57,73,11,369	61,49,46,112
long-term Provisions	8.1	4,49,61,140	4,11,73,924
		<b>446,92,57,667</b>	434,74,38,857
<b>Current Liabilities</b>			
Short-term Borrowings	9	43,22,78,946	102,14,60,974
Trade Payables	10.1	66,57,75,623	82,50,07,841
Other Current Liabilities	10.2	181,45,52,146	142,82,15,290
Short term Provisions	8.2	23,06,61,921	5,51,86,302
		<b>314,32,68,636</b>	332,98,70,407
<b>TOTAL</b>		<b>1388,28,09,778</b>	1352,66,08,159
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	635,44,78,980	569,52,05,527
Intangible Assets	12	51,34,125	23,89,272
Capital Work in Progress		121,41,23,361	175,26,35,247
Non-current Investments	13	4,79,07,141	4,78,37,574
Long term Loans and Advances	14.1	53,32,49,483	51,25,48,846
Trade Receivables	15.1	56,02,414	1,53,92,554
Other Non- Current assets	15.2	29,23,239	1,29,20,715
		<b>816,34,18,743</b>	803,89,29,735
<b>Current Assets</b>			
Current Investments	16	-	-
Inventories	17	230,55,55,314	266,88,53,277
Trade Receivables	15.1	65,97,55,181	93,93,69,558
Cash and Bank Balances	18	101,09,71,800	31,82,37,341
Short term Loans and Advances	14.2	173,05,69,375	151,16,59,208
Other Current Assets	15.2	1,25,39,365	4,95,59,040
		<b>571,93,91,035</b>	548,76,78,424
<b>TOTAL</b>		<b>1388,28,09,778</b>	1352,66,08,159
<b>III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>			
	2		

The accompanying notes are an integral part of the Financial Statements.

(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: 18th May, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	Rs.	Notes	This Year	Previous Year
	Rs.		Rs.	Rs.
<b>INCOME</b>				
<b>Revenue from operations</b>		19		
Group Companies	1234,82,99,316			
Less:Excise Duty	89,45,89,248			
			1145,37,10,069	1009,18,85,537
Joint Venture	42,91,71,743			
Less:Excise Duty	61,43,140			
			42,30,28,603	51,39,32,512
<b>Revenue from operations (Net)</b>				
Other Income		20		
- Group Companies			12,26,58,882	19,62,07,620
- Joint Venture			2,27,48,909	1,13,41,430
<b>Total Revenue (I)</b>			<b>1202,21,46,463</b>	<b>1081,33,67,099</b>
<b>EXPENSES</b>				
Cost of Raw Materials & Components Consumed		21	502,88,15,383	480,09,98,288
[Increase]/Decrease in Inventories of finished goods,Work-in-progress and traded goods		22	43,83,73,283	(57,24,88,276)
Employee benefits expense		23	71,31,40,361	69,59,96,915
Finance Costs		24		
-Group companies			50,55,84,170	46,01,16,572
-Joint Venture			90,64,016	29,53,223
Depreciation and Amortization expense		25		
-Group companies			48,07,25,930	47,02,90,228
-Joint Venture			13,69,589	9,74,462
Other expenses		26	402,20,69,253	441,23,40,092
<b>Total Expenses (II)</b>			<b>1119,91,41,985</b>	<b>1027,11,81,504</b>
<b>Profit/(Loss) before Exceptional and Extraordinary items and Tax</b>			<b>82,30,04,479</b>	<b>54,21,85,595</b>
Add : Exceptional Items (Net)			(1,24,37,418)	-
<b>Profit/(Loss) before Extraordinary items and tax</b>			<b>81,05,67,061</b>	<b>54,21,85,595</b>
Extraordinary Items				
<b>Profit/(Loss) before tax</b>			<b>81,05,67,061</b>	<b>54,21,85,595</b>
Add: Refund of Income Tax			-	12,39,576
Less: Provision for Taxation-Current				
- Group Companies			10,09,67,246	3,82,39,930
- Joint Venture			6,40,000	67,20,000
Less: Provision for Taxation-Deferred				
- Group Companies			8,34,37,497	4,94,064
- Joint Venture			33,15,322	88,60,635
Short / (Excess) Provision of Income Tax of earlier years credited back			76,65,625	11,19,766
MAT Credit Entitlement			4,92,95,999	90,11,548
<b>Profit / (Loss) from continuing operations (A)</b>			<b>67,91,68,620</b>	<b>49,92,41,856</b>
Profit / (Loss) from discontinuing operations			(83,46,207)	-
Less : tax expense of discontinuing operations			(28,36,876)	-
<b>Profit / (Loss) from discontinuing operations (B)</b>			<b>(55,09,331)</b>	<b>-</b>
<b>(A) + (B)</b>			<b>67,36,59,289</b>	<b>49,92,41,856</b>
Less: Minority Interest			17,08,59,330	15,43,64,539
<b>Profit/[loss] for the year</b>			<b>50,27,99,958</b>	<b>34,48,77,317</b>
<b>Earnings per equity share [nominal value of share Re.1 /- ]</b>				
[31 March 2014 : Re. 1/-]each				
<b>Basic and diluted:</b>			<b>3.84</b>	<b>2.54</b>
Computed on the basis of total profit for the year				
<b>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>		2		
The accompanying notes are an integral part of the Financial Statements.				

(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

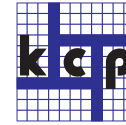
**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**M.R. RAMACHANDRAN**  
Chief Financial Officer

(ICAI Memb. No.200523)  
**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 18th May, 2015



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	31st March, 2015	31st March, 2014
	Rs.	Rs.
<b>(A) Cash flow from operating activities</b>		
Profit before tax from continuing operations	81,05,67,059	54,21,85,590
Profit before tax from discontinuing operations	(83,46,207)	-
Profit before tax	80,22,20,852	54,21,85,590
Adjustments for :		
Depreciation/amortization on continuing operation	48,20,95,518	47,12,64,690
Depreciation/amortization on discontinuing operation	-	-
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	5,63,496	2,14,347
Loss/[profit] on sale of fixed assets	1,38,56,449	-14,95,861
Unrealised foreign exchange loss	(10,88,576)	23,73,412
Interest expense	51,26,83,490	47,31,73,212
Interest income	(5,22,71,509)	(8,25,19,085)
Dividend income	(6,67,00,055)	(15,05,03,697)
Operating profit before working capital changes	169,13,59,663	125,46,92,608
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	(21,40,07,013)	5,87,87,277
Increase/[decrease] in Long term provisions	27,57,683	32,26,727
Increase/[decrease] in short-term provisions	1,43,20,703	(16,15,79,560)
Increase/[decrease] in current liabilities	2,62,67,802	(9,71,57,181)
Increase/[decrease] in other long-term liabilities	(3,13,55,903)	6,88,40,328
Adjustments for Decrease / (Increase) in operating assets :		
Decrease/[increase] in trade receivables	36,08,40,884	(5,87,25,575)
Decrease/[increase] in inventories	36,32,97,963	(61,16,34,280)
Decrease/[increase] in loans and advances	(4,00,24,131)	(1,39,07,003)
Decrease/[increase] in short-term loans and advances	(17,64,04,238)	(15,03,21,193)
Decrease/[increase] in other current assets	1,31,992	5,72,01,470
Decrease/[increase] in other non-current assets	77,33,693	(37,50,931)
Cash generated from/[used in] operations	200,49,19,098	34,56,72,686
Direct taxes paid [net of refunds]	11,43,14,723	9,29,76,848
Foreign exchange difference	4,82,84,309	(15,22,13,995)
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>193,88,88,684</b>	<b>10,04,81,844</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(60,62,78,139)	(131,11,25,148)
Proceeds from sale of fixed assets	2,95,45,665	18,84,649
Purchase of non-current investments	(69,567)	-
Purchase of current investments	-	-
Sale of investments	-	-
Interest received	5,22,71,509	7,90,88,387
Dividends received from subsidiary company	6,67,00,055	15,05,03,697
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>-45,78,30,477</b>	<b>-107,96,48,416</b>
<b>(C) Cash flows from financing activities</b>		
Proceeds from long term borrowings	95,08,92,850	139,25,26,968
Repayment of long term borrowings	(52,61,26,000)	(34,10,13,117)
Proceeds from short term borrowings	(29,18,981)	2,27,05,955
Repayment of short term borrowings	(58,62,63,047)	(29,54,25,752)
Repayment of preference capital	(8,00,00,000)	(7,00,00,000)
Interest paid	(51,26,83,490)	(47,31,73,212)
Dividends paid	(2,64,92,116)	(1,24,27,397)
Tax on dividend paid	(47,32,965)	(26,53,043)
<b>Net cash flow from/[used in] in financing activities (C)</b>	<b>-78,83,23,749</b>	<b>22,05,40,401</b>
Net increase/[decrease] in cash and Bank Balances (A+B+C)	69,27,34,459	(75,86,26,171)
Cash and Bank Balances at the beginning of the year	31,82,37,341	107,68,63,512
<b>Cash and Bank Balances at the end of the year</b>	<b>101,09,71,800</b>	<b>31,82,37,341</b>
<b>Components of cash and Bank Balances</b>		
Cash on hand	29,63,110	46,24,428
Cheques/drafts on hand	1,83,67,260	2,01,33,790
With banks on current account	31,29,74,317	17,10,01,639
On Deposit account	66,34,63,734	10,62,70,114
Unpaid Dividend accounts	1,32,03,379	1,62,07,370
<b>Total Cash and Bank Balances (Note 18)</b>	<b>101,09,71,800</b>	<b>31,82,37,341</b>

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Chairman and Managing Director

**O. SWAMINATHA REDDY**  
Director

Place: Chennai  
Date: 18th May, 2015

**V.L. INDIRA DUTT**  
Joint Managing Director

**V. GANDHI**  
Technical Director

**KAVITHA D CHITTURI**  
Executive Director

**M.R. RAMACHANDRAN**  
Chief Financial Officer

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

**T.V. RAMANA**  
Partner  
(ICAI Memb. No.200523)  
**Y. VIJAYAKUMAR**  
Company Secretary

GROUP

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 its 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 2015.

