

**and his
legacy lives on**

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

(Rs. In Lakhs)

	Year Ended											
	31-3-20	31-3-19	31-3-18	31-3-17	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09
SHARE CAPITAL	1289	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289	1289
RESERVES & SURPLUS	45411	47744	45289	39768	36652	34592	34250	34458	33168	29542	27189	22780
NET WORTH	46700	49033	46578	41057	37941	35881	36339	37247	36457	32831	30478	24069
FIXED ASSETS (NET)	95769	98110	90710	72223	71838	69486	66453	60639	54374	50668	33448	13147
GROSS INCOME	97052	116360	110048	95476	86582	70893	75723	88971	72654	37626	42289	41788
GROSS PROFIT	10242	14092	19669	14835	14965	10680	8002	11348	15208	8224	11052	11369
DEPRECIATION	7141	5193	4903	4861	3912	3431	3409	3197	2935	1233	1056	914
INTEREST	5641	3419	3529	4725	4541	4886	4473	3812	3795	1394	949	671
PROFIT BEFORE TAX	(2540)	5480	11237	5249	6512	2363	120	4339	8478	5597	9047	9784
PROFIT AFTER TAX	(677)	3951	8127	3381	4286	1587	127	3046	6153	4135	6002	6591
OTHER COMPREHENSIVE INCOME	(353)	(206)	(27)	(266)								
TOTAL COMPREHENSIVE INCOME	(1030)	3745	8100	3115								
EARNINGS PER SHARE (Rs.)*	(0.52)	3.06	6.30	2.62	3.32	1.17	(0.04)	2.16	4.56	2.99	45.88	51.13
BOOK VALUE PER SHARE (Rs.)*	36.23	38.04	36.13	31.85	29.43	27.84	27.57	27.34	26.73	23.92	220.93	186.72
DIVIDEND ON EQUITY (%)	100	100	100	200	100	75	10	100	150	100	100	100
DEBT EQUITY RATIO	1.09	1.14	1.03	1.01	1.04	0.89	0.86	0.54	0.51	0.71	0.33	0.27

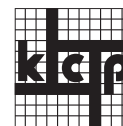
KEY FINANCIAL HIGHLIGHTS - THE K.C.P. LIMITED GROUP

(Rs. In Lakhs)

	Year Ended											
	31-3-20	31-3-19	31-3-18	31-3-17	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09
SHARE CAPITAL	1289	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289	1289
RESERVES & SURPLUS	82543	79766	72324	66251	59473	51896	48425	47574	46890	41684	33434	26791
NET WORTH	83832	81055	73613	67540	60762	53185	50514	50363	50179	44973	36723	28080
FIXED ASSETS (NET)	119567	122773	116408	98078	97512	76542	74502	67124	61561	57821	40750	22401
GROSS INCOME	142771	166926	152952	137118	141450	129229	118246	133590	115004	72100	69471	60401
GROSS PROFIT	19487	23827	25558	22855	24140	17990	14766	18316	23625	15288	17298	15428
DEPRECIATION	9609	7562	7051	6259	4829	4821	4713	4442	4104	2233	2167	2015
INTEREST	5940	3909	4234	4993	5234	5146	4631	3971	4154	1565	1336	1279
PROFIT BEFORE TAX	3938	12356	14273	11603	14077	8023	5422	9903	15367	11490	13795	12134
PROFIT AFTER TAX	2713	8223	8951	7655	9335	5037	3449	6524	10605	7874	9076	8118
OTHER COMPREHENSIVE INCOME	1366	517	(291)	(869)								
TOTAL COMPREHENSIVE INCOME	4079	8739	8660	6786								
EARNINGS PER SHARE (Rs.)*	2.1	6.38	6.94	5.94	7.24	3.84	2.54	4.89	8.01	5.89	69.70	62.98
BOOK VALUE PER SHARE (Rs.)*	65.04	62.88	57.11	52.40	47.14	41.26	38.57	37.91	37.38	33.33	269.38	217.84
DIVIDEND ON EQUITY (%)	100	100	100	200	100	75	10	100	150	100	100	100
DEBT EQUITY RATIO	0.65	0.73	0.76	0.76	0.78	0.60	0.60	0.39	0.38	0.53	0.42	0.07

* 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.

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

DR. V.L. INDIRA DUTT
Chairperson & Managing Director
Smt. V. KAVITHA DUTT
Joint Managing Director

INDEPENDENT DIRECTORS

Sri. P.S. KUMAR
SRI. V.H. RAMAKRISHNAN
Sri. VIJAY SANKAR
Sri. M. NARASIMHAPPA
Smt. JANAKI PILLAI

ADDITIONAL DIRECTORS (w.e.f. 18.06.2020)

Sri. V. CHANDRAKUMAR PRASAD
SRI. SUBBARAO VALLABHAMANI
Sri. RAVI CHITTURI

CHIEF FINANCIAL OFFICER

Sri. G.N. MURTY

COMPANY SECRETARY

Sri. Y. VIJAYAKUMAR

AUDITORS

M/s. K.S. RAO & CO.,
Chartered Accounts,
Flat No. 601A, Golden Green Apartments,
Irrumangil Colony, Hyderabad 500 082

INTERNAL AUDITORS

M/s. SRIRAMAMURTY & CO., Visakhapatnam
M/s. BHASKARA RAO & CO. Hyderabad

REGISTERED AND CORPORATE OFFICE

"Ramakrishna Buildings", 2, Dr. P.V. Cherian Crescent,
Egmore, Chennai 600 008
Ph: 044-66772600 Fax: 66772620
Email: investor@kcp.co.in
Website: www.kcp.co.in

REGISTRAR & SHARE TRANSFER AGENTS

M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PVT. LTD
II Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road
T. Nagar, Chennai 600 017 Ph: 044-28140801/803 Fax: 044-28142479
yuvraj@integratedindia.in, www.integratedindia.in

COST AUDITORS

M/s. NARASIMHAMURTHY & CO., Cost Accountants, Hyderabad
M/s. S. MAHADEVAN & CO., Cost Accountants, Chennai

SECRETARIAL AUDITOR

Smt. SOBANA PRANESH, Company Secretary in Practice, Chennai

BOARD COMMITTEES & CONSTITUTION

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Sri. V. H. Ramakrishnan **Sri. Vijay Sankar**
Dr. V.L. Indira Dutt (From 29/02/2020) **Sri. M. Narasimhappa**
Sri. P.S. Kumar **Dr. V.L. Dutt (upto 18/02/2020)**

RISK MANAGEMENT COMMITTEE

Smt. V. Kavitha Dutt **Sri. G.N. Murty**
Dr. V.L. Indira Dutt **Sri. V.M. Rao**
Sri. P.S. Kumar **Sri. B.V.P.S. Chowdary**
Sri. Vijay Sankar **Sri. K. Ramakrishna**

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

INNOVATION AND BEST PRACTICES COMMITTEE

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

FINANCE COMMITTEE

Dr. V.L. Dutt (upto 18/02/2020) **Sri. P.S. Kumar**
Dr. V.L. Indira Dutt **Sri. Vijay Sankar**
Smt. V. Kavitha Dutt

INVESTMENT COMMITTEE

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

BANKERS

BANK OF BARODA **STATE BANK OF INDIA**
CANARA BANK **IDFC FIRST BANK LTD**
BANK OF INDIA **HDFC BANK LTD**
INDIAN OVERSEAS BANK

PLANT LOCATION

CEMENT PLANTS

Macherla 522426
Guntur District, Andhra Pradesh

Muktyala 521457
Krishna District, Andhra Pradesh

HYDEL POWER PLANT

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

WASTE HEAT RECOVERY PLANT

Macherla, Guntur District, AP.

THERMAL POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

HEAVY ENGINEERING

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

SOLAR POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

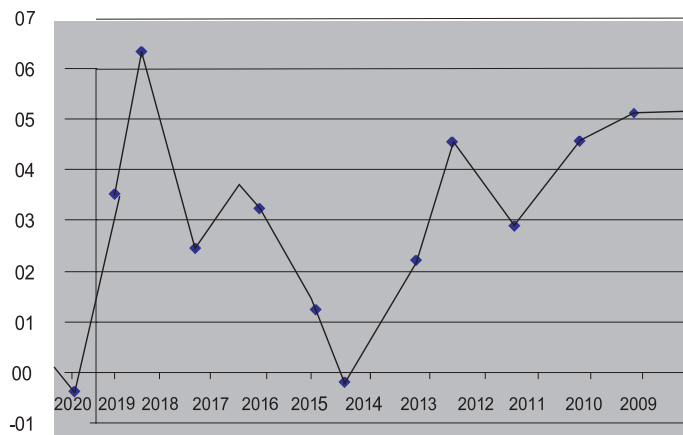
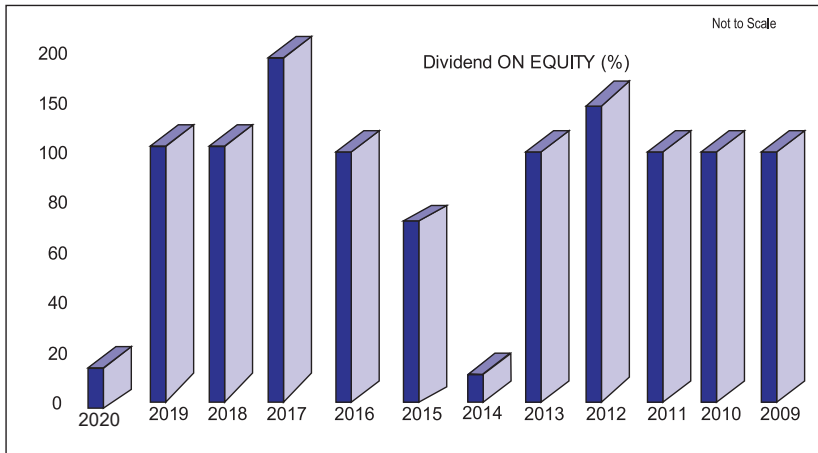
WIND MILLS

Uthumalai Village, Tirunelveli District, Tamilnadu

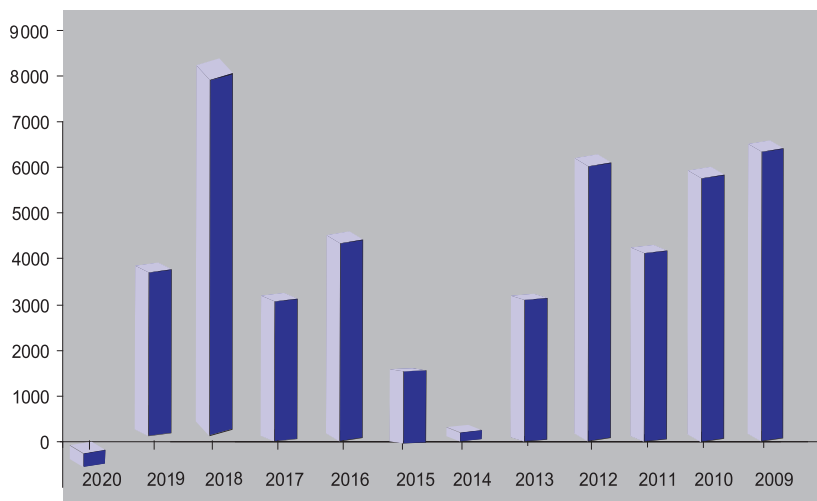
HOTEL

Mercure Hyderabad KCP
6-3-551, Somajiguda, Hyderabad 500 082, Telangana

At a Glance



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

Awards



From the Chairperson and Managing Director



Dear Shareholders,

It is my privilege to address you all, in my maiden communication as Chairperson and Managing Director of this esteemed company,

I profoundly thank you all for reposing confidence in me, to take this company forward, as Chairperson & Managing Director.

Before I commence the proceedings, I along with my team, pay our heartfelt homage to our Late Executive Chairman Dr VL Dutt, who passed away on 18th February this year. His sudden demise left us all in a shock and rendered an irreparable loss to the company and the family. KCP is deeply indebted to Dr Dutt, who took the organisation from a small domestic company to international level by setting up sugar plants in Vietnam and other collaborations with Fuller Inc, USA and Fives Group, France to form Joint Ventures. He was the driving force behind expansion of cement capacity from hardly 0.8 million tons to over 4 million tons.

Dr VL Dutt was known for his Values, Ethics and Socially responsible business decisions, his vision in setting up all kinds of power generation units, through renewable sources like Wind, Solar and Hydel, is admirable, apart from setting thermal and waste heat recovery plants. The entire KCP team places on record its deep gratitude and appreciation of his invaluable services to the company and the society around.

His Contributions to National and International Associations made the KCP one of the well-respected Business house in the country. FICCI, under the leadership of Dr Dutt as President for 1992-93, made important policy suggestions to the Government of India, during the transition of economy, under the then Hon'ble Prime Minister late Shri PV Narasimha Rao, FICCI nominated him as its Patron, recognizing his invaluable contributions.

He was also the Vice-Chair of the Commission on Trade and Invest Policy of International Chamber of Commerce, Paris in 1998 and 2007. Dr Dutt was honorary Consul General of the Republic of Turkey in Chennai, incharge of all the Southern States of India. Recognizing his contribution to the economy of Phu Yen Province of Vietnam, Hon'ble President of S.R. Vietnam, decorated Dr Dutt with Friendship Medal, a prestigious award.

Coming to business, India entered the pandemic amid slowing growth, shrinking fiscal space, and a weak financial sector. The exit from the Covid-19 crisis could well see some uncertainties in growth, fiscal constraint and risks to

financial sector with fall out on industries. Any sustainable recovery will require infrastructure spends, creation of a social security net, and easing of traditional sore points such as a weak financial sector, correction of outdated laws etc. India is staring at de-growth of economy and perhaps the worst ever recession.

KCP's all segments were affected by the pandemic, be it Cement production in Andhra Pradesh or the Hotel in Hyderabad or Heavy Engineering Unit in Chennai. Cement Production started in AP, with partial lifting of lockdown conditions.

The complete details of performance have been given in the statements included in the Annual Report, which is with you.

Going forward, it is expected that, booster doses given by the Government, in the form of Economic Packages, could help in revival of the economy and would help the fortunes of the sectors your company is operating in.

Internally strategies are being designed to reduce costs, to partially contain the impact of the pandemic. The Company is attempting to diversify the cement markets into States bordering Andhra Pradesh, the traditional stronghold.

I along with Board of Directors, thank all our stakeholders for standing by us in these troubled times.

Dr.V.L.Indira Dutt

Chairperson & Managing Director

Board of Directors



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

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

She has over 20 years of experience and has ably supported the Executive Chairman in the strategic planning & direction of the operations of the company and has personally contributed towards the growth and operations of the Cement Plants at Macherla and Muktyala.

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

Dr.V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee, member of Investment Committee Remuneration Committee, Finance Committee, Risk Management Committee and Stakeholders relationship Committee of the company.

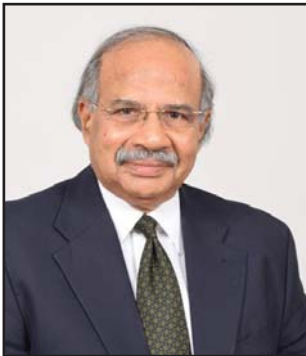


Smt. V Kavitha Dutt
DIN: 00139274
Joint Managing Director

Smt. V Kavitha Dutt is the Joint Managing Director of the company. She is a graduate in Business Management (BBA) with specialization in International Business from Cedar Crest College, Allentown, Pennsylvania. She also holds a Post-Graduate Diploma in Human Resources from New York University (NYU), New York. She has over 16 years' experience and has significantly contributed at all levels of management, including in particular overseeing new projects, financial and human resources management, besides steering budgetary policies and review procedures for effective monitoring and follow up.

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

She is a Member of Young Presidents' Organization, (YPO). She was the President of FICCI Ladies Organization (FLO). She is the Vice Chairman of SCWEC, India, the President of Madras Management Association (MMA) and also the Vice President of World Telugu Federation (WTF). Smt. V Kavitha Dutt is the Chairperson of the Risk Management Committee and member of the Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Investment Committee, Finance committee and Innovation and Best Practices Committees of the company.



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

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

Sri Kumar served as President of Andhra Chamber of Commerce, Chennai and serving currently as a member of the Executive Committee. He is currently a Member of the Executive Committee of the International Chamber of Commerce (Indian Branch), New Delhi and Sub-committee for Corporate Laws and Legal Affairs of FICCI, New Delhi.

He is also an Independent Director on the Board of Directors of Sri Sarvaraya Sugars Ltd.

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



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

Sri.V.H. Ramakrishnan is a Chartered Accountant and a Cost Accountant. He has extensive banking experience for more than 35 years in both Domestic and International Banking.

He retired as a General Manager of Bank of India.

Post retirement he served as a Director of Andhra Bank, Hindustan Photo Films Manufacturing Company Limited, Canara Bank Securities Ltd and Canara Robeco Asset Management Company Limited.

He serves as Director on the Boards of Sagar Cements Limited and Sagar Cements (R) Limited.

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



Sri. Vijay Sankar
DIN: 00007875
Independent Director

Vijay Sankar who holds a Masters in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, USA, is also a qualified Chartered Accountant. Vijay earned his Bachelor of Commerce degree from Loyola College in Chennai, India.

Vijay Sankar is the Deputy Chairman of The Sanmar Group. He is responsible for the Group's operational management. Apart from organic growth of the main businesses, Vijay Sankar has been actively involved in Sanmar's entry overseas in the Group's core areas.

Vijay Sankar is an Independent Director on the Boards of The KCP Limited, Oriental Hotels Limited, Kaveri Retreats & Resorts Ltd. and Transport Corporation of India Limited. He serves as President of the Indian Chemical Council and as Vice President of the Tamil Nadu Tennis Association.

Vijay Sankar is the Honorary Consul General of Denmark in Chennai with jurisdiction over the States of Tamil Nadu, Andhra Pradesh, Telangana, Kerala, Karnataka and the Union Territory of Puducherry. He had earlier served as the Honorary Consul for Spain in Chennai for close to 10 years.

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



Sri. M. Narasimhappa
DIN: 03319847
Independent Director

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

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

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



Mrs Janaki Pillai
DIN: 08713712
Independent Director

Smt. Janaki Pillai is a B.A (Hons) in Economics from Lady Shriram College, New Delhi, She has Special Graduate Diploma in Development Law & Social Justice from the Institute of Social Studies, The Hague and she has Doctor of Philosophy (Phd) in Sociology from Jawaharlal Nehru University, New Delhi.

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

She is currently the Director- Programmes, Ability Foundation and English Language Trainer, British Council, Chennai.



Sri. V. Chandrakumar Prasad
DIN: 008744154
Director

Sri.V. Chandrakumar Prasad, US national (NRI) is a B.S. in Chemistry from Loyola College, Chennai and M.S. in Chemical Engineering (Major) and Economics, Finance and Industrial Psychology as other subjects from Steven's Institute of Technology, New Jersey (USA) and has attended Special courses in Low acid food canning (university of Maryland), Increase productivity in Manufacturing (New Jersey Institute of Technology) and SAP for procurement/Engineering (Nestle University, USA).

Mr. Chandrakumar Prasad held several jobs in BUITONI Foods (Head quartered in Italy), from 1969-1991 reporting directly to the CEO of the organisation ranging from Production leader to Director of procurement and played key role in setting up of three green field food factories for BUITONI Foods in USA.

On acquisition of Buttoni Foods by NESTLE Switzerland, Mr.Prasad joined as Corporate Project Engineer and Procurement Manager with NESTLE (USA), during 1992-2015, he has handled 60 factories in US and across the globe as Project Leader for NESTLE.

Sri V. Chandrakumar Prasad is a Director on the Board of Directors of Fives-Cail KCP Limited.



Dr. Subbarao Vallabhaneni
DIN: 008746927
Director

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

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

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



Sri. Ravi Kumar Chitturi
DIN: 00328364
Director

Sri. Ravi Kumar Chitturi, holds a Bachelor degree in Mechanical Engineering from Anna University and MS (Computer Science) from Alabama A & M University, Huntsville, AL, USA.

He worked as Manufacturing Engineer with Madras Engineering Industries (P) Limited, Senior Technology Analyst with Republic New York Corporation (presently HSBC Republic USA).

He was the Managing Director of KCP Technologies Limited.

He is being associated with KCP Engineering Division as principle consultant on behalf of KCP Technologies Limited.

Sri. Ravi Chitturi is a Director on the Boards of KCP Technologies Limited, BGE Engineering India Private Limited and KCP Vietnam Industries Limited

Corporate Social Responsibility

At KCP we believe that the communities residing around our operations are our key stakeholders and we have a firm commitment towards their empowerment and development, in the past several decades since inception we have been focussing on problems and needs of these communities and are trying to address them in a holistic manner.

Our CSR activities focused on:

- Improving access to quality health care, through expanding infrastructure of health centres, increased number of people accessing quality health care.
- Improving access to education and improving quality of learning through better school infrastructure and better teaching-learning processes.
- Enhancing employability of youth through increased training capacity, improved infrastructure of skill development centres, as well as vocational training courses for women and physically challenged persons.
- Environment Protection and Infrastructure development and disaster relief programs

Health:



Over the years, our company is committed towards providing healthcare for the socially marginalized and deprived sections of the society around our areas of operation and believes that preventive health

care is an important dimension of health care which needs significant attention through active awareness campaigns to enhance communities understanding of the prevention of various diseases and regular preventive health support to the community is reached out through our health camps and mobile health vans in villages, with qualified medical staff, immunization programmes and creation of awareness of deceases like HIV/AIDS, Filaria etc..

During the year Mega health check-up camps were organised on 17th November, 2019 at Muktyala in association with ANU Institute of Neuro & Cardiac Sciences, Vijayawada and on 14th September 2019 at Macherla in association with Apollo Hospitals, Hyderabad and Fever Hospital Guntur and regular/ specialised health check-ups like CBP, ESR, AEC, RBS, Serum Creatine, Blood Urea, Total Cholesterol, Complete Urine Examination, Digital X-ray are conducted for the people of Muktyala, Macherla and surrounding villages, our company distributed medicines free of cost.



KCP also has been supporting the health initiatives by renovation of hospital buildings, construction of new health centers and providing medical equipment to hospitals and health centers.

During the year KCP has supported the community health centre Macherla, which is servicing the emergency health needs of people of Macherla and surrounding villages with Hydraulic Operation theatre table, theatre lights, ceiling & common room partition work.



In continuation of our efforts to control the Corona pandemic, we have arranged to spray disinfectants in Muktyala, K. Agraharam and Srinivasa Nagar villages.



Education:

KCP supports the efforts of the government in digitalization of schools and provided KIDS Patasala, Macherla with laptops, Printer, Projector and these devices are aiding them in the teaching process while also helping them to enhance their learning process and this initiative of Digital Learning Programme aims to enhance the learning levels of the students through the strategic use of Information and Communication Technology.



KCP also support the initiatives of the Governments/ local bodies to improve the infrastructure facilities to Government schools, through our dedicated school support programmes we have constructed a building in SRVRGMP Pre Primary School and a Block in Sri SRVRGKM Prasad Memorial ZP High school in

Muktyala and they were named as “Dr V L Dutt block and Smt. Dr.V.L.Indira Dutt Block” respectively.



We have distributed stationeries, books, uniforms, school bags, etc. amongst the students of Pre-Primary Classes of ZP High school in Muktyala.



During the year 2019-20, we have supported the development activities of Sri.V.Ramkrishna Hr.Sec. School, Tiruvottiyur with Painting to the School building, Renovation of School labs and pipeline work for supply of water.



KCP has also supported the students of Tiruvottiyur (Chennai), Macherla and Muktyala schools by giving Education Material, Scholarships, organising School competitions, Career awareness programmes, Cultural events which plays an important role in improving quality of Education.



SRVRGKMPM ZPH School, Muktyala won the National award "IGBC - Green Your School Program 2019" under category of 'Innovation' in which 785 schools have participated from all over India.

KCP is operating a School bus from Muktyala to Jaggayyapet on daily basis for the convenience of Muktyala village children who are going to Jaggayyapet for continuing their school education and distributed School uniform to deaf & dumb (Divyangjan) children of Sri Vani Educational Society, the Society is well-known for grooming of differently abled children.



Women empowerment:

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

Members of the SHGs were trained in capacity building, various individual crafts, marketing skills, teamwork and other relevant aspects. KCP promotes various small enterprises such as pickle making, incense stick making and tailoring etc through this Self Help Groups (SHGs) comprising primarily of women from the villages in our areas of operation which has benefited a large number of women and helped them earn their living.

During the year as an initiative to curb the spread of Corona Virus and to support women from nearby villages during lockdown period, we have trained them in stitching double layered washable and reusable

cloth masks and distributed the masks to Employees, Workers and Volunteers of Gram Panchayat and Health departments of Muktyala village free of cost.



Adults Literacy / Education program:

KCP aims to promote and enhance functional literacy among the illiterate adults particularly of women around our areas of operation as enhanced functional literacy among adults is expected to reflect in their increased participation in government programmes while also promoting the participation of women in household income generation.

During the year with the support of Muktyala Pre-Primary school teachers, we have initiated adults Literacy / education program for the benefit of uneducated women of Muktyala and surrounding villages.



Infrastructure and Rural Development

KCP always supports the initiatives of Central and State Governments like Swatch Bharat Abhiyan and adopted Muktyala Village to develop it as Integrated Smart Village and regularly undertakes infrastructure and construction projects in the nearby communities to improve infrastructural facilities like Development of roads, community welfare centers, revamping of water pumps and improvement of other civic amenities, improving accessibility of services and proper utilization of resources for increasing living standards of the people in vicinity of our operations.

During the year KCP has constructed Veterinary Hospital in Muktyala village.



KCP has installed and also maintaining with the support of local governments several RO plants to provide safe and potable drinking water in areas that suffer acute shortage and ground water contamination from fluorides and waterborne diseases and are continuing the supply of RO water to the people of Macherla and Muktyala Villages.



KCP also organizes waste management programme by providing two dust bins (i.e. Green and Blue) to households at Muktyala village for Dry and Wet waste separately and also engaged people to collect and dispose the waste in dump yards on daily basis.



KCP has engaged six members team with three cycle rickshaws for collecting of Dry and wet garbage and dumping the garbage at designated place on daily basis.



As a part of Smart village development, and preserve the environment in a sustainable and responsible way, KCP has developed and is maintaining a public park at Muktyala village



Environment Sustainability

The Company has taken a green initiative by developing and maintaining greenery in and around its facilities and mining areas by planting saplings and distributing plants to the villagers and on the occasion of World Environment day 200 saplings were planted at Mandadi village.



Promotion of art and culture

KCP has been regularly extending support to local, social and charitable organizations in promoting their activities on different occasions, on the eve of Maha Shivaratri festival, we have arranged free RO drinking water dispensing counters and distributed drinking water bottles to the pilgrims and other visitors round the clock for 3 days and has constructed four dress changing rooms for the use of ladies near Krishna river.



Our company is always in forefront in reaching the affected communities in such times of need to provide necessary relief and rehabilitation in case of nature disasters like cyclones, floods.



During floods to Krishna river, our Company with the support of employee volunteers has extended support



to the villagers of Muktyala and other villages with supply of drinking water (RO) and domestic usage water through tankers and provided food packets.

KCP has supplied drinking water (RO) and domestic usage water to the flood effected Muktyala villagers through tankers and provided food packets for the villagers.

Directors Report

Dear Shareholders,

Your Directors take pleasure in presenting their 79th Annual Report of the company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March, 2020.

1. Financial Results:

Financial Performance and Review:

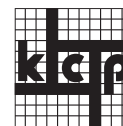
(Rs in Lakhs)

Particulars	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	Stand Alone		Consolidated (GROUP)	
Revenue from Operations	93,797	114,191	142,359	166,130
Profit for the year (PBDIT)	10,242	14,092	19,487	23,827
Less: a) Interest and Finance charges	5,641	3,419	5,940	3,909
b) Depreciation	7,141	5,193	9,609	7,562
Profit before Tax	(2,540)	5,480	3,938	12,356
Tax Expense	(1,863)	1,529	(1,863)	1,528
Profit for the Year	(677)	3,951	5,801	10,828
Add : Share of Profit from Joint Vetur			29	157
Less : Non-Controlling Share of Profit			3,117	2,762
Profit / (Loss) after Non controlling interest	(677)	3,951	2,713	8,223
Other Comprehensive Income (OCI)	(353)	(207)	2,322	928
Add : Share of OCI from Joint Vetur			-	(29)
Less : Non-Controlling Share of OCI			955	382
OCI after Non controlling share	(353)	(207)	1,367	517
Total Comprehensive Income (TCI)	(1,030)	3,745	8,152	11,884
Less : Non-Controlling Share of TCI			4,072	3,145
Total Comprehensive income after non-controlling interest	(1,030)	3,745	4,080	8,739

2. COVID-19

In month of March in FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, the company has closed down all its offices and manufacturing facilities and Hotel by taking necessary precautions and with minimum staff, the employees are allowed to work from home wherever possible to work remotely and securely.

The company would implement a phased and safe return to work plan as and when lockdown restrictions are eased.



3. Indian Accounting Standards (IND AS)

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI.

4. Dividend

The Board has recommended for the approval of the shareholders at the ensuing Annual general Meeting a dividend of Rs.0.15/- paise per share (15% on paid-up share capital).

5. Transfer to Reserves

The company has not transferred any amount to the reserves for the year ended March 31, 2020.

6. Share Capital

The paid up Equity Share Capital as on March 31, 2020 is Rs. 12,89,21,160, During the year, the Company has not issued any shares or convertible securities.

The Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 (Act) as the provisions of the said Section are not applicable.

7. Credit Rating

Credit Rating Agency CRISIL has reaffirmed the ratings of the Company (The KCP Limited) for bank loan facilities and other debt facilities as detailed below.

Long-term rating	CRISIL A-/Stable (Outlook revised from Positive)
Short-term rating	CRISIL A2+ (reaffirmed)
Rs 125.00 crore fixed deposit programme	FA/Stable (Outlook revised from Positive)
Rs 70.00 crore non-convertible debentures	CRISIL A-/Stable (Outlook revised from Positive)

8. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2020 was Rs..8577.05 Lakhs as compared to the figure of Rs.8696.49 Lakhs as on 31st March, 2019.

As on 31st March, 2020, Fixed Deposits matured and remained unclaimed were Rs.221.74 Lakhs from 282 depositors. As on the date of this report, Fixed Deposits relating 17 Depositors amounting to Rs.13.48 Lakhs have been renewed and Fixed Deposits of Rs.14.53 Lakhs of 19 depositors repaid.

Depositors have been intimated regarding the maturity of deposits with a request to either renew or claim their deposits. As per the provisions of Section 125 of the Companies Act, 2013, deposits remaining unclaimed for a period of seven years from the date they became due for payment 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.0.61 Lakhs towards unclaimed deposits and Rs.0.50 Lakhs towards Stale cheque unclaimed on deposits has been transferred to the IEPF.

9. Particulars of Loans, Guarantees and Investments

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

10. Management Discussion & Analysis report:

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis forms part of this Report and 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 this report.

11. Line 2 Expansion of Brown field cement project, Muktyala:

The Company has commenced operations of the Brown Field Cement Project at Muktyala (Details provided in Management Discussion & Analysis report).

12. Particulars of Contracts or Arrangements with Related Parties:

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

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

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

The policy on Related Party Transactions as approved by the Board is available at the web link: <http://www.kcp.co.in/investors/policies-procedures>.

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

13. Corporate Social Responsibility (CSR)

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

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

The Company's CSR Policy as stated earlier is in alignment with the requirements of the Act. The

CSR Policy Statement and Report on the activities undertaken during the year is annexed to the Board's Report as **Annexure '3'**.

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

14. Risk Management

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the organization at various levels, including documentation and reporting.

The Board of Directors of the Company has formed a Risk Management Committee (even it is not mandatory) to monitor the risk management plan for the Company and ensuring its effectiveness. The key risks identified by the Company and their mitigation measures are as under:

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

Most of the Company's mining leases have been extended up to Year 2052 under the Mines and Minerals (Development & Regulation) Amendment Act 2015 (MMDR), thereby ensuring adequate limestone reserves to cater to the requirements of its plants till the said date, where after the Company will have to participate in auctions.

To address the above risks, the Company has taken various measures to augment resources by initiating the process for conversion of its prospecting licenses into mining leases. The Company is also participating in auctions with a view to securing new mining leases for its existing plants as well as for its expansions at different locations.

Cyber Security: With increased reliance on IT systems and the widespread usage of internet for doing business there is a constant threat to the Company's sensitive data assets being exposed to unethical hacking and misuse. The ramifications from

cyber-attacks may not only be confined to mere loss of data but may result in business and reputation loss.

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

The Company's Cyber Security management framework aligns with industry standards and regulations.

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

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

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

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

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.

Risks, Concerns and Threats

The Company has formulated a Risk Management Policy, which is available on company website www.kcp.co.in/policies-procedures.

15. Internal controls system and their adequacy

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

The Company has robust policies and procedures which, *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors and the Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, and timely preparation of reliable financial disclosures.

16. Vigil mechanism / Whistle blower policy

We have over the years established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour, Whistle blower policy is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Audit Committee of the Board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy. Details of the Whistle blower policy Policy have been disclosed on its Company's website www.kcp.co.in/policies-procedures.

17. Subsidiary, Associate and Joint venture companies

Joint venture

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

Subsidiary Company:

Our Company does not have any Indian Subsidiary company.

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

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

Pursuant to Section 129 (3) of the Companies Act, 2013 and Ind-AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiary.

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

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

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

No company ceased to be its Subsidiary, Joint Venture or Associate company during the year.

18. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as **Annexure 'B'** which forms an integral part of this Report and Form MGT 7 is also available on the Company's website viz. www.kcp.co.in.