### 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.

#### 2.1. 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.



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

PARTICULARS	ASSET Rs.	LIABILITY Rs.
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting others		
Group Companies		84,66,06,890
Joint Venture		3,35,029
Disallowance under Sec. 43B		
Group Companies	4,09,07,487	
Joint Venture	44,56,564	
Unabsorbed Loss		
Group Companies	14,59,13,859	
Joint Venture	73,03,527	
	<b>19,85,81,437</b>	<b>84,69,41,919</b>
<b>Net Deferred Tax Liability as on 31.03.2015</b>		<b>64,83,60,482</b>

## 2.3. Movement in Translation Reserve

PARTICULARS	Majority Rs.	Minority Rs.	Total Rs.
Opening Balance (Dr)	4,35,92,831	2,17,96,414	6,53,89,245
Movement due to Non Monetary items-			
Capital, Reserves, Opening Stock etc. (Cr)	3,14,63,822	1,57,31,911	4,71,95,733
<b>Closing balance(Dr)</b>	<b>7,50,56,653</b>	<b>3,75,28,325</b>	<b>11,25,84,978</b>

## 2.4. Contingent Liabilities

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>a. Claims against the company / disputed liabilities not acknowledged</b>		
Statutory Levies - Group Companies	<b>37,03,06,161</b>	34,56,64,446
- Joint venture	<b>13,14,272</b>	13,14,272
Contractual Levies-Group Companies	<b>68,27,068</b>	19,05,791
Others - Group companies	<b>17,15,05,615</b>	17,25,61,985
- Joint venture		-
<b>b. Guarantees</b>		
<b>Corporate Guarantees issued by the Company to Customers</b>		
- Group Companies	<b>13,44,98,429</b>	9,15,23,586
- Joint Venture	<b>3,26,66,848</b>	10,50,97,254
<b>Guarantees issued by Bankers on behalf of the Company</b>		
- Group Companies	<b>3,90,37,724</b>	3,18,54,709
- Joint Venture	<b>23,48,33,750</b>	13,83,76,324



**2.5. Exceptional Item Comprises of the following :**

PARTICULARS	This year Rs.	Previous year Rs.
Loss on sale of Fixed Asset - Group Companies	124,37,418	-

**2.6. MATERIAL CONSUMED - COST OF RAW MATERIALS PRODUCED (LIMESTONE FOR CEMENT) INCLUDES :**

PARTICULARS	This year Rs.	Previous year Rs.
a) Salaries, Wages & Bonus	2,45,18,308	2,27,56,824
b) Contribution to P.F. & Other Funds	21,88,662	23,52,004
c) Workmen & Staff welfare expenses	41,36,313	22,71,149
d) Power & Fuel consumed	1,50,60,323	1,41,29,804
e) Stores & Spares consumed	1,46,90,678	1,72,15,285
f) Royalty	15,37,46,067	12,67,94,514
g) Taxes & Licences	28,09,631	28,80,342
h) Repairs to Building & Roads	9,15,525	6,30,054
i) Repairs to Machinery	98,35,729	1,20,33,174
j) Repairs to Other Assets	2,10,127	15,63,539
k) Insurance	3,23,460	2,93,236
l) Lime Stone Freight	27,53,10,585	30,09,06,937
m) Lime Stone Loading	23,90,42,989	26,18,53,897
n) Lime Stone Digging	8,55,55,487	8,66,99,360
o) Lime Stone - Hire Charges for Shovel and Water tank	90,13,033	1,00,47,496
p) Lease rentals & Others	488,64,611	5,38,95,386
	<b>88,62,21,530</b>	<b>91,63,23,002</b>

**2.7. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR:**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
a) Opening unallocated capital expenditure	26,42,89,025	11,73,27,464
Add:		
Salaries, Wages & Bonus	1,13,04,149	1,55,59,635
Contribution to Provident Fund and Family Pension Scheme	8,91,031	6,88,119
Staff welfare Expenses	7,91,887	2,11,698

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Stores and Spares consumed	1,13,83,169	7,89,469
Power	36,70,788	16,09,374
Insurance	7,49,121	13,07,321
Repairs to Building	14,36,892	8,59,428
Repairs to Machinery	-	75,654
Repairs to Other Assets	58,735	5,993
Payment to auditors	80,257	92,273
Professional Fees	78,18,831	1,37,61,243
Travelling Expenses	15,45,083	15,83,692
Security Charges	35,25,938	43,93,496
Rates & taxes	4,92,220	(64,594)
Interest on Fixed Loan	8,72,54,508	8,24,00,693
Depreciation	7,36,565	15,43,114
Miscellaneous expenses	1,12,27,437	2,23,51,745
Net expenditure during trial run period	4,21,28,861	-
	44,93,84,497	26,44,95,817
Less:		
Interest Received	2,09,984	1,33,230
Miscellaneous Income	5,46,551	4,94,656
	44,86,27,962	26,38,67,931
Less:		
Capitalised/Allocated to fixed assets	24,18,59,783	(4,21,094)
Closing unallocated Capital Expenditure	20,67,68,179	26,42,89,025
	44,86,27,962	26,38,67,931
<b>b) Net expenditure during trial run production - Captive Power Plant</b>		
Raw material consumed	5,93,02,316	-
Stores & Spares consumed	2,52,298	-
Salaries & Wages	28,46,881	-
Contribution to Provident and other funds	2,73,620	-
Staff Welfare Expenses	2,02,600	-
Power & Fuel	20,32,597	-
Repairs to other Assets	90,237	-
Professional Fee	40,000	-

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Statutory Audit Fee	22,742	-
Travelling Expenses	2,47,128	-
Security Services	12,38,589	-
Insurance	3,48,034	-
Interest Paid to Bank & Others	3,22,86,756	-
Miscellaneous expenses	92,971	-
Depreciation	1,41,663	-
	<b>9,94,18,432</b>	-
Less:		-
Sales - Internal Transfer	5,71,76,267	-
Fly Ash Sales	51,878	-
Rent recovery	7,123	-
Misc. Income	32,572	-
Net expenditure during trial run period	<b>4,21,50,592</b>	-
Add : Opening stock	-	-
Less:		
Value of stocks at the end of trial run production		
Work in process	-	-
Closing stock of Fly Ash	21,731	
Net (Income) / Expenditure during trial period :	<b>4,21,28,861</b>	-

## 2.8. SALES

PARTICULARS	This year Rs.	Previous year Rs.
<b>Finished goods sold (inclusive of Excise duty/Service tax)</b>		
Cement	627,89,84,526	636,50,01,331
Heavy Engineering products	77,88,11,607	117,92,70,807
Electrical energy	5,13,77,815	66,60,120
Sugar	537,76,34,333	371,37,87,863
Service Receipts	12,99,90,590	16,04,59,563
Others	16,06,72,188	19,18,36,054
<b>Total</b>	<b>1277,74,71,059</b>	<b>1161,70,15,738</b>

## 2.9. EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
i) Net Profit after tax as per Profit and Loss Statement	<b>50,27,99,958</b>	34,48,77,317
ii) Net Profit attributable to Equity Shareholders	<b>49,48,14,963</b>	32,72,86,850
iii) Weighted Average number of equity shares used as denominator for calculating EPS	<b>12,89,21,160</b>	12,89,21,160
iv) Basic and Diluted Earnings per share	<b>3.84</b>	2.54
v) Nominal value per each Equity share	<b>1</b>	1

## 2.10) DISCLOSURES REQUIRED UNDER ACCOUNTING STANDARD - 15 (REVISED)- EMPLOYEE BENEFITS

PARTICULARS	As at 31st March, 2015 Gratuity Rs	As at 31st March, 2015 Leave Benefits Rs	As at 31st March, 2014 Gratuity Rs	As at 31st March, 2014 Leave Benefits Rs
<b>a) Reconciliation for present value of obligations</b>				
Present value of obligations as at beginning of the year				
- Group Companies	<b>10,49,25,158</b>	4,22,43,005	<b>9,56,69,197</b>	3,75,44,596
- Joint Venture	<b>33,43,826</b>	18,42,310	<b>31,55,048</b>	16,72,468
Interest cost				
- Group Companies	<b>82,69,168</b>	31,80,294	<b>76,53,536</b>	28,28,359
- Joint Venture	<b>2,67,506</b>	1,67,649	<b>2,52,404</b>	1,55,164
Current service cost				
- Group Companies	<b>67,52,880</b>	2,71,37,864	<b>2,86,34,632</b>	82,66,661
- Joint Venture	<b>3,38,474</b>	19,31,382	<b>3,14,878</b>	3,28,190
Benefits paid				
- Group Companies	<b>1,11,38,603</b>	49,78,639	<b>77,28,809</b>	44,66,130
- Joint Venture	<b>4,34,472</b>	98,544	<b>1,13,498</b>	25,925
Actuarial loss/gain on obligation				
- Group Companies	<b>(1,14,81,802)</b>	(2,34,53,421)	<b>(1,93,03,398)</b>	(19,30,481)
- Joint Venture	<b>(2,66,559)</b>	(10,80,551)	<b>(2,65,005)</b>	(2,87,586)
Present value of obligations as at end of the year				
- Group Companies	<b>9,73,26,801</b>	4,41,29,103	<b>10,49,25,158</b>	4,22,43,005
- Joint Venture	<b>32,48,776</b>	27,62,246	<b>33,43,826</b>	18,42,310

PARTICULARS	As at 31st March, 2015 Gratuity Rs	As at 31st March, 2015 Leave Benefits Rs	As at 31st March, 2014 Gratuity Rs	As at 31st March, 2014 Leave Benefits Rs
<b>b) Reconciliation for fair value of plan assets</b>				
Fair value of plan assets at the end of the year				
- Group Companies	10,31,45,359	-	8,90,03,398	-
- Joint Venture	35,78,746	-	30,35,354	-
Add : Increase in value By LIC	-	-	-	-
Expected return on plan assets				
- Group Companies	92,08,445	-	86,82,000	-
- Joint Venture	2,90,965	-	2,81,604	-
Contributions				
- Group Companies	90,93,175	-	1,31,88,770	-
- Joint Venture	46,455	-	3,75,286	-
Benefits paid				
- Group Companies	1,11,38,603	-	77,28,809	-
- Joint Venture	4,34,472	-	1,13,498	-
Actuarial gain on plan assets				
- Group Companies	-	-	-	-
- Joint Venture	-	-	-	-
Fair value of plan assets at the end of the year				
- Group Companies	11,03,08,376	-	10,31,45,359	-
- Joint Venture	34,81,694	-	35,78,746	-
<b>c) Expenses recognised in statement of Profit &amp; Loss A/c</b>				
Current service cost				
- Group Companies	67,52,880	2,71,37,864	2,86,34,632	82,66,661
- Joint Venture	3,38,474	19,31,382	3,14,878	3,28,190
Interest cost				
- Group Companies	82,69,168	31,80,294	76,53,536	28,28,359
- Joint Venture	2,67,506	1,67,649	2,52,404	1,55,164
Expected return on plan assets				
- Group Companies	92,08,445	-	86,82,000	-
- Joint Venture	2,90,965	-	2,81,604	-