19. Human resources / industrial relations

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

a) Employee Engagement - Company enjoys high engagement levels from its employees which is reflected

in its consistently improving performance. Company continuously aims to enhance the engagement levels of its people by ensuring that its business practices are in alignment with the holistic growth and development of its people which drives them to be actively engaged with the Company.

b) Talent Management - Company is continuously working on strengthening and building talent in its Human Resources management team for supporting its growth.

c) Work Environment - Company provides a congenial work atmosphere where every employee enjoys his/her work and It works on creating people practices which makes it the best place to work for everyone.

d) Occupational Health and Safety

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

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

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

e) **Industrial Relations**

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

20. Sustainability

Company's sustainability initiatives are focussed on low carbon emission, use of alternate fuels, water & resource conservation and environment management. Focus on sustainability is manifested in the Company being recognised as one of the most efficient cement manufacturing organisation with low energy consumption levels, use of alternative fuel and raw materials, low GHG emissions, etc.

Pursuant to the regulation 34(2) of the SEBI (LODR) Regulations, 2015 as amended Business Responsibility is annexed and forms part of this Report.

21. Report under the Prevention of Sexual Harassment Act

Pursuant to the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace, All women, permanent, temporary or contractual including those of service providers are covered under the policy and an Internal Complaints committee has been formed to redress the complaints. There were no complaints reported during the year.

22. Directors and Key Managerial Personnel

Dr.V.L.Dutt, Executive Chairman of the Company passed away on 18th February, 2020 and Dr.V.L.Indira Dutt was appointed as Chairperson & Managing Director of the Company w.e.f. 29th February, 2020.

Smt.Janaki Pillai was appointed as Independent Woman Director of the Company w.e.f 29th February, 2020.

In terms of Section 152 of the Act, and the Articles of Association of the Company, Smt. V.Kavitha Dutt, Director of the Company, is the director liable to retire by rotation at the ensuing Annual general Meeting (AGM) and being eligible for re-appointment, offers herself for re-appointment.

The Board of Directors of the Company on 18th June, 2020, on the recommendation of the Nomination & Remuneration Committee ('N&RC') appointed Shri V.Chandra Kumar, Dr. Subbarao Vallbhaneni and Sri. Ravi Chitturi as Additional Directors w.e.f. 18th June, 2020 and to hold office up to the date of the ensuing Annual General Meeting ('AGM').

Further, Board of Directors of the Company have also recommended the appointments of Sri V.Chandra Kumar, Dr. Subbarao Vallbhaneni and Sri.Ravi Chitturi as Directors (*Non-Executive Non Independent*), to the Members at the ensuing AGM, liable to retire by rotation.

The relevant details including profiles of Smt.V.Kavitha Dutt, Shri V.Chandra Kumar, Dr. Subbarao Vallbhaneni and Sri.Ravi Chitturi are included separately in the Notice of AGM of the Company forming part of the Annual Report as Annexure-1.

Independent Directors

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

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

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

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the databank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, some of the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank.

Board evaluation

The evaluation of all directors, committees, Chairman of the Board and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation parameters and the process have been explained in the Corporate Governance report.

Familiarization program for independent Directors:

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate Governance Report. Further, at the time of the appointment of all independent directors, the Company issued a formal letter of appointment outlining his role, function, duties and responsibilities.

The format of the letter of appointment is available on the website of the Company.

23. Policy on Directors' Appointment and Remuneration and Other Details

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP the Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are available on the Company's website at <http://www.kcp.co.in/investors/policies-procedures>

The Board shall have minimum 6 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, SEBI Regulations, Memorandum of Association and Articles of Association of the Company.

Composition of the Board shall be in compliance with the SEBI Regulations. Majority of the Directors shall have specialised knowledge/experience in the areas like Banking, Accountancy, Finance, etc.

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 Chairperson & Managing Director and Joint Managing Director no other directors are paid remuneration, but are paid sitting fees.

The Chairperson & Managing Director and Joint Managing 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 Chairperson & Managing Director and Joint Managing 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.

24. Disclosure on Audit Committee

The Audit Committee as on March 31, 2020 comprises of the following Directors:

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

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

25. Material changes and commitments affecting the financial position of the Company.

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

26. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. K.S. Rao & Company Chartered Accountants, (Firm Registration No.003109S) Hyderabad have been appointed as Statutory Auditors of the Company for a term of five consecutive years, on such remuneration as may be decided by the Board on the recommendations of Audit Committee of the Company.

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act 2017 notified on May 7, 2018.

During the year, the Statutory Auditors have confirmed that they satisfy the Independence criteria required under Companies Act, 2013. Code of Ethics issued by Institute of Chartered Accountants of India.

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

27. Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read

with Rules framed there under, M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and M/s. Mahadevan & Co, Chennai are appointed as the Cost Auditors for the Cement and Engineering units for the year 2019-20 are re-appointed as Cost Auditors for the financial year 2020-21 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2018-19, of M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai as the Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within the due date.

28. Secretarial Auditors and their Report

As required under Section 204 of the Companies Act, 2013 and Rules Thereunder, the Board appointed Smt. Sobana Pranesh, Practising Company Secretary as Secretarial Auditor of the Company for financial year 2020- 2021.

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

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by her for the financial year 2019-20.

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

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors

under Section 143(12) of the Companies Act, 2013 and rules made there under.

29. Number of Meetings of the Board

5 (Five) Meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report.

30. Corporate Governance

The report on corporate governance along with a certificate from the Statutory Auditors as required under the Listing Regulations is annexed to this Report. The report also contains the details required to be provided on the board evaluation, remuneration policy, implementation of a risk management policy, whistleblower policy /vigil mechanism etc.

The Chairperson & Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) read with Schedule II of Part B of the Listing Regulations.

31. Transfer to the Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at [http:// www.kcp.co.in/investor/Unpaid-Unclaimed-Dividend](http://www.kcp.co.in/investor/Unpaid-Unclaimed-Dividend).

32. 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**.

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 (Rs. Lacs)	Median employee's remuneration (Rs. Lacs)	Ratio
Dr.V.L. Dutt - Executive Chairman	88.69	4.69	19:1
Dr.V.L. Indira Dutt - CMD	154.44	4.69	33:1
Smt. V. Kavitha Dutt - JMD	166.66	4.69	35:1

- b) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: (6.20%)
- c) The number of permanent employees (Management staff) on the rolls of company: 710
- d) If remuneration is as per the remuneration policy of the company: Yes

33. 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.

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

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

35. Other Disclosures

A statement comprising the names of top 10 employees

in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 1 and forms an intergral part of this annual report.

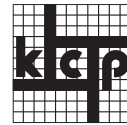
None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

36. Director's Responsibility Statement

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

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors had devised proper systems to



ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board of Directors wishes to place on record their gratitude to the Central Government, State Governments, Company's Bankers, Customers, dealers and other business associates for the assistance, co-operation and encouragement they extended to the Company.

Your Directors wish to 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

(Dr.V.L. Indira Dutt)

Chairperson & Managing Director

Place: Chennai

Date: 18th June, 2020

Management Discussion And Analysis

Overview:

KCP is a about 80 year old Company with interest mainly in cement followed by Heavy Engineering, Hospitality and sugar manufacturing in Vietnam through a subsidiary registered in that country. KCP also generates all types of power like Solar, Hydel, Wind, Waste Heat Recovery and Thermal power for captive consumption.

Global Economy:

International Monetary Fund (IMF), in its World Economic Outlook (WEO) Report, In April, 2020, projected global growth for the year 2020 (calendar basis) to fall to negative 3.00%, a de-growth. The growth forecast was marked down by more than 6%, relative to the earlier estimates in October 2019 and January 2020, an extraordinary revision over such a short period, as per Chief Economist of IMF.

Decline is primarily due to two major factors. One is trade disturbance between US and China, second being Pandemic 'Covid-19'.

IMF Chief Economist further states that "the crisis is like no other, in the foreword to the outlook, published in April 2020 and goes on to say that lockdowns, quarantines and social distancing as critical for slowing transmission of the virus and the measures could help avoid even more severe and protracted slump in activity and set the stage for economic recovery to rebound to 5.8% in 2021.

The IMF said the recovery forecast for 2021 depends critically on the pandemic being brought under control in the second half of 2020, allowing containment efforts to be gradually scaled back and restoring consumer and investor confidence.

As per Reserve Bank of India (RBI), Global financial markets calmed after a turbulent period in March, 2020 and volatility ebbed as swift and large fiscal and monetary policy responses helped to soothe sentiment.

Equity markets recovered some lost ground, while government bond yields remained range-bound, although somewhat elevated in some emerging market economies (EMEs) due to country-specific factors

Indian Economy:

IMF sees India's FY 2020 GDP growth at 4.20% down from 4.80% estimated in January and it is projected to grow at 1.90% in FY 2021 down from 5.8% estimated in January 2020, warning that the "worst recession since great depression of 1929" would dwarf the crisis a decade back, owing to the coronavirus pandemic that brought the industries to a grinding halt. Growth rate of 1.90% is worst growth performance since liberalization in 1991.

Interestingly, despite the gloomy situation, India is one among the only two major countries, which are forecast to record a positive growth rate in FY 2021 as per IMF and will be emerging economy over the next 10-15 years, backed by its strong democracy and leadership.

However, the World Bank in June 2020, said that the Indian economy will contract by 3.2% in the financial year of 2020-21 because of the lockdown to control the coronavirus pandemic. The bank had in January lowered its projection for India's economic growth from 6% to 5% in 2019-'20 fiscal year, but said it would recover to 5.8% in the following year

One Indian rating agency, however, estimates that the Indian economy to contract by a whopping 5% in fiscal 2021 against lower growth by agencies like IMF. About 10% of GDP in real terms could be lost permanently. The growth rates seen before pandemic are unlikely to be seen in the next three years. The silver lining is growth in agriculture with prediction of a good monsoon

About domestic economy RBI stated in May 2020 that indicators point to a collapse in demand beginning March 2020 across both urban and rural segments. Electricity consumption has plunged, while both investment activity and private consumption suffered precipitous declines, as reflected in the collapse in capital goods production and the large retrenchment in the output of consumer durables and non-durables in March.

RBI goes on to say that high frequency indicators of service sector activity such as passenger and commercial vehicle sales, domestic air passenger traffic and foreign tourist arrivals also experienced

sizable contractions in March. Dislocations in casual and contract labour would result in losses of activity in other sectors as well,”

The only silver lining was provided by agriculture, with the summer sowing of rice, pulses and oilseeds in the country progressing well, with total area sown under the current kharif season up by 43.5 percent and the rabi harvest promising to be a bumper as reflected in record procurement.

This Financial year started with lots of positive signs as stated above but break out of pandemic ‘Covid-19’ in March, 20 stalled economic activity and disrupted trade across all businesses all of a sudden. World could not assess the impact of it when it was first originated in China. In particular tourism and hospitality are worst hit. In order to prevent its spread country went to lockdown since March 2020.

In May, 2019 Hon’ble Prime Minister Modi received massive mandate to form government in 2019. Fundamentals of economy were strong and that ensured macroeconomic stability. Banks were capitalized. GST has been gradually maturing into a tax that has integrated the country economically.

Union budget 2020 is woven around three prominent themes. One: Aspirational India, Second: Economic development, Three: Caring Society. Infrastructure is covered under second theme where more than 6500 projects will be undertaken which will include housing, safe drinking water, access to clean and affordable energy, health care for all, world class educational institutions, modern railway stations, airports, bus terminals, metro and railway transportation, logistics and warehousing, irrigation projects etc.

Covid-19 crisis and impact on performance:

In the context of worldwide outbreak of Covid-19, KCP has adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption in compliance with the local, central government authorities’ guidelines. The production was halted towards the end of March 2020, though partially resumed in April/May.

Cement industry in India

Cement demand is closely linked to overall economic growth, particularly the housing and infrastructure

sector. The rate of cement production has not risen at the same pace as compared to capacity expansion during the same period. This gap between installed capacity and actual production is mainly due to delays in the processes related to awarding of construction projects and decision-making regarding commencements, acquisition of land for construction projects etc., at government offices, mostly for the execution of roads and highway construction projects, affordable housing and smart city development projects.

As a result, continuous demand for cement has dropped, thus rendering parts of newly installed production capacities idle. Plant maintenance cost and interest cost would increase because of excess production capacity, leading to a rise in the per capita price of cement.

Central Government allowed partial operations from 20th of April, with a few restrictions and guidelines. The majority of demand was coming from retail markets as some institutional projects restart construction, on partial operations across the country. Some major cement companies have slowed down capital investments as a result of productions coming to grinding halt.

On the positive side, cement prices improved in January, February after falling for seven straight months as construction activity resumed across all regions in India with the onset of the New Year.

Holding on to the prices is the key.

The major growth drivers for the cement industry include the government’s focus on the infrastructure and housing sectors. Apart from housing, commercial and industrial investment accounted for considerable demand in India.

KCP’s Segments’ performance

The sudden unexpected demise of Executive Chairman Dr. Velagapudi Lakshmana Dutt in the month February 2020 rendered an irreparable blow. KCP’s new CMD, Dr. VL Indira Dutt has decades of experience in running the business, being on the Board for long time and the policy/strategies will continue.

CEMENT

KCP operates mostly in Andhra Pradesh followed by Telangana and Tamilnadu.

The new Government formed in the beginning of the

year in the State, started grappling with the economic policies as well as the execution of the projects on hand. This took some time, causing dip in demand and prices. Non-Availability of sand led to deceleration of demand. Delays in construction of new capital for the State affected the activity in the surrounding areas where the company has an advantage of proximity.

With the continuous drop in demand, volumes growth is negative and cement prices have fallen for continuous seven months resulting negative overall on price front. The negative growth would have been more pronounced but for some spurt in cement prices in last quarter. Improvement in the sand availability, execution of a few infrastructure projects helped in marginal improvement in the price as well as demand.

Reduction in the coal and fuel prices in the last quarter gave some breather to the hammered bottom line of cement segment.

The Company could have a little more improved performance but for the breakout of pandemic Covid-19 towards the end of the financial year 2020.

The Company shutdown the production in both the cement units at Muktyala and Macherla, towards the end of the financial year, as a result of lockdown guidelines.

The company commissioned the Brownfield expansion of cement plant towards the end of 2018-19. Construction of remaining facilities such as packing plant, Cement Silo and fly-ash silo completed and commissioned in September 2019 and February 2020 respectively.

2019-20 was the first full year of operations of expanded capacity. With the drop in demand and prices, KCP could not get the advantage of exploiting new capacity and thus has to face the interest and depreciation costs, without corresponding additional production and sales.

Despite the crisis conditions, KCP paid all loans to banks on time.

The performance of cement segment is as under during the 2019-20

(Amounts in Lakhs):-

Particulars	FY 2019-20	FY 2018-19
Revenue	84411	101736
Profit before interest & tax	2645	6947

Way forward:

Latest studies by World Health Organization and Public Health Foundation of India suggest that the pandemic spread could peak in July 2020. As per earlier forecasts of other agencies, peak was expected by May 2020.

So, with phased lifting of the lock down with certain guidelines to be followed in production for the safety of workers, KCP is braced for partial resumption of demand and productions.

The Rs 20 lakh crore financial packages announced by the Government was a mix of short-term measures (fiscal & monetary) and reforms to boost long-term economic prospects. Major portion of the package is in terms of liquidity and credit support. Short-term measures by the government is more towards easing the pain in the most vulnerable sections of economy like MSME, poor including migrant labour etc.

KCP is devising strategies to address the depressed conditions. To mitigate the risks of regional volatility in demand, the company is planning to set up a packing plant near Chennai, which would help in reducing the costs of sale in Tamilnadu. This is likely to help in optimizing the utilization of enhanced capacities.

It is hoped that interest costs would come down with the measures announced by RBI during March 2020 to May 2020.

With the better monsoon anticipated for the year 2020-21 season, good production during previous rabi season, better support prices announced by the government etc. the rural demand is likely to pick up.

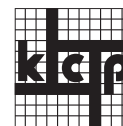
Risks:

While the disruption from the pandemic will hurt the demand for cement in short term, government should allow normal economic activity with precautions like social distancing and proper hygiene.

The key would be abatement of pandemic and revival of economic activity.

The big infrastructure projects, which have slowed down in the aftermath of the pandemic, needs to be kick started to aid the demand for cement as well as the income levels.

A few rating agencies are forecasting negative growth of demand in 2020-21 and positive growth in 2021-22.



Restoration of status quo ante of migrant labor is also a key factor to aid construction activity.

A. HEAVY ENGINEERING

The annual production of heavy engineering goods in India, is estimated to be about Rs 2 lakh crores. The heavy engineering industry manufactures tool and machinery to support wide range of industries like cement, sugar, petrochemicals, space, defense, aerospace, steel and so on.

The decelerating growth in the country even prior to the breakout of corona pandemic, affected the domestic industry severely. The industry has huge investments in machinery and men with hopes of reviving in economic conditions. The intense competition for the limited opportunities, led to continued losses in the industry. Added to the pain, is the pandemic.

KCP is a supplier of Machinery & Equipment to sectors like power, manufacturing, defense, space etc.

Despite the good order book, the unit of the Company is facing the poor financial condition due to higher costs compared to the prices, financial conditions of customers in taking deliveries causing delayed executions and locked monies in inventories.

KCP continues to address the costs but the competition would force acceptance of orders even below costs to meet the fixed expenses.

Particulars	FY 2019-20	FY 2018-19
Revenue	7288	9998
Profit before interest & Tax	(2352)	27

Way forward:

With the booster given by the government in the form of financial package for Indianising defense, space etc. it is hoped that in the medium term, the health of various industries would improve, this, probably would enable, orders with better margins.

In addition, the Company is looking at enhancing the quality of manpower in line with the changed economic conditions and policies of governments.

Risks: As stated in the foregoing paragraphs, the early end to the crisis created by pandemic and the revival of economic activity are the keys for the performance

of the unit. The governments renewed efforts of make in India, also need to be implemented vigorously.

B. POWER

Our focus is on clean and sustainable power generation. To reduce carbon emission, India has made a global commitment to move away from coal and get 40% of its electricity from non-fossil sources by 2030, compared to 11% now. In budget 2020-21 finance minister made push for solar energy and clean air.

KCP has all types of renewable energy sources like Solar, Wind Mill and Hydel. The total capacity of all these is about 13 MW. The entire power generated is captively consumed. The performance of our power segment, which includes Thermal and Waste Heat recovery, is as follows:

Thermal power plant:

The plant operated at 74.70% of the plant load factor during the year and meeting the needs of the cement plant at Muktyala. The average plant load factor (PLF) of thermal power generation units is on a decline in the country. At 56.61%, the PLF in 2019-20 touched a five year low. The outbreak of pandemic Covid devastated the power demand further.

The generation was lower in the year 2019-20 compared to 2018-19, as the cement production was lower during the period.

Since the power generated in the plant, is consumed internally, the generation in 2020-21, depends on cement market in that year.

Hydel:

The monsoon started reasonably well in the beginning compared to the last year. Consequently, generation of hydel units was better during first 3quarters of the year.

However, there were certain restrictions imposed by the local government like no banking of generated units from middle of November 2019. This resulted in lower benefit to the company, since total power generated in the peak season cannot be instantly consumed internally. In addition the wheeling charges were very high. Despite all this, it is worth generating the hydel power.

Waste Heat Recovery:

Waste Heat recovery plant generated power from waste heat sourced from our cement unit at Macherla. Power generation is in direct proportion to machine running in Cement unit. As the demand for Cement reduced during the year, power generation also decreased.

Wind power and Solar power:

These units operate on inputs derived from the nature. By the very nature of the source, the inputs for generation of power are reasonably certain unlike hydel units which are completely dependent on monsoons/rains. The solar & wind power units delivered their standard performance and generated more or less power in the lines earlier years.

The performance of power segment is as follows.

Details	Thermal Plant		Hydel		Waste Heat Recovery		Windmill		Solar	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Year	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Generation (MWH)	100624	121276	19297	11984	10745	15149	5856	6882	1600	1610
Profit before interest & tax	37	157	(455)	41	378	596	189	243	27	24

Way Forward:

With the good monsoons forecasted, the company hopes to generate power in line with monsoon aided inflows.

Further, the performance of the power segment is intertwined with that of the performance of the other segments as it caters only to the captive needs of the units of the company.

Hence any risks associated with the performance of Cement and Heavy Engineering affect the performance of power segment's performance.

Hospitality

With growing opportunities, year started with positive factors supporting highest growth in revenue of Mercure Hyderabad KCP, until outbreak of pandemic 'COVID-19' in March 20. During 2019-20, Market grew on account of rising urbanization, increasing foreign as well as domestic tourist arrival coupled with growing disposable income in the country.

Occupancy rates have increased from 54% 2018-19 to 63% in 2019-20. The revenue from F&B section registered a growth of 13% on FY 2020 over FY 2019.

Currently, inbound tourism has come to a halt with India

under lockdown, imposition of section 144, suspension of visas and global advisories against travel. There were no bookings being made for the future and the current ones stand cancelled. In this scenario, there is limited chance for quick revival. Hotel would resume operations partially from middle of June 2020, consequent to inbound travel of Indians stuck abroad.

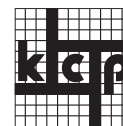
Details	2019-20	2018-19
Revenue	1802	1614
Profit/(Loss) before interest and tax	(415)	(660)

Way forward & risks:

The hospitality segment along with airlines, is worst affected due to break out of Covid-19. With the anticipated extension of the pandemic into the first half of 2020-21, there is limited chance of revival of the Hotel.

The government continued clampdown of restrictions on resumption of operations by hotel industry, would constitute a major risk to the performance of the Hotel.

However, the Hotel would try to garner some limited business from the return of Indians from abroad. Hotel hopes to revive from the second half of 2020-21,



provided the pandemic abates and restrictions are eased.

C. SUBSIDIARY

KCP Vietnam Industries Limited: (KCP VIL)

Details	2019-20	2018-19
Crushing capacity (TPD)	11,000	11,000
Cane crushed (MTS)	909,958	1143,477
Sugar produced (MTS)	82,678	105,232
Recovery rate (%)	9.09	8.66
Average sales realization (Rs.)	37,530	37,507
Turnover (Rs lakhs)	485,91	519,84
PBT (Rs lakhs)	93,50	82,87

Company operated with a total crushing capacity of 11,000 TCD (Son Hoa Unit – 10,000 TCD and Dong Xuan Unit – 1,000 TCD). The total cane crushed was 909,958MTs with a recovery rate of 9.09% and the refined sugar produced was 82,678MTs.

Compared to the previous season, the sugarcane crushed, the quality of the sugar cane and the sugar production are lower. Compared to the previous season, the raw material availability for the milling decreased by 20.43% and the quality of the sugar cane was marginally higher. The sugar prices maintained downward trend due to oversupply in line with the international market trend. Vietnam sugar market followed the trend in the international market.

Son Hoa sugar unit was operated at 10,000 TCD capacity with 30 MW Cogeneration Plant to export the power to the national grid.

Company completed investment on 30MW Cogeneration power project and planning to implement the second phase 30MW independent Biomass Power Project. Company is awaiting the revised FIT (Feed in Tariff) from Government of Viet Nam as the prevailing FIT is not feasible to invest due to high price of bio fuels.

During the financial year, total power sold to EVN (Electricity of Vietnam) is 78,898,900 Kwh.

Risks: The sugar industry is dependent on sugar cane availability which in turn is dependent on the rains and the risk would arise if there is draught.

The prices of sugar oscillate based on sugar availability.

These risks are mitigated to some extent by resorting to export of power and also processing of bought out raw sugar.

D. JOINT VENTURE

Fives Cail KCP Ltd

Total revenue for the year is Rs. 241 lakhs compared to Rs. 259 lakhs in the previous year.

Unexpected lockdown of the country due to covid19, disabled planned dispatches from 23rd of March and so impacted revenues adversely.

During 2019-20, the company commissioned a record number of 12 incinerators. Incineration segment in both domestic and international markets, especially in south east Asia seems to be picking up.

However, as the technology is maturing, smaller Indian players have entered into this market impacting margins.

We are developing /experimenting new design concepts to reduce consumption of supplementary fuel in burning vinasse as USP.

We expect the market potential for incinerator segment will remain same as that of last year as the government norms for Ethanol is unchanged, in spite of reduction in international oil prices.

Sugar industry in domestic sector continues to record downtrend. The order for refinery received in this year could not take off due to delay in financial closure.

We see encouraging sign in the international market especially in South East Asia and Africa for turnkey Sugar plants, which require funding.

A few expansions / shifting and servicing of existing plants and individual equipment sale would be the available opportunity in the domestic sector.

The impact of lock down for the first two months of this financial year will have impact on the performance of the joint venture.. However, we have been able to take forward some aspects of our business on the basis of working from home. Manufacturing and installation services are impacted. Another impact would be from customers' cash flows. Under the current circumstances, the conservative and prudent approach of the management would greatly benefit all stake holders.

E. NEW PROJECTS

Cement Expansion

After expansion of Muktyala cement unit in February 2019, Plant Capacity came to 3.5 million tons per annum. Project is funded by term loan and internal fund.

Packing Terminal:

To reduce cost of transportation, the Company is planning to start a packing terminal near Chennai. This would help in enhancing the market share in Tamilnadu apart from reducing logistics cost.

Grinding Unit project proposed to be undertaken, as earlier reported, was not taken forward considering the viability of the project in the changed economic conditions.

A. Details of significant changes in key ratios by more than 25%.

Ratio	FY 2019-20	FY 2018-19
Interest Coverage Ratio	1.82	4.12
Operating Profit Margin (%)	3.20%	7.65%
Net Profit Margin (%)	-0.70%	3.40%

The Cement Production Capacity Expansion at Muktyala was completed in February, 2019. Due to the factors mentioned earlier in this Management Discussion & Analysis, the cement sales volumes were lower by 16% in FY 2019-20, leading to under utilisation of the expanded Plant capacity. Thus, the additional costs of Depreciation, Interest and other Fixed Expenses of the Expansion Program could not be absorbed through additional cement sales, affecting the profitability in FY 2019-20.

Cautionary Statement:

Statements in the “Management Discussion and Analysis” describing the Company’s objectives, expectations or predictions are as perceived currently.

Actual results may differ materially from those expressed in this statement. Important factors that could influence the Company’s operations include domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Dr.V.L. Indira Dutt

Place: Chennai

Chairperson & Managing Director

Date: 18th June, 2020

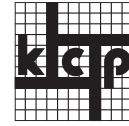
ANNEXURE 1

(THIS REPORT FORMS PART OF DIRECTORS' REPORT) (DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES 2014

Sl. No.	Employee Name	Designation	Remuneration Received	Qualification	Age	Total Experience	Date of Commencement of Employment	Particulars of Previous Employment		Period for which last post held
								Organisation	Designation	
1.	Dr. V.L. Dutt (Late)	Executive Chairman (Upto 18/02/2020)	88.69	Grad. B.I.M.	82	59	03/04/1970	V. Ramakrishna Sons Pvt. Ltd	Administrative Director	12 years
2.	Dr. V.L. Indira Dutt	Managing Director (MD)	154.44	B.A.	80	24	1/7/1996	-	9 years	-
3.	Smt. V. Kavitha Dutt	Joint Managing Director (JMD)	166.66	Grad. Business Management, PGDHR	49	21	1/10/1999	-	-	-
4.	Sri. K. Ramakrishna	Executive President – GMU	98.57	B.Sc, PGDMSM	55	35	22/04/1991	Annapurna Cements Ltd	-	10 years
5.	Sri. GN Murty	Chief Financial Officer	85.36	CA, CWA, CS, M.B.A., PGDCA	65	40	02/07/2015	Vizag Steel Plant	Executive Director	35 Years
6.	Sri. C. Subbiah	Vice President – Operations	58.43	B.E.-Mechanical	55	32	23/11/2017	L & T Limited	Joint General Manager	24 years
7.	Sri. Chowdary BVPS	Senior General Manager	57.91	B.Com, ICWA	51	23	19/12/1997	-	-	-
8.	Sri. V. Madhusudhanrao	Vice President – Operations CPU II	59.88	AMIE	51	25	16/02/2019	Bharati Cement	Senior GM	10 Years
9.	Sri. A. Srihari	CPO- HR	3.11	B.E, M.E., MBA	47	24	04/03/2020	JK Fenner India Ltd	HR & Admn	3 years.
10.	Sri. Roop Singh Chaudhary	Vice President & Head Procurement	38.43	B.E (Mechanical) M.B.A	49	24	31/03/2018	Ultratech Cement Limited	Asst. Vice President	9 years

Notes:

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is Contractual in the case of Whole Time Directors.
3. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division / subsidiary of the Company.
4. None of the employees except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt mentioned above is/ are relative of any Director of the Company.
5. None of the employee except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt owns more than 2% of the outstanding shares of the Company as on March 31, 2020.
6. Total experience shown in Column 7 includes service with previous employers.



Annexures to the Director's Report

ANNEXURE - 2

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)

Energy conservation and efficiency measures were undertaken in various areas of the Cement plants and Captive power plants (CPPs), few highlights are as under:

A. CONSERVATION OF ENERGY:

Cement Production Unit. II. Muktyala.

(i) The steps taken or impact on conservation of energy:

- By deration of Plant Maximum Demand in the month Feb, 2020 from 15000 KVA to 7000 KVA, Energy savings of Rs. 3.64Cr (approximately) and the this savings will be continued in FY 2020-21 also.
- Hydel wheeling units utilised from Jan, 2020 to Apr 2020 and direct energy savings of Rs 60.30 lacs and also RPP obligation complied and also received power incentive.
- By optimal Mills operation in Happy hours (0-6 Hrs+22-24 Hrs) we got happy hours benefit of 44 Lac Rs/-. Per annum in CC bills
- Cement Mill-3 HT Transformers and VFD Cooling fans Idle running avoided.
- Optimization of Pyro-2 Water Cooling Tower
- By manufacturing PPC in Cement Mill – 3 Vertical Roller Mill Power Consumption reduced by 5.0 kwh/ Tons.
- Increase in fly ash utilization and increased in fly ash absorption from 30 to 32% in PPC
- By manufacturing Rapid Hardening Portland Cement in Cement Mill-3, Specific power consumption has been reduced by 16 kwh/T
- Reduction of DAM Ring height, Extension of Feed Chute and Removal Stump cone for Coal Mill-2 resulted in energy savings.
- Removed damper at Raw Mill-2 fan, Coal Mill-2 fan and Cooler ESP Fan inlets to reduce the pressure losses.
- Raw mill-2 water spray system pipe line modification
- Kiln-2 Radiation Losses reduced by applying kiln shell painting with lithophone and sodium silicate
- Replaced Conventional lights with LED Lights

During the year the unit also adopted Conservation of energy measures through:

- Optimization of PJBF discharge material conveying system
- Optimization of Blending silo calibration bin aeration blower
- Optimization of Blending silo extraction air slide blowers
- Cooler Grease lubrication optimization by switching over supplier recommended pre-programmed timer basis lubrication to actual machinery safe guard time basis of lubrication
- Kiln-1 Girth Gear Grease lubrication optimization by Changing off time from 6 sec to 10 sec.

Cement Production Unit. I. Macherla.

- Plant Maximum Demand deration from 8000 KVA to 7200 KVA by effectively utilising the system and WHR power generation by providing interlocks in PLC to cut off the loads in case of MD reaches to present value. Saving of Rs. 7,60,000 / year by way of consumption deposit and Rs. 3,04,000 by way of minimum demand charges in a month
- New AC package units installation in place of centralised AC plant, energy saving of 1050 KWH/ Day.
- QC laboratory old AC Package units replacement with new inverter type Split Acs Energy Savings of 200 KWH/day.
- Replacement of 90 Nos of 70 Watts SV Lamp fittings with 90 Nos of 25 Watts LED light fittings in the plant Energy Savings of 49 KWH/day.
- 15 KW VFD arranged for MCC pressurisation fan system to reduce the RPM. Power consumption, Energy Savings of 69 KWH/ Day.
- 15 KW VFD arranged for AC Package units water pump to reduce the RPM. Energy Savings of 43 KWH/ Day.

Energy Conservation measures planned at CPU-1, Macherla.

- Plant Maximum Demand deration from 7200 KVA to 6600 KVA by effectively utilising the system and WHR power generation by providing interlocks in PLC to cutoff the loads incase of MD reaches to preset value. Expected Energy Saving of 600 KVA power demand.
- VFD installed for staff colony water pump in July 2020. Achieved Energy saving of 16 KWH per day.
- Planned for VFD installation for another water pump in colony. Expected Energy saving of 30 KWH per day.
- Planned to replace 2 Nos of old 1.5 Ton split Acs with 2 Nos. of 1 Ton 5 star Inverter split Acs. Expected energy savings of 30 KWH per day.
- Planned to replace 20 Nos of 70 Watts SV lamp fittings with 25 Watts LED light fittings. Projected Energy saving = 10.8 KWH per day.

- a) At Waste heat recovery reduction of Aux. power consumption from 8.33 % to 8.25 % (based on 2019-20 levels) by optimizing the cooling tower and boiler operation.
- b) Increase of WHR power generation from 2.26 MW to 2.30 MW by optimising the boiler rapping system resulting better heat transformation between tubes and flue gas. This may result in 1,80,000 KWH extra generation through turbine considering 4500 hours of operation.
- Flyash dust collector Draft point modification into PLC by adjusting the Flyash dust collector fan damper we can save the power. Energy saving of 6 KWH/ Hour. On average operation of 2 hours per day.
- Optimization of Kiln outlet Graphite seal blower (F-13A) operation as per the graphite seal preset temperature of 250 0C. Presently the blower is running continuously. The operation can be minimized to 2 Hours/ day. Expected power savings is 1.52 KWH/ Hour. Annually 300 days of peration the Annual energy savings = 10032 KWH / Annum

Energy Conservation measures planned at CPU-2, Muktyala.