PARTICULARS	As at 31st March, 2015 Gratuity Rs	As at 31st March, 2015 Leave Benefits Rs	As at 31st March, 2014 Gratuity Rs	As at 31st March, 2014 Leave Benefits Rs
Net actuarial gain/loss recognised in the year				
- Group Companies	(1,14,81,802)	(2,34,53,421)	(1,93,03,398)	(19,30,481)
- Joint Venture	(2,66,559)	(10,80,551)	(2,65,005)	(2,87,586)
Expense to be recognised in the Profit & Loss a/c				
- Group Companies	(56,68,199)	68,64,737	83,02,770	91,64,539
- Joint Venture	48,456	10,18,480	20,672	1,95,768
<b>d) Net Liability recognised in the Balance Sheet</b>				
Present value of obligations as at the end of the year				
- Group Companies	9,73,26,801	4,41,29,103	10,49,25,158	4,22,43,005
- Joint Venture	32,48,776	27,62,246	33,43,826	18,42,310
Fair value of plan Assets as at the end of the year				
- Group Companies	11,03,08,376	-	10,31,45,359	-
- Joint Venture	34,81,694	-	35,78,746	-
Funded status				
- Group Companies	(1,29,81,575)	4,41,29,103	17,79,799	4,22,43,005
- Joint Venture	(2,32,919)	27,62,246	(2,34,920)	18,42,310
Net Asset/liability recognised in the Balance Sheet				
- Group Companies	(1,29,81,575)	4,41,29,103	17,79,799	4,22,43,005
- Joint Venture	(2,32,919)	27,62,246	(2,34,920)	18,42,310
<b>e) Actuarial Assumptions</b>				
<b>Assumptions as at 31 March,</b>				
Discount rate	8%	8%	8%	8%
Salary escalation	5%	5%	5-8%	5%
Attrition rate	1-3%		1-3%	
Expected return on plan assets	9.40%		0.00%	
Mortality	LIC 94-96		LIC 94-96	

\* NOTE :- The above figures do not include the benefits accounted by the Overseas Subsidiary.

## 2.11 Discontinued Operations

The operations of the Bio-Tech Unit were discontinued with effect from 31st March, 2014, and its fixed assets were sold on 20th October, 2014. The loss suffered by this Unit during the financial year 2014-15 was : Rs. 83,46,027/- (2013-14 : Rs. 1,31,89,541) The Loss after tax - Rs. 55,09,212/- (Rs.87,06,416/-).

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

## A). List of Related parties:

<b>Key Managerial Personnel (KMP)</b>	Dr. V.L. Dutt -	Chairman and Managing Director, The K.C.P. Ltd
	Smt. V.L. Indira Dutt -	Joint Managing Director, The K.C.P. Ltd
	Smt. Kavitha D Chitturi -	Executive Director, The K.C.P. Ltd
	Sri. V. Gandhi -	Technical Director, The K.C.P. Ltd
	Sri. K.B. Pranesh -	Managing Director, Fives Cail KCP Ltd
	Sri. M.R.Ramachandran	Chief Financial Officer The K.C.P. Ltd
	Sri. Y.Vijaya Kumar	Company Secretary The K.C.P. Ltd

<b>Relatives of Key Managerial Personnel</b>	<b>Dr. V.L. Dutt -</b>
	Smt. Rajeswary Ramakrishanan - Sister
	<b>Smt. V.L. Indira Dutt -</b>
	Smt. S.R.V. Rajyalakshamma - Mother
	Sri. V. Chandra Kumar - Brother
	Smt. Uma S Vallabhaneni - Sister
	Smt.V. Rama Kumari - Sister
	<b>Smt. Kavitha D Chitturi -</b>
	Kum.Shivani Dutt Chitturi - Daughter
	Sri. Ravi Chitturi - Husband
	<b>Sri. V.Gandhi -</b>
	Smt. V. Kamala Devi - Wife
	Sri. V. Praveen Kumar - Son
Smt. V. Swapna - Son's wife	
Smt. V. Anupama - Daughter	
Sri. N. Seshubabu - Daughter's Husband	
<b>Sri. K.B. Pranesh -</b>	
Smt. Sobana Pranesh - Wife	



<b>Companies/Trusts controlled by Key Managerial Personnel/Relatives</b>	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (Pvt) Limited BGE Engineering (India) Private Limited V Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru
<b>Associates/Companies with substantial interest - Joint Venture</b>	Fives Cail, France Fives Fletcher (Subsidiary of Fives Cail, France)

**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.
<b>Sale of Goods</b>			
The Jeypore Sugar Company Ltd.			-
			(1,34,550)
Fives Cail, France - Joint Venture			-
			(69,78,009)
<b>Services -Rendered</b>			
V. Ramakrishna Sons Pvt Limited			14,159
			(6,742)
KCP Technologies Limited			1,41,574
			(67,416)
V. Ramakrishna Charitable Trust			14,424
			(18,174)
<b>Services -Received</b>			
KCP Technologies Limited - Group Companies			15,20,560
			(15,38,660)
KCP Technologies Limited - Joint Venture			53,248
			(1,07,571)

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Loans/Deposits received</b>			
Dr V L Dutt	33,50,000		
	(2,55,00,000)		
Smt V L Indira Dutt	10,00,000		
	(1,25,00,000)		
Smt Kavitha D Chitturi	31,53,000		
	(16,53,000)		
VL Dutt (HUF)		6,00,00,000	
		(4,60,00,000)	
Kum. Shivani Dutt Chitturi		1,97,00,000	
		(35,21,000)	
Smt. S. R.V. Rajyalakshamma		37,50,000	
		(NIL)	
<b>Purchase of Goods</b>			
KCP Technologies Limited - Group Companies			2,52,000
			(NIL)
Fives Cail, France - Joint Venture			5,82,27,136
			(2,95,08,818)
Fives Fletcher - Joint Venture			36,49,324
			(1,68,72,395)
<b>Royalty Paid</b>			
Fives Cail, France - Joint Venture			13,99,185
			(21,74,799)
<b>Remuneration paid</b>			
Dr V L Dutt	1,09,55,644		
	(72,50,855)		
Smt V L Indira Dutt	82,16,733		
	(84,68,201)		
Smt Kavitha D Chitturi	46,44,045		
	(47,03,703)		
Sri V .Gandhi	43,50,243		
	(44,24,446)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Sri K.B. Pranesh - Joint Venture	16,35,236		
	(14,93,040)		
<b>Interest paid</b>			
Dr V L Dutt	1,33,52,330		
	(1,16,73,668)		
Smt V L Indira Dutt	48,42,192		
	(58,06,712)		
Smt Kavitha D Chitturi	29,81,791		
	(33,08,805)		
<b>Other Relations</b>			
Kum. Shivani D. Chitturi		19,76,986	
		(17,94,608)	
VL Dutt (HUF)		63,08,425	
		(60,68,712)	
V. Ramakrishna Sons Pvt Limited			57,35,644
			(64,92,466)
<b>Dividend paid</b>			
Dr V L Dutt	6,00,557		
	(28,73,081)		
Smt V L Indira Dutt	3,06,448		
	(14,82,995)		
Smt Kavitha D Chitturi	90,000		
	(4,00,000)		
Sri V .Gandhi	204		
	(1,020)		
Sri K.B. Pranesh - Joint Venture	28,800		
	(NIL)		
<b>Other Relations</b>			
Sri.Ravi Chitturi		5,000	
		(25,000)	
Kum.Shivani Dutt Chitturi		1,30,000	
		(6,50,000)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Smt.S R V Rajyalakshamma		63	
		(315)	
Smt.Uma S Vallabhaneni		16,312	
		(81,560)	
Smt.Rajeswary Ramakrishnan		23,402	
		(1,17,010)	
Smt.Kamala Devi Valluri		499	
		(2,495)	
Sri.V Praveen Kumar		232	
		(1,160)	
Smt.Anupama		237	
		(1,185)	
Sri.Nagalla Seshu Babu		-	
		(1,310)	
V. Ramakrishna Sons Pvt Limited			38,95,633
			(1,94,48,163)
The Jeypore Sugar Company Ltd.			27,837
			(1,39,185)
VRK Grandsons Investment (Private) Limited			9,57,833
			(47,89,165)
Dr V L Dutt (HUF)		11,350	
		(56,750)	
Fives Cail, France - Joint Venture			16,00,000
			(NIL)
<b>Loans/Deposit Repaid</b>			
Dr V L Dutt	33,50,000		
	(30,00,000)		
Smt V L Indira Dutt	70,00,000		
	(2,35,00,000)		
Smt Kavitha D Chitturi	91,53,000		
	(1,53,000)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
V. Ramakrishna Sons Pvt Limited			1,15,00,000
			(1,25,00,000)
Dr V L Dutt (HUF)		3,80,00,000	
		(NIL)	
Smt.S R V Rajyalakshamma		37,50,000	
		(NIL)	
Kum.Shivani Dutt Chitturi		1,62,00,000	
		(18,21,000)	
<b>Rent Paid</b>			
Smt V L Indira Dutt	44,35,031		
	(37,25,406)		
Smt Kavitha D Chitturi	4,81,800		
	(NIL)		
<b>Other Relations</b>			
Smt.Uma.s.Vallabhaneni		57,99,811	
		(48,71,815)	
Smt. S R V Rajyalakshamma		7,82,836	
		(6,57,578)	
Smt.V.Rama Kumari		42,06,268	
		(35,33,245)	
Bala Tripurasundari Ammavaru Trust			58,35,933
			(49,02,156)
Sri.V.Chandra kumar		23,11,720	
		(23,31,686)	
<b>Balances as at 31.03.2015</b>			
<b>Loans/Advances given</b>			
V Ramakrishna Charitable Trust			-
			(58,217)
Fives Cail, France - Joint Venture			-
			(1,14,61,701)