- Optimization of Cement mill-3 Cooling Tower Performance
- Reduction of Coal Mill-2 DAM ring height from 10 mm to 5 mm
- Reduction of Cement Mill-3 DAM ring height from 435 mm to 415 mm
- Removal of Cement Mill-3 Bag house Fan damper to avoid damper losses
- Removal of Raw Mill-1 Fan damper to avoid damper losses
- Replacement of 70W HPSV with 40W LED 235 Nos in phased manner for Plant lighting
- Line-2 Aux. Bag filetrs Power & flow optimisation
- Auto stop logic shall be implemented for Silo vent bag filter fans
- Packer-1 & 2 bag cleaning blower(641BL1) motor to be replaced

C. EXPENDITURE ON R & D

(Rs. Lakhs)

Particulars	FY 2019-20	FY 2018-19
a) Capital Expenditure	0	0
b) Recurring Expenditure	0	3.23
c) Total Expenditure	0	3.23
d) Total R&D expenditure as % of turnover	0	0.003

D. FOREIGN EXCHANGE EARNINGS AND OUTGO
(a) Earnings in Foreign Exchange

Particulars	FY 2019-20	FY 2018-19
a) F.O.B. value of goods exported during the year	642.49	748.60
b) Income from Service charge	285.08	226.69
c) Dividend from Investments held in Foreign Subsidiary	2,872.00	1,383.65

(b) Expenditure in Foreign Currency

Particulars	FY 2019-20	FY 2018-19
a) Travelling expenses	4.79	3.63
b) Membership	4.92	4.22
c) Other matters	11.36	190.93

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.

To actively contribute to the social and economic development of the communities in which we operate. In so doing and built a better, sustainable way of life for weaker sections of society, to contribute effectively towards inclusive growth.

Our projects focus on – Education, Healthcare, Sustainable livelihood, Infrastructure development and Social reform. The Company's CSR Policy can be accessed on : <http://www.kcp.co.in>.

2). The composition of the CSR Committee.

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

3). Average net Profit the Company for last three financial years: **Rs. 5827.28 lakhs**

4). Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 106.54 Lakhs**

5). Details of CSR spent during the financial year.

(a) Total Amount spent for the financial year 2019-2020: **Rs. 63.68 Lakhs.**

(b) Amount unspent, if any : **Rs. 42.86 Lakhs**

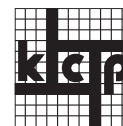
(c) CSR Projects in which the amount was spent during the financial year is details below:

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. Lakhs	Rs. Lakhs	Rs. Lakhs	
1.	Promoting Health care, sanitation and making available safe drinking water	Promotion of Health Care	1. Muktyala in Krishna Dist. Of AP 2. Macherla Guntur Dist. AP 3. Chennai, Tamilnadu	20.00	6.94		Direct
2.	Promoting Education and employment enhancing vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects	Promotion of education and vocational training	1. Thiruvottiyur Chennai, TN 2. Muktyala in Krishna Dist. of AP 3. Macherla Guntur Dist. AP	60.00	44.73		Direct
3.	Promoting gender equality, empowering women and selling up homes for women and measures for reducing in equalities faced by socially and economically backward groups.	Empowerment of women	Muktyala in Krishna Dist. of AP Macherla, Guntur Dist. AP	10.00	11.47		Direct and in association with self-help groups

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:
4.	Ensuring environmental sustainability, ecological balance, conservation of Natural Resources and maintaining quality of soil air, water and rural development	Environmental sustainability, conservation of Natural resources and Rural Development programmes	Muktyala in Krishna Dist. Of AP Macherla Guntur Dist. AP	30.00	0.54		Direct and in association with local panchayats and municipalities.
	TOTAL			120.00	63.68		

- 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: **CSR being a continuous process some of the expenditure will be accounted in next financial years.**
- 7). The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- Dr.V.L.Indira Dutt (Chairperson CSR Committee)	Sd/- Y. Vijayakumar (Company Secretary)
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**ANNEXURE - 4****FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

For the financial year ended on 31.03.2020

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

I. REGISTRATION & 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-600 008
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S INTEGRATED REGISTRY MANAGEMENT SERVICES PVT. LTD. 2ND FLOOR, KENCES TOWERS NO.1 RAMAKRISHNA STREET, NORTH USMAN ROAD T NAGAR, CHENNAI - 600 017

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Cement	2394, 3242	83.63%
2	Engineering	2825	7.22%
3	Power	3510	7.18%
4	Other		0.19%
5	Hotel		1.79%

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) Particulars of holding, subsidiary and associate companies - As per attachment 'F'
vii) INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment - As per attachment 'G'
viii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager - As per attachment 'H'
B. Remuneration to other directors - As per attachment 'I'
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - As per attachment 'J'
ix) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES - As per attachment 'K'

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

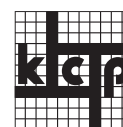
(i) Category-wise Shareholding

Category Code (I)	Category of Shareholder (II)	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	
A	<u>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</u>									
(1)	Indian									
a	Individual/Hindu Undivided Family	11975018	0	11975018	9.29	11673453	0	11673453	9.05	(0.23)
b	Central Government/ State Governments									
c	Bodies Corporate	43483889	0	43483889	33.73	43483889	0	43483889	33.73	-
d	Financial Institutions / Banks									
e	Any other (Specify)									
	Sub Total A(1)	55458907	0	55458907	43.02	55157342	0	55157342	42.78	(0.23)
(2)	Foreign									
a	Individual (Non resident Individuals / Foreign individuals)	1539050	0	1539050	1.19	1539050	0	1539050	1.19	-
b	Bodies Corporate									
c	Institutions	-	-	-	-	-	-	-	-	-
d	Qualified Foreign Investor									
e	Any other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total A(2)	1539050	0	1539050	1.19	1539050	0	1539050	1.19	-
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	56997957	0	56997957	44.21	56696392	0	56696392	43.98	(0.23)
B	<u>Public Shareholding</u>									
(1)	Institutions									
a	Mutual Funds/ UTI	5228171	2000	5230171	4.06	5288992	2000	5290992	4.10	0.05
b	Financial Institutions / Banks	53132	4490	57622	0.04	546652	4490	551142	0.43	0.38
c	Central Government/ State Governments	500	0	500	0.00	500	0	500	0.00	-
d	Venture capital Funds	-	-	-	-	-	-	-	-	-
e	Insurance Companies	1302930	0	1302930	1.01	1302930	0	1302930	1.01	-
f	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i	Any other	-	-	-	-	-	-	-	-	-
	Sub Total B(1)	6584733	6490	6591223	5.11	7139074	6490	7145564	5.54	0.43

Category Code (I)	Category of Shareholder (II)	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	
(2)	Non-Institutions									
a	Bodies Corporate	3166414	36050	3202464	2.48	2321512	36050	2357562	1.83	(0.66)
b	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	28487990	3377809	31865799	24.72	27395309	2840158	30235467	23.45	(1.26)
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	22526860	542180	23069040	17.89	24486568	389870	24876438	19.30	1.40
c	Qualified Foreign Investor									
d	Any other **									
d(i)	CLEARING MEMBER	44891	0	44891	0.03	57893	0	57893	0.04	0.01
d(ii)	CORPORATE - MARGIN TRADING ACCOUNT	175590	0	175590	0.14	220549	0	220549	0.17	
d(iii)	CORPORATE CLIENT COLLATERAL ACCOUNT	0	0	0	0.00	31100	0	31100	0.02	0.02
d(iv)	NRI /OCBs	1837706	1299321	3137027	2.43	1603648	1299321	2902969	2.25	(0.18)
d(v)	TRUSTS	26250	38310	64560	0.05	33000	38310	71310	0.06	0.01
d(vi)	CLEARING HOUSE	100	0	100	0.00	100	0	100	0.00	-
d(vii)	CORPORATE BODY-LIMITED LIABILITY PARTNERSHIP	350832	0	350832	0.27	677093	0	677093	0.53	0.25
d(viii)	FOREIGN PORT FOLIO INVESTOR-CORPORATE	1614179	0	1614179	1.25	1253973	0	1253973	0.97	(0.28)
d(ix)	LIMITED LIABILITY PARTNERSHIP	57000	0	57000	0.04	33879	0	33879	0.03	(0.02)
d(x)	IEPF	1400498	0	1400498	1.09	1630861	0	1630861	1.27	0.18
d(xi)	ALTERNATIVE INVESTMENT FUND	350000	0	350000	0.27	350000	0	350000	0.27	-
d(xii)	BODY CORPORATE-CLIENT MARGIN TRADING SEC	0	0	0	0.00	97763	0	97763	0.08	0.08
d(xiii)	BODY CORPORATE-CLIENT COLLATERAL ACCOUNT	0	0	0	0.00	282247	0	282247	0.22	0.22
	Sub Total B(2)	60038310	5293670	65331980	50.68	60475495	4603709	65079204	50.48	(0.20)
	Total Public Shareholding (B)= (B)(1)+(B)(2)	66623043	5300160	71923203	55.79	67614569	4610199	72224768	56.02	0.23
	TOTAL (A) + (B)	123621000	5300160	128921160	100.00	124310961	4610199	128921160	100.00	-
C	<u>Shares held by Custodians and against which Depository Receipts have been issued</u>									
1	Promoter and Promoter Group									
2	Public									
	Grand Total (A) + (B) + (C)**	123621000	5300160	128921160	100.00	124310961	4610199	128921160	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	38956326	30.22	-	38956326	30.22	-	-
2	VELAGAPUDI LAKSHMANA DUTT	6005569	4.66	-	6025569	4.67	-	0.02
3	V. R. K. GRANDSONS INVESTMENT PRIVATE LTD.	4249193	3.30	-	4249193	3.30	-	-
4	V L INDIRA DUTT	3467347	2.69	-	3594412	2.79	-	0.10
5	SHIVANI DUTT CHITTURI	1300000	1.01	-	1300000	1.01	-	-
6	KAVITHA D CHITTURI	1225000	0.95	-	1300000	1.01	-	0.06
7	THE JEYPORE SUGAR COMPANY LIMITED	278370	0.22	-	278370	0.22	-	-
8	UMA S VALLABHANENI	163120	0.13	-	163120	0.13	-	-
9	IRMGARD VELAGAPUDI	152490	0.12	-	152490	0.12	-	-
10	S. RAJIV RANGASAMI	896327	0.70	-	373327	0.29	-	(0.41)
11	VELAGAPUDI LAKSHMANA DUTT	113500	0.09	-	113500	0.09	-	-
12	SUBBARAO VALLABHANENI	75930	0.06	-	75930	0.06	-	-
13	R PRABHU	62880	0.05	-	62880	0.05	-	-
14	P VIKRAM RAMAKRISHNAN	12655	0.01	-	12655	0.01	-	-
15	SIVARAMAKRISHNAN PRASAD	12650	0.01	-	12650	0.01	-	-
16	S. NALINI	11250	0.01	-	11250	0.01	-	-
17	RAJESWARY RAMAKRISHNAN	6500	0.01	-	6500	0.01	-	-
18	KIRAN VELAGAPUDI	4220	0.00	-	4220	0.00	-	-
19	ANITHA .	4000	0.00	-	4000	0.00	-	-
20	RAJYALAKSHMAMMA S R V	630	0.00	-	0	0.00	-	(0.00)
		56997957	44.21	0.00	56696392	43.98	0.00	(0.23)

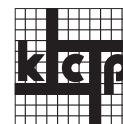


Attachment 'C'

(iii) 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		Increase / Decrease Shares	Increase / Decrease Shares %	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 Promoters Shareholding during the year						
1	HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017 (1) PAN :AAATH1809A						
	Opening Balance as on 01/04/2019	2767543	2.15				
	Closing Balance as on 31/03/2020					2767543	2.15
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND PAN :AAATR0090B						
	Opening Balance as on 01/04/2019	2348219	1.82				
	17/01/2020			25000	0.02	2373219	1.84
	31/01/2020			35821	0.03	2409040	1.87
	Closing Balance as on 31/03/2020					2409040	1.87
3	SANDHYA G PARIKH PAN :AAEPP1311M						
	Opening Balance as on 01/04/2019	1654342	1.28				
	20/03/2020			1506648	1.17	3160990	2.45
	Closing Balance as on 31/03/2020			87937	0.07	3248927	2.52
4	HITESH SATISHCHANDRA DOSHI PAN :AACPD8612R						
	Opening Balance as on 01/04/2019	1808773	1.40				
	Closing Balance as on 31/03/2020					1808773	1.40
5	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS PAN :EXEMPTCATG						
	Opening Balance as on 01/04/2019	1400498	1.11				
	03/05/2019			146800	0.11	1547298	1.22
	06/12/2019			32160	0.03	1579458	1.25
	31/12/2019			52303	0.04	1631761	1.29
	14/02/2020			(900)	(0.00)	1630861	1.29
	Closing Balance as on 31/03/2020					1630861	1.29
6	THE NEW INDIA ASSURANCE COMPANY LIMITED PAN :AACN4165C						
	Opening Balance as on 01/04/2019	1302930	1.01				
	Closing Balance as on 31/03/2020					1302930	1.01
7	G.V. REDDY (DR) PAN :3009						
	Opening Balance as on 01/04/2019	1287250	1.00				
	Closing Balance as on 31/03/2020					1287250	1.00

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
8	INDIRA CAESAR ANUMOLU						
	PAN :AACPA9052E						
	Opening Balance as on 01/04/2019	1130869	0.88				
	19/04/2019			2000	0.00	1132869	0.88
	Closing Balance as on 31/03/2020					1132869	0.88
9	SAKUNTHALA DEVI BOPANA						
	PAN :AFWPB3847H						
	Opening Balance as on 01/04/2019	1052410	0.82				
	Closing Balance as on 31/03/2020					1052410	0.82
10	GOVINDLAL M PARIKH						
	PAN :AAEPP1312J						
	Opening Balance as on 01/04/2019	1012215	0.79				
	20/03/2020			(1012215)	(0.79)		
	Closing Balance as on 31/03/2020						
11	RAAVI SOBHANADRI CHOWDARY						
	PAN :ABGPR2293B						
	Opening Balance as on 01/04/2019	967999	0.75				
	Closing Balance as on 31/03/2020					967999	0.75
12	BOPPANA VINAY KUMAR						
	PAN :AFXPB0044B						
	Opening Balance as on 01/04/2019	947530	0.74				
	Closing Balance as on 31/03/2020					947530	0.74
13	PADMINI RAJAN						
	PAN :ACOPR5427J						
	Opening Balance as on 01/04/2019	872690	0.68				
	Closing Balance as on 31/03/2020					872690	0.68
14	THE K C P LIMITED - UNCLAIMED SUSPENSE ACCOUNT						
	PAN :AAACT8046J						
	Opening Balance as on 01/04/2019	823080	0.65				
	19/04/2019			(900)	(0.00)	822180	0.64
	03/05/2019			(115890)	(0.09)	706290	0.55
	17/05/2019			(4590)	(0.00)	701700	0.54
	28/06/2019			2680	0.00	704380	0.55
	19/07/2019			(1650)	(0.00)	702730	0.55
	30/09/2019			(560)	(0.00)	702170	0.55
	29/11/2019			(5990)	(0.01)	696180	0.54
	06/12/2019			(18950)	(0.02)	677230	0.53
	20/12/2019			(450)	(0.00)	676780	0.53
	31/12/2019			(11070)	(0.01)	665710	0.52
	31/01/2020			(3160)	(0.00)	662550	0.51
	Closing Balance as on 31/03/2020					662550	0.51



Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
15	ANUMOLU LAKSHMI						
	PAN :AAAPL8197M						
	Opening Balance as on 01/04/2019	531620	0.41				
	Closing Balance as on 31/03/2020					531620	0.41
16	CHINMAY G PARIKH						
	PAN :ADVPC9973G						
	Opening Balance as on 01/04/2019	494433	0.38				
	24/05/2019			5000	0.00	499433	0.39
	28/06/2019			26025	0.02	525458	0.41
	12/07/2019			8596	0.01	534054	0.41
	26/07/2019			90012	0.07	624066	0.48
	31/07/2019			33097	0.03	657163	0.51
	02/08/2019			38016	0.03	695179	0.54
	09/08/2019			46714	0.04	741893	0.58
	23/08/2019			14	0.00	741907	0.58
	30/08/2019			52690	0.04	794597	0.62
	06/09/2019			31633	0.03	826230	0.64
	13/09/2019			14927	0.01	841157	0.65
	20/09/2019			1375	0.00	842532	0.65
	27/09/2019			15720	0.01	858252	0.67
	04/10/2019			185000	0.14	1043252	0.81
	11/10/2019			411560	0.32	1454812	1.13
	18/10/2019			53289	0.04	1508101	1.17
	25/10/2019			126563	0.10	1634664	1.27
	01/11/2019			101000	0.08	1735664	1.35
	08/11/2019			16086	0.01	1751750	1.36
	15/11/2019			15000	0.01	1766750	1.37
	22/11/2019			59221	0.05	1825971	1.42
	06/12/2019			3895	0.00	1829866	1.42
	13/12/2019			27825	0.02	1857691	1.44
	20/12/2019			10685	0.01	1868376	1.45
	27/12/2019			30572	0.02	1898948	1.47
	31/12/2019			86321	0.07	1985269	1.54
	03/01/2020			18458	0.01	2003727	1.55
	10/01/2020			14655	0.01	2018382	1.57
	17/01/2020			553	0.00	2018935	1.57
	24/01/2020			26054	0.02	2044989	1.59
	31/01/2020			27033	0.02	2072022	1.61
	07/02/2020			85778	0.07	2157800	1.67
	14/02/2020			41355	0.03	2199155	1.71
	21/02/2020			10558	0.01	2209713	1.71
	28/02/2020			118884	0.09	2328597	1.81

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	06/03/2020			70833	0.06	2399430	1.86
	13/03/2020			76349	0.06	2475779	1.92
	20/03/2020			(391729)	(0.30)	2084050	1.62
	Closing Balance as on 31/03/2020					2084050	1.62
17	dolly khanna						
	PAN :ADOPD7812J						
	Opening Balance as on 01/04/2019						
	20/03/2020			383830	0.30	383830	0.30
	27/03/2020			190000	0.15	573830	0.45
	Closing Balance as on 31/03/2020			52000	0.04	625830	0.49

Attachment 'D'

(iv) Change in Promoters Shareholding

Sl No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1	V RAMAKRISHNA SONS P LTD						
	PAN :AAACV2307A						
	Opening Balance as on 01/04/2019	38956326	30.22				
	Closing Balance as on 31/03/2020					38956326	30.22
2	VELAGAPUDI LAKSHMANA DUTT						
	PAN :AABPD7988F						
	Opening Balance as on 01/04/2019	6005569	4.66				
	06/09/2019			9180	0.01	6014749	4.67
	09/09/2019			820	0.00	6015569	4.67
	11/09/2019			(820)	0.00	6014749	4.67
	12/09/2019			820	0.00	6015569	4.67
	20/09/2019			10000	0.01	6025569	4.67
	Closing Balance as on 31/03/2020					6025569	4.67
3	V. R. K. GRANDSONS INVESTMENT PRIVATE LTD.						
	PAN :AAACV3678A						
	Opening Balance as on 01/04/2019	4249193	3.30				
	Closing Balance as on 31/03/2020					4249193	3.30
4	V L INDIRA DUTT						
	PAN :AAAPD6756A						
	Opening Balance as on 01/04/2019	3467347	2.69				
	13/04/2019			630	0.00	3467977	2.69
	27/08/2019			5801	0.01	3473778	2.69
	03/10/2019			30000	0.02	3503778	2.72
	22/11/2019			2728	0.00	3506506	2.72

Sl No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	26/11/2019			15453	0.01	3521959	2.73
	27/11/2019			7000	0.01	3528959	2.74
	28/11/2019			8000	0.01	3536959	2.74
	29/11/2019			4422	0.00	3541381	2.75
	05/12/2019			12000	0.01	3553381	2.76
	06/12/2019			3550	0.00	3556931	2.76
	09/12/2019			690	0.00	3557621	2.76
	11/12/2019			17353	0.01	3574974	2.77
	13/12/2019			12031	0.01	3587005	2.78
	16/12/2019			5000	0.00	3592005	2.79
	27/03/2020			2407	0.00	3594412	2.79
	Closing Balance as on 31/03/2020					3594412	2.79
5	SHIVANI DUTT CHITTURI						
	PAN :ASKPC4646C						
	Opening Balance as on 01/04/2019	1300000	1.01				
	Closing Balance as on 31/03/2020					1300000	1.01
6	VELAGAPUDI KAVITHA DUTT						
	PAN :AAAPD6737H						
	Opening Balance as on 01/04/2019	1225000	0.95				
	01/10/2019			19000	0.02	1244000	0.97
	03/10/2019			40000	0.03	1284000	1.00
	04/10/2019			6000	0.01	1290000	1.00
	29/11/2019			2200	0.00	1292200	1.00
	04/12/2019			1000	0.00	1293200	1.00
	05/12/2019			1906	0.00	1295106	1.01
	06/12/2019			4894	0.00	1300000	1.01
	Closing Balance as on 31/03/2020					1300000	1.01
7	S. RAJIV RANGASAMI						
	PAN :AGUPR2921B						
	Opening Balance as on 01/04/2019	896327	0.70				
	02/04/2019			(8000)	(0.01)	888327	0.69
	03/04/2019			(10000)	(0.01)	878327	0.68
	04/04/2019			(7000)	(0.01)	871327	0.68
	05/04/2019			(2000)	0.00	869327	0.67
	08/04/2019			(8000)	(0.01)	861327	0.67
	27/05/2019			(4000)	0.00	857327	0.67
	28/05/2019			(4000)	0.00	853327	0.66
	29/05/2019			(4000)	0.00	849327	0.66
	04/06/2019			(8000)	(0.01)	841327	0.65
	06/06/2019			(5000)	0.00	836327	0.65
	07/06/2019			(3000)	0.00	833327	0.65
	10/06/2019			(2000)	0.00	831327	0.65
	11/06/2019			(4000)	0.00	827327	0.64

SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	12/06/2019			(4000)	0.00	823327	0.64
	13/06/2019			(4000)	0.00	819327	0.64
	14/06/2019			(4000)	0.00	815327	0.63
	18/06/2019			(4000)	0.00	811327	0.63
	20/06/2019			(4000)	0.00	807327	0.63
	21/06/2019			(4000)	0.00	803327	0.62
	24/06/2019			(4000)	0.00	799327	0.62
	25/06/2019			(4000)	0.00	795327	0.62
	26/06/2019			(4000)	0.00	791327	0.61
	27/06/2019			(3000)	0.00	788327	0.61
	28/06/2019			(3000)	0.00	785327	0.61
	01/07/2019			(3000)	0.00	782327	0.61
	02/07/2019			(3000)	0.00	779327	0.60
	04/07/2019			(3000)	0.00	776327	0.60
	05/07/2019			(3000)	0.00	773327	0.60
	08/07/2019			(3000)	0.00	770327	0.60
	16/07/2019			(1000)	0.00	769327	0.60
	22/07/2019			(1000)	0.00	768327	0.60
	29/07/2019			(2000)	0.00	766327	0.59
	30/07/2019			(5000)	0.00	761327	0.59
	01/08/2019			(8000)	(0.01)	753327	0.58
	02/08/2019			(4000)	0.00	749327	0.58
	05/08/2019			(3000)	0.00	746327	0.58
	07/08/2019			(3000)	0.00	743327	0.58
	14/08/2019			(3000)	0.00	740327	0.57
	16/08/2019			(3000)	0.00	737327	0.57
	19/08/2019			(2000)	0.00	735327	0.57
	20/08/2019			(3000)	0.00	732327	0.57
	21/08/2019			(2000)	0.00	730327	0.57
	28/08/2019			(3000)	0.00	727327	0.56
	29/08/2019			(3000)	0.00	724327	0.56
	30/08/2019			(4000)	0.00	720327	0.56
	03/09/2019			(4000)	0.00	716327	0.56
	04/09/2019			(4000)	0.00	712327	0.55
	05/09/2019			(4000)	0.00	708327	0.55
	06/09/2019			(3000)	0.00	705327	0.55
	09/09/2019			(4000)	0.00	701327	0.54
	11/09/2019			(3000)	0.00	698327	0.54
	12/09/2019			(4000)	0.00	694327	0.54
	13/09/2019			(4000)	0.00	690327	0.54
	17/09/2019			(4000)	0.00	686327	0.53
	18/09/2019			(3000)	0.00	683327	0.53
	19/09/2019			(3000)	0.00	680327	0.53

Sl No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	24/09/2019			(4000)	0.00	676327	0.53
	25/09/2019			(4000)	0.00	672327	0.52
	26/09/2019			(4000)	0.00	668327	0.52
	27/09/2019			(3000)	0.00	665327	0.52
	30/09/2019			(2000)	0.00	663327	0.52
	10/10/2019			(3000)	0.00	660327	0.51
	11/10/2019			(3000)	0.00	657327	0.51
	14/10/2019			(3000)	0.00	654327	0.51
	15/10/2019			(3000)	0.00	651327	0.51
	16/10/2019			(2000)	0.00	649327	0.50
	18/10/2019			(6000)	(0.01)	643327	0.50
	22/10/2019			(4000)	0.00	639327	0.50
	23/10/2019			(4000)	0.00	635327	0.49
	24/10/2019			(3000)	0.00	632327	0.49
	29/10/2019			(4000)	0.00	628327	0.49
	30/10/2019			(4000)	0.00	624327	0.48
	31/10/2019			(4000)	0.00	620327	0.48
	01/11/2019			(5000)	0.00	615327	0.48
	04/11/2019			(4000)	0.00	611327	0.47
	06/11/2019			(4000)	0.00	607327	0.47
	08/11/2019			(4000)	0.00	603327	0.47
	11/11/2019			(4000)	0.00	599327	0.47
	13/11/2019			(4000)	0.00	595327	0.46
	14/11/2019			(4000)	0.00	591327	0.46
	15/11/2019			(3000)	0.00	588327	0.46
	04/12/2019			(10000)	(0.01)	578327	0.45
	05/12/2019			(10000)	(0.01)	568327	0.44
	06/12/2019			(8000)	(0.01)	560327	0.44
	09/12/2019			(10000)	(0.01)	550327	0.43
	11/12/2019			(15000)	(0.01)	535327	0.42
	12/12/2019			(3000)	0.00	532327	0.41
	13/12/2019			(5000)	0.00	527327	0.41
	16/12/2019			(3000)	0.00	524327	0.41
	30/12/2019			(8000)	(0.01)	516327	0.40
	31/12/2019			(10000)	(0.01)	506327	0.39
	01/01/2020			(10000)	(0.01)	496327	0.39
	03/01/2020			(3000)	0.00	493327	0.38
	07/01/2020			(10000)	(0.01)	483327	0.38
	21/01/2020			(10000)	(0.01)	473327	0.37
	22/01/2020			(10000)	(0.01)	463327	0.36
	28/01/2020			(10000)	(0.01)	453327	0.35
	29/01/2020			(10000)	(0.01)	443327	0.34
	30/01/2020			(10000)	(0.01)	433327	0.34

Sl No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	31/01/2020			(25000)	(0.02)	408327	0.32
	04/02/2020			(10000)	(0.01)	398327	0.31
	03/03/2020			(10000)	(0.01)	388327	0.30
	05/03/2020			(5000)	0.00	383327	0.30
	11/03/2020			(10000)	(0.01)	373327	0.29
	Closing Balance as on 31/03/2020					373327	0.29
8	THE JEYPORE SUGAR COMPANY LIMITED .						
	PAN :AAACT9942R						
	Opening Balance as on 01/04/2019	278370	0.22				
	Closing Balance as on 31/03/2020					278370	0.22
9	UMA S VALLABHANENI						
	PAN :AEYPV0586Q						
	Opening Balance as on 01/04/2019	163120	0.13				
	Closing Balance as on 31/03/2020					163120	0.13
10	IRMGARD VELAGAPUDI						
	PAN :AAFPI6691A						
	Opening Balance as on 01/04/2019	152490	0.12				
	Closing Balance as on 31/03/2020					152490	0.12
11	MR. VELAGAPUDI LAKSHMANA DUTT						
	PAN :AAAHV0216K						
	Opening Balance as on 01/04/2019	113500	0.09				
	Closing Balance as on 31/03/2020					113500	0.09
12	SUBBARAO VALLABHANENI						
	PAN :AKRPS6475L						
	Opening Balance as on 01/04/2019	75930	0.06				
	Closing Balance as on 31/03/2020					75930	0.06
13	R PRABHU						
	PAN :ADJPP4946N						
	Opening Balance as on 01/04/2019	62880	0.05				
	Closing Balance as on 31/03/2020					62880	0.05
14	P VIKRAM RAMAKRISHNAN						
	PAN :AIZPV8779N						
	Opening Balance as on 01/04/2019	12655	0.01				
	Closing Balance as on 31/03/2020					12655	0.01
15	SIVARAMAKRISHNAN PRASAD						
	PAN :AFRPP5944E						
	Opening Balance as on 01/04/2019	12650	0.01				
	Closing Balance as on 31/03/2020					12650	0.01
16	S. NALINI						
	PAN :ABMPN3058Q						
	Opening Balance as on 01/04/2019	11250	0.01				
	Closing Balance as on 31/03/2020					11250	0.01

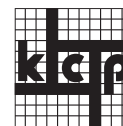
SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
17	RAJESWARY RAMAKRISHNAN						
	PAN :ADQPR8661R						
	Opening Balance as on 01/04/2019	6500	0.01				
	Closing Balance as on 31/03/2020					6500	0.01
18	KIRAN VELAGAPUDI						
	PAN :AFDPK3995G						
	Opening Balance as on 01/04/2019	4220	0.00				
	Closing Balance as on 31/03/2020					4220	0.00
19	ANITHA .						
	PAN :AEVPA9301D						
	Opening Balance as on 01/04/2019	4000	0.00				
	Closing Balance as on 31/03/2020					4000	0.00
20	RAJYALAKSHMAMMA S R V						
	PAN :AQIPR7490M						
	Opening Balance as on 01/04/2019	630					
	13/04/2019			(630)			
	Closing Balance as on 31/03/2020						

Attachment 'E'

(V) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	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						
1	VELAGAPUDI LAKSHMANA DUTT						
	PAN :AABPD7988F						
	Opening Balance as on 01/04/2019	6005569	4.66				
	06/09/2019			9180	0.01	6014749	4.67
	09/09/2019			820	0.00	6015569	4.67
	11/09/2019			(820)	0.00	6014749	4.67
	12/09/2019			820	0.00	6015569	4.67
	20/09/2019			10000	0.01	6025569	4.67
	Closing Balance as on 31/03/2020					6025569	4.67
2	V L INDIRA DUTT						
	PAN :AAPD6756A						
	Opening Balance as on 01/04/2019	3467347	2.69				
	13/04/2019			630		3467977	2.69

Sl. No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	27/08/2019			5801	0.01	3473778	2.69
	03/10/2019			30000	0.02	3503778	2.72
	22/11/2019			2728	0.00	3506506	2.72
	26/11/2019			15453	0.01	3521959	2.73
	27/11/2019			7000	0.01	3528959	2.74
	28/11/2019			8000	0.01	3536959	2.74
	29/11/2019			4422	0.00	3541381	2.75
	05/12/2019			12000	0.01	3553381	2.76
	06/12/2019			3550	0.00	3556931	2.76
	09/12/2019			690	0.00	3557621	2.76
	11/12/2019			17353	0.01	3574974	2.77
	13/12/2019			12031	0.01	3587005	2.78
	16/12/2019			5000	0.00	3592005	2.79
	27/03/2020			2407	0.00	3594412	2.79
	Closing Balance as on 31/03/2020					3594412	2.79
3	VELAGAPUDI KAVITHA DUTT						
	PAN :AAAPD6737H						
	Opening Balance as on 01/04/2019	1225000	0.95				
	01/10/2019			19000	0.02	1244000	0.97
	03/10/2019			40000	0.03	1284000	1.00
	04/10/2019			6000	0.01	1290000	1.00
	29/11/2019			2200	0.00	1292200	1.00
	04/12/2019			1000	0.00	1293200	1.00
	05/12/2019			1906	0.00	1295106	1.01
	06/12/2019			4894	0.00	1300000	1.01
	Closing Balance as on 31/03/2020					1300000	1.01
4	SWAMINATHA REDDY ONTEDDU						
	PAN :AACPO1809P						
	Opening Balance as on 01/04/2019	20	0.00				
	Closing Balance as on 31/03/2020					20	0.00
5	GANDHI.V						
	PAN: AAAPG6503C						
	Opening Balance as on 01/04/2019	2040	0.00				
	Closing Balance as on 31/03/2020					2040	0.00



Attachment 'F'

Vi) Particulars of Holding, Subsidiary and Associate Companies

Sl.No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	Percentage of Holding	Applicable Section
1	KCP Vietnam Industries Ltd	Cung Son Town, Son Hoa (Dist), Phuyen Province, Vietnam	NA	Subsidiary	66.67%	2(87)
2	Fives Cail KCP Ltd	"Ramakrishna Building", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	U29254TN1995 PLC033300	Joint Venture	40%	2(6)

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

Rs. Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Public Deposits (Unsecured Loans)	TOTAL
Indebtedness at the beginning of the financial year				
i) Principal Amount	35,700.81	2,015.00	8,696.49	46,412.30
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			338.37	338.37
Total (i+ii+iii)	35,700.81	2,015.00	9,034.86	46,750.66
Change in Indebtedness during the financial year				-
* Addition -fresh deposits	316.65	1,135.00	393.25	1,844.90
* Addition - Renewals			3,130.57	3,130.57
* Reduction - Repayments	5,309.91	1,080.00	510.13	6,900.04
* Reduction - Renewals			3,133.13	3,133.13
Net Change	(4,993.26)	55.00	(119.44)	(5,057.70)
Indebtedness at the end of the financial year				-
i) Principal Amount	30,707.55	2,070.00	8,577.05	41,354.60
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			296.80	296.80
Total (i+ii+iii)	30,707.55	2,070.00	8,873.85	41,651.41

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

Rs. in Lakhs

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Dr.V L Dutt	Dr.V L Indira Dutt	Smt. V Kavitha Dutt	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.72	120.00	124.80	308.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24.97	14.12	12.87	51.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, Company Contribution to PF, Gratuity etc.	0.00	20.32	28.99	49.31
	Total (A)				
	Ceiling as per the Act	88.69	154.44	166.66	409.79

B. Remuneration to other Directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sri V.H Ramakrishnan	Sri Vijay Sankar	Sri P.S. Kumar	Sri M. Narasimhappa	
1	Independent Directors					
	Fee for attending board committee meetings	3.10	1.90	3.30	3.10	11.40
	Commission	-	-	-	-	-
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	3.10	1.90	3.30	x3.10	11.40

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Sri. Y. Vijayakumar (CS)	Sri. G.N. Murty (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.85	65.54	93.39
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	9.41	9.41
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify...			
5	Others, Company contributio to PF , Gratuity etc	7.52	10.41	17.93
	Total	35.37	85.36	120.73

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties, punishment or Compounding of offences for the year ended 31st March 2020.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

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 Dong (VND) ('000)	Indian Rs. Lakhs
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 313.85 VND as on 31.03.2020	
4	Share Capital	545,856,275	17,392
5	Reserves & Surplus	1,268,433,775	40,415
6	Total Assets	2,160,612,952	68,842
7	Total Liabilities	346,322,902	11,035
8	Investments	-	-
9	Turnover	1,578,199,317	48,561
10	Profit before taxation	271,880,151	9,350
11	Provision for taxation	-	-
12	Profit after taxation	271,880,151	9,350
13	Dividend *	140,434,666	4,475
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 2020
2	Shares of Joint Venture held by the Company on the year end (no.)	400,000
	Amount of Investment in Joint Venture (Rs. Lakhs)	40
	Extent of Holding %	40
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital.
4	Reason why the Joint Venture is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs. Lakhs)	965
6	Profit / (Loss) for the year	
	(i) Considered in Consolidation (Rs. Lakhs)**	46
	(ii) Not Considered in Consolidation***	69

* Dividend paid during the year

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

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

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

As per our report annexed
for K.S.RAO & CO
Chartered Accountants
Firm Regn No. 003109S

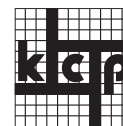
P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020



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)

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

SL. No.	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction (Rs. in lakhs)
1	Fives Cail KCP Limited	Joint Venture	Purchases	16.61
2	Fives Cail KCP Limited	Joint Venture	Leasing of property & Services	123.07
3	Dr.V.L. Indira Dutt	Chairperson & Managing Director (CMD), Wife of Dr.V.L.Dutt and Mother of Kavitha D Velagapudi, JMD of the Company.	Lease rentals	123.27
4	Smt.Uma.S.Vallabhaneni	Sister of CMD	Lease rentals	119.64
5	Smt.V.Rama Kumari	Sister of CMD	Lease rentals	89.96
6	Bala Tripurasundari Ammavaru Trust	CMD is Trustee	Lease rentals	114.99
7	Sri.V. Chandra Kumar	Brother of CMD	Lease rentals	49.59
8	Smt. Kavitha Dutt Velagapudi	Joint Managing Director (JMD)	Lease rentals	5.06
9	V. Ramakrishna Charitable Trust	Trustees	Lease rentals	0.17

(a) Name of the related party Nature of Relationship: As proved in the table above

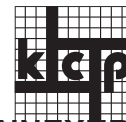
(b) Nature, duration of the contract and particulars of the contract or arrangement.

1. The transactions at Serial number 1 is Contract of Sales and Services which include contracts with our Joint Venture Company M/s. Fives Cail KCP Limited at arm length prices.
2. The transactions at serial numbers 2 relates to leasing of office space owned by the company at "Ramakrishna Buildings" 2, Dr. P.V. Cherian crescent, Egmore, Chennai-600 006 to M/s. Fives Cail KCP Limited, (10,500 sft), at the rate prevailing in that area.
3. The transactions at serial numbers 3 to 8 relates to Lease Agreements with certain Land owners including this parties mentioned in the table who are related parties for lease of lands at Muktyala for mining limestone. The lease Rent payable to all parties both related and un-related is 25% of the Annual Dead Rent payable to the Government or 28% of the Royalty payable to the Government whichever is higher.
4. *The transaction at Serial No. 9 relates to leasing of premises to our promoters V Ramakrishna Charitable Trust for education purpose.

- (c) Duration of the contracts / arrangements/transactions - From 11 months to 53 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 22/05/2014 and 29/05/2019
- (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: 11/06/2014 and ordinary resolution passed on 7/8/2019.

Place : CHENNAI
Date : 18th June 2020

(Dr. V.L. Indira Dutt)
Chairperson & Managing Director



SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

[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 electronically due to the lock down imposed by the Government of India & various state governments which is still continuing due to Covid -19.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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, 2020 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. The company has no external commercial borrowings.

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

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 – **The Company has not issued any capital this year.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 – **Not Applicable**
 - e. The Securities Exchange Board of India (Issue and Listing of Debt securities) Regulations,2008 – **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 – **Not applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not Applicable**
- VI. Sector Specific Laws as applicable to the Company

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

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

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

- a. Factories Act, 1948,
- b. Payment of Gratuity Act, 1972
- c. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- d. Employees' State Insurance Act, 1948
- e. Minimum wages Act, 1948
- f. Payment of wages Act, 1936
- g. Payment of Bonus (Amendment) Act, 2015 – Retrospective enhanced liability for payment of bonus fastened by the Payment of Bonus (Amendment) Act, 2015, for the accounting year 2014/15 has not been given effect to as the Company has obtained a stay from High Court of Madras vide order dated 25th February 2016, in respect of the retrospective liability. The Company is calculating Bonus on INR 7000 but has made a provision for Bonus.
- h. The contract Labour (Regulation and Abolition) Act, 1970
- i. The Apprentices Act, 1961
- j. Sexual harassment of women at workplace (Prevention, prohibition, & redressal) Act, 2013
- k. The maternity benefit (amendment) Act, 2017
I have also examined compliance with the applicable clauses of the following:

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

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

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

I further report that

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

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

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

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

Sobana Pranesh

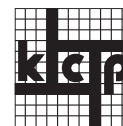
Place: Chennai

SOBANA PRANESH
Company secretary in Practice

Date: 12TH June 2020

FCS No.: 9825
C P No.: 2403

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



'Annexure A'

To

The Members

The KCP Limited

Chennai

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

- 1 Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2 I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3 I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

- 4 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: 12TH June 2020

SOBANA PRANESH
Practising Company
Secretary

FCS No.:9825
C P No.: 2403

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

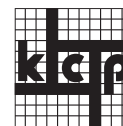
In our opinion and to the best of our information according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name of Directors	DIN	Date of appointment in Company
1.	Dr. V.L. Indira Dutt	00139883	29/02/2020
2.	Smt. V. Kavitha Dutt	00139274	01/07/2020
3.	Sri. Vijay Sankar	00007875	07/08/2019
4.	Sri. V.H. Ramakrishnan	00143948	07/08/2019
5.	Sri. P.S. Kumar	00267280	07/08/2019
6.	Sri. M. Narasimhappa	03319847	07/08/2019
7.	Smt. Janaki Pillai	08713712	29/02/2020

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

Place : CHENNAI
Date : 12th June 2020

-sd/-
(Sobana Pranesh)
Practising Company Secretary
FCS : 9825
CP: 2403



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information/Reference sections										
Corporate Identity Number (CIN) of the Company	L65991TN1941PLC001128										
Name of the Company	THE KCP LIMITED										
Registered address	No.2, Ramakrishna Buildings, Dr. P V Cherian Crescent, Egmore, Chennai - 600008										
Website	www.kcp.co.in										
E-mail id	corporate@kcp.co.in										
Financial Year reported	2019-20										
Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Industrial Group</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>239</td> <td>Manufacture of cement.</td> </tr> <tr> <td>281</td> <td>Manufacture of Machinery.</td> </tr> <tr> <td>351</td> <td>Electric power generation.</td> </tr> <tr> <td>551</td> <td>Hotel.</td> </tr> </tbody> </table>	Industrial Group	Description	239	Manufacture of cement.	281	Manufacture of Machinery.	351	Electric power generation.	551	Hotel.
	Industrial Group	Description									
	239	Manufacture of cement.									
	281	Manufacture of Machinery.									
	351	Electric power generation.									
551	Hotel.										
Cement, Engineering, Power, Hospitality and Others. As per National Industrial Classification – The Ministry of Statistics and Programme Implementation.											
List of key products/services that the Company manufactures/provides	Cement, Heavy Engineering Equipment, Power and Hospitality services.										
Locations where business activity is undertaken by the Company	Muktyala & Macherla in AP; Hyderabad in Telangana and Chennai in Tamilnadu										
Markets served by the Company	The Company's products and services are marketed across the country.										

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures	Information/Reference sections
Paid up Capital	Rs.1289 Lakhs
Total Turnover	Rs. 97052 Lakhs
Total Profit after taxes	Rs. 677 Lakhs
Total Spending on Corporate Social Responsibility (CSR) as a percentage of PAT (%)	*1.19 % (Rs.63.68 Lakhs)
List of activities in which expenditure in above mentioned disclosures has been incurred.	<p>Major activities are as under:</p> <ul style="list-style-type: none"> (a) Education (b) Livelihood and Income Generation (c) Healthcare and arrangement of drinking water (d) Women empowerment and skill development (e) Community Infrastructure and Rural Development (f) Environment sustainability

*Based on average net profits of the company for last three financial years.

SECTION C: OTHER DETAILS

Disclosures	Information/Reference sections
<p>1. Does the Company have any Subsidiary Company/ Companies?</p> <p>2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).</p> <p>3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</p>	<p>KCP has one subsidiary registered in Republic of Vietnam known as KCP Vietnam Industries Ltd.</p> <p>The subsidiary undertakes business responsibility activities in that country based on the requirements in that location and the subsidiary company complies with applicable laws concerning economic, social and environment discipline.</p> <p>KCP also involves the stakeholders in its BR initiatives which include socially responsible activities like running schools, vocational courses aimed at employment generation and other activities aimed at environment conservation.</p> <p>Other entities do participate to the extent possible but their participation level cannot be measured and expressed in terms of percentage.</p>

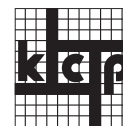
SECTION D: BR INFORMATION

Disclosures	Information/Reference sections												
1. Details of Director/Directors responsible for BR													
a. Details of the Director/ Directors responsible for implementation of the BR policy/policies	<p>DIN : 00139883 Name: Dr. V.L. Indira Dutt Designation: Chairperson & Managing Director)</p> <hr/> <p>DIN: 00139274 Name: Smt. V Kavitha Dutt Designation: Joint Managing Director</p>												
b. Details of the BR Head	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>DIN Number</td> <td>NA</td> </tr> <tr> <td>Name</td> <td>Y.Vijayakumar</td> </tr> <tr> <td>Designation</td> <td>Company Secretary</td> </tr> <tr> <td>Telephone Number</td> <td>044-66772622</td> </tr> <tr> <td>Email id</td> <td>vijaycs@kcp.co.in</td> </tr> </tbody> </table>	Particulars	Details	DIN Number	NA	Name	Y.Vijayakumar	Designation	Company Secretary	Telephone Number	044-66772622	Email id	vijaycs@kcp.co.in
Particulars	Details												
DIN Number	NA												
Name	Y.Vijayakumar												
Designation	Company Secretary												
Telephone Number	044-66772622												
Email id	vijaycs@kcp.co.in												

2. PRINCIPLE-WISE AS PER NATIONAL VOLUNTARY GUIDELINES (NVGS) BR POLICY/POLICIES**(a). Details of compliance (Reply in Y/N):**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs have identified nine areas of Business Responsibility which have been coined in the form of nine business principles. These principles are as under:

P-1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P-2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P-3	Businesses should promote the well-being of all employees.
P-4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.



P-5	Businesses should respect and promote human rights.
P-6	Businesses should respect, protect and make efforts to restore the environment.
P-7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P-8	Businesses should support inclusive growth and equitable development.
P-9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/ policies for the BR principles ?	y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy being formulated in consultation with the relevant stakeholders ?	y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national/international Standards? If yes, specify.	Yes. The Business Responsibility Policies are broadly based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by Ministry of Corporate Affairs, Govt of India								
4. Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The Policy is being approved by the Board and signed by the Managing Director of the Company.								
5. Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Board has constituted Corporate Social Responsibility committee (CSR Committee) consisting of 4 directors and Senior Executives of the Company carries out continuous monitoring and implementation of the policies.								
6. Indicate the link for the policy to be viewed online?	www.kcp.co.in/policies-procedures								
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Communication is an on-going process. For this purpose, the relevant policies have been posted on the Company's website. For internal stakeholders, appropriate communication means such as notice boards, company magazines, intranet, etc. are used. Detailed report on CSR & Sustainability activities is prepared and presented in Annual report for all its stakeholders.								
8. Does the company have in-house structure to implement the policy/ policies?	Yes, The Company has in house structure to implement the policy/policies.								
9. Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, Stakeholders Relationship Committee of the Board of Directors is responsible for addressing stakeholder concerns / grievances. Any grievance or feedback related to the policies can be sent to investor@kcp.co.in .								

10. Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	As part of compliance with the ISO and other standards the Company also has a system of undertaking regular audit/review of the implementation of various standards/ compliance of applicable laws, provisions of which have been imbibed in the policies.
--	--

2 (b). If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The company has not understood the Principles	NA								
2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3. The company does not have financial or manpower resources available for the task									
4. It is planned to be done within next 6 months									
5. It is planned to be done within the next 1 year									
6. Any other reason (please specify)									

3. Governance related to BR

(a). Frequency of assessing BRR performance	Corporate Social Responsibility Committee of the company annually reviews and assesses the BR performance of the Company.
(b). Frequency of publishing a BR Report and hyperlink for the same	Company will publish Corporate Sustainability Report on Company website www.kcp.co.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

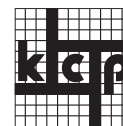
1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. and Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others

The policy relating to ethics, bribery and corruption is inclusive in code of conduct which is to be followed by all the employees and Directors of the Company. Our Joint Venture and foreign material subsidiary has its own policy and guidelines governing ethics, bribery and corruption commensurate to laws of jurisdiction in which it operates.

The Company, as far as possible, encourages all the associated parties including vendors, suppliers and contractors to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were 42 Queries/Complaints complaints received from the investors during the year 2019-20. All these complaints were properly attended and necessary actions were taken.



PRINCIPLE – 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Company, in its operations, has deployed best-in class technology and processes which optimally utilize resources and leave minimal footprints. This apart, Company's specific efforts in addressing environmental concerns in its operations include the following: -

- Utilizing fly-ash/slag, pet coke and other waste materials in cement manufacturing to substitute natural materials & fuels;
- Implementation of Waste Heat Recovery Plants to capture waste heat of kilns and utilize the same for power generation and resultantly save water and fossil fuels;
- Installation of Air Cooled Condensers (ACC) in place of Water Cooled Condensers (WCC) in all its power plants to conserve water;
- Implementation of Ambient Air Quality Monitoring System (AAQMS) and Continuous Emission Monitoring System (CEMS) for better emission monitoring and online reporting to Pollution Control Boards;
- Installation of De NOx system for the control of NOx emissions;
- Installation/up-gradation of bag filters at various manufacturing facilities for emission reduction;
- Installation of wind power plants and solar power plant for increasing share of renewable power in captive power consumption;
- Continual improvement in efficiency to bring down station heat rate and auxiliary consumption in the thermal power plants;
- Utilization of sewage water after proper treatment in Sewage Treatment Plant (STP); and
- Installation of organic waste convertor for treatment and disposal of household waste in colony/villages.

For water conservation, the Company has been continuously exploring opportunities to increase use of recycled water and reduce water consumption in its operations. Additionally, the Company has been

undertaking various studies for exploring ways for recharge of ground water in nearby areas.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year through out the value chain?

Exact details are not available with the company.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The data regarding reduction during usage by consumers (energy, water) is not available with the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Company's sourcing practices are targeted to achieve cost optimization, ensuring environment sustainability and resource efficiency.

The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc.

Limestone, the primary raw material, is captively extracted by the Company from its limestone mines using latest mining techniques for optimization and waste reduction.

These limestone mines are located in vicinity of our manufacturing facilities which reduces cost of transportation of the material. For procurement of other materials and items, Company gives preference to vendors which comply with the various principles of sustainability. At the time of award of contract to vendors, various clauses are incorporated in the contract document related to health and safety, human rights practices, work environment, etc. Engagement of transporters is done based on conditions like young vehicles, need for drivers to carry pollution certificates, drivers and support staff to always carry safety aprons, helmets, driving license, etc. Also, Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company accords priority to local suppliers in procurement of raw materials, stores and spares and other consumables including MSME vendors across all locations for procurement of goods and availing services.

Company's contractors who supply labour services for plant operations, housekeeping, horticulture, general maintenance and varied other purposes employ workmen from nearby communities. This workforce is provided training on occupational health and safety aspects before commencing work.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company's major product i.e. cement has high life span and is not meant for recycling. Also cement manufacturing process as such does not involve production of any by-products or waste. Fly-ash, a solid waste, generated from operation of thermal power plants is utilized in production of blended cement. Used oil is only the hazardous waste being generated which is entirely co-processed in the cement operations itself. Other miscellaneous non-hazardous wastes are sold to recyclers. The domestic waste water generated is 100% recycled through Sewage Treatment Plants in the Company.

This apart, Company also utilizes waste of other industries in the form of Alternative Fuels and Raw Materials (AFR) in cement production process which ultimately provides feasible solution to industrial waste disposal.

PRINCIPLE – 3 : Businesses should promote the wellbeing of all employees.

1. Please indicate the total number of employees.

The total number of employees as on 31st March, 2020 was 1105.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

Total Temporary/Contractual/Casual employees including retainers were 1546 as on 31st March, 2020.

3. Please indicate the number of permanent women employees.

There were 18 permanent women employees as on 31st March, 2020.

4. Please indicate the number of permanent employees with disabilities.

There were 2 permanent employees with disabilities as on 31st March, 2020.

5. Do you have an employee association that is recognized by management?

Yes, the Company has recognized trade unions affiliated to various trade union bodies.

6. What percentage of your permanent employees is members of this recognized employee association?

5.77% of total permanent employees are members of above trade unions as on 31st March, 2020.

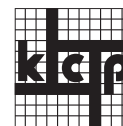
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of Complaints filed during the year	No. of Complaints pending as on end of financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

KCP is an equal opportunity employer provides opportunity to all irrespective of gender, religion, caste, colour.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees	64.5%
(b) Permanent Women Employees	
(c) Casual/Temporary/Contractual Employees	
(d) Employees with Disabilities	



PRINCIPLE - 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The Company has mapped its stakeholders as part of sustainability reporting process.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Company considers people from low strata of the local communities around its manufacturing units and its contract workers as disadvantaged, vulnerable and marginalized stakeholder of the Company.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Company's initiatives in the field of Corporate Social Responsibility are intended to cover wide spectrum of communities including the disadvantaged, vulnerable and marginalised stakeholders. These initiatives include areas like education, healthcare, livelihood support, rural and infrastructure development, support to elderly and needy people, community hygiene and sanitation, women empowerment, etc. Company engages with local community to ascertain their needs for planning, coordinating and routine monitoring of its CSR activities and programs.

PRINCIPLE - 5 : Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy on human rights covers the Company only. Our Joint Venture and foreign material subsidiary has its own policy and guidelines governing human rights commensurate to laws of jurisdiction in which it operates. Further Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Company did not receive any stakeholder complaint in FY 2019-20 relating to human rights.

PRINCIPLE - 6 : Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy on human rights covers the Company only. Our Joint Venture and foreign material subsidiary has its own policy and guidelines governing human rights commensurate to laws of jurisdiction in which it operates. Further Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. Company's initiatives such as installation of Waste Heat Recovery Plants, Renewable Energy Power Plants, Air Cooled Condensers in power plants, energy conservation and efficiency measures, etc. are aimed to address global warming and climate change issues.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. Company has risk management mechanism in place to identify and assess existing and potential risks across its operations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Company has projects related to clear Development mechanism.

5. Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. Details of these initiatives are covered in the Corporate Sustainability Report issued by the Company every year.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Emissions/ wastes generated by the Company were within the permissible limits set by CPCB/ SPCB for the relevant financial year. The Company ensures submission of report on the emission levels to CPCB/ SPCB at regular intervals.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No such cases pending at the end of financial year 2019-20.

PRINCIPLE – 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

The Company is member of following trade chambers, associations and forums which make effort towards climate change, global warming and sustainable business development–

- a. Cement Manufacturers' Association (CMA)
- b. Confederation of Indian Industries (CII)
- c. Federation of Indian Chamber of Commerce and Industry (FICCI)
- d. Andhra Chamber of Commerce
- e. Madras Management Association (MMA)
- f. ICC India
- g. Federation of Indian Export Organizations
- h. Indo Japan Chamber of Commerce & Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company has utilized these forums for advocating framing of policies for advancement of public good.

PRINCIPLE – 8 : Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

As part of its societal obligations our 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 stakeholders. In the past several decades since inception, KCP has taken up innumerable social and community initiatives.

The Company has specified programs in pursuit of its policy on inclusive growth and equitable development. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. A Board constituted committee oversees the implementation of various CSR activities and programs of the Company.

The details of various CSR initiatives of the Company are given below: -

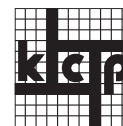
Education

Education is the backbone of every society, despite the government initiatives to improve the standards of education the quality education still a dream for many In India and In order to improve the quality of education in our areas of operation, through our dedicated school support programmes we have constructed new Pre Primary Sections in ZP High school in Muktyala and introduced LKG, UKG English medium sections and are paying salaries and other expenditure for maintenance of these Sections.

Our initiatives in development of Infrastructure of schools in Muktyala and Tiruvottiyur, includes construction of toilets for girls, donation of benches, fans, installation of water taps for drinking water, painting the school premises and providing books for the libraries.

The company supports the efforts of the government in digitalization of schools and provided KIDS patasala, Macherla with devices like laptops, Printer, Projector and these devices are aiding them in the teaching process while also helping them understand how students learn and how to enhance their learning process.

KCP has developed the playgrounds, volley ball court and constructed class rooms for the benefit of girl



students at ZP High school, Veldurthy village and has also constructed compound wall at M.P.Primary School Terala village of Macherla, Mandal.

Livelihood and Income Generation

KCP has associated with VR Polytechnic college, Tiruvottiyur as training partner and conducted skill development programmes for the un employed youth, in Office automation, Multimedia, Graphic designing etc. and provided with certificates on completion of training, the VR Polytechnic college also ensures that the trained youth are appropriately placed and also provided training programmes in computers to the Muktyala youth in association with NIIT, Vijayawada and also provided employment opportunity to the selected candidates in Vijayawada based companies.

Healthcare programs and arranging drinking water

KCP believes that preventive health care is an important dimension of health care which needs significant attention through active awareness campaigns to enhance communities understanding of the prevention of various diseases and regular preventive health support to the community is reached out through our health camps and mobile health vans in villages, with qualified medical staff.

KCP has been supporting the health initiatives by providing infrastructural and medical equipment to hospitals and health centers, as well as renovation of hospital buildings and construction of new health centers.

In association with PSR Anjaneyulu Meenaskhi Vision Centre, Macherla, we conducted Free Eye camps, which include eye checkup, vision testing in Mandadi and Polepalli Villages of Macherla surroundings and conducted cataract operations and given medicines and spectacles free of cost and a wide range of social development initiatives were undertaken in partnership with local communities, government and non-government organizations. Awareness campaign was conducted in association with LEPRO on chronic diseases like HIV, TB, Malaria, Filariasis.

Pulse polio immunization programme was conducted in association with Rotary club of Macherla in rural villages of Veldurthy, Durgi and Macherla Town.

KCP has constructed buildings, installed the equipment and maintaining the Reverse Osmosis (RO) plants at Annavaram, Mongolu, Terala villages and also commissioned RO plants at Government Hospital, Jaggayapeta and at APSRTC Bus stand, Macherla as

part of its initiative to provide clean and potable water to the communities around our operations.

Women empowerment and skill development

KCP with the thrust of Empowerment of women by equipping them with skills and providing livelihood for a secure future in association with the Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP) organized a Fashion design tailoring training program in Muktyala village and also encourages women to form Self Help Groups (SHGs) in the communities around its plant locations.

Members of the SHGs were trained in capacity building, various individual crafts, marketing skills, teamwork and other relevant aspects. KCP promotes various small enterprises such as pickle making, incense stick making and tailoring etc through this Self Help Groups (SHGs) comprising primarily of women from the villages in our areas of operation which has benefited a large number of women and helped them earn their living.

Infrastructure and Rural Development

KCP always supports the initiatives of Central and State Governments like Swachh Bharat Abhiyan and adopted Muktyala Village to develop it as Integrated Smart Village and regularly undertakes infrastructure and construction projects in the nearby communities to improve infrastructural facilities like Development of roads, community welfare centers, revamping of water pumps and improvement of other civic amenities, improving accessibility of services and proper utilization of resources for increasing living standards of the people in vicinity of our operations.

Promotion of art and culture

KCP has been regularly extending support to local, social and charitable organizations in promoting their activities on different occasions. On the occasion of Lord Sri Lakshmi Chennakesava Swamy Radhotsavam, we have conducted repair works to chariot of Lord Sri Lakshmi Chennakesava Swamy in Macherla.

Promotion of sports

To inculcate sporting habit and promote sports, Company provides contribution and sponsorship for organising various sporting events, activities, tournaments in schools and nearby areas. This apart, it also provides financial aid/ arranges sports equipment for needy people of nearby communities.

Environment Sustainability

The Company has taken a green initiative by developing and maintaining greenery in and around its facilities and mining areas by planting saplings and distributing plants to the villagers.

The KCP Limited has distributed environment friendly plants to each household in Muktyala village for development of green belt in the village and advised the villagers to safeguard the plant.

KCP has been undertaking steps in all its offices like prohibiting the use of paper cups, saving paper by setting 'printing on both sides' as a default on printers, ensuring desktops hibernate, initiating internal campaigns to save water, power and paper wastages.

Sanitation, especially in rural areas, continues to remain a major concern, As part of Open Defecation Free (ODF) programme, KCP in association with the local community, representatives has organized a massive awareness drive by educating villagers about the hazards of open defecation and urging them to install toilets in their individual homes, thus making village free from open defecation and has provided free Cement and bricks to construct their own toilets.

KCP also organizes waste management programme by providing two dust bins (i.e. Green and Blue) to households at Muktyala village for Dry and Wet waste separately and also engaged people to collect and dispose the waste in dump yards on daily basis.

2. Are the programmes/projects under taken through in-house team/own foundation/ external NGO/ government structures/any other organization?

The projects are undertaken both by the internal teams, CSR arm of the Company as well as through/ in-coordination with external agencies like NGOs, trusts and government institutions.

3. Have you done any impact assessment of your initiative?

Company engages with local communities to discuss and understand their needs, identify the priority intervention areas and gauge the impact of its interventions.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Company has spent an amount of Rs. 63.68 lakhs on various CSR activities during year 2019-20. The details of the amount incurred and areas covered are given in

question 1 above and in Annual Report on Corporate Social Responsibility Activities i.e. Annexure-2 to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Company has a process of engaging with local community to understand their concern. CSR interventions are carried out on a 'need based approach' which are developed after consultations with the local community to ensure that the activities are adopted by them.

PRINCIPLE – 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

Company regularly conducts meetings with customers to educate, appraise and understand their Dealers concerns. All the concerns are taken up and resolved immediately to the satisfaction of the customers.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

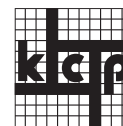
Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL

4. Did your Company carry out any consumer survey/ satisfaction trends?

Consumer satisfaction survey is carried out every year to gauge consumer sentiments. The Company has put in place appropriate grievance handling mechanism to address customer concerns and gather feedback, based on which further appropriate measures and interventions are taken to increase customer satisfaction.



REPORT ON CORPORATE GOVERNANCE

The Directors present the report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") as amended.

The Company's philosophy on code of Governance

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.

The Company's corporate governance practices emanate from its commitment towards disclosures, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices over the past 79 years of the Company's existence and ensures transparency and fairness in dealing with the stakeholders.

The Company from the inception has always conducted itself by adhering to the core values of Transparency, Accountability and Integrity in all its business practices and management and over the years, strengthened relationships with the stakeholders in a manner that is dignified, distinctive and responsible by review and benchmarking the corporate governance practices against the best practices.

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

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- The report on Corporate Governance is divided into four parts.

I. Board of Directors

II. Committees of the Board

III. Shareholders' information

IV. Disclosures and Other Information

I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors (the Board), which provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. Dr. V.L Dutt, Executive Chairman, (upto 18/02/2020) Dr. V.L. Indira Dutt, Managing Director (Chairperson & Managing Director from 29/02/2020) and Smt. V. Kavitha Dutt, Joint Managing Director manage the business of the Company under the overall supervision, control and guidance of the Board.

a) Composition and category of Board of Directors:

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

The Company has a judicious Combination of Executive and Non- Executive Directors. As on March 31, 2020, the Board comprised of 7 Directors out of which two are Executive Directors and five Independent Directors including an woman Director.

The members of the Board are from diverse background having expertise in the fields of law, banking, economics, finance & taxation, etc and For Directors' Profile, please refer the 'Profile of Directors' section in the Annual Report.

Board Independence:

Five Directors out of Seven Directors of the Company are Independent Directors as per the criteria specified in the Listing Regulations and the Companies Act, 2013 (As amended). All Independent Directors make annual disclosure of their Independence to the Company.

None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee as an Independent Director. Further, no Independent Director has resigned before the expiry of the tenure during the year.

The Executive Chairman Dr. V.L. Dutt (upto 18/02/2020) and Dr. V.L. Indira Dutt, Chairperson &

Managing Director of the Company (from 29/02/2020) are Executive Directors.

The Composition of Board (as on 31/03/2020) is as under:

Category	Number of Directors
Executive Promoter Directors including the Chairperon	2
Independent Directors	5
Total	7

b) Board Meetings

The Board meets at least once in each quarter to review the matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. In addition to these meetings, additional Board meetings are held to approve the Business Plan and Long Term Strategies of the Company. The board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements and other matters concerning the Company.

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

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

c) The information required to be made available to the Board.

The Board has unrestricted access to all company-related information, including that of employees and takes decision based on detailed discussions and deliberations.

Meetings of the Board are governed by a structured agenda. Agenda of meeting is circulated to the Board

Members well in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

To supplement this, it is ensured that Board Members are presented with all the relevant information, in addition to the agenda of the meeting, for review on vital matters affecting the working of the Company including the minimum information to be placed before the Board as inter-alia specified under Regulation 17 read with Part A of Schedule II of the Listing Regulations to the extent it is applicable and relevant.

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

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

All the discussions and decisions taking place in every meeting of the Board are entered in the Minute Book. The draft minutes are circulated within the specified time to the Board and suggestions or comments for changes, if any, received are suitably incorporated in the minutes and the minutes are signed by the Chairman of the same meeting or by the Chairman of the succeeding meeting within the prescribed time period.

The process specified for the Board meeting above are followed for the meetings of all the Committees constituted by the Board, to the extent possible. The minutes of the meetings of the Committees of the Board are placed before the Board for noting.

In the Financial Year 2019-2020, the Board met five times.

The Meetings were held on 29th May 2019, 07th August 2019, 12th November 2019, 13th February 2020 and 29th February 2020. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

The details of attendance of Directors at Board Meetings ("BM"), last Annual General Meetings ("AGM") .

Name of the Director	29-05-2019	07-08-2019	12-11-2019	13-02-2020	29-02-2020	No. of meetings attended	AGM 07-08-2019
Dr. V.L. Dutt	P	P	P	P	-	4	P
Dr. V.L. Indira Dutt	P	P	P	P	P	5	P
Smt. V. Kavitha Dutt	P	P	P	A	P	4	P
Sri V.H. Ramakrishnan	P	P	P	P	P	5	P
Sri. Vijay Sankar	P	P	P	A	P	4	P
Sri. P.S. Kumar	P	P	P	P	P	5	P
Sri. M. Narasimhappa	P	P	P	P	P	5	P

c) Directorships and Chairmanship/Membership of committees.

The names and categories of Directors, their attendance at the Board Meetings held during the year 2019-20 and at the last Annual General Meeting, and also the number of Directorships held by them in other Companies, Committee Membership / Chairmanship held by them, Directorship held in other listed entities and category of directorship are given below:-

Name of the Director	* Number of Directorship(s) held in Indian Public limited companies (Including KCP)	Directorships with listed companies	** Committees position (Including KCP)		No. of shares held by Directors
			Chairperson	Member	
Non-Executive Independent Directors:					
Sri V.H. Ramakrishnan	3	1.Sagar Cements 2.Sagar Cements ® Limited	-	4	0
Sri. Vijay Sankar	6	1.Oriental hotels limited 2.Transport Corporation of India Limited	1	2	0
Sri. P.S. Kumar	2		2	-	0
Sri. M. Narasimhappa	2		-	2	0
Executive Promoter Directors:					
Dr. V.L. Dutt, Executive Chairman (Till 18/02/2020)	2		-	-	60,05,569
Dr. V.L. Indira Dutt Chairperson & Managing Director (From 29/02/2020)	2		-	1	33,64,479
Smt. V. Kavitha Dutt, Joint Managing Director	4	1. DCM Shriram Limited 2. Apollo hospitals Ltd 3. Centum Electronics Ltd	-	1	11,80,000

Notes:

1. The directorships held by Directors as mentioned above, do not include directorships in foreign companies.

2. In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairpersonship of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

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) Meeting of Independent Directors

During the year, one meeting of the independent directors was held on February 13, 2020 as required under Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole; Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluate the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and

reasonably perform its duties. to discuss the matters specified therein. All the Independent Directors attended the meeting.