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Receivable - Trade dues/others</b>			
KCP Technologies Limited			97,324
			(19,775)
The Jeypore Sugar Company Ltd.			-
			(17,913)
Fives Cail, France - Joint Venture			8,80,456
			(10,76,186)
<b>Receivable Rent advance</b>			
Sri.V.Chandra kumar		1,83,680	
		(3,03,680)	
<b>Share capital in KCP held by</b>			
Dr V L Dutt	60,05,569		
	(60,05,569)		
Smt V L Indira Dutt	30,64,479		
	(30,64,479)		
Smt Kavitha D Chitturi	9,00,000		
	(9,00,000)		
Sri V .Gandhi	2,040		
	(2,040)		
<b>Other Relations</b>			
Kum.Shivani Dutt Chitturi		13,00,000	
		(13,00,000)	
Smt.Rajeswary Ramakrishnan		2,34,020	
		(2,34,020)	
Smt.S R V Rajyalakshmamma		630	
		(630)	
Smt.Uma S Vallabhaneni		1,63,120	
		(1,63,120)	
Sri.Ravi Chitturi		50,000	
		(50,000)	
Smt.Anupama		2,370	
		(2,370)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Smt.Kamala Devi Valluri		4,990	
		(4,990)	
Sri.Nagalla Seshu Babu		-	
		(9,600)	
Sri.V Praveen Kumar		-	
		(50)	
V. Ramakrishna Sons Pvt Limited			3,89,56,326
			(3,89,56,326)
The Jeypore Sugar Company Ltd.			2,78,370
			(2,78,370)
VRK Grandsons Investment (Private) Limited			95,78,330
			(95,78,330)
Dr. VL Dutt (HUF)		1,13,500	
		(1,13,500)	
Fives Cail, France - Joint Venture			16,00,000
			(16,00,000)
<b>Loans/Advances received</b>			
Dr V L Dutt	13,00,00,000		
	(13,00,00,000)		
Smt V L Indira Dutt	4,70,00,000		
	(5,30,00,000)		
Smt Kavitha D Chitturi	2,80,00,000		
	(3,40,00,000)		
V. Ramakrishna Sons Pvt Limited			5,00,00,000
			(6,15,00,000)
<b>Deposits Received</b>			
Dr V L Dutt	33,50,000		
	(33,50,000)		
Smt Kavitha D Chitturi	11,53,000		
	(1,53,000)		



PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Other Relations</b>			
VL Dutt[HUF]		6,00,00,000	
		(6,00,00,000)	
Kum.Shivani Dutt Chitturi		1,97,00,000	
		(1,82,00,000)	
Smt.S R V Rajyalakshamma		37,50,000	
		(NIL)	
<b>Royalty Payable</b>			
Fives Cail, France - Joint Venture			35,73,984
			(32,76,928)
<b>Commission payable</b>			
Dr. V L Dutt	36,99,150		
	(NIL)		
Smt. V. L. Indira Dutt	6,82,800		
	(NIL)		
<b>Payable-Trade Dues</b>			
Fives Cail, France - Joint Venture			24,00,340
			(1,94,75,208)
Smt. V. L. Indira Dutt	12,54,994		
	(10,23,406)		
Smt Kavitha D Chitturi	1,09,730		
	(NIL)		
<b>Other Relations</b>			
Smt.S R V Rajyalakshamma		2,21,521	
		(1,80,644)	
Smt.V.Rama Kumari		11,90,261	
		(9,67,286)	
Sri.V.Chandra kumar		5,20,588	
		(4,42,313)	
Smt.Uma.S.Vallabhaneni		13,06,090	
		(10,66,009)	
Bala Tripurasundari Ammavaru Trust			9,76,412
			(13,46,670)

### 2.13 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES (MSMED ACT,2006)

PARTICULARS	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
1. Amount remaining unpaid, beyond the appointed/agreed date at the end of the year		
(a) Principal amount of bills to be paid	-	72,46,729
(b) Interest due thereon	-	10,40,737
2. (a) Payments made to suppliers, during the year, but beyond appointed/agreed day	89,49,322	1,10,64,823
(b) Interest paid alongwith such payments during the year	15,00,437	19,59,654
© Interest due and payable at the end of the year, on such payments made during the year	-	4,59,876
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.	-	5,80,861
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.	-	10,40,737

Note: For the purpose of the above details, of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.

### 2.14. CASH AND BANK BALANCES INCLUDE:

PARTICULARS	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them	9,22,48,582	2,37,24,066
Deposits maintained as per the provisions of Section 73 to Section 76 of the Companies Act 2013 and Rules made there under.	7,52,84,767	4,13,25,782
Balances held with banks towards Unclaimed Dividends	1,32,03,379	1,62,07,370

### 2.15 Corporate Social Responsibility (CSR) - in respect of THE KCP LIMITED

As per section 135 of the Companies Act 2013, the CSR committee has been constituted by the company. The areas of CSR activities are eradication of hunger and malnutrition promoting education, Art and Culture, Health care, destitute care and rehabilitation and Rural development projects.

	(in cash) Rs.
Gross amount required to be spent by the company during the year	84,82,976
Less: Amount spent by the company during the year towards CSR	77,11,880
Amount yet to be spent by the company	7,71,096

- 2.16** As per section 143(3)(j) of the Companies Act 2013 and Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the company estimated material foreseeable losses on long-term contracts at its Engineering unit and made provision for an amount of Rs.40,25,634/-.
- 2.17** Particulars disclosed pursuant to Accounting Standard 17 “ Segment Reporting” are given in Annexure 1.
- 2.18** Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation:

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount Rs. In lakhs	As % of consolidated profit or loss	Amount Rs. In lakhs
<b>Parent</b>				
The KCP Limited	53.38	33,470.26	23.55	1,586.58
<b>Subsidiary</b>				
<b>Foreign</b>				
KCP Vietnam Industries Limited	30.39	19,052.90	50.73	3,417.19
Minority Interest in the subsidiary	15.19	9,526.45	25.36	1,708.59
<b>Joint Venture (as per proportionate consolidation)</b>				
<b>Indian</b>				
Fives Cail KCP Limited	1.04	653.22	0.36	24.23
<b>Total</b>	<b>100</b>	<b>62,702.83</b>	<b>100</b>	<b>6,736.59</b>

### 3) SHARE CAPITAL

PARTICULARS	AS AT	AS AT
	31st March, 2015 Rs.	31st March, 2014 Rs.
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2014 : 35,00,00,000) equity shares of Rs.1/- each	<b>35,00,00,000</b>	35,00,00,000
2,00,00,000 (31 March 2014 :2,00,00,000) preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>55,00,00,000</b>	55,00,00,000
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2014 : 12,89,77,480) equity shares of Rs.1/- each	<b>12,89,77,480</b>	12,89,77,480
2,00,00,000 (31 March 2014 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>32,89,77,480</b>	32,89,77,480
<b>Subscribed and paid-up :</b>		
12,89,21,160 (31 March 2014 :12,89,21,160) Equity shares of Rs.1/- each	<b>12,89,21,160</b>	12,89,21,160
NIL (31 March 2014 : 80,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	-	8,00,00,000
<b>Total Issued, Subscribed and paid-up Capital</b>	<b>12,89,21,160</b>	20,89,21,160

**3.1) Details of shareholders holding more than 5% share in the company:**

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Re. 1/- each fully paid - 30.22% (30.22%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) equity shares of Re. 1/- each fully paid - 7.43% (7.43%)
3. SBI Emerging Business Fund - 92,93,792 (84,38,792) equity shares of Re. 1/- each fully paid up 7.21% (6.55%)
4. M/s. Tata Capital Financial Services Ltd. - NIL (80,00,000) Preference shares of Rs. 10/- each fully paid - NIL (100%).

**3.2) The reconciliation of the Opening and Closing balance of the Subscribed and Paid-up Equity and Preference Share Capital of the company is set out below:**

PARTICULARS	AS AT	AS AT
	31-03-2015	31-03-2014
	Rs.	Rs.
Equity Share Capital at the beginning of the Year	12,89,21,160	12,89,21,160
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	8,00,00,000	15,00,00,000
<b>Less:</b> Less : 80,00,000 12% Redeemable cumulative Non-convertible Preference shares of Rs 10 each redeemed during the year (70,00,000 shares in previous year)	8,00,00,000	7,00,00,000
<b>Issued Subscribed and Fully paid up capital at the end of the year</b>	<b>12,89,21,160</b>	<b>20,89,21,160</b>

**3.3) 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

During the year the company has redeemed 80,00,000 12% Redeemable Cumulative, Non Convertible Preference Shares of Rs.10 each along with prorata dividend.

**4) RESERVES AND SURPLUS**

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Rs.	Rs.
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per Last Financial Statements	20,00,00,000	12,00,00,000
<b>Add:</b> Amount Transferred from Surplus Balance in Statement of Profit and Loss	-	8,00,00,000
	<b>20,00,00,000</b>	<b>20,00,00,000</b>
Capital Reserve On Reorganisation	2,79,91,144	2,79,91,144
Capital Reserve on Consolidation of Subsidiary	95,48,48,496	33,87,95,686
Capital Subsidy	50,00,000	50,00,000
On Amalgamation reserve	1,03,83,025	1,03,83,025
<b>Total capital Reserve</b>	<b>99,82,22,665</b>	<b>38,21,69,855</b>

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>General Reserve</b>		
Balance as per the last Financial Statements		
Group Companies	274,50,00,000	274,50,00,000
Joint Venture	4,38,01,637	4,16,04,105
Add : Amount transferred from Surplus Balance in the Statement		
Group Companies	-	-
Joint Venture	-	21,97,532
<b>Closing Balance</b>	<b>278,88,01,637</b>	<b>278,88,01,637</b>
<b>Other Reserves</b>		
Translation reserve		
Opening Balance	4,35,92,831	
Additions/(Deletions) during the year	3,14,63,822	
<b>Closing Balance</b>	<b>7,50,56,653</b>	<b>4,35,92,831</b>
<b>Surplus/(Deficit) In The Statement Of Profit And Loss</b>		
Balance as per the last Financial Statements		
Group Companies	141,28,24,865	138,29,09,660
Joint Venture	1,50,97,987	(14,08,189)
<b>Add : Profit for the year</b>		
Group Companies	50,03,77,068	32,14,93,809
Joint Venture	24,22,891	2,33,83,508
	<b>193,07,22,810</b>	<b>172,63,78,787</b>
<b>Less : Appropriations</b>		
Proposed Final Equity Dividend (Amount per share Rs.0.75) (Previous year Rs.0.10))	9,66,90,870	1,28,92,116
-Joint Venture	-	40,00,000
Interim Dividend Paid	6,36,73,756	17,79,37,878
Dividend on 12% Preference Shares	66,27,945	1,53,99,452
Tax on Distributed Profits	2,10,40,991	53,49,158
-Joint Venture	-	6,79,800
Transfer to Capital Redemption Reserve	-	8,00,00,000
Transfer to Capital Reserve / Bonus Shares	61,60,52,810	-
Transfer to General Reserve-Group companies	-	-
-Joint Venture	-	21,97,532
Total Appropriations	<b>80,40,86,372</b>	<b>29,84,55,936</b>
<b>Net Surplus In Statement Of Profit And Loss</b>	<b>112,66,36,438</b>	<b>142,79,22,851</b>
Total Reserves And Surplus Taken To Balance Sheet	<b>518,87,17,393</b>	<b>484,24,87,174</b>

4.1) MINORITY INTEREST	Figures as at the end of the previous reporting period 31.03.2014	Additions	Deductions	Figures as at the end of current reporting period 31.03.2015
Share Capital of KCP Vietnam Industries Limited 101,61,666 Equity shares (60,61,780 shares) held by minority shareholders	28,79,69,677	30,80,26,405		<b>59,59,96,082</b>
Profit & Loss account	48,81,24,469	17,08,59,330	33,98,63,283	<b>31,91,20,517</b>
Translation Reserve	2,17,96,414	1,57,31,911		<b>3,75,28,325</b>
<b>Total</b>	<b>79,78,90,560</b>	<b>49,46,17,646</b>	<b>33,98,63,283</b>	<b>95,26,44,924</b>

#### 5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion		Current maturities	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Term Loans</b>				
Group companies				
From Banks (Secured)	<b>271,27,38,807</b>	255,70,76,307	<b>56,56,00,000</b>	33,03,00,000
Foreign currency loan from Banks (Secured)	-	-	-	-
<b>Total</b>	<b>271,27,38,807</b>	255,70,76,307	<b>56,56,00,000</b>	33,03,00,000
<b>Other Loans and advances:</b>				
Deposits (unsecured)-Group Companies				
Deposits from directors	<b>45,03,000</b>	31,53,000	-	3,50,000
From Others	<b>46,56,38,350</b>	56,49,56,000	<b>32,75,98,000</b>	19,54,76,000
	<b>47,01,41,350</b>	56,81,09,000	<b>32,75,98,000</b>	19,58,26,000
<b>Total Amount</b>	<b>318,28,80,157</b>	312,51,85,307	<b>89,31,98,000</b>	52,61,26,000
<b>The above amount includes</b>				
Secured Borrowings	<b>271,27,38,807</b>	255,70,76,307	<b>56,56,00,000</b>	33,03,00,000
Unsecured Borrowings	<b>47,01,41,350</b>	56,81,09,000	<b>32,75,98,000</b>	19,58,26,000
Amount disclosed under the head				
<b>"Other Current Liabilities"(Note 10)</b>	-	-	<b>89,31,98,000</b>	52,61,26,000
<b>Net Amount</b>	<b>318,28,80,157</b>	312,51,85,307	-	-

- 5.1 a) Term loans from banks for Cement plant at Muktyala are Secured by Paripassu First Charge on the Fixed Assets, paripassu Second charge on the current assets and charge on the leasehold rights of the leased Lands of the Muktyala Cement Division. The rate of interest of the abovesaid loan ranges between Base Rate plus margin 2% to 3%.

- b) The Long Term loans obtained for Cement Plant at Muktyala are repayable in 28 Quarterly Installments of Rs. 7.26 crores each with effect from 30th June 2011.
- 5.2** a) Term loan obtained for Hotel project at Hyderabad is secured by First charge on the land, building and other assets of the company at Somajiguda Hyderabad. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) The Long term loan obtained for Hotel project is repayable in 28 quarterely instalments of Rs. 1.61 crores with last instalment being Rs. 1.53 crores with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period.
- c) Additional Term loan of Rs.14.73 crores obtained for Hotel Project is repayable in 28 quarterly instalments of Rs.0.53 crores after holiday period of 18 months. First instalment of both the loans for Hotel Project falls due in June 2015.
- 5.3** a) Term Loan obtained for the Captive Power Plant Muktyala is secured by the First Charge on the fixed Assets of the Captive Power Plant Muktyala . The rate of interest of the abovesaid loan is Base Rate plus margin 1.75%
- b) The Long Term loans obtained Captive Power Plant Muktyala are repayable in 32 Quarterly Instalments of Rs 2.49 crores with the last instalment being Rs 2.45 crores each with an initial moratorium peroid of two years from the date of first disbursement.First instalment was paid in March'2015.
- 5.4** a) Term Loan obtained for the Cement Plant Macherla is secured by the First Charge on the fixed Assets (both present and proposed out of the loan) and second charge on the current assets of the Cement Division at Macherla. The rate of interest of the abovesaid loan is Base Rate plus margin 2%
- b) The long Terms loans obtained for Cement Plant at Macherla are repayable in 28 Quarterly Installments of Rs 0.75 crores each with an initial moratorium peroid of two years from the date of first disbursement. Repayments started from November 2014.
- 5.5** a) Term Loan of Rs.12 crores obtained for working capital and business operations is secured by Equitable Mortgage on properties at Visakhapatnam, Mumbai and Hyderabad. The rate of interest of this loan is Base Rate plus margin 2%.
- b) This loan is repayable in 4 equal half yearly instalments of Rs. 3 crores after 1 year moratorium.
- 5.6** a) Term Loan of Rs.56 crores obtained for shoring up working capital is secured by Exclusive charge on land near Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2%
- b) This loan is repayable in 20 quarterly instalments of Rs.2.80 crores after 2 years moratorium.
- 5.7** a) Term Loan of Rs.40 crores obtained for shoring up working capital is secured by Exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2.25%
- b) This loan is repayable in 20 quarterly instalments of Rs.2 crores after 2 years moratorium. First instalment falls due in May 2017.



## 6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>6.1) Trade payables</b>		
Group Companies	1,57,44,519	45,25,851
Joint Venture	-	-
<b>Total</b>	<b>1,57,44,519</b>	<b>45,25,851</b>
<b>6.2) Others</b>		
<b>Outstanding Liabilities for Expenses</b>		
Group Companies	10,34,56,170	3,65,87,042
Joint Venture	1,19,64,135	1,19,64,135
<b>Retention Money Payable</b>		
Group Companies	1,50,50,000	1,47,82,751
Joint Venture	-	-
<b>Trade Deposits</b>		
Group Companies	22,53,67,100	23,13,27,864
<b>Deposits Payable-Contractors</b>		
Group Companies	1,41,90,000	1,62,90,000
<b>Others</b>		
Group companies	20,72,83,964	30,39,94,320
Joint venture	-	-
<b>Total</b>	<b>57,73,11,369</b>	<b>61,49,46,112</b>

## 7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between Tax Depreciation and Depreciation/Amortisation charged for the financial reporting others		
Group Companies	84,66,06,890	67,40,83,428
Joint Venture	3,35,029	(6,29,444)
<b>Gross deferred Tax Liability</b>	<b>84,69,41,919</b>	<b>67,34,53,984</b>

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>Deferred Tax Asset</b>		
Disallowance under Sec. 43B		
Group Companies	<b>4,09,07,487</b>	9,77,35,381
Joint Venture	<b>44,56,564</b>	1,41,10,940
<b>Unabsorbed Loss</b>		
Group Companies	<b>14,59,13,859</b>	
Joint Venture	<b>73,03,527</b>	
<b>Gross Deferred Tax Asset</b>	<b>19,85,81,437</b>	11,18,46,321
<b>Net Deferred Tax Liability</b>	<b>64,83,60,482</b>	56,16,07,663

## 8) PROVISIONS

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Provision for Employee Benefits:</b>				
<b>Provision for Gratuity</b>				
Group companies	-	-	-	17,79,799
Joint Venture	-	-	-	-
<b>Provision for Leave Benefits</b>				
Group companies	<b>4,24,51,813</b>	3,96,94,130	<b>16,77,285</b>	25,48,875
Joint Venture	<b>25,09,327</b>	14,79,794	<b>2,52,919</b>	3,62,516
	<b>4,49,61,140</b>	4,11,73,924	<b>19,30,204</b>	46,91,190
<b>Other Provisions</b>				
Provision for Wealth tax	-	-	<b>19,81,186</b>	21,15,003
Provision for Income tax				
Group companies	-	-	<b>5,44,90,399</b>	72,40,399
Joint Venture	-	-	<b>73,60,000</b>	1,78,99,623
Proposed equity dividend			<b>12,89,75,593</b>	1,68,92,116

**PROVISIONS (CONTINUED...)**

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
Provision for tax on Distributed Profits			<b>1,96,83,941</b>	28,70,815
Proposed preference dividend	-	-	-	29,72,055
Provision for tax on proposed preference dividend	-	-	-	5,05,101
Provision for National/State Mineral Fund	-	-	<b>1,62,40,598</b>	-
	-	-	<b>22,87,31,717</b>	5,04,95,112
	<b>4,49,61,140</b>	4,11,73,924	<b>23,06,61,921</b>	5,51,86,302