Relationship between directors inter-se:

Dr. V.L. Dutt is the spouse of Dr. V.L. Indira Dutt and father of Smt. V. Kavitha Dutt and they are inter-se related.

Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.

The Director is also explained in detail the Compliance required from him/her under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman also has one to one discussion with the newly appointed Directors to familiarize him with them Company's operations.

Further, as an ongoing basis as a part of Agenda of Board/ Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management frame work, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website, viz. www.kcp.co.in/investors.

The Chart/matrix setting out the skills/expertise/competencies of Directors of the company

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

Name of Director	Strat- egy & Policy devel- opment	Ethics and In- tegrity	Lead- ership	Contri- bution	Pre- vious Board experi- ence	In- dustry specific skills	Exec- utive mange- ment	Board Train- ing	Risk compl- iance
Dr.V.L.Indira Dutt	✓	✓	✓	✓	✓	✓	✓		✓
Smt.V.Kavitha Dutt	✓	✓	✓	✓	✓	✓	✓		✓
Sri.P.S.Kumar	✓	✓	✓	✓	✓	✓	✓		✓
Sri.V.H.Ramakrishnan	✓	✓	✓	✓	✓	✓	✓		✓
Sri.Vijay Sankar	✓	✓	✓	✓	✓	✓	✓		✓
Sri.M.Narasimhappa	✓	✓	✓	✓	✓	✓	✓		✓
Sri.Janaki Pillai	✓	✓	✓	✓	✓	✓	✓		✓

e) The Board hereby confirms that all the Independent Directors of the company fulfil the conditions specified in Regulations and are independent of the management.

f) Materially significant related party transactions

There have been no materially significant related party transactions between the company and directors or

relatives, except for those disclosed in Annexure to the Board report.

The web link for Related party transaction policy and the policy on material subsidiaries is www.kcp.co.in

II. COMMITTEES OF THE BOARD

The Board has constituted different committees as

required under the Act and Listing Regulations and 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, Innovation and Best Practices Committee, Finance 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 for noting.

a) Audit Committee - Mandatory committee

The Audit Committee has been constituted as required under Section 177 of the Act and Regulation 18 of the Listing Regulations and provides direction to the Audit and Risk management function in the Company and monitors the quality of internal audit.

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

The Audit Committee met four times during the year on 29/05/2019, 07/08/2019, 12/11/2019 and 13/02/2020.

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 Committee are as follows:

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri. P.S. Kumar- Chairman	4	4
Sri V.H. Ramakrishnan - Member	4	4
Sri. Vijay Sankar- Member	4	3
Sri. M. Narasimhappa- Member	4	4
Executive Promoter Director :		
Smt V. Kavitha Dutt - Member	4	4

The Company Secretary is the Secretary to the Committee.

The Whole Time Directors, Chief Finance Officer (CFO) and Company Secretary along with the representative(s) from Statutory and Internal Auditors of the Company are permanent invitees for responding to the observations of the Committee.

Also, other directors of the Company join the meeting based on requirement as invitees.

Role of the Audit Committee

The Role of the Audit Committee inter-alia includes:

- 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 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.
 - Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
 - Omnibus approval for Related Party transactions
 - 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.
 - 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.
 - To review the functioning of the Vigil Mechanism.
 - 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 Audit committee granted omnibus approval for the related party transactions proposed to be entered into by the company during the year 2020, and the committee reviewed and approved transactions of the company with related parties and recommended to the board for approval on a periodic basis.

All members of audit committee have knowledge of financial management, audit and accounts.

The Chairman of the Audit Committee was present at the 78th Annual General Meeting held on 7th August 2019.

b) Stakeholders Relationship Committee (SR Committee) - Mandatory committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the Listing Regulations and comprises five members.

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

The table below highlights the composition and attendance of the Members of the Committee.

Independent Directors	No. of meetings held	No. of Meetings attended
Sri. P.S. Kumar, Chairman	1	1
Dr. V.L. Indira Dutt (from 29.02.2020)		
Sri V.H. Ramakrishnan, Member	1	1
Sri. Vijay Sankar, Member	1	-
Sri. M. Narasimhappa, Member	1	1

The Stakeholders Relationship Committee met on 13/02/2020 during the year 2019-2020

Mr. Y. Vijayakumar, Company Secretary, is the compliance officer.

The terms of reference of the committee are:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of complaints received and redressed during the year are given below:

The total number of complaints/queries received and resolved during the year ended March 31, 2020 were 42. There were no complaints outstanding as on March 31, 2020.

c) Nomination and Remuneration Committee (NRC) - Mandatory committee

The Nomination and Remuneration Committee has been constituted as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The NRC comprises of Four Directors Sri. V.H. Ramakrishnan, Independent Director is the Chairman of the Committee and majority of the members on the committee are Independent Directors and Chairperson of the Company is also a member of the Committee.

The NRC met on 29/05/2019, 13/02/2020, 29/02/2020 during the year, 2019-2020 and the details of the composition of the Committee and attendance of the members are as follows:

Directors :	No. of meetings held	No. of Meetings attended
Sri V.H. Ramakrishnan, Chairman	3	3
Sri. Vijay Sankar, Member	3	3
Sri. P.S. Kumar, Member	3	3
Sri. M. Narasimhappa, Member	3	3
Dr. V.L. Dutt, Member (upto 18/02/2020)	3	2
Dr. V.L. Indira Dutt (w.e.f. 29/02/2020)	1	1

The Chairman of the Committee was present at the 78th Annual General Meeting of the company in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations; the broad terms of reference of the committee include the following:

- formulation of criteria for determining the qualifications, positive attributes and independence of a director
- recommending to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity;
- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

REMUNERATION OF DIRECTORS

Remuneration Policy

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

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

(i) Remuneration to Independent Directors:

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

During the year 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 company attended by them and For other Committee Meetings Rs. 10,000/- (Rupees ten thousand only) was paid as sitting fees.

The sitting fee paid is well within the limits prescribed under the provisions of the Companies Act, 2013 and rules made there under.

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 2019-2020 (for attending the Board Meetings, Audit Committee and other Committee Meetings) are given below:

Particulars	Sitting Fees paid (Rs. in Lakhs)
Sri. P.S. Kumar	3.30
Sri V.H. Ramakrishnan	3.10
Sri. Vijay Sankar	1.90
Sri. M. Narasimhappa	3.10

(ii) Remuneration to Executive Directors

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

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

- fixed compensation
- variable compensation in the form of incentive
- work related facilities and perquisites

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

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

Particulars of their remuneration for the year ended 31st March, 2020 is given below:

Particulars of Executive Directors.	Salary & Perquisites (Rs.in Lakhs)	Commission (Rs.in Lakhs)	Total (Rs.in Lakhs)
Dr. V.L. Dutt, Executive Chairman	88.69	—	88.69
Dr. V.L. Indira Dutt Managing Director	154.44	—	154.44
Smt. V.Kavitha Dutt, Joint Managing Director	166.66	—	166.66

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

The Remuneration Policy is displayed on the Company's website viz. www.kcp.co.in/policies-procedures.

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

The Corporate Social Responsibility Committee has been constituted as required under Section 135 of the Companies Act, 2013 and the Committee comprises of Four Directors Dr. V.L. Indira Dutt, Chairperson & Managing Director of the company, is the Chairperson of the Committee.

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.kcp.co.in/policies-procedures.

The Corporate Social Responsibility Committee met on 26/09/2019 during the year 2019-20 and the details of the composition of the Committee and attendance of the members are as follows:

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

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

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken as specified in schedule VII of Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the CSR Policy of the Company from time to time
- To institute a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company and to do all such acts, deeds and things as may be required in connection with the CSR activities.

The CSR report, as required under the Companies Act, 2013 for the year ended 31st March, 2020 as attached Annexure to the Board's report.

e) Risk management Committee: Non- Mandatory committee

The Risk Management Committee has been constituted as required under Regulation 21 of the Listing Regulations voluntarily by the Company.

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;

A The details of the composition of the Committee and attendance of the members is as follows:

Members
Smt. V. Kavitha Dutt – Chairperson
Smt. V.L. Indira Dutt- Member
Sri. Vijay Sankar – Member
Sri. P.S. Kumar - Member
Sri. G.N. Murty – Chief Financial Officer.
Sri.K. Ramakrishna (Executive President) Marketing – Member.
Sri. BVPS Chowdary, Sr.GM (CPU-Macherla) – Member
Sri.Madhusudana Rao, Vice President (CPU-Muktyala) - Member

The Risk policy adopted by the Board of Directors of the company is placed on the website of the company. www.kcp.co.in/policies-procedures.

f) Investment Committee: Non-Mandatory committee

The Investment Committee evaluates the various investment proposals of the Company and guides the Board of Directors in evaluating and implementing the same.

The Investment Committee comprises of the 6 Director as members. The Committee met on 12/11/2019 during the year, 2019-2020.

Directors:	No. of meetings held	No. of Meetings attended
Dr. V.L. Indira Dutt – Chairperson	1	1
Smt. V. Kavitha Dutt - Member	1	1
Sri. P.S. Kumar – Member	1	1
Sri V.H. Ramakrishnan – Member	1	1
Sri. Vijay Sankar – Member	1	1
Sri. M. Narasimhappa – Member	1	1

g) Share Transfer, Transmission and Issue of Share Certificate Committee: Non-Mandatory committee

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

During the year, 20 meetings of Share Transfer Committee were held on the following dates:

15/04/2019, 24/04/2019, 13/05/2019, 27/05/2019, 25/06/2019, 04/07/2019, 18/07/2019, 01/08/2019, 16/09/2019, 30/09/2019, 29/10/2019, 13/11/2019, 25/11/2019, 29/11/2019, 19/12/2019, 23/12/2019, 03/01/2020, 31/01/2020, 27/02/2020, 16/03/2020

The Committee comprises of the following executives of the Company:

Sri. G.N. Murty	Chief Financial Officer
Sri. Y. Vijayakumar	Company Secretary

h) Finance Committee: Non-Mandatory committee

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

- To Review the Company's financial policies, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto, as it may deem advisable.
- To Review banking arrangements and cash management. To Exercise all powers to borrow

money (otherwise than by issue of debentures) within limits approved by the Board and take necessary actions connected therewith.

- To give guarantees / issue letters of comfort / providing securities within the limits approved by the Board.
- To provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- To delegate authorities from time to time to the executives / authorized persons to implement the Committee's decisions.

During the year the Committee didn't have the occasion to meet.

The composition of the Committee as on March 31, 2020 and the details of Members' is as under:

Directors
Executive Directors
Dr. V.L. Indira Dutt – Chairperson
Smt. V. Kavitha Dutt – Member
Independent Directors
Sri. P.S. Kumar - Member
Sri. Vijay Sankar – Member

i) Innovation and Best practices committee:- Non-Mandatory Committee

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

Directors :	No. of meetings held	No. of Meetings attended
Sri. Narasimhappa – Chairman	1	1
Smt. V. Kavitha Dutt – Member	1	-
Sri. V.H. Ramakrishnan – Member	1	1
Sri. Vijay sankar – Member	1	-
Sri. P.S. Kumar – Member	1	1

During the year the committee met on 13/02/2020.

III. SHAREHOLDERS' INFORMATION

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

Date and Time Friday 4th September, 2020
 Venue "Ramakrishna Buildings",
 No.2, Dr. P.V. Cherian Crescent,
 (Registered Office) Egmore,
 Chennai 600 008.

2. Financial Calendar :Key Financial Reporting Dates for the financial year 2020-2021

First Quarter ending 30th June, 2020 - Within Forty five Days from the end of the Quarter
 Second Quarter ending 30th September, 2020 - Within Forty five Days from the end of the Quarter
 Third Quarter ending 31st December, 2020 - Within Forty five Days from the end of the Quarter
 Fourth Quarter ending 31st March, 2021 - Within Sixty Days from the end of the Financial year

3. Book Closure: 29th August, 2020 to 4th September, 2020 (Both Days inclusive on equity shares)

4. Dividend:

The Board of Directors at their Meeting held on 18th June 2020, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re.0.15 paise (15%) per share of Re.1/- each, on equity shares of the Company for the Financial Year 2019-20.

The Dividend will be paid to the members whose names appear on Company's Register of Members on **4th September, 2020** in respect of physical shareholders and whose name appear in the list of Beneficial Owner on **4th September, 2020** furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after 21st September, 2020.

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 2020-21 to the National Stock Exchange of India Limited (NSE).

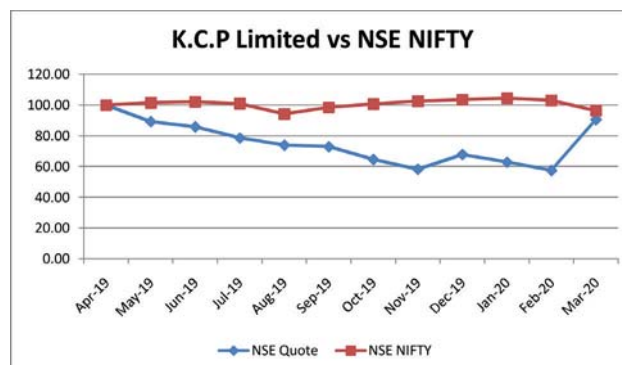
6. Share Price Data:

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2019	108.00	86.60
May 2019	96.50	82.70
June 2019	92.80	81.90
July 2019	85.00	69.10
August 2019	79.90	67.15
September 2019	78.75	68.05
October 2019	69.80	62.20
November 2019	69.80	57.80
December 2019	63.00	56.95
January 2020	73.30	60.20
February 2020	67.95	58.60
March 2020	62.10	35.00

7. Relative Stock Performance Chart :

The Chart below gives the relative movement of the closing price of the company's share and the NSE NIFTY relative to the closing price.



8. Registrar & Share Transfer Agents

For demat & physical shares:

M/s. Integrated Registry Management Services Private Limited

II Floor, "Kences Towers"
No.1, Ramakrishna Street
North Usman Road, T. Nagar,
Chennai 600 017.
Ph: 28140801/803
Email: corpseiv@iepindia.com
www.integratedindia.in
CIN: U74900TN2015PTC101466

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, 2020 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	21195	94.120	11732655	9.10
5001-10000	562	2.496	4044042	3.13
10001-20000	337	1.497	4716597	3.65
20001-30000	123	0.546	2990081	2.31
30001-40000	69	0.306	2406340	1.86
40001-50000	51	0.226	2368276	1.83
50001-100001	83	0.369	5676513	4.40
Above 100001	99	0.440	94986656	73.67
TOTAL	22519	100.00	128921160	100.00

11. Equity Shareholding as on 31st March, 2020 by category

Category	No. of Share holders	No. of Shares	% Share holding
Alternate Investment Fund	1	350000	0.27
Clearing Member	70	184454	0.14
Bank Foreign	1	500	0.00
IEPF	1	1630861	1.27
Indian Financial Institutions	4	502500	0.39
Indian Promoters	18	52446569	40.68
Insurance Company	1	1302930	1.01
Limited Liability Partners	5	33879	0.03
Mutual Funds	6	5290992	4.10
NRI / OCBs	436	2902969	2.25
Private Corporate Bodies	310	9091661	7.05
Indian Public	21663	55112535	42.75
Trusts	3	71310	0.06
TOTAL	22519	128921160	100.00

12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2020

Sl. No	Shareholder	Share holding	%
1	Sandhya G. Parikh	3248927	2.52
2	HDFC Trustee Co. Ltd A/c HDFC Housing Opportunities Fund	2767543	2.15
3	Reliance Capital Trustee Co. Ltd A/c Reliance Small Cap Fund	2409040	1.87
4	Chinmay G Parikh	2084050	1.62
5	Investor Education and Protection Fund Authority MCA	1630861	1.27
6	Hitesh Satishchandra Doshi	1337755	1.04
7	The New India Assurance Company Limited	1302930	1.01
8	G.V. Reddy (Dr)	1287250	1.00
9	Sakunthala Devi Boppana	1052410	0.82
10	Boppana Vinay Kumar	947530	0.73
	Total	15240692	11.83

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 128921160 Equity shares 107853479 Equity shares are held in dematerialized form with (NSDL -112251784), (CDSL - 12059177) and 4610199 shares are in physical form as on 31st March 2020.

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

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

Pursuant to Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, a Company Secretary in Practice carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

15. Plant Locations:

CEMENT	1) Macherla - 522426 Guntur District, Andhra Pradesh
	2) Ramakrishnapuram Muktyala – 521457 Krishna District, Andhra Pradesh
HEAVY ENGINEERING	1). Tiruvottiyur Chennai 600 019 Tamilnadu
	2). Mosur Road, Ekhunagar Arakonam 631 004, Tamilnadu
HYDEL UNIT	B.No. AE-1, NSP Colony Nekarikallu- 522 615, Guntur District Andhra Pradesh
WIND POWER	Uthumalai Village Tirunelveli District, Tamilnadu

THERMAL UNITS

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

SOLAR POWER

Ramakrishnapuram
Muktyala – 521175
Krishna District,
Andhra Pradesh

HOTEL

Mercure KCP Hyderabad
6-3-552, Somajiguda
Hyderabad 500 082, Telangana

16. Compliance Certificate of the Auditors:-

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation 17 of the SEBI (LODR) Regulations, 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

17. RISK MANAGEMENT:

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

18. PERFORMANCE EVALUATION OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors.

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such

as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

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

IV. DISCLOSURES AND OTHER INFORMATION

19. Disclosures

1) Affirmations:

a) Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm Compliance of this Code.

The Code is displayed on the Company's website viz. www.kcp.cp.in/policies&procedures.

b) 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.

The Members of the 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 in which they have concern or interest.

c) Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations) as amended.

The Code is applicable to all Directors and such Designated Employees and other Connected Persons 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 PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. www.kcp.cp.in/policies&procedures.

ii) Other Disclosures:

a) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations and Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

b) Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year have been disclosed in notes forming part of the Financial Statements.

A statement in summary form of transactions with Related Parties is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.kcp.cp.in/policies&procedures.

None of the transactions with Related Parties were in the conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company.

c) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI.

Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

d) Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

None of the personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is displayed on the Company's website viz. www.kcp.cp.in/policies&procedures.

e) Certificate from Practicing Company Secretary:

A certificate from Smt. Sobana Pranesh, Practicing Company Secretary is attached and forms part of this report certifying that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of company, by the SEBI or Ministry of Corporate Affairs or any such statutory authority.

f) Total fee paid to Statutory Auditors:

Total fees paid by the Company for the services rendered by the statutory auditor and to all the entities in network firm/network entity belonging to them, is Rs. 27.84 Lacs (includes Audit fees and certification / other services).

No fee was paid by Subsidiary Companies to Statutory Auditor for such services.

g) Confirmation by the Board of Directors' Acceptance of Recommendations of Mandatory Committees:

During the year, there were no such instances of non-acceptance by the Board of any mandatory recommendations made by the Committees.

20. OTHER INFORMATION

The following disclosures are made in pursuance of Regulation 34(3) read with Clause F of Schedule V of Listing Regulations.

1. Details of Annual General Meetings & Special Resolutions:

(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
2017	76th	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	31/08/2017	10.15 a.m.	-	-
2018	77 th	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	30/07/2018	10.15 a.m	-	-
2019	78 th	Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	07/08/2019	10.15	Special Resolutions: 1. Reappointment of Sri. V.H. Ramakrishnan as an Independent Director 2. Reappointment of Sri. Vijay Sankar as an Independent Director. 3. Reappointment of Sri. P.S. Kumar as an Independent Director. 4. Reappointment of Sri. M. Narasimhappa as an Independent Director. 5. Approval of Remuneration to Executive Chairman, Managing Director and Joint Managing Director. 6. Approval of transactions with Related Parties under Sec.188 of the Companies Act. 2013.	All the resolutions were Passed with requisite majority.

2. No EGM was held by the company during the financial year ended 31st March 2020.

3. Postal Ballot:

During the year the following resolutions were passed by way of Postal Ballot:

The Postal Ballot was for passing the Resolutions for appointing Dr. V.L. Indira Dutt as Chairperson and Managing Director, Re-appointing Smt. V. Kavitha

Dutt as Joint Managing Director and for appointing Smt. Janaki Pillai as Independent Woman Director of the Company.

The results were declared by the Dr. V.L. Indira Dutt Chairperson and Managing Director on 08/05/2020.

Procedure for Postal Ballot

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Companies

Act, 2013, read with the related Rules, the Company has provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL.

The Board has appointed M/s. A.K. Jain & Associates Company Secretaries, Chennai as scrutanizers for the postal ballot process.

Postal Ballot notices and forms were dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice was sent by email to members who have opted to receive communication through the electronic mode. The Company also published a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the share registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completed his scrutiny and submitted his report to the Chairperson & Managing Director, and the consolidated results of the voting are announced by the Chairperson & Managing Director. The results are also displayed on the Company website, www.kcp.co.in.

1. Special Resolution for Appointment of Dr. V.L. Indira Dutt as Chairperson & Managing Director of the Company.

Resolution 1: (Special)		Appointment of Dr. V.L. Indira Dutt as Chairperson & Managing Director of the Company					
		E-voting		Postal ballot forms		Total	
		Nos.	No. of shares	Nos.	No. of shares	Nos.	No. of shares
1.	Total votes cast	124	5,48,07,449	341	76,32,370	465	6,24,39,819
2.	Less: Invalid votes	0	0	9	2,52,253	9	2,52,253
3.	Net valid votes	124	548,07,449	332	73,80,117	456	6,21,87,566
4.	Total votes favoring the resolution.	116	5,47,90,588	291	73,29,565	407	6,21,20,153
5.	Total votes against the resolution.	8	16,861	41	50,552	49	67,413

2. Special Resolution for Re-appointment of Smt. V. Kavitha Dutt as Joint Managing Director of the Company.

Resolution 1: (Special)		Re-appointment of Smt. V. Kavitha Dutt as Joint Managing Director of the Company.					
		E-voting		Postal ballot forms		Total	
		Nos.	No. of shares	Nos.	No. of shares	Nos.	No. of shares
1.	Total votes cast.	123	5,48,07,374	334	76,26,050	457	6,24,33,424
2.	Less: Invalid votes	0	0	9	2,52,253	9	2,52,253
3.	Net valid votes	123	5,48,07,374	325	73,73,797	448	6,21,81,171
4.	Total votes favoring the resolution.	109	5,47,89,053	283	73,22,440	392	6,21,11,493
5.	Total votes against the resolution.	14	18,321	42	51,357	56	69,678

3. Ordinary Resolution for appointment of Smt. Janaki Pillai as an Independent Woman Director of the Company.

Resolution 3: (Ordinary)		Appointment of Smt. Janaki Pillai as an Independent Woman Director of the Company					
		E-voting		Postal ballot forms		Total	
		Nos.	No. of shares	Nos.	No. of shares	Nos.	No. of shares
1.	Total votes cast.	122	5,48,06,874	329	75,82,431	451	6,23,89,305
2.	Less: Invalid votes	0	0	9	2,52,253	9	2,52,253
3.	Net valid votes	122	5,48,06,874	320	73,30,178	442	6,21,37,052
4.	Total votes favoring the resolution.	108	5,47,72,708	281	72,66,676	389	6,20,39,384
5.	Total votes against the resolution.	14	34,166	39	63,502	53	97,668

All the above said resolutions were passed with requisite majority.

Remote e-voting and ballot voting at the Annual General Meeting(AGM)

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The company has engaged NSDL to provide e-voting facility to all the members. Members whose names appear on the register of members as on shall be eligible to participate in the e-voting.

The detailed procedure for remote e-voting and voting on the day of AGM is provided in the Notice Convening the AGM of the company.

4. Subsidiary Company

Pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015, Subsidiary Company, M/s KCP Vietnam Industries Limited, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding accounting year.

(1) The Board has appointed Sri.P.S. Kumar, Independent Director on the Board of the subsidiary company.

(2) The audit committee of the company has reviewed the financial statements of the company.

(3) The minutes of the meetings of the board of directors of the subsidiary are placed at the meeting of the board of directors of the company.

(4) A statement of all significant transactions and arrangements entered into by the subsidiary are placed in the Board Meetings.

5. Means of Communication

(i) The Un-audited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

(ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Tamil) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

(iii) The Company's financial results and official press releases are displayed on the Company's Website www.kcp.co.in.

(iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.

(v) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

(vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions

through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(vii) A separate dedicated section under "Investors" on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/ half yearly results and other relevant information of interest to the investors / public.

6. For the information of Shareholders:

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.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends.

Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This

ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

The Company complies with the SEBI requirement of Service of documents through electronic mode

Green Initiative

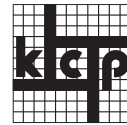
As a part of Green Initiatives, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent.

UNCLAIMED SUSPENSE ACCOUNT

In accordance with Regulation 39(4) read with Schedule VI of Listing Regulations after sending three reminders to the shareholders to claim their respective shares, has demated all physical shares which remained unclaimed by shareholders to an "Unclaimed Suspense Account" which was opened by the Company for this purpose. As per Regulation 34(3) read with Clause F of Schedule V of Listing Regulations all corporate benefits that accrue on these shares such as bonus shares, split etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen. Shareholders are requested to write to the Registrar & Transfer Agent and provide the correct details to enable the Company to transfer the unclaimed share certificate directly to the Shareholders demat account.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shares were transferred to IEPF Authority from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
697	13	13	87	597	597
823080	14620	14620	145910	662550	662550



SEBI Complaints Redress System (SCORES):

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

GENERAL

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, e mail ids and bank particulars (9 digit MICR code).

Designated Exclusive email-ids:

The Company has designated the following email-ids exclusively for investors.

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

For and on behalf of the Board of Directors

Dr.V.L. Indira Dutt

Place: Chennai
Date: 18th June, 2020

Chairperson & Managing Director

Declaration under the SEBI (LODR) Regulations, 2015

I, Dr. V.L. Indira Dutt, Chairperson & Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended 31/03/2020.

For and on behalf of the Board of Directors

Dr.V.L. Indira Dutt

Place: Chennai
Date: 18th June, 2020

Chairperson & Managing Director

Independent Auditor's Certificate on Corporate Governance

To

The Members of The K.C.P Limited

1. We have examined the compliance of the conditions of corporate governance by The KCP Limited (the 'Company') for the year ended 31st March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure the compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company

5. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

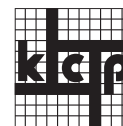
7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.

8. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

Place : HYDERABAD
Date : 18/06/2020

(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAHA9331



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 31st March 2020 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

For The KCP Limited

Dr. V.L. Indira Dutt
Chairperson & Managing Director

For The KCP Limited

G.N. MURTY
Chief Financial Officer

Place : Chennai

Date : 18-06-2020

Independent Auditor's Report

To the members of The KCP Limited, Chennai

Report on Standalone Financial Statements:

Opinion

We have audited the accompanying financial statements of **THE KCP LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	<p><u>Accuracy of Revenues and Onerous Obligations in respect of Fixed Price Contracts Involves Critical Estimates</u></p> <p>As described in Note 1.5 (I) to the financial statements, the company has adopted Ind AS 115, effective from 1st April, 2018.</p> <p>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates of possible effect from the pandemic relating to COVID -19.</p>	<p><u>Principal audit procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • evaluated the design and implementation of the processes and internal control relating to recording of costs incurred and estimation of expenses required to complete the performance obligations.

	<p>Estimated costs such as materials, labour and overheads is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contracts, efforts required to complete the remaining contract performance obligations.</p>	<ul style="list-style-type: none"> • We have analysed and comprehended the complexity of revenue recognition in relation to company's industry sector (estimates of engineering services – contract assets and contract liabilities), revenue recognition net of adjustments for allowances, discounts and returns, the existence of multiple performance obligations, etc., and also the complexity of measurement in relation to recognition of revenue /losses from long-term contracts. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of performance obligations of the contracts. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the contracts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract. • Performed analytical procedures and test of details for reasonableness of incurred and estimated costs.
2	<p><u>Recognition of deferred income tax assets.</u></p> <p>Refer to Note 1.5 XIV and Note 22 to the standalone financial statements. As at 31st March 2020, the company had deferred income tax assets of Rs. 19.19 crores. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.</p>	<p><u>Principal audit procedures</u></p> <p>We performed the following procedures in relation to the recognition of deferred income tax assets:</p> <ul style="list-style-type: none"> • Evaluating management's assessment as to whether there will be sufficient taxable profits in future periods by reference to forecasts of future profits/strategic plans and future reversals of taxable temporary differences to support the recognition of deferred income tax assets. • Assessing the underlying assumptions used in management's approved forecasts of future profits such as revenue growth rates and operating margins by comparison to historical results and future strategic and tax plans and with reference to the business and industry circumstances.

<p>Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and expected to apply when the related deferred tax income asset is realised.</p> <p>Recognition of the deferred income tax assets involves judgement regarding the future financial performance of the entity in which the deferred income tax asset has been recognised. A number of factors are evaluated in considering whether there is evidence that it is probable the deferred income tax assets will be realised, including whether there will be sufficient taxable profits the length of time and severity of the impact of COVID-19 available during the utilisation periods, existence of taxable temporary differences, relief and tax planning strategies.</p> <p>Management has performed its assessment on the recognition of these deferred income tax assets and considers that the realization of these assets is probable as at March 31, 2020. We focused on this area because of the inherent uncertainties involved in forecasting future taxable profits and future reversals of taxable temporary differences.</p>	<ul style="list-style-type: none"> • Testing management’s reconciliation of forecast profits to forecast taxable profits to supporting evidence on a sample basis. • Validating available tax losses, including the respective expiry periods to tax returns and tax correspondence. • Testing the calculation of deferred income tax assets by reference to tax rates enacted or substantively enacted by the balance sheet date. <p>We found the judgements made by management in relation to recognition of deferred income tax assets to be supportable based on the available evidence</p>
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Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

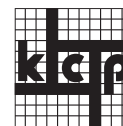
If, based on the work we have performed, we conclude that there is a material misstatement of this

other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements:

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and



prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the

matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report

in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

- g) With respect to Managerial Remuneration to be included in the Auditor's report under Section 197(16)

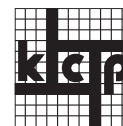
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and 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 standalone Ind AS financial statements - Refer Note 37 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 53 to the Ind AS financial statements
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Place :
HYDERABAD
Date :18/06/2020

(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAGY5791



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **The KCP LIMITED** of even date)

We report that:

- (i) a. the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- b. 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, during the year under report the management has physically verified its fixed assets situated at Muktyala and Macherla units and no material discrepancies have been noticed on such verification;
- c. according to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable property are held in the name of the company.
- (ii) the inventory has been physically verified by the management at reasonable intervals during the year under report and the discrepancies noticed during such physical verification of inventories as compared to book records have been properly dealt with in the books of account.
- (iii) the company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the said Order are not applicable for the year under report.
- (iv) in our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of investments made by the company.
- (v) in our opinion the company has complied with the provisions of 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.

- (vi) 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(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (vii) (a) according to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it; and

according to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable;

- (b) according to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except the dues mentioned hereunder.