**9) SHORT TERM BORROWINGS**

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
Cash credit from Banks		
<b>Secured</b>		
Group Companies	<b>16,02,13,181</b>	72,29,76,229
Joint Venture	<b>1,70,65,765</b>	1,99,84,746
<b>Unsecured</b>		
Loan Repayable on Demand (Unsecured)		
- from Directors	<b>20,50,00,000</b>	21,70,00,000
Inter-corporate Deposits repayable on demand	<b>5,00,00,000</b>	6,15,00,000
	<b>43,22,78,946</b>	102,14,60,974
<b>The above amount includes</b>		
Secured Borrowings	<b>17,72,78,946</b>	74,29,60,974
Unsecured Borrowings	<b>25,50,00,000</b>	27,85,00,000
9.1 i) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Engineering division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>4,56,53,288</b>	19,31,62,742

ii) Cash Credit from a Bank secured by paripassu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Macherla Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>5,38,95,913</b>	21,16,21,210
iii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Muktyala Cement division The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	<b>6,06,63,981</b>	20,81,59,476
iv) Cash Credit from a Bank secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares and book debts of the Joint Venture Company. The cash credit is repayable on demand and carries interest @ 14.75%	<b>1,70,65,765</b>	1,99,84,746

**10) OTHER CURRENT LIABILITIES:**

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>10.1) Trade payables</b>		
Group Companies	<b>61,18,01,324</b>	69,89,96,686
Joint Venture	<b>5,39,74,299</b>	12,60,11,154
	<b>66,57,75,623</b>	82,50,07,841
<b>10.2) Other Liabilities:</b>		
Current maturities of long term borrowings (Note 5.3)		
Group Companies	<b>89,31,98,000</b>	52,61,26,000
Interest accrued but not due on borrowings-Group Companies	<b>2,74,66,394</b>	90,82,631
Interest accrued and due on borrowings-Group Companies	<b>2,17,54,685</b>	1,75,36,388
Advance from customers		
Group Companies	<b>30,98,46,646</b>	35,29,80,036
Joint Venture	<b>20,45,31,421</b>	12,69,10,231
Unpaid dividend		
Group Companies	<b>1,32,03,379</b>	1,62,07,370
Others		
Group Companies	<b>33,51,73,046</b>	34,69,86,604
Joint Venture	<b>93,78,572</b>	3,23,86,028
	<b>181,45,52,144</b>	142,82,15,288
	<b>248,03,27,766</b>	225,32,23,129

**11) FIXED ASSETS and 12) INTANGIBLE ASSETS**

DESCRIPTION	GROSS BLOCK						DEPRECIATION						NETT BLOCK	
	Cost upto 31 <sup>st</sup> March 2014	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31 <sup>st</sup> March 2015	Exchange difference	Depreciation upto 31 <sup>st</sup> March 2014	Depreciation For the Year	Total Depreciation For the Year	Total Depreciation upto 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2014		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1 Lands	187259079	82550320	1539950		288269449						268269449	187259079		
2. (a) Buildings	966964285	114676058	374605	6239313	1087505051	2068932	212919436	29520693	268029	244241032	843264019	754044849		
Joint Venture	7236454				7236454		5944698	121958	-	6068656	1169798	1291756		
(b) Leasehold Buildings							563686	23287		586973	960527	983814		
Group companies	1547500				1547500									
3 Tramways and Railway Sidings	79087281	12168293			91255574		5671259	63280104		68951363	22304211	73416022		
Group companies														
Owned														
4 Plant and Machinery	7524341337	867674932	74174392	42325281	8360167158	33149864	3089389716	328890759	34215805	3417214534	4942952624	4434951621		
Joint Venture	104626				104626		44728	14456		59184	45442	59898		
Owned														
5 Furniture, Fixtures	45621784	2877825	438573	166115	48227151	137006	26533518	3175997	388771	29457750	18769401	19088266		
Group companies	653609		178609		475000		531090	45340	178609	397821	77179	122519		
Joint Venture														
6 Motor Vehicles	188374348	10247842	4145575	393794	194870409	299780	77462159	22194500	2048329	97908110	96962299	110912189		
Group companies	3722378	1103546	3044704		1781220		3457835	124009	3006618	575226	1205994	264543		
Joint Venture														
7 Railway Siding, Locomotives	8139301	2543376			10682677		6632285	163232		6795517	3887160	1507016		
Group companies														
Joint Venture														
8 Ropeway Structures	13611819				13611819		13224143			13224143	387676	387676		
Group companies														
Joint Venture														
9 Office Equipment	18649894	2543379	45405	251093	21398961	222184	12632047	5091618	30933	17914916	3484045	6017847		
Group companies	1272248	135786	243823		1164211		873894	325992	243823	956003	208208	398354		
Joint Venture														
10 Computer & Data Processing Units	49969794	1762025	290719		51441100		29910475	11610243	276183	41244535	10196565	20059319		
Group companies	4312037	1484942	33354		5763625		4037490	455359	33354	4459495	1304130	274547		
Joint Venture														
11 Laboratory Equipment														
Owned														
Group companies	10442793	588050			11030843		6363548	962619		7326167	3704676	4079245		
Joint Venture														
12 Electrical Installation & Equipment	155309740	62066819	197183		217179376		75463737	15391091	50824	90804004	126375372	79846003		
Group companies	267762				267762		26796	67814		94610	173152	240966		
Joint Venture														
13 Hydraulic Works, Pipeline & Sluices														
Group companies														
Joint Venture														
14 Patents	900000				900000		900000			900000				
Group companies														
Joint Venture														
15 Intangible Asset	3749619	3478662		35703	7263984	35703	1360347	1160879		2556929	4707055	2389272		
Group companies	5684888	641788			6326676		5684888	214719		5899607	427069			
Joint Venture														
<b>Grand Total</b>	9277222574	1175459834	84706892	49411299	10417386815	35913469	3579627775	482973748	40741278	4057773712	6359613103	5697594801		
1. Group companies	9253968574	1172093771	81206402	49411299	10394267242	35913469	3559026356	481604159	37278874	4039265110	6355002132	5694942218		
2. Joint Venture	23254000	3366063	3500490		23119573		20601419	1369589	3462404	18508602	4670791	2652583		
<b>Grand Totals</b>	9277222574	1175459834	84706892	49411299	10417386815	35913469	3579627775	482973748	40741278	4057773712	6359613103	5697594801		

a) Depreciation for the year includes an amount of Rs. 4,96,409/- capitalised during the year.  
b) Depreciation during Trail Run Production of Captive Power Plant for an amount of Rs. 3,81,821/- is transferred to Capital Work in Progress and credited to Accumulated depreciation.

**13) NON-CURRENT INVESTMENTS**

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
Trade Investments (valued at cost unless stated otherwise)		
<b>Unquoted equity instruments</b>		
<b>Common Stock (unquoted)</b>		
1640 Non-voting common stock of BGE Global Inc., par value \$0.01 per share	<b>76,99,947</b>	76,99,947
<b>Preferred Shares (unquoted)</b>		
750 Non-voting Preferred stock of BGE Global Inc., par value \$0.01 per share	<b>3,84,99,738</b>	3,84,99,738
	<b>4,61,99,685</b>	4,61,99,685
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Equity Instruments (quoted)</b>		
100 (31 March 2014: 100 ) equity shares of Rs.10/- each, fully paid up in Industrial Finance Corporation of India.	<b>3,500</b>	3,500
14240 (31 March 2014: 14240 ) equity shares of Rs.10/- each, fully paid up in Industrial Development Bank of India.	<b>11,57,000</b>	11,57,000
<b>Equity Shares (unquoted)</b>		
30 (31 March 2014: 30 ) equity shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd., (Written off to the extent of Rs. 299/-)	<b>1</b>	1
100000 (31 March 2014: 100000 ) equity shares of Rs. 10/- each fully paid up in Prudential Mouli Sugars Ltd., (Written off to the extent of Rs. 9,99,999/-)	<b>1</b>	1
Other investments	<b>5,46,954</b>	4,77,387
	<b>17,07,456</b>	16,37,889
<b>Total</b>	<b>4,79,07,141</b>	4,78,37,574

**14) LOANS AND ADVANCES**

PARTICULARS	14.1 Non-current		14.2 Current	
	31 March 2015 Rs.	31 March 2013 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Capital Advances</b>				
Secured, considered good				
Group Companies	-	-	-	
Unsecured, considered good				
Group Companies	<b>11,72,82,267</b>	18,62,29,918	-	-
<b>(A)</b>	<b>11,72,82,267</b>	18,62,29,918	-	-
<b>Security Deposit</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Group Companies	<b>9,55,63,660</b>	8,90,24,420	<b>1,92,87,673</b>	12,75,61,343
Doubtful	-	-	-	-
	<b>9,55,63,660</b>	8,90,24,420	<b>1,92,87,673</b>	12,75,61,343
Provision for doubtful security deposit		-	-	-
<b>(B)</b>	<b>9,55,63,660</b>	8,90,24,420	<b>1,92,87,673</b>	12,75,61,343
<b>Loans and advances to related parties</b>				
Unsecured, considered good	-	-	<b>1,83,680</b>	3,03,680
<b>(C)</b>	-	-	<b>1,83,680</b>	3,03,680
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	-	-	-	
Unsecured, considered good				
Group Companies	-	-	-	-
Joint Venture	-	-	8,29,581	59,57,928
Provision for Doubtful Advances	-	-	-	-
<b>(D)</b>	-	-	<b>8,29,581</b>	59,57,928
<b>Other Loans and Advances</b>				
MAT Credit				
Group Companies	<b>28,47,19,283</b>	22,92,33,105	-	-
Joint Venture	<b>69,03,473</b>	62,73,822	-	-
<b>Advances to Trade Payables</b>				
Group Companies	-	-	<b>91,75,94,263</b>	40,67,27,658
Joint Venture			<b>4,41,93,505</b>	5,74,76,925



## LOANS AND ADVANCES (CONTINUED)

PARTICULARS	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
<b>Advance Income-tax (Net of provision for Taxation)</b>				
Group Companies	-	-	14,38,59,555	8,85,28,754
Joint Venture	-	-	2,03,22,914	2,26,78,186
<b>Duty Drawback Receivable</b>				
Group Companies	-	-	-	-
Joint Venture	-	-	30,07,947	51,14,740
<b>Prepaid expenses/</b>				
Group Companies	1,47,66,512	17,01,235	2,37,71,703	4,20,74,434
Joint Venture	7,328	86,346	20,30,978	14,75,546
<b>Loans and Advance to employees</b>				
Group Companies	-	-	40,24,624	31,07,006
Joint Venture	-	-	10,40,966	6,56,554
<b>Balances with Statutory/Government Authorities</b>				
Group Companies	1,40,06,960	-	47,84,01,655	70,94,20,784
Joint Venture	-	-	4,37,80,289	4,05,75,670
<b>Others</b>				
Group Companies	-	-	2,29,82,439	-
Joint Venture	-	-	52,57,604	-
(E)	32,04,03,556	23,72,94,508	171,02,68,442	137,78,36,256
<b>Total [A+B+C+D+E]</b>	<b>53,32,49,483</b>	<b>51,25,48,846</b>	<b>173,05,69,375</b>	<b>151,16,59,208</b>

## 15) TRADE RECEIVABLE AND OTHER ASSETS

TRADE RECEIVABLES	Non-current		Current	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment</b>				
<b>Secured, considered good</b>				
Group Companies			2,51,59,049	-
Joint Venture	-	-	6,08,23,153	16,76,08,078
<b>Unsecured, considered good</b>				
Group Companies	56,02,414	1,53,92,554	82,70,516	52,49,50,767
Joint Venture	-	-	-	-
Doubtful	-	-	-	-
	56,02,414	1,53,92,554	942,52,718	69,25,58,845
Provision for doubtful receivables			-	7,15,235
(A)	56,02,414	1,53,92,554	9,42,52,718	69,18,43,610
<b>Other Receivables</b>				
<b>Secured, considered good</b>				
Group Companies	-	-	-	-
Joint Venture	-	-	6,00,24,989	4,88,37,166

**TRADE RECEIVABLES AND OTHER ASSETS (CONTINUED)**

PARTICULARS	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Unsecured, considered good</b>				
Group Companies	-	-	<b>44,19,55,137</b>	10,98,54,682
Joint Venture	-	-	<b>6,35,22,337</b>	8,88,34,101
Doubtful			-	-
	-	-	<b>56,55,02,463</b>	24,75,25,949
Provision for doubtful receivables	-	-	-	-
(B)	-	-	<b>56,55,02,463</b>	24,75,25,949
<b>Total [A+B]</b>	<b>56,02,414</b>	1,53,92,554	<b>65,97,55,181</b>	93,93,69,558

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2015 Rs.	31 March 2014 Rs.	31 March 2015 Rs.	31 March 2014 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current Bank balances [Note 18]				
Group Companies	-	1,26,83,476	-	-
Joint Venture	<b>24,00,000</b>			
(A)	<b>24,00,000</b>	1,26,83,476	-	-
<b>Unamortized expenditure</b>				
Unamortized Premium on Forward Contract	-	-	-	-
Ancillary Cost of arranging the Borrowings	-	-	-	-
(B)	-	-	-	-
<b>Others</b>				
Interest accrued on fixed deposits-Group Companies			<b>3,05,331</b>	70,54,613
Interest accrued on fixed deposits-Joint Venture			<b>6,80,494</b>	11,65,928
Interest accrued on investments-Group Companies			<b>61,94,527</b>	3,150
Dividend receivable on investment in subsidiaries - Long Term-Group Companies			<b>64,080</b>	64,080
Non trade receivables(interest)				
From - Joint Venture			<b>49,74,936</b>	4,10,30,422
- Others			<b>3,19,997</b>	2,40,847
Others - Earnest Money Deposit				
Group Companies	<b>5,23,239</b>	2,37,239	-	-
Joint Venture	-	-	-	-
(C)	<b>5,23,239</b>	2,37,239	<b>1,25,39,365</b>	4,95,59,040
<b>Total [A+B+C]</b>	<b>29,23,239</b>	1,29,20,715	<b>1,25,39,365</b>	4,95,59,040

**16) CURRENT INVESTMENTS**

PARTICULARS	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
Nil	-	-
	-	-

**17) INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)**

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>Raw materials and components at Cost</b>		
Group Companies	<b>16,09,47,519</b>	7,95,64,729
Joint Venture	-	-
(includes in transit for 31st March 2015 : Rs.9,13,025/-) (31 March 2014:Rs.13,12,568 /-)		
<b>Work-in-progresss</b>		
Group Companies	<b>57,57,05,759</b>	46,00,58,115
Joint Venture	<b>4,59,48,308</b>	1,77,06,494
<b>Finished goods</b>		
Group Companies	<b>84,96,06,913</b>	143,18,69,654
Joint Venture	-	-
(includes in transit for 31st March 2015 : Rs.22,81,000/-) (31 March 2014:Rs.2,78,212/-)		
<b>Stores and spares at Cost</b>		
Group Companies	<b>65,01,38,549</b>	60,70,71,291
Joint Venture	<b>2,32,08,267</b>	1,84,65,186
(includes in transit for 31st March 2015 : Rs.1,40,84,358/-) (31 March 2014:Rs.5,04,546/-)		
<b>Capital Stores in transit</b>		
Group Companies	-	13,12,568
Joint Venture	-	-
<b>Assets held for Sale (31st March 2014 : Rs. 5,28,05,240/-)</b>		
Group Companies	-	5,28,05,240
Joint Venture	-	-
<b>Total</b>	<b>230,55,55,314</b>	266,88,53,277

## 18) CASH AND BANK BALANCES

PARTICULARS	AS AT 31.03.2015 Rs.	AS AT 31.03.2014 Rs.
<b>Cash and Cash Equivalents :</b>		
<b>Balances with Banks:</b>		
On current accounts		
Group Companies	<b>30,72,98,518</b>	16,72,38,965
Joint Venture	<b>56,75,799</b>	37,62,675
Deposits with original maturity of less than 3 months		
Group Companies	<b>28,29,93,262</b>	5,24,41,703
Cheques/Drafts on hand		
Group Companies	<b>1,83,67,260</b>	2,01,33,790
Unpaid matured deposits	<b>8,59,910</b>	38,14,251
Cash on hand		
Group Companies	<b>28,81,411</b>	45,43,667
Joint Venture	<b>81,699</b>	80,761
	<b>61,81,57,858</b>	25,20,15,811
<b>Other Bank Balances :</b>		
Earmarked Balances with Banks - Unclaimed Dividends		
Group Companies	<b>1,32,03,379</b>	1,62,07,370
Deposits with original maturity for more than 3 months but less than 12 months		
Group Companies	<b>26,51,00,874</b>	40,90,850
Joint Venture	-	-
Margin Money Deposit		
Group Companies	<b>9,22,48,582</b>	2,03,34,550
Joint Venture	<b>2,22,61,106</b>	2,55,88,760
	<b>39,28,13,941</b>	6,62,21,530
<b>Total</b>	<b>101,09,71,800</b>	31,82,37,341

## 19) REVENUE FROM OPERATIONS

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Revenue from Operations</b>		
<b>Sale of products:</b>		
Finished goods		
Group Companies	1211,01,13,881	1081,23,63,175
Joint Venture	37,66,94,400	46,19,79,215
<b>Sale of Services</b>		
Group Companies	9,30,13,700	10,32,10,144
Joint Venture	3,69,76,890	5,72,49,419
<b>Other Operating Revenue</b>		
<b>Scrap sales</b>		
Group Companies	30,76,420	49,46,154
Joint Venture	17,34,830	-
<b>Others</b>		
Group Companies	9,00,86,967	9,88,24,353
Joint Venture	1,18,38,494	-
<b>Interest Income on</b>		
<b>Bank Deposits</b>		
Group Companies	1,65,29,762	3,35,80,222
Joint Venture	19,27,129	21,07,127
<b>Others</b>		
Group Companies	2,89,99,372	3,80,23,757
Joint Venture	-	-
Rents received	64,79,214	47,32,172
<b>Revenue from Operations (Gross)</b>		
Group Companies	1234,82,99,316	1109,56,79,977
Joint Venture	42,91,71,743	52,13,35,761
<b>Less:Excise Duty</b>		
Group Companies	89,45,89,248	100,37,94,440
Joint Venture	61,43,140	74,03,249
<b>Revenue from Operations (Net)</b>	1187,67,38,672	1060,58,18,049

## 20) OTHER INCOME

PARTICULARS	This Year Rs.	Previous Year Rs.
Dividends Received on		
Current investments	-	-
Long Term Investments	6,67,00,055	15,05,03,697
Net gain on sale of Assets		
- Group Companies	12,978	5,56,115
- Joint Venture	5,38,450	2,919
<b>Other Non-Operating Income (*)</b>		
- Group Companies	5,59,45,850	4,51,47,808
- Joint Venture	2,22,10,459	1,13,38,511
<b>Total Other Income</b>	<b>14,54,07,791</b>	<b>20,75,49,050</b>
Note : (*) Other Non-Operating Income includes :		
<b>Unclaimed balance Credited Back</b>		
- Group Companies	81,48,746	15,02,833
- Joint Venture	50,04,011	-
<b>Claims/refunds received</b>		
- Group Companies	1,32,307	18,37,588
- Joint Venture	-	-
<b>Duty Drawback</b>		
- Group Companies	24,79,912	20,49,495
- Joint Venture	12,80,123	55,19,657
<b>Provisions no longer required credited back</b>		
- Group Companies	1,68,05,391	2,75,31,867
- Joint Venture	86,62,078	-
<b>LD recovered from Suppliers</b>		
- Group Companies	26,20,494	-
- Joint Venture	-	-
<b>Difference in exchange (net)</b>		
- Group Companies	10,88,576	(23,73,412)
- Joint Venture	72,64,247	58,18,854
<b>Miscellaneous receipts</b>		
- Group Companies	1,98,55,178	1,45,99,437
- Joint Venture	-	-
<b>Total</b>	<b>7,33,41,063</b>	<b>5,64,86,319</b>

## 21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Group Companies</b>		
Inventory at the beginning of the year	7,95,64,728	6,97,07,243
Add:Purchases	43,28,47,716	28,45,86,799
Add:Cost of raw materials produced	433,72,70,974	420,27,49,644
Less: Inventory at the end of the year	16,09,47,517	7,95,64,728
Cost of raw material and components consumed - Group Companies	468,87,35,901	447,74,78,957
<b>Joint Venture</b>		
Inventory at the beginning of the year	1,84,65,186	1,98,95,788
Add:Purchases	34,48,22,562	32,20,88,729
Less: Inventory at the end of the year	2,32,08,266	1,84,65,186
Cost of raw material and components consumed - Joint Venture	34,00,79,482	32,35,19,331
<b>Total Cost of raw materials and components consumed</b>	<b>502,88,15,383</b>	<b>480,09,98,288</b>