S. No	Nature of dues	Name of the statute	Period	Amount in Rs. Lakhs	Amount paid under protest (Rs. in Lakhs)	Forum where the dispute is pending
1	Excise duty and related demands	Central Excise Act 1944	1996-2017	1976.32	0	At various Appellate forums
2	Sales tax and related demands	AP Sales Tax Act 1957	1996-2001 and 2011-12	237.77	103.23	AP High Court
3	Sales tax and related demands	Tamilnadu Sales Tax Act	2007-08	8.70	6.87	Addl. Commissioner of Commercial taxes
4	Forest Permit Charges	A.P. Forest Produce Rules 1970	2010-15 and 2016-17	356.58	191.87	Hon'ble High Court
5	Royalty	MMDR Act, 1957	1986-87	0.93	0	ADMG – Guntur
6	Net Present Value of Safety Zone Area	Forest Conservation Act, 1980	2014-15	17.87	0	DFO - Guntur
7	District Mineral Foundation	District Mineral Foundation	2015-16	35.87	0	Hon'ble High Court of Telangana & State of Andhra Pradesh
8	State Load Despatch Centre charges	AP Electricity Duty Act 1938	2010-11	35.51	0	Hon'ble High Court of Andhra Pradesh

(viii) according to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks during the year under report;

(ix) 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. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year;

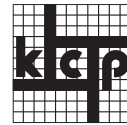
(x) during the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management;

(xi) according to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act 2013;

(xii) the company is not a chit fund or a nidhi/mutual benefit fund/society and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report;

(xiii) according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) according to the information and explanations given to us, and based on our examination of



the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;

(xv) according to the information and explanations given to us, and based on our examinations of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Therefore, the provision of clause 3(xv) of the Order is not applicable;

(xvi) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place :
HYDERABAD
Date :18/06/2020

for K.S.RAO & CO
Chartered Accountants
Firm Regn.No.003109S
(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAGY5791

ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **The KCP LIMITED** of even date)

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

We have audited the internal financial controls with reference to financial statements of The KCP Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

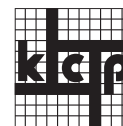
issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)



provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place :
HYDERABAD
Date :18/06/2020

(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAGY5791

BALANCE SHEET

(Rs in Lakhs)

	Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2	93,985.02	93,869.67
	(b) Capital work-in-progress	3	1,186.53	3,973.96
	(c) Investment Property	4	0.75	0.75
	(d) Other Intangible Assets	5	597.02	266.05
	(e) Financial Assets			
	(i) Investments	6	2,883.44	2,889.88
	(ii) Trade Receivables	7	552.52	319.68
	(iv) Others financial assets	8	23.18	25.08
	(f) Deferred Tax Assets (Net)			
	(g) Other Non-current Assets	9	986.01	2,546.01
2	Current assets			
	(a) Inventories	10	15,195.53	17,712.80
	(b) Financial Assets			
	(ii) Trade Receivables	11	4,311.78	2,937.88
	(iii) Cash and cash equivalents	12	1,886.81	1,166.62
	(iv) Bank balances other than (iii) above	12A	1,658.11	1,853.53
	(vi) Other financial assets	13	224.45	2,936.42
	(c) Current Tax Assets (Net)	14	1,705.94	829.98
	(d) Other Current assets	15	4,689.17	4,794.83
	Total Assets		1,29,886.26	1,36,123.13
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	45,411.11	47,744.43
	(c) Deferred Government Grant		30.41	32.41
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	26,957.64	33,319.07
	(ii) Trade Payables	19		
	Due to Others		271.26	271.26
	(iii) Other financial liabilities	20	5,261.01	5,049.14
	(b) Provisions	21	1,791.07	1,377.89
	(c) Deferred Tax Liabilities (Net)	22	4,485.87	6,160.28
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	23	11,490.82	11,394.64
	(ii) Trade payables	24		
	Due to Micro and Small Enterprises		15.80	46.19
	Due to Others		11,411.75	7,106.78
	(iii) Current Maturities of Long Term Borrowings	25	12,304.19	11,047.73
	(iv) Other financial liabilities	25A	7,704.59	8,832.82
	(b) Other current liabilities	26	1,080.68	2,073.34
	(c) Provisions	27	380.86	377.93
	Total Equity and Liabilities		1,29,886.26	1,36,123.13
The accompanying notes form an integral part of the Standalone financial statements		1,37 to 58		

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

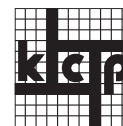
P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020



Rs in Lakhs, except no. of equity shares and per equity share data

STATEMENT OF PROFIT AND LOSS

PARTICULARS	Note No	Current Year	Previous Year
Income			
Revenue from Operations	28	93,797.18	1,14,191.05
Other Income	29	3,254.83	2,168.63
Total Revenue		97,052.00	1,16,359.68
Expenses			
Cost of Raw Materials and Components consumed	30	20,757.54	26,102.12
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	31	(1,879.20)	(2,149.89)
Employee Benefits expense	32	8,041.37	8,564.99
Power and fuel		24,190.51	30,299.56
Freight and Forwarding expense		21,787.50	24,839.63
Finance Costs	33	5,641.40	3,419.10
Depreciation and amortization expense	2	7,140.86	5,193.33
Other expenses	34	13,911.62	14,610.63
Total Expenses		99,591.60	1,10,879.48
Profit/(Loss) before Exceptional items and tax		(2,539.59)	5,480.20
Less : Exceptional Items (Net)		-	-
Profit/(Loss) before tax		(2,539.59)	5,480.20
Add : Income Tax Refund		-	-
Less : Tax expenses	35		
Short /(Excess) provision of Income Tax of Earlier Years		(218.28)	(22.95)
Short /(Excess) MAT credit utilised / (entitlement)		(248.28)	-
Current tax		487.82	1,045.00
MAT credit utilised / (entitlement)		-	(804.42)
Deferred tax		(1,884.17)	1,311.22
Total tax expense		(1,862.91)	1,528.85
Profit/(Loss) for the year from continuing operations - after tax (A)		(676.68)	3,951.35
Profit / (Loss) from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations - after tax (B)		-	-
Profit / (Loss) for the year (A) + (B)		(676.68)	3,951.35
Other Comprehensive Income- OCI			
a) Items that will not be reclassified to P&L	36	(388.32)	(315.29)
b) Items that will be reclassified subsequently to Profit or loss		-	-
c) Impact of income tax on above (a) and (b)		35.32	108.70
Total Other Comprehensive Income- OCI	47	(353.00)	(206.59)
Total Comprehensive Income for the period (Comprising P&L + OCI)		(1,029.68)	3,744.76
Earnings per share (for Continuing Operations) Basic and diluted		(0.52)	3.06
Earnings per share (for Discontinued Operations) Basic and diluted		-	-
Total Earnings per share (Face value of share is Rs.1) Basic and diluted		(0.52)	3.06
Computed on the basis of total profit for the year			
Statement of Significant Accounting Policies			

The accompanying notes form an integral part of the Standalone financial statements 1,37 to 58

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

As per our report annexed
for K.S.RAO & CO
Chartered Accountants
Firm Regn No. 003109S

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020

(Rs in Lakhs, except equity share)

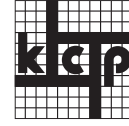
Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

Particulars	No of Shares	Amount
Balance as at 1st April, 2018	1,28,92,1160	1,289.21
Changes in equity share capital during 2018-19	-	-
Balance as at 31st March, 2019	1,28,92,1160	1,289.21
Changes in equity share capital during 2019-20	-	-
Balance as at 31st March, 2020	1,28,92,1160	1,289.21

B Other Equity

Particulars	Reserves and Surplus				Other Comprehensive income			
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve	Total
Balance at the beginning of reporting period - 01-04-2018	2,000.00	279.91	103.83	26,763.58	16,500.33	0.56	(359.32)	45,288.89
Profit for the period	-	-	-	-	3,951.35	-	-	3,951.35
Other Comprehensive Income	-	-	-	-	-	(4.23)	(202.36)	(206.59)
Total Comprehensive Income for the year	-	-	-	-	3,951.35	(4.23)	(202.36)	3,744.76
Transfer from/to General Reserve	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	(1,289.21)	-	-	(1,289.21)
Interim Dividend	-	-	-	-	-	-	-	-
Dividend Distribution tax	-	-	-	-	-	-	-	-
Balance at the end of reporting period - 31-03- 2019	2,000.00	279.91	103.83	26,763.58	19,162.47	(3.67)	(561.68)	47,744.43



Rs. in Lakhs

Particulars	Reserves and Surplus					Other Comprehensive income			Total
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve		
Profit for the period	-	-	-	-	(676.68)	-	-	(676.68)	
Other Comprehensive Income	-	-	-	-	-	(7.13)	(345.87)	(353.00)	
Total Comprehensive Income for the year	-	-	-	-	(676.68)	(7.13)	(345.87)	(1,029.68)	
Transfer from/to General Reserve	-	-	-	-	-	-	-	-	
Adjustment for lease rentals under IND AS 116	-	-	-	-	(14.43)	-	-	(14.43)	
Final Dividends	-	-	-	-	(1,289.21)	-	-	(1,289.21)	
Dividend Distribution tax	-	-	-	-	-	-	-	-	
Balance at the end of reporting period - 31-03-2020	2,000.00	279.91	103.83	26,763.58	17,182.14	(10.80)	(907.55)	45,411.11	

The accompanying notes form an integral part of the Standalone financial statements 1,37 to 58

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed

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

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020

CASH FLOW STATEMENT

(Rs in Lakhs)

PARTICULARS	Note. No	For FY 2019-20	For FY 2018-19
(A) Cash flow from operating activities			
Profit before tax from continuing operations		(2,539.59)	5,480.20
Profit before tax		(2,539.59)	5,480.20
Adjustments for :			
Depreciation on tangible fixed assets	2 & 4	7,077.96	5,157.71
Amortization on intangible fixed assets	5	62.90	35.62
Loss/[profit] on sale of fixed assets	29	35.11	(24.83)
Assets written off		23.01	79.87
Expected Credit loss		1.06	(1.85)
Discounting of trade receivables		21.59	11.14
Amortisation of government grant		(2.00)	(1.99)
Unrealised foreign exchange loss/ (gain)		0.12	28.92
Actuarial gain on defined benefit plan-gratuity		(280.10)	(87.22)
Actuarial loss on defined benefit plan-leave		(65.76)	(223.84)
Interest expense	33	5,641.40	3,419.10
Interest income		(248.00)	(234.69)
Dividend income	29	(2,872.69)	(1,424.38)
Operating profit before working capital changes		6,855.01	12,213.75
Movements in working capital:			
Adjustments for Increase / (Decrease) in operating liabilities :			
Increase/[decrease] in trade payables		4,274.57	1,950.64
Increase/[decrease] in non current- other financial liabilities		197.43	1,095.20
Increase/[decrease] in long term provisions		413.17	152.26
Increase/[decrease] in current- other financial liabilities		(1,128.22)	(1,443.74)
Increase/[decrease] in other current liabilities		(992.66)	1,375.06
Increase/[decrease] in current provisions		2.93	4.79
Adjustments for Decrease / (Increase) in operating assets :			
Decrease/[increase] in non current trade receivables		(254.55)	(62.15)
Decrease/[increase] in non current other financial assets		1.90	(4.21)
Decrease/[increase] in other non-current assets		1,560.00	1,243.06
Decrease/[increase] in inventories		2,517.28	(5,004.50)
Decrease/[increase] in current trade receivables		(1,374.96)	(419.29)
Decrease/[increase] in other bank deposits		195.42	(376.74)
Decrease/[increase] in current other financial assets		2,711.97	(2,818.68)
Decrease/[increase] in other current assets		105.66	1,002.93
Cash generated from/[used in] operations		15,084.95	8,908.38
Direct taxes paid [net of refunds]		(687.46)	(1,136.88)
Net cash flow from/[used in] operating activities (A)		14,397.49	7,771.50
(B) Cash flows from investing activities			
Purchase of Fixed assets, including intangible assets, CWIP	2,3,4 & 5	(5,456.09)	(12,678.01)
Proceeds from sale of fixed assets		598.21	29.11
Purchase of current investments		(0.69)	(0.72)
Interest received		248.00	221.67
Dividends received		2,872.69	1,424.38
Net cash flow from/[used in] investing activities (B)		(1,737.88)	(11,003.57)
C. Cash flows from financing activities			
Proceeds/ (Repayment) from long term Borrowings (net)		(5,104.98)	2,371.16
Proceeds/ (Repayment) of short term borrowings		96.18	5,465.87
Interest paid		(5,641.40)	(3,407.96)
Dividends paid		(1,289.21)	(1,289.21)
Net cash flow from/[used in] in financing activities [C]		(11,939.42)	3,139.85
Net increase/[decrease] in Cash and Cash Equivalents (A+B+C)		720.19	(92.22)
Cash and Cash Equivalents at the beginning of the year		1,166.62	1,258.84
Cash and Cash Equivalents at the end of the year		1,886.81	1,166.62
Components of Cash and Cash Equivalents			
Cash on hand		9.17	9.19
Cheques/drafts on hand		69.90	35.01
Balance in current account		1,807.74	422.42
On deposit account (<3 months)		-	700.00
Total Cash and Cash Equivalents		1,886.81	1,166.62

The accompanying notes form an integral part of the Standalone financial statements

1,37 to 58

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P S KUMAR
Director

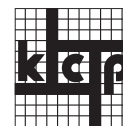
G N MURTY
Chief Financial Officer

As per our report annexed
for K.S.RAO & CO
Chartered Accountants
Firm Regn No. 003109S

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020



NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT 31st MARCH, 2020

1. Company overview and significant accounting policies

1.1 COMPANY OVERVIEW

The KCP Limited (“the company”) a public limited company incorporated and domiciled in India and has its registered office at Chennai. The securities of the company are listed in National stock exchange of India limited.

The company is engaged in the business of manufacture and sale of cement, heavy engineering, power generation for captive use and hospitality.

These financial statements for the year ended March 31, 2020 are presented in Indian rupees (INR) and are rounded to nearest lakhs were approved and authorized by the board of directors for issue on 18th June 2020.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with the Indian accounting standards (“IND AS”), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provision of The Companies Act 2013 (“the act”) and the guidelines of The Securities and Exchange Board of India (SEBI). The IND AS are prescribed under section 133 of the act read with rule 3 of the Companies (India Accounting standards) Rule 2015 and relevant amendments rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standard requires a change in the accounting policy hitherto in use.

The company assets and liabilities have been classified as current or non-current as per the company’s operating cycle and other criteria set out below.

An asset is classified as current if:

(a) it is expected to be realized or sold or consumed in the Company’s normal operating cycle;

(b) it is held primarily for the purpose of trading; (c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

(a) it is expected to be settled in normal operating cycle;

(b) it is held primarily for the purpose of trading; (c) it is expected to be settled within twelve months after the reporting period;

(d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company’s normal operating cycle is twelve months.

1.3 USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with the IND AS requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

- Estimation of fair value of unlisted securities.
- Defined benefit obligation.
- Estimation of useful life of Property, Plant and Equipment.
- Estimation and evaluation of provisions and contingencies relating to tax litigations.

- Expected Credit Losses.
- Revenue recognition in case of Engineering job work contracts.
- Measurement of Lease liabilities and Right of Use Asset
- Estimation of uncertainties relating to the global health pandemic from COVID-19

The COVID -19 pandemic is an evolving human tragedy declared as global pandemic by the World Health Organisation with adverse impact on economy and business. Supply chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in all states followed by a nation-wide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of Covid -19. In light of these circumstances, the company has considered the possible effects, if any, that may result from Covid-19 on the carrying amounts of financial assets, inventory, receivables, advances, etc., as well as liabilities accrued. Based on the assessment of current indicators of future economic conditions, the management does not envisage any significant impact on its financial results and its financial position as on 31st March 2020. In developing the assumptions and estimates relating to the uncertainties as the Balance sheet date in relation to the recoverable amounts of these assets, the management has considered the global economic conditions prevailing as at the date of approval of these financial results and has used the internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

1.4 ADOPTION OF NEW AND REVISED STANDARDS

New accounting standards those are effective for the current year

a) IND AS 116- LEASE

The Company has adopted Ind AS 116-Leases effective from 1st April, 2019, using the modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset consists of lease for Land, buildings and vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) **IND AS 19-EMPLOYEE BENEFITS**

In the current year, the company has adopted amendments of INDAS 19. These amendments clarify that when a net defined benefit plan is remeasured as a result of curtailment (or plant amendment or settlement), updated actuarial assumptions should be used to determine current service cost net interest for the remainder of the reporting period and to recognize in profit or loss as part of past service cost, gain or loss on settlement, any reduction in surplus even if that surplus was not previously recognized because of the impact of asset ceiling.

Effective date of application of these amendments is April 1, 2019 and the effect of adoption would be insignificant in the standalone financial statements.

c) **IND AS 12- INCOME TAX**

Uncertainty over Income tax Treatments: -

In the current year, the company has adopted amendments of IND AS 12. These amendments (appendix c) sets out how to determine the accounting tax provision when there is uncertainty over income tax treatments. According to appendix c, companies need to determine the probability of the relevant tax authorities accepting each tax treatment that companies have used or plan to use in their income tax filing to compute most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Effective date of application of these amendments is April 1, 2019 and the effect of adoption would be insignificant in the standalone financial statements.

Dividend distribution tax: -

Amendment requires entities to recognize the income tax consequences of dividends in profit or loss, Other comprehensive income (OCI) or equity according to where the entity originally recognized those past transactions or events.

Effective date of application of these amendments is April 1, 2019 and the effect of adoption would be insignificant in the standalone financial statements.

1.5 SIGNIFICANT ACCOUNTING POLICIES

I. REVENUE RECOGNITION

The company derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

The company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of the third parties.

Engineering job work can be either 'material cum service' contracts or service contracts.

Performance obligation in case of 'material cum services' is satisfied at a point in time consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of 'service contracts' revenue is recognized based on performances completed to date by using either 'Input method' or 'output method' as prescribed for measuring progress of performance obligation under IND AS 115.

The company accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/commission.

Trade receivables and contract balances: -

The company classifies the right to consideration in exchange for transferring control over goods or services either as a trade receivable or as contract asset. Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

Other income: -

a) Dividend income:- Dividend is recognized in statement of profit or loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the company, and the amount of dividend can be reliably measured.

b) Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

II. BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Interest income earned on the temporary

investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to revenue in the period in which they are incurred.

III. GOVERNMENT GRANTS

Grants from government are recognized when there is a reasonable assurance that grant will be received, and the company will comply with all stipulated conditions.

Grants relating to revenue items will be presented separately as 'Other income' in statement of profit or loss or deducted in reporting the related expense.

Grants relating to assets are treated as deferred income under non-current liabilities and credited to statement of profit or loss on straight-line basis over the expected useful life of the related assets under other income.

IV. EMPLOYEE BENEFITS

Employee benefits includes short term employee benefits, Post employment benefits, Other long term benefits and Termination benefits.

Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Post employment benefits:-

a) Defined contribution plans: These benefits include Pension, superannuation and Employee state insurance.

Entity's contributes at statutorily prescribed minimum rates monthly to Provident fund, Employee state insurance and will have no legal obligation to pay further contribution if fund doesn't sufficient assets to pay all employee benefits relating to employee service in

current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation. So, these PF, Superannuation, ESI benefits will be defined contribution plans. These contributions are recognized in statement of profit and loss by way of charge against income.

b) Defined benefits plans: These benefits includes leave absences, gratuity.

Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It is has two components one is service cost and Other is Remeasurements. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses, return on plan assets excluding interest and effect of change in assets ceiling. Service cost is recognized in statement of profit or loss while remeasurements are in other comprehensive income.

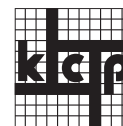
V. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located.

Freehold land is not depreciated.

Construction Period Expenses on Projects:- All identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



d) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

e) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

f) The company follows the process of componentization for property, plant and equipment. Accordingly, the company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset/component of an asset, the estimated usage of the asset /component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

g) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

h) Non current assets held for sale:- Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-current assets and disposal group that cease to be classified as "Held for sale" shall be measured at the lower of carrying amount before the the non-current assets and disposal group was classified as "Held for sale" and the recoverable amount at the date of subsequent decision not to sell.

i) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in progress". Advances given towards acquisition /construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

j) Developmental stripping cost: - Developmental stripping cost incurred in order to obtain access to

quantities of mineral reserves that will be mined in future periods are capitalized as a part of mining assets. Capitalization of stripping cost ends when commercial production of mineral reserves begins.

VI. INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and useful lives are reviewed at the end of financial year.

VII. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are de-recognized either when they have been disposed-off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

VIII. DEPRECIATION: -

Depreciation is provided in accordance with the useful life as prescribed under Part C of Schedule-II to the Companies Act, 2013 as follows: -

- In respect of assets existing as on 30-6-1988, under the written down value method; and
- In respect of assets acquired on or after 1-7-1988, under the straight-line method except for decommissioning cost.

Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having significant cost, has been assessed based on technical estimate which is different from the life given under the Schedule-II to The Companies Act, 2013 has given below.

S No	Description of the asset	Estimated useful lives
1	Transformers	30 Years
2	Economisers in Boilers in CPP; Turbine, Generators, sluice Gates, Switchgears and cables in Hydel plant	25 Years
3	Electrical components like panels, Motors, Insulators which are components of plant and machinery	10 Years
4	Economisers in Boilers and water preheater in Waste heat recovery plant; Evaporators in CPP	5 Years

IX. FINANCIAL INSTRUMENT

Initial Recognition: -

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent Recognition & Classification: -

Financial assets carried at amortized cost:

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

Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities: Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment: -

The company recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant finance component is measured at an amount equal to life time ECL using provision matrix as shown below. This estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

De-recognition of financial instrument: -

Financial assets:

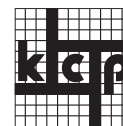
A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the financial asset and the transfer qualifies for de-recognition.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

Financial Liabilities:

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid shall be recognised in profit or loss.



X. INVENTORIES

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

Stock of Scrap- Engineering Unit

- Purchased scrap and internally generated scrap for use in production are both valued at weighted average cost of purchased scrap.
- In respect of other scrap, the stock of scrap is not valued. As and when sales are made stocks are adjusted.

XI. CASH FLOW STATEMENT

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

XII. FOREIGN CURRENCY

Functional currency: The functional currency of the company is Indian Rupee.

Transactions and translations: -Transactions in foreign currency are initially accounted at the exchange

rate prevailing on the date of the transaction.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

XIII. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURE

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

XIV. INCOME TAX

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

XV. EARNINGS PER SHARE (EPS)

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

XVI. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision:

A provision is recorded when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate

that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Contingent liabilities:

Contingent liability is recognised when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show-cause notices received from tax authorities are not considered as Contingent Liabilities unless converted into demand.

Onerous contracts:

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Company estimates and provides provision at the lower of the following for onerous contracts.

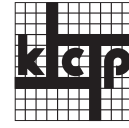
- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfil it i.e. Cost of terminating the contract.

Contingent assets:

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed when the inflow of economic benefit is probable.

XVII. SEGMENT REPORTING

The company publishes this financial statement along with the consolidated financial statements. In accordance with IND AS 108, Operating segments, the company has disclosed the segment information in the consolidated financial statements.



Rs in Lakhs

Note : 2 Property, Plant and Equipment for the year ended March 31, 2020 consist of the following:

Note. 2 TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01-04-2019	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2020	TOTAL DEPRECIATION UPTO 31-03-2019	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2020	AS AT 31-03-2020	AS AT 31-03-2019
1 Lands	4,165.04	1,019.72	510.04	4,674.71	-	-	-	-	4,674.71	4,165.04
2 (I) Buildings	14,277.82	1,130.96	0.00	15,408.78	1,440.97	500.55	-	1,941.52	13,467.25	12,836.85
(II) Lease Hold Buildings	8.93	-	-	8.93	0.73	0.24	-	0.97	7.96	8.21
3 Roads	199.35	8.93	-	208.28	114.05	16.15	-	130.20	78.08	85.30
4 Plant & Machinery	82,932.74	4,810.91	79.37	87,664.29	10,594.59	5,562.08	27.65	16,129.01	71,535.28	72,338.16
5 Furniture, Fixtures	1,839.23	39.23	0.28	1,878.19	726.55	238.70	0.23	965.02	913.17	1,112.68
6 Motor Vehicles	1,019.28	64.08	48.84	1,034.52	478.59	134.45	21.99	591.05	443.47	540.68
7 Railway Siding, Locomotives, Rolling Stocks	32.53	-	-	32.53	9.45	3.16	-	12.61	19.93	23.08
8 Ropeway Structures	176.52	-	-	176.52	71.76	95.66	-	167.43	9.09	104.76
9 Office Equipment	128.72	5.20	1.93	131.98	63.11	22.44	0.75	84.80	47.18	65.61
10 Computer & Data Processing Units	317.31	29.44	4.95	341.80	199.27	40.97	1.30	238.94	102.86	118.03
11 Laboratory Equipment	35.56	1.45	1.94	35.08	19.92	4.96	1.82	23.06	12.03	15.65
12 Electrical Installation & Equipment	2,529.86	228.09	10.80	2,747.15	926.72	296.56	6.18	1,217.09	1,530.06	1,603.15
13 Hydraulic Works, Pipelines & Sluices	82.41	-	-	82.41	17.06	5.70	-	22.77	59.64	65.34
14 Leased Lands (Decommissioning)	846.29	131.22	-	977.51	59.16	43.81	-	102.97	874.54	787.14
TOTAL	108,591.60	7,469.24	658.14	115,402.70	14,721.92	6,965.45	59.93	21,627.44	93,775.31	93,869.67

Note.2.B LEASED ASSETS - RIGHT OF USE*	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Addition on account of Transition to Ind AS 116 - 1st April, 2019	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2020	TOTAL DEPRECIATION UPTO 31-03-2019	DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2020	AS AT 31-03-2020	AS AT 31-03-2019
1 Lands	37.02	-	-	37.02	-	0.39	-	0.39	36.63	-
2 Buildings	236.34	24.40	2.41	258.32	-	104.65	-	104.65	153.67	-
3 Vehicles	-	26.88	-	26.88	-	7.47	-	7.47	19.41	-
TOTAL	273.36	51.28	2.41	322.22	-	112.51	-	112.51	209.71	-

Rs in Lakhs

Note : 4 Investment Property for the year ended March 31, 2020 consist of the following

Note : 4 INVESTMENT PROPERTY	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS ON 01-04-2019	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2020	TOTAL DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2020	AS AT 31-03-2019	AS AT 31-03-2018
1 Lands	0.47	-	-	0.47	-	-	-	0.47	0.47
2 Buildings	1.67	-	-	1.67	0.00	-	1.39	0.28	0.28
TOTAL	2.14	-	-	2.14	0.00	-	1.39	0.75	0.75

Rs in Lakhs

Note : 5 Intangible Assets for the year ended March 31, 2020 consist of the following

Note : 5 INTANGIBLE ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS ON 01-04-2019	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2020	TOTAL DEPRECIATION DURING THE YEAR	DEPRECIATION ON DEDUCTIONS	TOTAL DEPRECIATION UPTO 31-03-2020	AS AT 31-03-2019	AS AT 31-03-2018
1 Computer Software	355.84	402.55	8.61	749.78	62.90	-	152.69	597.02	266.05
TOTAL	355.84	402.55	8.61	749.78	62.90	-	152.69	597.02	266.05
GRAND TOTAL FOR FY 2019-20	108,949.58	7,923.07	669.16	116,476.84	7,140.86	59.93	21,894.04	96,582.79	94,136.47

* Depreciation for the year includes an amount of Rs. NIL capitalized. (Depreciation capitalized during the previous year Rs. 17.63 Lakhs)

* (a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of Rs.295.65 lakhs and a corresponding lease liability of Rs.310.08 lakhs. The difference of Rs.14.43 lakhs has been adjusted to retained earnings as at 1st April 2019. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

* (b) The total cash outflow for leases is Rs. 1.39 crores for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs.31.04 lakhs for the year.

Note : 2 Property, Plant and Equipment for the year ended March 31, 2019 consist of the following: Rs in Lakhs

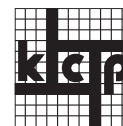
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1. Lands	3,611.79	553.24	-	4,165.04	-	-	-	4,165.04	3,611.79
2. (i) Buildings	14,133.36	144.46	-	14,277.82	488.96	-	1,440.97	12,836.85	13,181.35
(ii) Leasehold Buildings	8.93	-	-	8.93	0.24	-	0.73	8.21	8.45
3. Roads	186.17	13.18	-	199.35	24.30	-	114.05	85.30	96.42
4. Plant and Machinery	50,730.86	32,270.78	68.89	82,932.74	3,708.92	12.91	10,594.59	72,338.16	43,832.79
5. Furniture, Fixtures	1,828.33	10.90	-	1,839.23	236.09	-	726.55	1,112.68	1,337.87
6. Motor Vehicles	854.63	181.05	16.40	1,019.28	160.10	13.22	478.59	540.68	522.41
7. Railway Siding, Locomotives	32.53	-	-	32.53	3.15	-	9.45	23.08	26.23
8. Ropeway Structures	115.93	153.98	93.39	176.52	99.41	69.88	71.76	104.76	73.69
9. Office Equipment	116.27	12.51	0.06	128.72	21.21	0.05	63.11	65.61	74.32
10. Computer & Data Processing Units	288.73	28.71	0.14	317.31	69.70	0.13	199.27	118.03	159.03
11. Laboratory Equipment	30.54	5.02	-	35.56	6.15	-	19.92	15.65	16.78
12. Electrical Installation & Equipment	2,383.90	148.67	2.70	2,529.86	312.65	1.23	926.72	1,603.15	1,768.60
13. Hydraulic Works, Pipeline & Sluices	82.41	-	-	82.41	5.69	-	17.06	65.34	71.03
14. Leased Mines (Decommissioning)	460.51	385.79	-	846.29	38.38	-	59.16	787.14	439.73
Total	74,864.90	33,908.28	181.58	108,591.60	5,174.95	97.43	14,721.92	93,869.67	65,220.50
Less: Depreciation capitalised during the year					(17.63)				
TOTAL					5,157.32				

Note : 4 Investment Property for the year ended March 31, 2019 consist of the following: Rs in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 LANDS	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2 BUILDINGS	1.67	-	-	1.67	0.99	0.40	-	1.39	0.28	0.68
TOTAL	2.14	-	-	2.14	0.99	0.40	-	1.39	0.75	1.15

Note : 5 Intangible Assets for the year ended March 31, 2019 consist of the following: Rs in Lakhs

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 COMPUTER SOFTWARE	277.89	77.95	-	355.84	54.17	35.62	-	89.79	266.05	223.72
TOTAL	277.89	77.95	-	355.84	54.17	35.62	-	89.79	266.05	223.72



Rs in Lakhs, except no. of equity shares

Note. 3 Capital Work-in-Progress	As at 31-03-2020	As at 31-03-2019
1. Building under Construction		
Opening Balance	636.70	120.89
Additions during the year	1,240.39	515.81
Less : Capitalisation during the year	(1,183.68)	-
Closing Balance	693.42	636.70
2. Plant & Machinery under Installation		
Opening Balance	3,337.26	25,143.65
Additions during the year	2,857.57	31.25
Less : Capitalisation during the year	(5,701.72)	(21,837.64)
Closing Balance	493.11	3,337.26
Total	1,186.53	3,973.96

Note. 6 Non current Financial Assets- Investments	As at 31-03-2020	As at 31-03-2019
Unquoted Equity instruments		
Investment in Subsidiary:		
203,23,332 (31 March 2019: 203,23,332) Equity shares of US \$ 1/- each, fully paid up in K.C.P.Vietnam Industries Ltd., Vietnam.	2,371.44	2,371.44
Investment in Joint Venture:		
4,00,000 (31 March 2019: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	40.00	40.00
Common Stock (unquoted):		
1640 (31 March 2019: 1640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preference Shares (unquoted):		
750 (31 March 2019: 750) Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	385.00	385.00
Sub Total	2,873.43	2,873.43
Investment in equity instruments(quoted):		
100 (31st March 2019: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.00	0.01
14240 (31st March 2019: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank	2.72	6.64
Equity instruments (unquoted):		
30 (31st March 2019: 30) equity shares of Rs. 10/- each Fully paid up in Andhra Pradesh Heavy Machinery and Engg Co.Ltd (Written off to the extent of Rs. 299/-)	0.00	0.00
100000 (31st March 2019: 100000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9,99,999/-) (The Shares are not traded in the Stock Exchange though listed).	0.00	0.00
Other Investments - Unit Trust of India - Quoted:		
38210.93 (31st March 2019 : 35536.18) UTI Balanced Fund Units of Rs.10/- each	7.28	9.79
Total	10.01	16.45
Aggregate amount of quoted Investments - Market Value	10.01	16.45
Aggregate amount of quoted Investments - Book Value	10.01	16.45
Aggregate amount of unquoted Investments	2,873.43	2,873.43

Rs in Lakhs, except no. of equity shares

Note. 6.1 Category wise Investment- as per IND AS 109 classification	As at 31-03-2020	As at 31-03-2019
Financial assets carried at cost		
Equity Instruments	2,873.43	2,873.43
Financial assets carried at amortised cost		
Equity Instruments	-	-
Financial assets carried at fair value through Profit or loss (FVTPL)		
Equity Instruments	-	-
Financial assets carried at fair value through OCI (FVTOCI)		
Equity Instruments	10.01	16.45
TOTAL	2,883.44	2,889.88

Reasons for classification of Financial assets as per IND AS-107:

The company has elected an irrevocable option of classifying equity instrument that are not held primarily for trading at fair value through Other Comprehensive income (OCI).

Accounting for investment in subsidiaries and joint venture are mentioned in accounting policy XIII of Note 1.5

Note 6.2 Details of Subsidiary and Joint venture

Name of the Company Principal Activity & Place of domicile	Proportion of ownership interest / voting rights	
	As at 31-03-2020	As at 31-03-2019
KCP Vietnam Industries Ltd, Manufacturers of Sugar and generation of power, Socialist Republic of Vietnam	66.67%	66.67%
Fives Cail KCP Ltd, Manufacturer of machinery, India	40.00%	40.00%
The company has right to cast 66.67% of voting rights in the case of KCP Vietnam industries Ltd and 40% of Fives Cail KCP Ltd.		

Note. 7 Non Current Financial Assets- Trade Receivables	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good	552.52	319.68
Receivables having Significant increase in credit risk	80.95	59.36
Less: Provision for expected credit loss	80.95	59.36
Total	552.52	319.68

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The provision matrix is as follows:

CREDIT RISK	DEFAULT RATE(%)
Current	Nil
1-60 days past due	0.25
60-90 days past due	0.50
More than 90 days past due	1.00

Rs in Lakhs

Note. 8 Non current- Other Financial Assets	As at 31-03-2020	As at 31-03-2019
Earnest money deposit	23.18	25.08
TOTAL	23.18	25.08

Note.9 Non current- Other asset	As at 31-03-2020	As at 31-03-2019
Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	13.09	1,070.16
Receivable having Significant increase in credit risk	-	-
Sub-total	13.09	1,070.16
Advances other than Capital Advances		
Security Deposits (Unsecured, considered good)	139.16	655.54
Sub-total	139.16	655.54
Others		
Prepaid expenses	37.86	76.68
Balance with Government Authorities	794.51	742.23
Others	1.40	1.40
Sub-total	833.76	820.31
TOTAL	986.01	2,546.01

Note.10 Inventories	As at 31-03-2020	As at 31-03-2019
Raw materials and components at Cost (includes those in transit Rs. 352.13 lakhs-) (As on 31-03-2019-Rs. 395.46 lakhs)	902.87	1,249.81
Coal At Cost (includes those in transit Rs. 161.68 lakhs-) (As on 31-03-2019- Rs. 3046.92 lakhs)	1,876.51	5,770.46
Work-in-progress		
: At Cost	7,089.87	4,400.63
: At Estimated Realisable Value	821.06	2,399.49
Finished goods		
: At Cost	1,685.16	916.75
: At Estimated Realisable Value	-	-
Stores, spares and Coal at Cost (includes in transit Rs. 11.51 lakhs) (As on 31-03-2019 Rs. 1.62 lakhs)	2,820.07	2,975.65
TOTAL	15,195.53	17,712.80

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.24390.21 lakhs for year ended 31-03-2020 (Rs. 30768.80 lakhs for the year ended 31-03-2019).