## 22) (INCREASE)/DECREASE IN INVENTORIES

Particulars	This Year Rs.	Previous Year Rs.
<b>Inventories at the end of the year</b>		
Traded goods	-	-
<b>Work in progress</b>		
Group Companies	57,57,05,759	46,00,58,115
Joint venture	4,59,48,308	1,77,06,494
<b>Finished goods</b>		
Group Companies	84,96,06,913	143,18,69,654
Joint venture	-	-
	147,12,60,980	190,96,34,263
<b>Inventories at the beginning of the year</b>		
Traded goods	-	-
<b>Work in progress</b>		
Group Companies	46,00,58,115	58,40,58,811
Joint venture	1,77,06,494	2,16,97,375
<b>Finished goods</b>		
Group Companies	143,18,69,654	73,13,89,801
Joint venture	-	-
	190,96,34,263	133,71,45,987
<b>(Increase) / Decrease in Inventories</b>	<b>43,83,73,283</b>	<b>-57,24,88,276</b>



### 23) EMPLOYEE BENEFITS EXPENSES

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Salaries, Wages and Bonus</b>		
Group Companies	56,85,09,248	54,98,74,907
Joint Venture	2,90,72,298	2,33,36,442
<b>Contribution to Provident and other Funds</b>		
Group Companies	5,13,83,423	5,07,26,234
Joint Venture	23,05,331	19,55,649
<b>Gratuity Expense</b>		
Group Companies	93,361	77,72,831
Joint Venture	-	-
<b>Staff Welfare Expenses</b>		
Group Companies	5,89,85,864	5,96,86,215
Joint Venture	27,90,836	26,44,637
<b>Total</b>	<b>71,31,40,361</b>	<b>69,59,96,915</b>

### 24) FINANCE COSTS

PARTICULARS	This Year Rs.	Previous Year Rs.
Interest - Group Companies	49,70,20,736	45,62,16,150
Interest on incometax- Group Companies	-	-
- Joint Venture	13,41,354	21,37,153
Other Borrowing Cost		
- Group Companies	85,63,433	39,00,422
- Joint Venture	77,22,662	8,16,070
<b>Total</b>	<b>51,46,48,186</b>	<b>46,30,69,795</b>

## 25) DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Depreciation of Tangible Assets</b>		
- Group Companies	47,95,65,049	47,02,16,954
- Joint Venture	11,54,870	5,01,910
<b>Depreciation of Intangible Assets</b>		
- Group Companies	11,60,879	73,274
- Joint Venture	2,14,719	4,72,552
<b>Total</b>	<b>48,20,95,519</b>	<b>47,12,64,690</b>

## 26) OTHER EXPENSES

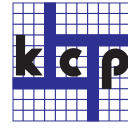
PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Consumption of Stores and Spares</b>		
- Group Companies	50,32,84,924	66,19,85,469
- Joint Venture	-	-
<b>Consumption of Loose tools</b>		
- Group Companies	1,23,05,951	1,35,31,281
- Joint Venture	-	-
<b>Sub-contracted works</b>		
- Group Companies	9,93,56,915	8,97,05,942
- Joint Venture	2,69,99,946	1,76,83,169
<b>(Increase )/Decrease of Excise duty on Inventory</b>		
- Group Companies	37,52,119	(55,09,836 )
- Joint Venture	-	-
<b>Power and Fuel</b>		
- Group Companies	172,61,54,816	
Less: Self consumption of Power generated internally	(28,14,77,303)	144,46,77,513
- Joint Venture	11,16,936	10,73,550
<b>Insurance</b>		
- Group Companies	1,00,38,221	1,01,90,021
- Joint Venture	6,95,284	6,79,110
<b>Research and Development</b>		
- Group Companies	6,82,45,111	11,63,911
- Joint Venture	-	-

**OTHER EXPENSES (CONTINUED)**

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Technical fee and royalty</b>		
- Group Companies	-	-
- Joint Venture	15,59,849	24,24,525
<b>Repairs to Buildings</b>		
- Group Companies	3,51,58,861	4,60,61,556
<b>Repairs to Machinery</b>		
- Group Companies	26,86,55,326	23,72,78,609
<b>Repairs to Other Assets</b>		
- Group Companies	2,67,33,032	5,45,92,905
<b>Advertisement and Sales Promotion</b>		
- Group Companies	5,53,17,305	3,07,55,640
- Joint Venture	2,83,007	3,57,573
<b>Freight &amp; Forwarding charges</b>		
- Group Companies	106,25,98,414	120,85,86,095
- Joint Venture	1,59,13,845	2,05,67,526
<b>Commission on Sales</b>		
- Group Companies	74,23,747	1,31,83,149
- Joint Venture	16,56,940	69,41,911
<b>Wheeling charges</b>		
- Group Companies	99,95,902	1,26,86,994
<b>Rent</b>		
- Group Companies	1,42,45,299	2,23,13,656
- Joint Venture	5,86,544	6,71,857
<b>Payments to Auditors</b>		
- Group Companies	32,78,338	34,01,809
- Joint Venture	3,57,132	3,24,502
<b>Directors' Sitting Fee</b>		
- Group Companies	10,60,000	10,00,000
<b>Travelling and Conveyance</b>		
- Group Companies	2,58,36,297	2,60,30,582
- Joint Venture	61,58,095	67,12,379
<b>Communication costs</b>		
- Group Companies	1,06,35,327	1,07,84,449
- Joint Venture	7,99,308	9,23,954

## OTHER EXPENSES (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Printing and Stationary</b>		
- Group Companies	1,03,92,286	89,20,286
- Joint Venture	-	-
<b>Legal and Professional fees</b>		
- Group Companies	3,02,25,124	2,66,42,024
- Joint Venture	-	-
<b>Miscellaneous Expenses</b>		
- Group Companies	13,13,97,570	10,96,03,131
- Joint Venture	80,39,320	3,84,04,214
<b>Warranty Claims</b>		
- Group Companies	1,85,62,847	1,82,99,922
- Joint Venture	31,43,786	1,22,68,053
<b>Bad debts and Irrecoverable Advances Written off</b>		
- Group Companies	4,93,181	10,99,654
- Joint Venture	5,79,779	-
<b>Discarded Assets Written off</b>		
- Group Companies	5,63,496	2,14,347
<b>Loss on Sale of Assets</b>		
- Group Companies	19,70,458	20,61,905
- Joint Venture	-	12,849
<b>Loss on sale of Stores &amp; Spares</b>		
- Group Companies	72,43,164	-
<b>Stores written off</b>		
- Group Companies	-	6,77,076
<b>Difference in Exchange (Net)</b>		
- Group Companies	31,13,661	48,75,301
- Joint Venture	-	-
<b>Rates and Taxes</b>		
- Group Companies	8,69,19,629	3,37,05,024
- Joint Venture	6,99,466	10,89,938
<b>Total</b>	<b>402,20,69,253</b>	<b>441,23,40,092</b>



**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 to make them comparable.

(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: 18th May, 2015

GROUP

**Annexure-I**  
(Rs in lakhs)

**SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2015**  
**Primary Segment Report - Business Segments**

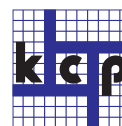
PARTICULARS	Engineering		Cement		Power		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>														
Total Revenue	9,369	13,863	63,791	64,715	3,333	1,971	53,985	37,138	112	85			130,589	117,773
Less: Excise Duty	504	620	8,503	9,492	-	-	-	-	-	-			9,007	10,112
	8,865	13,243	55,288	55,223	3,333	1,971	53,985	37,138	112	85			121,582	107,661
Less: Inter Segment Sales	-	-	-	-	2,815	1,925	-	-	-	-			2,815	1,925
	8,865	13,243	55,288	55,223	518	46	53,985	37,138	112	85			118,767	105,736
<b>Result</b>														
Segment Result	(1,541)	206	7,174	2,070	1,413	1,228	5,777	5,114	(430)	(127)			12,822	8,490
Add: Unallocated Corporate Expenses													(430)	(1,563)
Operating Profit / (Loss)	(1,541)	206	7,174	2,070	1,413	1,228	5,777	5,114	430	1,436			13,252	10,053
Less: Interest Expenses													(5,146)	(4,631)
Add : Income Tax Refund/Credited back													8,106	5,422
Mat Entitlement credit													-	24
													493	90
Less: Income Taxes													(1,016)	(450)
Net Current Tax liability													(868)	(94)
Net Deferred Tax Liability													77	-
Short/Excess provision for earlier years													6,792	4,992
Profit from Continuing Activities													(83)	-
Profit/(Loss) from Discontinued Activities													(28)	-
Less : Current Tax of Discontinued Operations													(55)	-
Profit After Tax of Discontinued Operations													(1,709)	(1,544)
less: Minority share of profit / (Loss )													5,028	3,448
Net Profit														
<b>Other Information</b>														
Segment Assets	13,969	18,563	56,651	58,285	16,948	14,296	33,178	30,567	9,121	6,336	3,154	3,422	126,712	124,625
Unallocated corporate Assets													12,116	10,630
<b>Total Assets</b>	13,969	18,563	56,651	58,285	16,948	14,296	33,178	30,567	9,121	6,336	3,154	3,422	138,828	135,255
Segment Liabilities	6,806	8,519	31,403	34,067	8,107	7,265	4,598	6,630	5,796	3,736	743	1,011	55,968	59,206
Unallocated Corporate liabilities													20,157	17,508
Minority Interest													9,526	6,763
Shareholders Funds													53,176	51,777
<b>Total Liabilities</b>	6,806	8,519	31,403	34,067	8,107	7,265	4,598	6,630	5,796	3,736	743	1,011	138,828	135,254
Capital Expenditure	126	67	985	3,242	10,551	885	18	210	75	564			11,755	4,968
<b>Total Capital Expenditure</b>														
Depreciation	373	331	2,421	2,506	265	462	1,377	1,294	385	120			4,821	4,713

**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	64,783	68,598	105,650	104,688	11,737	4,758
South East Asia - Vietnam	53,985	37,138	33,178	30,567	18	210

**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 subsidiary 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 (e) Others
4. Inter-segment revenues are recognised at market price.



**Notes:**

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**GROUP**

**Notes:**

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