The amount of write down of inventories to net realisable value recognised as an expense was Rs.101.47 lakhs.

The mode of valuation of Inventories has been stated in accounting policy X of Note1.5. The amount of goods in transit is Rs. 173.19 lakhs (Rs. 3048.54 lakhs for previous year)

Note.11 Current- Trade receivables	As at 31-03-2020	As at 31-03-2019
Secured, considered good	3,722.03	2,495.32
Unsecured, considered good	595.37	447.11
Less: Provision for expected credit loss	5.61	4.55
TOTAL	4,311.78	2,937.88

Rs in Lakhs

Note 12 Cash and cash equivalents	As at 31-03-2020	As at 31-03-2019
Balances with Banks:		
Current accounts	1,807.74	422.42
Deposits with original maturity of less than 3 months	-	700.00
Cheques/drafts on hand	69.90	35.01
Cash on hand	9.17	9.19
Total	1,886.81	1,166.62

Note 12A Bank balances other than Cash and Cash equivalents	As at 31-03-2020	As at 31-03-2019
Fixed Deposits with Banks (Maturity less than 12 months)*	783.64	856.52
For Unpaid dividend account	216.69	235.66
Margin money deposit **	633.63	707.99
Balances with banks #	24.15	53.35
TOTAL	1,658.11	1,853.53

* Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

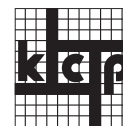
**Margin money deposits includes those earmarked for specific purpose

Balances with banks includes those maintained to pay matured Public deposits which are unclaimed.

Note 13. Current- Other Financial Assets	As at 31-03-2020	As at 31-03-2019
Interest accrued on fixed Deposits	79.44	46.06
Interest accrued on other Deposits	13.94	11.85
Loans to employees	31.87	37.06
Due from Gratuity Trusts	5.74	5.74
Non trade receivables from - Joint Venture	0.91	1.75
Contract Assets	92.55	2,833.95
TOTAL	224.45	2,936.42

Note 14. Current Tax Assets (Net)	As at 31-03-2020	As at 31-03-2019
Advance tax		
Advance payment of Direct Taxes/TDS Credit	2,206.78	2,678.00
Provision for Tax		
Provision for Income tax	500.84	1,848.02
TOTAL	1,705.94	829.98

Note 15. Other Current Assets	As at 31-03-2020	As at 31-03-2019
Advances recoverable in cash or kind		
Unsecured, considered good	78.02	223.37
Advances to Trade payables	1,401.13	1,507.99
Prepaid expenses	281.82	322.51
Balance with government Authorities	2,928.20	2,740.96
TOTAL	4,689.17	4,794.83



Rs in Lakhs, except no. of equity shares

Note.16 Share Capital	As at 31-03-2020	As at 31-03-2019
<u>Authorised Share Capital:</u>		
35,00,00,000 (31 March 2019 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000(31 March 2019 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	2,000.00	2,000.00
	5,500.00	5,500.00
<u>Issued Share Capital:</u>		
12,89,77,480 (31 March 2019 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
<u>Subscribed and fully paid-up :</u>		
12,89,21,160 (31 March 2019 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
Total issued, subscribed and fully paid-up capital	1,289.21	1,289.21

Note 16.1) Details of shareholders holding more than 5% share in the company:-

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Re.1/- each fully paid - 30.22% (30.22%)

Note 16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity shares of the company is set out below:-

Particulars	For FY 2019-20	For FY 2018-19
Equity Share Capital at the beginning of the Year	1,289.21	1,289.21
Add/Less : Changes during during the year	-	-
Equity Share Capital at the end of the Year	1,289.21	1,289.21

The Company has only one class of equity shares referred to equity shares having a par value of Rs.1. Each holder of equity share is entitled to one vote per each share. In the event of liquidation of company, the holder of equity share will be entitles to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

Rs in Lakhs, except no. of equity shares

Note 17. Other Equity	As at 31-03-2020	As at 31-03-2019
Capital Reserve		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
Add : Amount transferred from Surplus in the Statement of P&L		
	2,000.00	2,000.00
Capital Reserve on Reorganisation	279.91	279.91
On Amalgamation	103.83	103.83
Total Capital Reserve	2,383.74	2,383.74
Investment Revaluation Reserve		
Balance as per the last Financial Statements	(3.67)	0.56
Add: Current year revaluation gain/loss from OCI	(7.13)	(4.23)
Closing Balance	(10.80)	(3.67)
Actuarial Gain/Loss		
Balance as per the last Financial Statements	(561.68)	(359.32)
Add: Current year revaluation gain/loss from OCI- Net of deferred tax	(345.87)	(202.36)
Closing Balance	(907.55)	(561.68)
General Reserve		
Balance as per the last Financial Statements	26,763.58	26,763.58
Closing Balance	26,763.58	26,763.58
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	19,162.47	16,500.33
Add/(Less): Adjustment for lease rentals under IND AS 116	(14.43)	-
Profit for the year	(676.68)	3,951.35
	18,471.35	20,451.68
Less : Appropriations		
Final Equity Dividend Paid @ Re.1/- per Share (@ Rs.1/- per Share in FY 2018-19)	1,289.21	1,289.21
Total Appropriations	1,289.21	1,289.21
Net Surplus in Statement of Profit and Loss	17,182.14	19,162.47
Total Reserves and Surplus taken to Balance Sheet	45,411.11	47,744.43

- > General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.
- > Investment Revaluation Reserve: This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified, if any to retained earnings when those investments are disposed off.
- > Actuarial Gain/Loss Reserve: This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to retained earnings.
- > Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.
- > Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years. This reserves can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013.

Rs in Lakhs

Note 18. Non current Financial Liabilities- Borrowings	As at 31-03-2020	As at 31-03-2019
Rupee Term Loans from Banks - Secured		
Engineering Unit	215.25	-
Hotel Project	846.42	1,700.85
Captive Power Plant- Muktyala	1,667.59	2,292.93
Cement Plant Muktyala Expansion	19,199.70	22,716.98
Corporate Loan	-	1,720.00
Sub-Total	21,928.96	28,430.76
Other Loans and advances:		
Public Deposits (unsecured)		
From Directors	1,315.00	240.03
From Others	3,713.68	4,648.28
Sub-Total	5,028.68	4,888.31
TOTAL	26,957.64	33,319.07
The above amount includes		
Secured borrowings	21,928.96	28,430.76
Unsecured borrowings	5,028.68	4,888.31
Amount disclosed under the head		
Current maturities of the borrowings shown under "other current liabilities(Note-25)"	12,304.19	11,047.73
Details of deposits held by Directors of the company		
a) Dr. V. L. Dutt	-	1,133.50
b) Smt. Kavitha Dutt Velagapudi	101.53	101.53
c) Dr. V L Indira Dutt	1,258.50	25.00
D) Sri O.Swaminatha Reddy	-	5.00

Term Loans

Particulars	Macherla Cement	Muktyala Cement Expansion	Captive Power Plant	Hotel	Corporate Loan	Corporate Loan	Engineering Unit
Lending Bank	Bank of Baroda	State Bank of India	Canara Bank	Indian Overseas Bank	Bank of Baroda	Bank of India	Canara Bank
Loan Amount Sanctioned (Rs Lakhs)	2100	27563	7964	5973	4000	5600	338
Loan Amount Availed (Rs Lakhs)	1431	27498	7215	5973	4000	5600	317
Loan amount outstanding as on 31-03-2020	0	24223	2501	1701	600	1400	283
No of Installments (Quarterly)	28	32	32	28	20	20	20
Installments Commencement	Nov,2014	Dec,2018	Mar,2015	May,2015	Jan,2017	June,2016	Oct,2019
Rate of Interest	1.20% over 1 Yr MCLR plus SP	1 Yr MCLR plus 0.65%	1 Yr MCLR plus 1.30%	1 Yr MCLR plus 1.00%	1.20% over 1 Yr MCLR plus SP	1.95% over 1 Yr MCLR	1 Yr MCLR plus 0.50%
Installment Amount (Rs Lakhs)	75	Varying installment amounts.	207.25	314	200	280	16.9
Security	First Charge on Fixed Assets of Macherla Cement Plant.	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	First Charge on Fixed Assets of Captive Power Plant.	First Charge on Fixed Assets of Hotel.	Exclusive Charge on Hydel Division Assets and Property at Chennai.	Exclusive Charge on land in Chennai.	First Charge on Imported Lathe Machine

Note : Initial Loan Processing Charges by State Bank of India are being amortised over the period of the loan. Net amount outstanding at the end of the year to be amortised was Rs. 22.77 lakhs.

(Rs. in Lakhs)

Carrying value of assets Pledged for Term Loan

Particulars	Muktyala Plant Fixed Assets (including Expansion Assets)		Macherla Plant Fixed Assets		Hotel Fixed Assets		Hydel Unit Fixed Assets	
	2020	2019	2020	2019	2020	2019	2020	2019
Plant & Machinery	55,706	58,050	3,519	3438	2,501	2845	658	783
Lands & Buildings	7,876	6,139	1219	1264	4887	5078	104	114
Furniture & fixtures	44	52	29	29	753	953	1	0
Total	63,627	64,242	4768	4730	8140	8876	763	897

Cash Credit

Particulars	Muktyala		Macherla	Macherla	CPP	Engineering Unit	Engineering Unit - WCDDL	Engineering Unit	KCP - WCDDL	KCP - WCDDL	KCP - STL
	Bank of Baroda	Bank of India									
Lending Bank	Bank of Baroda	Bank of India	Bank of Baroda	HDFC Bank	Canara Bank	Canara Bank	Canara Bank	AXIS Bank	AXIS Bank	HDFC	HDFC
Outstanding Amount as on 31.03.2020	849	306	1159	830	159	2308	20	914	490	0	2000
Rate of Interest on 31.03.2020	0.95% over 1 Yr MCLR plus SP	1.60% over 1 Yr MCLR plus 1.80%	0.95% over 1 Yr MCLR plus SP	1 Yr MCLR plus 1.25%	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.80%	3 Month MCLR	3 Month MCLR plus 1%	3 Month MCLR plus 0.10%	9.85%	8.10%
Security	Paripassu First Charge on Current Assets of Muktyala Cement Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit	Paripassu First Charge on Current Assets of Captive Power Plant	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Unsecured	Paripassu First Charge on Current Assets of the Company	Paripassu First Charge on Current Assets of the Company

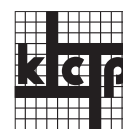
Rs in Lakhs

Note 19. Non current- Trade payables	As at 31-03-2020	As at 31-03-2019
Due to Others	271.26	271.26

Note 20. Non current- Other Financial Liabilities	As at 31-03-2020	As at 31-03-2019
Trade Deposits	4,155.13	3,883.40
Deposits Payable-Contractors	341.90	323.90
Interest accrued but not due	122.35	118.10
Outstanding Liabilities for Expenses	641.62	723.75
TOTAL	5,261.01	5,049.14

Note 21. Non current - Provisions	As at 31-03-2020	As at 31-03-2019
Provision for gratuity	229.15	35.40
Provision for leave benefits	1,108.10	931.54
Provision for Decommissioning expenses	453.82	410.96
TOTAL	1,791.07	1,377.89

Note 22. Deferred Tax Liability (Net)	As at 31-03-2020	As at 31-03-2019
Deferred Tax Liability		
Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	14,322.29	12,355.62
Discounting of legal cases	24.95	38.97
Gross Deferred Tax Liability	14,347.24	12,394.59
Deferred Tax Asset		
MAT Credit	4,477.30	4,722.38
Expected Credit Loss	1.96	1.59
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	744.56	814.87
Discounting of Trade Receivables	28.29	20.74
Unabsorbed Losses	4,313.96	483.50
Provision for decommissioning cost	158.58	143.60
Onerous Contracts	28.91	19.60
Others	107.82	28.01
Gross Deferred tax asset	9,861.37	6,234.31
Net Deferred Tax Liability	4,485.87	6,160.28



Rs in Lakhs

Note.23 Current Financial Liabilities- Borrowings	As at 31-03-2020	As at 31-03-2019
Cash credit from Banks		
: Secured	6,210.93	4,379.64
Other Short Term Borrowings-Working Capital Demand Loan (Secured)	3,209.89	5,000.00
Loan Repayable on Demand (Unsecured)		
: from Directors	1,800.00	1,665.00
Inter-corporate deposit repayable on demand	270.00	350.00
Total	11,490.82	11,394.64
Current Financial Liabilities-Borrowings includes the following:		
Secured borrowings	9,420.82	9,379.64
Unsecured borrowings	2,070.00	2,015.00

Note.24 Current Financial Liabilities - Trade payables	As at 31-03-2020	As at 31-03-2019
Due to Micro and Small Enterprises	15.80	46.19
Due to Others	11,411.75	7,106.78
TOTAL	11,427.54	7,152.97

Note 25. Current maturities of long term borrowings	As at 31-03-2020	As at 31-03-2019
Rupee Term Loans from Banks - Secured		
for Hotel Project	854.43	854.43
for Engineering Unit	67.60	-
for Cement Plant- Macherla	-	81.33
for Captive Power Plant- Muktyala	833.79	833.79
for Cement Plant Muktyala Expansion	5,000.00	3,550.00
for Corporate	2,000.00	1,920.00
Sub Total	8,755.82	7,239.55
Public Deposits (unsecured)		
From Directors	45.03	1,025.00
From Others	3,503.34	2,783.18
Sub Total	3,548.37	3,808.18
TOTAL	12,304.19	11,047.73

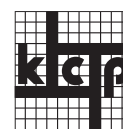
Rs in Lakhs

Note 25A. Current- Other Financial Liabilities	As at 31-03-2020	As at 31-03-2019
Interest Accrued but not due on borrowings	179.90	443.81
Interest Accrued and due on borrowings	341.80	49.21
Advance from customers	5,363.18	5,344.98
Unpaid Dividend	216.69	235.66
Accrued Salaries and Benefits	473.13	676.95
Directors Remuneration Payable	-	140.68
Project related payables	9.93	1,396.65
Outstanding Liabilities for Others	1,119.96	544.87
TOTAL	7,704.59	8,832.82

Note 26. Other Current Liabilities	As at 31-03-2020	As at 31-03-2019
Statutory Dues	1,080.68	2,073.34
TOTAL	1,080.68	2,073.34

Note 27. Current- Provisions	As at 31-03-2020	As at 31-03-2019
Provision for gratuity	56.22	9.63
Provision for leave benefits	324.65	368.30
TOTAL	380.86	377.93

28. Revenue from operations	Current Year	Previous Year
Revenue from operations		
Sale of products	90,939.20	1,12,039.23
Sale of services	2,309.05	1,697.96
Sub Total (Details given in next table)	93,248.25	1,13,737.19
Other operating revenue		
Scrap sales	125.44	190.85
Other revenue	173.50	11.77
Interest Income on		
- Bank deposits	205.68	132.57
- Others	42.32	102.13
Amortisation of government Grant (VAT Incentive)	2.00	1.99
Insurance Claims Received	-	14.55
Revenue from operations (Gross)	93,797.18	1,14,191.05



Disaggregation of revenue information as per INDAS 115

(Rs in lakhs)

Particulars	FY 2019-20	FY 2018-19
Revenue from Sale of Cement	84343.93	101710.30
Revenue from Power	31.71	611.62
Revenue from Engineering Job works	7076.17	9806.74
Revenue from Hospitality services	1796.44	1608.53
Total	93248.25	113737.19

Revenue from Contract with Customer as per disclosure requirements under para 126AA of INDAS-115:

S. No	Particulars	FY 2019-20	FY 2018-19
1	Revenue from contracts with customers (excl GST)	106971.86	124510.18
	Less:		
2	Discounts	13429.26	10028.08
3	Selling Agent commission	160.33	557.89
4	Sales Promotion	134.03	187.02
	Gross sales as per Profit and loss account	93248.25	113737.19

Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works

Particulars	As on 31.03.2020	As on 31.03.2019
Opening balance of Trade Receivables	2211.00	2023.60
Opening balance of Contract assets	2833.95	567.11
Opening balance of Contract liabilities	2695.14	1452.49
Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period	2392.33	5333.59
Revenue recognized in the reporting period from performance obligations satisfied in the previous period	-	-
Closing balance of receivables	2946.18	2211.00
Closing balance of contract assets	92.55	2833.95
Closing balance of contract liabilities	2128.85	2695.14

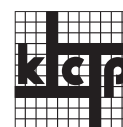
Rs in Lakhs

29. Other Income	Current Year	Previous Year
Dividend income on		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	2,792.00	1,371.00
Investment in joint venture - Fives Cail KCP Ltd.,	80.00	40.00
Non current investments	0.69	13.38
Net gain on sale of Assets	-	24.83
Other non-operating income (See note below)	382.14	719.42
TOTAL	3,254.83	2,168.63

Other Non-Operating Income	Current Year	Previous Year
Unclaimed balance Credited Back	30.65	16.73
Provision no longer required, credited back	18.27	491.37
Claims Received (other than insurance)	-	0.23
Rent Recovery	142.68	139.17
LD Recovered From Suppliers	1.64	0.28
Miscellaneous Receipts	188.90	71.63
TOTAL	382.14	719.42

30. Cost of raw material and components consumed	Current Year	Previous Year
Inventory at the beginning of the year	1,249.81	743.38
Add: Purchases	4,936.13	5,842.81
Add: Trial run production stocks	-	1,014.68
Add: Cost of raw materials produced	15,474.47	19,751.05
	21,660.41	27,351.93
Less: Inventory at the end of the year	902.87	1,249.81
TOTAL	20,757.54	26,102.12

Details of raw material and components consumed	Current Year	Previous Year
i) Cement Unit		
Limestone	12,698.88	14,698.80
Laterite	864.06	1,227.64
Fly Ash	1,806.28	1,565.86
Gypsum	2,044.91	2,589.54
Clinker	-	2,973.17
Sub total	17,414.13	23,055.02
ii) Engineering Unit		
Iron and Steel, Nickel, Scrap and Equipments	3,115.86	2,834.18
iii) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	13.59	20.89
iv) Hotel		
Provisions	213.96	192.03
TOTAL	20,757.54	26,102.12



Rs in Lakhs

Details of Inventory	Current Year	Previous Year
Raw materials and components		
Limestone	532.21	570.37
Laterite	63.69	71.54
Fly Ash	7.49	6.49
Gypsum	294.01	416.77
Iron and Steel, Nickel, Scrap and Equipments - In Transit	4.92	178.91
Others		
Sand	0.12	2.82
Stone Crusher Dust	0.17	2.91
Cement Stock Loose	0.26	-
TOTAL	902.87	1,249.81

31. (INCREASE)/ DECREASE IN INVENTORY

Particulars	Current Year	Previous Year
Inventories at the end of the year		
Work in progress	7,910.93	6,800.13
Finished goods	1,685.16	916.75
Sub Total	9,596.08	7,716.88
Inventories at the beginning of the year		
Work in progress	6,800.13	5,127.32
Finished goods	916.75	439.67
Sub Total	7,716.88	5,566.99
(Increase)/ Decrease	(1,879.20)	(2,149.89)

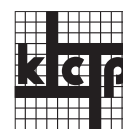
32. Employee benefits expense	Current Year	Previous Year
Salaries, Wages and bonus	6,685.34	6,971.83
Contribution to Provident and other funds	474.07	644.59
Gratuity expenses	124.61	90.54
Staff welfare expenses	757.35	858.02
TOTAL	8,041.37	8,564.99

33. Finance Costs	Current Year	Previous Year
Interest	5,355.26	3,333.20
Other Borrowing costs	142.81	110.43
Unwinding of Finance Cost	143.33	(24.53)
TOTAL	5,641.40	3,419.10

Rs in Lakhs

Depreciation and amortization expense	Current Year	Previous Year
Depreciation of tangible assets	7,077.96	5,157.71
Amortization of intangible assets	62.90	35.62
TOTAL	7,140.86	5,193.33

34. Other expenses	Current Year	Previous Year
Consumption of stores and spares	5,340.91	6,642.21
Consumption of loose tools	170.96	174.36
Sub-contracting expenses	1,755.69	2,101.09
Insurance	155.20	111.09
Rent	37.49	148.08
Rates and taxes	518.57	492.31
Repairs and maintenance :		
Plant&Machinery	961.24	1,056.74
Buildings	290.55	392.06
Other Assets	203.83	165.30
Wheeling/Banking Charges	787.21	77.78
Advertising and sales promotion	616.29	448.80
Travelling and conveyance	227.40	231.24
Communication costs	91.39	111.17
Printing & Stationery	65.23	76.61
Donations	2.48	11.00
Corporate Social Responsibility	63.68	108.81
Professional, Consultancy and Legal fees	711.29	527.33
Directors' sitting fees	11.40	11.60
Payment to auditors (Refer details below)	39.62	35.02
Exchange Difference - Net Loss /(Gain)	0.12	28.92
Bad debts/advances written off	2.30	17.95
Bank Charges	68.04	86.39
Assets Written Off	20.71	79.87
Loss on sale of fixed assets (net)	35.11	-
Performance and Delivery Guarantee Claims	484.00	168.22
Security Charges	505.23	484.38
Miscellaneous expenses	745.68	822.32
TOTAL	13,911.62	14,610.63



Rs in Lakhs

Payment to Auditors	Current Year	Previous Year
As Auditor:		
Audit Fee	20.70	18.00
Certification & Other fees	7.14	8.41
Fees for Cost Auditor	8.60	6.60
Reimbursement of expenses	3.18	2.01
TOTAL	39.62	35.02

Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2020 & 31-03-2019 are:

S No	Income tax expense:-	FY 2019-20	FY 2018-19
a)	Current tax	487.82	1,045.00
b)	Deferred tax	(1,884.17)	1,311.22
c)	MAT credit Utilised/ (Entitlement)	-	(804.42)
d)	Short /(Excess) provision of Income Tax/MAT	(466.56)	(22.95)
	Total tax expense for the year	(1,862.91)	1,528.85

Reconciliation of effective tax rate

Tax on the company's profit before tax differs from the theoretical amount that would arise on using the enacted rate of corporate tax in India (34.944%) as follows:

Particulars	FY 2019-20	FY 2018-19
a) Net Profit / (Loss) before taxes	(2,539.59)	5,480.20
b) Corporate Tax as per Income Tax Act, 1961	34.944%	34.944%
c) Tax on Accounting Profit (c) = (a)*(b)	(887.44)	1,915.00
d) Increase/Decrease in tax expense on account of:-		
i) Non taxable income/Exempt income	(28.19)	(14.23)
ii) Reduction in Depreciation/ (Accelerated Depreciation)	(1,660.44)	(1,576.31)
iii) Expenses not allowed under Income Tax	52.02	65.42
iv) Expenses that are allowed under payment basis	(148.68)	(120.22)
v) Expected Credit Loss(income) as per Ind AS	-	(0.65)
vi) Amortisation of Government Grant as per Ind AS	(0.70)	(0.70)
vii) Finance Cost as per Ind AS	47.76	(6.52)
viii) Stripping Cost Capitalised as per Ind AS	(45.85)	(130.62)
ix) Difference in tax rate for foreign dividend		-
x) Deduction under Sec 80-IA	2,900.03	(109.79)
xi) Foreign dividend taxable at special rates	487.82	239.54

Particulars	FY 2019-20	FY 2018-19
xii) Other adjustments	(228.51)	(21.39)
e) Tax as per Normal Provision under Income Tax	487.82	240.58
f) Tax rate applicable to the company as per MAT Provisions	21.55%	21.55%
g) MAT Tax expense on Net Profits	(547.25)	1,180.92
h) Increase/Decrease in tax expense on account of:-		
i) Items that will not be reclassified to Profit & Loss	(29.40)	(67.03)
ii) Exempt Income u/s 10(34)	(17.39)	(8.78)
iii) 1/5th of transition amount u/s 115JB(2C)	(42.81)	(42.81)
iv) Expected Credit Loss	0.23	(0.40)
v) Expenses that are not allowed as per Section 115JB	20.70	(17.94)
i) MAT tax provision under 115JB (g+h)	-	1,045.00

Deferred Taxes:-

S. no	Particulars	FY 2019-20	FY 2018-19
	As on reporting date		
	Deferred tax arising due to		
a)	On OCI component		
	-Actuarial Gain/Loss	(35.32)	(108.70)
b)	Other than OCI component		
	-Difference in W.D.V of Property Plant & Equipment	1,966.66	1,690.81
	-Impact of expenditure allowed under Income tax on payment basis		
	-Discounting of trade receivables	(7.54)	(3.89)
	-Provision for Loss allowance	(0.37)	0.65
	-Discounting of Legal cases	(14.02)	26.68
	-Unamortised transaction cost	-	(13.55)
	-Provision for Decommissioning cost	(14.98)	(17.56)
	-Other disallowances	16.53	111.60
	- Unabsorbed Losses	(3,830.45)	(483.50)
c)	Total for the year	(1,919.50)	1,202.52

Expense/(income) recognised for the year ended:		
Deferred tax liability/(asset) recognised in statement of profit and loss	(1,884.17)	1,311.22
Deferred tax recognised in other comprehensive income	(35.32)	(108.70)
Deferred tax recognised in Total comprehensive income	(1,919.50)	1,202.52

Rs in Lakhs

Details of Deferred tax liability/ (asset) arised during FY 2019-20:-

S. NO	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporary Timing difference arised in relation to Fixed Assets - Depreciation charged as per income tax act and Companies Act	12,355.62	1,966.66	-	-	14,322.29
	- Decommissioning Cost- Mines	-	-	-	-	-
2)	Bank Processing Charges - Amortization	-	-	-	-	-
3)	Discounting of Legal Cases	38.97	(14.02)	-	-	24.95
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(814.87)	105.64	(35.32)	-	(744.56)
5)	Provision for Doubtful debts	(20.74)	(7.54)	-	-	(28.29)
6)	Deferred Tax Asset on Expected credit loss	(1.59)	(0.37)	-	-	(1.96)
7)	Provision for Decommissioning Cost	(143.60)	(14.98)	-	-	(158.58)
8)	MAT Credit	(4,722.38)	-	-	245.08	(4,477.30)
9)	Unabsorbed Losses	(483.50)	(3,830.45)	-	-	(4,313.96)
10)	Onerous Contract	(19.60)	(9.30)	-	-	(28.91)
11)	Others	(28.01)	(79.81)	-	-	(107.82)
	TOTAL	6,160.28	(1,884.17)	(35.32)	245.08	4,485.87

Note 36. Other Comprehensive Income

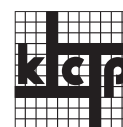
Particulars	Current Year	Previous Year
a) Items that will not be reclassified to P&L		
- Remeasurement of Defined Benefit Plan (Loss)/Gain		
Gratuity	(280.10)	(87.22)
Leave Encashment	(101.09)	(223.84)
- Increase/Decrease in Fair Value of Investments	(7.13)	(4.23)
b) Items that will be reclassified subsequently to Profit or loss	-	-
c) Impact of income tax on above (a) and (b)	35.32	108.70

Rs in Lakhs

Statement of additions, write off and payments closing as per IND AS 37 Para 84

S. No	Provisions	Leave Benefits	Gratuity	Income Tax	Decommissioning cost in respect of mines
1	Balance as at 31st March, 2019	1,299.83	45.03	1,848.02	410.96
2	Provision recognised during the year				
	- In Statement of Profit & Loss	264.83	124.75	487.82	42.86
	- In Statement of Other Comprehensive Income	101.09	280.10	-	-
3	Amounts incurred and charged against the provision	(233.01)	(164.52)	(1,835.00)	-
4	Balance as at 31st March, 2020	1,432.74	285.36	500.84	453.82

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2020-21 for terala mines, 2034-35 for macherla mines.



NOTES TO ACCOUNTS TO FINANCIAL STATEMENTS AS AT 31st MARCH, 2020

Rs in Lakhs

Note No	Particulars	As at 31st March, 2020	As at 31st March, 2019
37	CONTINGENT LIABILITIES		
A	Claims against the company not acknowledged as debt		
	A.1) In respect of Statutory levies	2,669.56	3,307.86
	A.2) In respect of Contractual levies	13.41	127.11
	A.3) In respect of Others	579.86	579.86
B	Guarantees issued by the Bankers on behalf of the Company		
	B.1) Against Advances obtained	6,010.73	5,816.84
	B.2) Towards Performance Guarantees	1,614.70	1,102.67

38	COMMITMENTS		
A	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,148.32	2,713.26
B	Other commitments - Sale contracts	14,745.54	16,020.78
	- Export Obligation under EPCG Scheme	144.29	144.29

39	VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
	a) Raw Materials and Stock-in-Trade	304.86	1,270.25
	b) Components ,Spares parts , Consumables & Coal	5,751.99	15,133.51
	c) Tools	-	0.34
	d) Capital goods	398.97	-
		6,455.83	16,404.10

40	Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:	FY 2019-20		FY 2018-19	
		Rs	%	Rs.	%
a	Raw materials				
	(i) Imported	2,470.15	11.90%	2622.77	10.05%
	(ii) Indigenous	18,287.39	88.10%	23479.36	89.95%
		20,757.54	100%	26102.13	100%
b	Components ,Spares parts , Consumables & Coal (debited to respective heads)				
	(i) Imported	13,603.92	49.40%	17525.17	50.09%
	(ii) Indigenous	13,936.82	50.60%	17459.30	49.91%
		27,540.75	100%	34984.47	100%

STANDALONE

Rs in Lakhs

41	UNALLOCATED CAPITAL EXPENDITURE	FY 2019-20	FY 2018-19
A	Opening Unallocated Capital Expenditure	362.36	1,536.81
	Salaries,wages & Bonus	51.18	185.45
	Staff welfare Expenses	-	0.63
	Stores and Spares Consumed	-	38.93
	Power	1.90	85.56
	Insurance	1.60	18.57
	Repairs to Other Assets	-	0.21
	Rent	-	2.27
	Professional Fees	70.17	76.50
	Travelling Expenses	-	10.04
	Security Charges	-	11.01
	Rates & taxes	-	54.12
	Interest on Fixed Loan	-	1,432.61
	Depreciation	-	17.64
	Miscellaneous expenses	0.59	16.17
	Net expenditure during trial run period	-	614.29
		487.81	4,100.82
	Less:		
	Interest Received	-	7.89
	Miscellaneous Income	-	0.03
		487.81	4,092.91
	Less:		
	Capitalised/Allocated to fixed assets	452.18	3,730.55
	Written off during the year	3.05	-
	Closing unallocated Capital Expenditure	32.58	362.36
42	EXPENDITURE IN FOREIGN CURRENCY	FY 2019-20	FY 2018-19
	a) Travelling expenses	4.79	3.63
	b) Membership	4.92	4.22
	c) Other matters- Seminars, advance to suppliers	11.36	190.93
		21.07	198.79
43	EARNINGS IN FOREIGN EXCHANGE	FY 2019-20	FY 2018-19
	a) F.O.B value of goods exported during the year	642.49	748.60
	b) Income from Service charge	285.08	226.69
	c) Dividend from Investments	2,872.00	1,383.65
		3,799.57	2,358.94

Rs in Lakhs

44	REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND	FY 2019-20	FY 2018-19
	a) Number of Non Resident Shareholders	509	525
	b) Number of Equity Shares held by them	59,74,914	62,90,756
	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.			
45	REVENUE EXPENDITURE CAPITALISED DURING THE YEAR	FY 2019-20	FY 2018-19
	a) Opening unallocated capital expenditure	362.36	1,536.81
	Add:		
	Salaries,wages, Bonus, PF & FPS	51.18	185.45
	Staff welfare Expenses	-	0.63
	Stores and Spares Consumed	-	38.93
	Power	1.90	85.56
	Insurance	1.60	18.57
	Repairs to Other Assets	-	0.21
	Rent	-	2.27
	Professional Fees	70.17	76.50
	Travelling Expenses	-	10.04
	Security Charges	-	11.01
	Rates & taxes	-	54.12
	Interest on Term Loan	-	1,432.61
	Depreciation	-	17.64
	Miscellaneous expenses	0.59	16.17
	Net expenditure during trial run period	-	614.29
		487.81	4,100.82
	Less:		
	Interest Received	-	7.89
	Miscellaneous Income	-	0.03
		487.81	4,092.91
	Less:		
	Capitalised/Allocated to fixed assets	452.18	3,730.55
	Written off during the year	3.05	-
	Closing unallocated Capital Expenditure	32.58	362.36
		487.81	4,092.91
	b) Net expenditure during trial run production		

Raw material consumed	-	1,528.74
Salaries & wages	-	12.71
contribution to providend and other funds	-	0.02
staff welfare expenses	-	0.27
Power & fuel	-	2,486.62
Repairs to other Assets	-	0.00
Interest paid to Bankers&Others	-	288.16
Insurance	-	1.76
Miscellaneous expenses	-	81.72
Depreciation	-	262.20
	-	4,662.19
Less:		
Sales/Inter Unit Transfer		
Raw-meal transfered to LINE I	-	25.54
Clinker transfered to LINE I	-	3,007.69
Stocks at the end of trail run production		
Raw Meal	-	83.27
Clinker	-	931.41
Net Income/Expenditure during trial period :	-	(614.29)

46	REVENUE FROM OPERATIONS	FY 2019-20	FY 2018-19
	Finished goods sold (inclusive of Excise duty/Service tax)		
	Cement	84,303.23	1,01,644.72
	Heavy Engineering products	6,563.56	9,717.32
	Electrical energy	2.99	583.50
	Service Receipts	2,309.05	1,697.96
	Others	618.34	547.54
	TOTAL	93,797.17	1,14,191.05

47	EARNINGS PER SHARE (EPS)	FY 2019-20	FY 2018-19
	i) Net Profit after tax as per Profit and Loss Statement	(676.68)	3,951.35
	ii) Net Profit attributable to Equity Shareholders	(676.68)	3,951.35
	iii) Weighted Average number of equity shares used as denominator for calculating EPS	128921160	128921160
	iv) Basic and Diluted Earnings per share	(0.52)	3.06
	v) Nominal value per each Equity share	1.00	1.00

48 .Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2019-20		FY 2018-19	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year	1,376.37	1,299.83	1,279.26	1,212.71
Interest cost	96.39	90.52	91.14	81.07
Current service cost	119.14	174.31	94.70	93.80
Past service cost			-	-
Benefits paid	(232.64)	(233.01)	(181.91)	(311.58)
Actuarial loss/(gain) on obligation	319.71	101.09	93.18	223.83
Present value of obligations as at end of the year	1,678.97	1,432.74	1,376.37	1,299.83
b) Reconciliation for fair value of plan assets				
Fair Value Of Plan Assets At The Beginning Of The Year	1,331.34	-	1,253.90	-
Expected Return On Plan Assets	90.78		94.99	
Contributions	164.52	233.01	158.40	311.58
Benefits Paid	(232.64)	(233.01)	(181.91)	(311.58)
Actuarial Gain On Plan Assets	39.60		5.96	
Fair Value Of Plan Assets At The End Of The Year	1,393.60	-	1,331.34	-
c) Net Liability recognised in the Balance Sheet				
Present value of obligations as at the end of the year	1,678.97	1,432.74	1,376.37	1,299.83
Fair value of plan Assets as at the end of the year	1,393.60	-	1,331.34	-
Amount determined under para 63 of IND AS 19	285.37	1,432.74	45.03	1,299.83
Net defined benefit liability recognised in the Balance sheet	285.37	1,432.74	45.03	1,299.83
Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
d) Expenses recognised in statement of Profit & Loss				
Current service cost	119.14	174.31	94.70	93.80
Net interest on net Defined benefit obligations	5.61	-	(3.84)	-
Interest cost	-	90.52	-	81.07
Net actuarial (gain)/loss recognised in the year	-	-	-	-
Past service Cost	-		-	
Expense to be recognised in the Profit & Loss a/c	124.75	264.83	90.86	174.87
e) Amount recognised in the statement of OCI				
Actuarial (gain)/loss on Plan obligation	319.70	101.09	93.18	223.83
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(39.60)	-	(5.96)	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	280.10	101.09	87.22	223.83

f) Actuarial Assumptions				
Assumptions as at 31 March, 2020				
Discount rate	6.73%	6.73%	7.65%	7.65%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	6.73%	0.00%	7.65%	0.00%
Mortality	IALM (2012-14)		IALM (2012-14)	
g) Date of Valuation	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
h) Average Duration of Defined Benefit Obligation (in Yrs)	8.69	5.29	9.13	5.33

i) Sensitivity Analysis

Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase (+) or decrease(-) in the reported assumption by 100/PY 100 basis points.

	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Leave Absentees	Gratuity	Leave Absentees
A	Discount Rate + 100/ (100) BP	7.73%	7.73%	8.65%	8.64%
	Defined Benefit Obligation (PVO)	1,594.37	1,492.57	1,307.49	1,259.02
	Current Service Cost	109.33	167.99	88.01	90.44
	Discount Rate - 100/(100) BP	5.73%	5.73%	6.65%	6.64%
	Defined Benefit Obligation (PVO)	1,773.82	1,376.43	1,453.58	1,344.03
	Current Service Cost	127.25	181.19	102.41	97.46
B	Salary Escalation Rate + 100/(100) BP	7.00%	7.00%	7.00%	7.00%
	Defined Benefit Obligation (PVO)	1,784.57	1,385.59	1,459.50	1,352.64
	Current Service Cost	127.95	182.23	102.91	97.95
	Salary Escalation Rate - 100/(100) BP	5.00%	5.00%	5.00%	5.00%
	Defined Benefit Obligation (PVO)	1,583.02	1,483.81	1,300.94	1,250.13
	Current Service Cost	108.56	166.90	87.49	89.92

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date.

Projected plan Cash flows:				
j) Expected Contribution in following Years [mid-year cash flows]				
Year 1	164.59	324.65	102.94	368.29
Year 2	171.17	278.08	109.11	205.75
Year 3	178.02	248.57	115.66	213.52
Year 4	185.14	210.50	122.60	191.43
Year 5	192.55	141.91	129.95	135.87
next 5 years	1,084.61	441.93	137.75	415.62
k) Expected Benefit payments in following Years [mid-year cash flows]				
Year 1	330.75	324.65	294.43	368.29
Year 2	195.53	278.08	119.16	205.49
Year 3	220.00	248.57	173.16	213.25
Year 4	148.71	210.50	168.38	191.20
Year 5	144.54	141.91	130.57	135.70
next 5 years	768.87	441.93	609.25	415.62

49. RELATED PARTY DISCLOSURE

(as per separate annexure enclosed)

50. A DERIVATIVE INSTRUMENT FOR HEDGING PURPOSE

The company has entered into the following Derivative instruments for Hedging purpose associated with foreign currency fluctuations related to certain firm commitments and is not intended for trading or speculation. The period end foreign exchange exposures that have been hedged by a derivative instrument are stated below.

Currency	Amount	Indian Rupees
	\$	Equivalent
USD	-	-

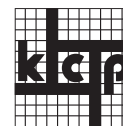
50. B Foreign Currency Exposure not hedged by forward contracts

Particulars	FY 2019-20	FY 2018-19
(i) Export Receivables	-	211.53
(ii) Import Creditors Payables	-	-

51	DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES (MSMED ACT,2006)	As at 31st March 2020	As at 31st March 2019
a	The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year - Principal amount of bills to be paid - Interest due thereon	15.80 -	46.19 0.01
b	The amount of interest paid by the buyer in terms of Section 6 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	-	-
d	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.01
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006. Note: For the purpose of the above details, of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties and has accordingly, been relied upon by the company and its auditors.	-	-

52	CORPORATE SOCIAL RESPONSIBILITY (CSR)	As at 31st March 2020	As at 31st March 2019
	In terms of section 135 of the Companies Act 2013, the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition promoting education, Art and Culture, Health care, destitute care and rehabilitation and Rural development projects.		
	-> Gross amount required to be spent by the company during the year	106.55	123.44
	(-) Amount spent by the company during the year towards CSR	63.68	108.81
	Amount yet to be spent by the company	42.87	14.63

53. PROVISION FOR ONEROUS CONTRACTS- IND AS 37	As at 31st March 2020	As at 31st March 2019
As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision.	82.72	56.10



54. PROPOSED DIVIDEND

In respect of the year ended March 31, 2020 the Directors proposed a dividend of Rs.0.15 paise per share on equity share of Re.1/- each. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.193.38 lakhs excluding Dividend Distribution Tax.

55. Financial instruments - Fair values and risk management

(as per separate annexure-II enclosed)

56. Consequent to the Hon'ble Supreme Court upholding the power of APERC to levy the wheeling charges an amount of Rs. 571 lakhs was provided in the books of accounts for the charges payable by the company for the period from 2002-03 to 2013-14.

57. Figures in brackets indicate Negative figures unless otherwise specifically stated.

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

(FOR AND ON BEHALF OF THE BOARD)

As per our Report Annexed

for K.S.RAO & CO

Chartered Accountants

Firm Regn No. 003109S

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai

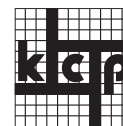
Date: 18th June 2020

ANNEXURE - I TO STANDALONE NOTES- RELATED PARTY DISCLOSURE

Refer Note No 49. Related party Disclosure

A. List of Related parties:

Subsidiary Company	KCP Vietnam Industries Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	Dr. V.L. Dutt - Executive Chairman (till 18 th Feb. 2020) Dr. V.L. Indira Dutt - Chairperson and Managing Director Smt.V Kavitha Dutt - Joint Managing Director Sri V.H. Ramakrishnan - Independent Director Sri P.S Kumar - Independent Director Sri Vijay Sankar - Independent Director Sri Narasimhappa Muttuluri - Independent Director Sri O. Swaminatha Reddy - Independent Director (till 31 st March, 2019) Sri V. Gandhi - Technical Director (till 31 st March, 2019) Sri. G.N. Murty - Chief Financial Officer Sri. Y. Vijaya Kumar - Company Secretary
Relatives of Key Management Personnel (KMP)	Dr. V.L. Dutt - Executive chairman Smt. Rajeswary Ramakrishnanan - Sister Dr. V.L. Indira Dutt - Late Smt. S.R.V.Rajyalakshamma - Mother Sri V.Chandra Kumar - Brother Smt.V.Rama Kumari - Sister Smt. V Kavitha Dutt - Kum.Shivani Dutt Chitturi - Daughter Sri Ravi Chitturi - Husband
Companies controlled by Key management Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. BGE Engineering (India) Private Limited VRK Grandsons Investment (Private) Limited V Ramakrishna Charitable Trust Sri Chandramoulieswara Nursing Home Trust Bala Tripurasundari Ammavaru Trust Fives Combustion Systems Pvt Ltd.



B. Transactions with the related parties:

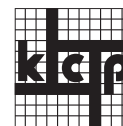
Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Sale of Goods					
Fives Cail KCP Limited		- (10.68)			
Services Rendered					
Fives Cail KCP Limited		121.33 (120.11)			
V. Ramakrishna Charitable Trust					0.16 (0.16)
Dividend Income					
KCP Vietnam Industries Limited	2,792.00 (1,371.00)				
Fives Cail KCP Limited		80.00 (40.00)			
Bridgecap Engineering					- (12.65)
Loans/Deposits received					
Dr V L Dutt			(337.68)		
Dr V L Indira Dutt			2,368.50 (435.00)		
Smt. V Kavitha Dutt			- (315.00)		
VL Dutt (HUF)				150.00 (50.00)	
Kum. Shivani Dutt Chitturi				45.00 (58.00)	
Sri.V.Chandra Kumar				0.96 (0.96)	
Purchase of Goods					
Fives Cail KCP Limited		16.61 (18.22)			
KCP Technologies Limited					- (0.46)
Fives Combustion Systems Pvt Ltd.					- (13.32)

STANDALONE

Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Remuneration paid					
Dr V L Dutt			88.69 (242.49)		
Dr V L Indira Dutt			154.44 (181.87)		
Smt. V Kavitha Dutt			166.66 (147.31)		
Sri G.N. Murty			85.36 (78.16)		
Sri Y. Vijayakumar			35.37 (29.28)		
Directors Out of pocket Exp. & Sitting fees					
Sri O. Swaminatha Reddy			- (2.37)		
Sri V. H Ramakrishnan			3.34 (2.48)		
Sri Vijay shankar			1.90 (2.20)		
Sri P. S. Kumar			3.30 (2.63)		
Sri M. Narasimhappa			3.34 (2.48)		
Interest paid					
Dr V L Dutt			155.06 (179.98)		
Dr V L Indira Dutt			63.28 (25.09)		
Smt. V Kavitha Dutt			45.16 (31.69)		
Other Relations					
Kum. Shivani D. Chitturi				35.53 (33.53)	
VL Dutt (HUF)				85.15 (77.45)	
V. Ramakrishna Sons Pvt Limited					26.44 (36.12)



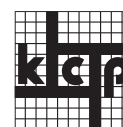
Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Sri O. Swaminatha Reddy			0.44 (0.47)		
Dividend paid					
Dr V L Dutt			60.06 (60.06)		
Dr V L Indira Dutt			34.68 (33.64)		
Smt. V Kavitha Dutt			12.25 (11.80)		
Sri V .Gandhi			- (0.02)		
Other Relations					
Kum.Shivani Dutt Chitturi				13.00 (13.00)	
Late Smt.S R V Rajyalakshmamma				- (0.01)	
Smt.Uma S Vallabhaneni				1.63 (1.63)	
Smt.Rajeswary Ramakrishnan				0.07 (0.07)	
Smt.Kamala Devi Valluri				- (0.05)	
Smt.Anupama				- (0.02)	
V. Ramakrishna Sons Pvt Limited					389.56 (389.56)
The Jeypore Sugar Company Ltd.					2.78 (2.78)
VRK Grandsons Investment (Private) Limited					42.49 (52.35)
Dr V L Dutt (HUF)				1.14 (1.14)	
Loans/Deposit Repaid					
Dr V L Dutt			2,133.50 (30.00)		

STANDALONE

Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Dr. V. L. Indira Dutt			- (620.00)		
Smt. V Kavitha Dutt			- (10.00)		
V. Ramakrishna Sons Pvt Limited					80.00 (270.00)
Kum. Shivani Dutt Chitturi				- (13.00)	
Sri O. Swaminatha Reddy			- (5.00)		
Rent Paid					
Dr V L Indira Dutt			123.27 (136.46)		
Smt. V Kavitha Dutt			5.06 (5.06)		
Other Relations					
Smt. Uma.s. Vallabhaneni				119.64 (143.68)	
Smt.V.Rama Kumari				89.96 (104.25)	
Bala Tripurasundari Ammavaru Trust					114.99 (144.41)
Sri.V.Chandra kumar				49.59 (58.50)	
Balances as at 31.03.2020					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	2,371.44 (2,371.44)				



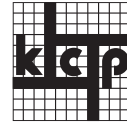
Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Fives Cail KCP Limited		40.00			
		(40.00)			
Receivable Trade dues/others					
Fives Cail KCP Limited		19.04			
		(1.74)			
V. Ramakrishna Sons Pvt Limited					0.04
					(0.01)
Receivable Rent					
Fives Cail KCP Limited		-			
		(0.03)			
Share capital in KCP held by					
Dr. VL Dutt			60.26		
			(60.06)		
Dr. V. L. Indira Dutt			35.94		
			(34.67)		
Smt. V Kavitha Dutt			13.00		
			(12.25)		
Sri V. Gandhi			-		
			(0.02)		
Other Relations					
Kum.Shivani Dutt Chitturi				13.00	
				(13.00)	
Smt.Rajeswary Ramakrishnan				0.07	
				(0.07)	
Late Smt.S R V Rajyalakshamma				(0.01)	
Smt.Uma S Vallabhaneni				1.63	
				(1.63)	
Smt.Anupama				-	
				(0.02)	
Smt.Kamala Devi Valluri				-	
				(0.05)	
V. Ramakrishna Sons Pvt Limited					389.56
					(389.56)

STANDALONE

Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
The Jeypore Sugar Company Ltd.					2.78 (2.78)
VRK Grandsons Investment (Private) Limited					42.49 (42.49)
Dr. VL Dutt (HUF)				1.14 (1.14)	
Loans/Advances held					
Dr V L Dutt			- (1,000.00)		
Dr V L Indira Dutt			1,350.00 (215.00)		
Smt. V Kavitha Dutt			450.00 (450.00)		
V. Ramakrishna Sons Pvt Limited					270.00 (350.00)
Sri.V.Chandra kumar				0.96 (0.96)	
Sri Chandramoulieswara Nursing Home Trust					0.36 (0.36)
Bala Tripurasundari Ammavaru Trust					0.54 (0.54)
Deposits held with the company					
Dr V L Dutt			- (1,133.50)		
Dr V L Indira Dutt			1,258.50 (25.00)		
Smt. V Kavitha Dutt			101.53 (101.53)		
Other Relations					
VL Dutt[HUF]				1,000.00 (850.00)	
Kum.Shivani Dutt Chitturi				415.00 (370.00)	



Rs. in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP
Commission payable					
Dr. V L Dutt			-		
			(100.13)		
Dr. V. L. Indira Dutt			-		
			(40.55)		
Payable Trade Dues					
Dr. V. L. Indira Dutt			30.55		
			(33.13)		
Smt. V Kavitha Dutt			1.16		
			(1.16)		
Other Relations					
Smt.V.Rama Kumari				26.81	
				(26.71)	
Sri.V.Chandra kumar				11.95	
				(11.79)	
Smt.Uma.s.Vallabhaneni				26.47	
				(29.59)	
Bala Tripurasundari Ammavaru Trust					28.20
					(37.05)

STANDALONE

Rs. in Lakhs

Annexure - II Referred in Note No. 55**55A. Financial Assets & Financial Liabilities and their fair values**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31st March, 2020

Particulars	Note	Fair value hedging instruments	Carrying amount				Fair value													
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total									
Financial instruments measured at fair value																				
Investments	6	-	10.01	-	-	2,873.43	-	-	-	2,883.44	10.01	-	-	-	-	-	-	-	-	10.01
Financial assets not measured at fair value																				
Trade receivables	7 & 11	-	-	-	-	4,864.30	-	-	-	4,864.30	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	-	1,886.81	-	-	-	1,886.81	-	-	-	-	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	-	1,658.11	-	-	-	1,658.11	-	-	-	-	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to employees	13	-	-	-	-	31.87	-	-	-	31.87	-	-	-	-	-	-	-	-	-	-
Other Financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	-	-	23.18	-	-	-	23.18	-	-	-	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	-	13.94	-	-	-	13.94	-	-	-	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	-	79.44	-	-	-	79.44	-	-	-	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	-	5.74	-	-	-	5.74	-	-	-	-	-	-	-	-	-	-
Gratuity plan assets (Net)	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	-	0.91	-	-	-	0.91	-	-	-	-	-	-	-	-	-	-
Contract Assets	13	-	-	-	-	92.55	-	-	-	92.55	-	-	-	-	-	-	-	-	-	-
Others	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	10.01	-	-	11,530.29	-	-	-	11,540.30	10.01	-	-	-	-	-	-	-	-	10.01

Particulars	Note	Carrying amount						Fair value						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial liabilities not measured at fair value														
Borrowings	18, 23 & 25	-	-	-	-	-	50,752.65	50,752.65	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	11,698.80	11,698.80	-	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	-	-	5,261.01	5,261.01	-	-	-	-	-	-
Other financial liabilities (Current) :-														
Accrued salaries and benefits	25A	-	-	-	-	-	473.13	473.13	-	-	-	-	-	-
Payable to director	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding liabilities for expenses	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	25A	-	-	-	-	-	7,231.46	7,231.46	-	-	-	-	-	-
TOTAL							75,417.05	75,417.05						

Rs. in Lakhs

As at 31st March, 2019

Particulars	Note	Carrying amount						Fair value						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial instruments measured at fair value														
Investments	6	-	16.45	-	2,873.43	-	2,889.88	16.45	-	-	-	-	-	16.45
Financial assets not measured at fair value														
Trade receivables	7 & 11	-	-	-	3,257.56	-	3,257.56	-	-	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	1,166.62	-	1,166.62	-	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	1,853.53	-	1,853.53	-	-	-	-	-	-	-

Particulars	Note	Carrying amount					Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to employees	13	-	-	-	37.06	-	-	-	37.06	-	-	-	-	-
Other Financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	-	25.08	-	-	-	25.08	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	11.85	-	-	-	11.85	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	46.06	-	-	-	46.06	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	5.74	-	-	-	5.74	-	-	-	-	-
Gratuity plan assets (Net)	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	1.75	-	-	-	1.75	-	-	-	-	-
Contract Assets	13	-	-	-	2,833.95	-	-	-	2,833.95	-	-	-	-	-
Others	13	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	16.45	-	12,112.63	-	-	-	12,129.08	-	16.45	-	-	16.45
Financial liabilities not measured at fair value														
Borrowings	18, 23 & 25	-	-	-	-	-	-	-	55,761.58	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	-	-	7,424.23	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	-	-	-	-	5,049.14	-	-	-	-	-
Other financial liabilities (Current) :-														
Accrued salaries and benefits	25A	-	-	-	-	-	-	-	676.95	-	-	-	-	-
Payable to director	25A	-	-	-	-	-	-	-	140.68	-	-	-	-	-
Outstanding liabilities for expenses	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	25A	-	-	-	-	-	-	-	8,015.19	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	77,067.77	-	-	-	-	77,067.77

55B. Financial instruments - Fair values and risk management

Financial risk management objectives and policies

The Company's activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

b) Interest rate risk

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations. The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings majorly consists of project funding loans, working capital loans having variable rate of interest.

The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:

Particulars	Ast at 31.03.2020	Ast at 31.03.2019
Fixed rate instruments		
Financial liabilities (Includes borrowings)	10647.05	10711.49
Financial assets	23.18	25.08
Variable rate instruments		
Financial liabilities (Includes borrowings)	40105.6	45049.95
Total financial liabilities	50775.83	55786.52

i) Sensitivity analysis

Particulars	Impact on profit or loss		Impact on other components of equity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
1% increase in MCLR rate	401	450	401	450
1% decrease in MCLR rate	(401)	(450)	(401)	(450)

ii) Fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value

iii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The company's credit risk for trade receivables is as follows

Particulars	31.03.2020	31.03.2019
Trade receivables	4,864	3,258

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for credit loss	31.03.2020	31.03.2019
Balance at the beginning	4.56	6.41
Impairment loss recognised	1.05	-1.85
Balance at the end	5.61	4.56

No single customer accounted for more than 10% of the revenue for the year ended 31st March, 2020 and 31st March, 2019.

There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and credit rating agencies.

55C Liquidity risk Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is expected to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2020

Particulars	Contractual cash flows					
	Carrying value	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Borrowings (Non current)	26,957.64	-	8,568.82	17,965.86	422.96	26,957.64
Current maturities of long term borrowings	12,304.19	12,304.19	-	-	-	12,304.19
Financial liabilities (Non current)	5,261.01	-	5,261.01	-	-	5,261.01
Cash credit & Demand Loans	11,490.82	11,490.82	-	-	-	11,490.82
Trade payables (current)	11,427.54	11,427.54	-	-	-	11,427.54
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities(Current)	7,704.59	7,704.59	-	-	-	7,704.59
	75,417.05	42,927.14	14,101.09	17,965.86	422.96	75,417.05

As at 31st March 2019

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	33,319.07	-	8,108.20	16,405.66	8,805.21	33,319.07
Current maturities of long term borrowings	11,047.73	11,047.73	-	-	-	11,047.73
Financial liabilities (Non current)	5,049.14	-	5,049.14	-	-	5,049.14
Cash credit	11,394.64	11,394.64	-	-	-	11,394.64
Trade payables (current)	7,152.97	7,152.97	-	-	-	7,152.97
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities(Current)	8,831.58	8,831.58	-	-	-	8,831.58
	77,066.39	38,426.92	13,428.60	16,405.66	8,805.21	77,066.39

55D. Foreign exchange risk

The Company imports coal/chromo sand for its production operations, and exports cement/engineering equipments.

The impact of foreign exchange rate variation on its segments' performance is as follows.

(Rs. Lakhs)

Particulars	Impact on profit	
	2019-20	2018-19
Increase in Exchange Rate by Re.1		
Cement	(86.74)	(194.28)
Captive Power Plant	(16.13)	(1.44)
Engineering	(0.77)	(1.53)
Decrease in Exchange Rate by Re.1		
Cement	86.74	194.28
Captive Power Plant	16.13	1.44
Engineering	0.77	1.53

E. Commercial risk
Sale price risk

(Rs. Lakhs)

Particulars	Impact on profit	
	2019-20	2018-19
Selling price increase by 5%		
Cement	4,215.16	5,082.24
Power	0.15	33.10
Engineering	328.18	485.87
Hospitality & other Services	115.45	108.59
Selling price decrease by 5%		
Cement	(4,215.16)	(5,082.24)
Power	(0.15)	(33.10)
Engineering	(328.18)	(485.87)
Hospitality & other Services	(115.45)	(108.59)

(Rs. Lakhs)

Raw material price risk

Particulars	Impact on profit	
	2019-2020	2018-2019
Raw material price increase by 5%		
Cement		
Limestone	(634.94)	(734.94)
Laterite	(43.20)	(61.38)
Fly Ash	(90.31)	(78.29)
Gypsum	(102.25)	(129.48)
Engineering		
Iron and Steel, Nickel and Scrap	(155.79)	(141.71)
	(1,026.50)	(1,145.80)
Raw material price decrease by 5%		
Cement		
Limestone	634.94	734.94
Laterite	43.20	61.38
Fly Ash	90.31	78.29
Gypsum	102.25	129.48
Engineering		
Iron and Steel, Nickel and Scrap	155.79	141.71
	1,026.50	1,145.80

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:

Opinion

We have audited the accompanying consolidated financial statements of **THE KCP LIMITED** ("the Holding Company") its subsidiary (Holding company and its subsidiary together referred as "the Group") and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><u>Accuracy of Revenues and Onerous Obligations in respect of Fixed Price Contracts Involves Critical Estimates</u></p> <p>As described in Note 1.5(1) to the consolidated financial statements, the company has adopted Ind AS 115, effective from 1st April, 2018.</p>	<p><u>Principal audit procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> evaluated the design and implementation of the processes and internal control relating to recording of costs incurred and estimation of expenses required to complete the performance obligations.

1	<p>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates of possible effect from the pandemic relating to COVID -19.</p> <p>Estimated costs such as materials, labour and overheads is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contracts, efforts required to complete the remaining contract performance obligations.</p>	<ul style="list-style-type: none"> • we have analysed and comprehended the complexity of revenue recognition in relation to company's industry sector (estimates of engineering services – contract assets and contract liabilities), revenue recognition net of adjustments for allowances, discounts and returns, the existence of multiple performance obligations, etc., and also the complexity of measurement in relation to recognition of revenue /losses from long-term contracts. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of performance obligations of the contracts. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the contracts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract. • Performed analytical procedures and test of details for reasonableness of incurred and estimated costs.
2	<p><u>Recognition of deferred income tax assets.</u></p> <p>Refer to Note 1.5 X and Note 22 to the consolidated financial statements.</p> <p>As at 31st March 2020, the group had deferred income tax assets of Rs.19.19 crores.</p> <p>Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.</p> <p>Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and expected to apply when the related deferred tax income asset is realised.</p>	<p><u>Principal audit procedures</u></p> <p>We performed the following procedures in relation to the recognition of deferred income tax assets:</p> <ul style="list-style-type: none"> • Evaluating management's assessment as at whether there will be sufficient taxable profits in future periods by reference to forecasts of future profits/strategic plans and future reversals of taxable temporary differences to support the recognition of deferred income tax assets. • Assessing the underlying assumptions used in management's approved forecasts of future profits such as revenue growth rates and operating margins by comparison to historical results and future strategic and tax plans and with reference to the business and industry circumstances. • Testing management's reconciliation of forecast profits to forecast taxable profits to supporting evidence on a sample basis. • Validating available tax losses, including the respective expiry periods to tax returns and tax correspondence. • Testing the calculation of deferred income tax assets by reference to tax rates enacted or substantively enacted by the balance sheet date.

2	<p>Recognition of the deferred income tax assets involves judgment regarding the future financial performance of the entity in which the deferred income tax asset has been recognised. A number of factors are evaluated in considering whether there is evidence that it is probable the deferred income tax assets will be realised, including whether there will be sufficient taxable profits the length of time and severity of the impact of COVID-19 available during the utilisation periods, existence of taxable temporary differences, relief and tax planning strategies.</p> <p>Management has performed its assessment on the recognition of these deferred income tax assets and considers that the realization of these assets is probable as at March 31, 2020.</p> <p>We focused on this area because of the inherent uncertainties involved in forecasting future taxable profits and future reversals of taxable temporary differences.</p>	<p>We found the judgements made by management in relation to recognition of deferred income tax assets to be supportable based on the available evidence.</p>
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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

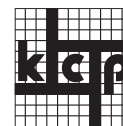
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of the other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and Joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the



accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the Group's ability and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and joint venture are also responsible for overseeing the financial reporting process of the Group and joint venture

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, joint venture and its subsidiary company which is accompany incorporated outside India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the holding company included in the consolidated financial statements of which we are the independent auditors. For the other entity and joint venture included in the consolidated financial statements, which has been audited by other auditors, such other auditors remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in para (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

(a) We did not audit the financial statements /financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/ financial information reflect total assets of Rs.68,842 Lakhs as at 31st March 2020, total revenues of Rs.48,591 Lakhs and net cash flows from operating activities amounting to Rs.5405.56 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements include the share of net profit of Rs.9349.52 Lakhs for the year ended 31st March 2020, as considered in the consolidated Ind AS 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 Ind AS

financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

(b) We did not audit the financial statements /financial information of Fives Cail KCP Limited (Joint Venture), and the consolidated Ind AS financial statements also includes the Group's share of net profit of Rs.45.55 Lakhs for the year ended 31st March 2020, as considered in the consolidated Ind AS financial statements, in respect of Fives Cail KCP Limited (Joint Venture), whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income),

Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of Statutory auditor of a joint venture none of the directors of the Holding company and joint venture incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein;
- g) with respect to Managerial Remuneration to be included in the Auditors’ report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its joint venture is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding

Company and its joint venture, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;

- h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) the consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and joint venture – Refer Note No 37 of the consolidated financial statements;
- (ii) the Group and joint venture has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 46 to the Consolidated Ind AS financial statements; and
- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and joint venture incorporated in India

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

Place :
HYDERABAD
Date :18/06/2020

(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAGZ5657

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The **KCP Limited** ("the Holding Company") and its joint venture, incorporated in India as of 31st March 2020, in conjunction with our audit of the consolidated Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

was established and maintained and if such controls operated effectively in all material respects.

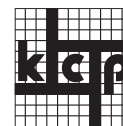
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized



acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its joint venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control

over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one joint venture, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of the above matters.

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

Place :
HYDERABAD
Date :18/06/2020

(P.GOVARDHANA REDDY)
Partner
Membership No. 029193
UDIN20029193AAAAGZ5657

CONSOLIDATED BALANCE SHEET

Rs in Lakhs

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	1,17,429.85	1,18,316.44
	(b) Capital Work-in-progress	3	1,539.47	4,190.60
	(c) Investment Property	4	0.75	0.75
	(d) Other Intangible Assets	5	597.02	266.05
	(e) Financial Assets			
	(i) Investments	6	1,476.63	1,533.99
	(ii) Trade Receivables	7	552.52	319.68
	(iv) Other financial assets	8	23.18	25.08
	(f) Deferred Tax Assets (Net)			
	(g) Other Non-current Assets	9	986.01	2,546.01
(2)	Current assets			
	(a) Inventories	10	28,911.03	34,908.11
	(b) Financial Assets			
	(ii) Trade Receivables	11	8,862.84	8,049.30
	(iii) Cash and cash equivalents	12	1,964.80	1,570.68
	(iv) Bank balances other than (iii) above	12A	25,472.03	11,046.67
	(v) Loans			
	(vi) Other financial assets	13	224.45	2,938.85
	(c) Current Tax Assets (Net)	14	1,705.94	829.98
	(d) Other Current assets	15	7,575.14	9,187.24
	Total Assets		1,97,321.67	1,95,729.45
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	82,542.67	79,766.40
	Non Controlling Interest	17A	19,269.18	16,688.93
	Deferred Government Grant		30.41	32.41
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	28,034.83	35,727.45
	(ii) Trade Payables	19		
	Due to Micro and Small Enterprises			
	Due to Others		271.26	271.26
	(iii) Other financial liabilities	20	8,752.39	7,815.97
	Provisions	21	1,791.07	1,377.89
	Deferred Tax Liabilities (Net)	22	4,485.87	6,160.28
(2)	Current liabilities			
	Financial Liabilities			
	(i) Borrowings	23	13,068.00	11,394.64
	(ii) Trade payables	24		
	Due to Micro and Small Enterprises		15.80	46.19
	Due to Others		12,950.60	9,462.95
	(iii) Current Maturities of Long Term Borrowings	25	13,806.20	12,450.22
	(iii) Other financial liabilities	25A	9,379.65	10,578.66
	(a) Other current liabilities	26	1,253.68	2,289.06
	(b) Provisions	27	380.86	377.93
	Total Equity and Liabilities		1,97,321.67	1,95,729.45

The accompanying notes are an integral part of the Consolidated financial statements. 1,37 to 53

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P S KUMAR
Director

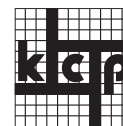
G N MURTY
Chief Financial Officer

As per our report annexed
for K.S.RAO & CO
Chartered Accountants
Firm Regn No. 003109S

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020



Rs in Lakhs, except no. of equity shares and per equity share data
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

PARTICULARS	Note No	Year ended 31-March-2020	Year ended 31-March-2019
Income			
Revenue from Operations	28	1,42,358.65	1,66,130.14
Other Income	29	412.37	803.40
Total Revenue (I)		1,42,771.02	1,66,933.55
Expenses			
Cost of Raw Materials and Components consumed	30	46,852.21	53,538.29
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	31	1,712.51	4,778.82
Employee Benefits expense	32	10,290.46	10,732.41
Power and fuel		24,245.62	30,429.41
Freight and forwarding charges		23,550.11	27,034.52
Finance Costs	33	5,939.80	3,908.92
Depreciation and amortization expense	2	9,609.07	7,561.73
Other expenses	34	16,633.31	16,592.80
Total Expenses (II)		1,38,833.09	1,54,576.89
Profit/(Loss) before Exceptional items and tax		3,937.94	12,356.65
Add : Exceptional Items (Net)		-	-
Profit/(Loss) before tax		3,937.94	12,356.65
Add : Income Tax Refund			
Less : Tax expenses	35		
Short /Excess provision of Income Tax		(218.28)	(22.95)
Short /(Excess) MAT credit utilised / (entitlement)		(248.28)	
Current tax		487.82	1,045.00
Deferred tax		(1,884.17)	1,311.22
Add: MAT credit entitlement		-	(804.42)
Total tax expense		(1,862.91)	1,528.85
Profit/(Loss) for the year from continuing operations (A)		5,800.85	10,827.80
Profit / (Loss) from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax) (B)		-	-
Profit / (Loss) for the year (A) + (B)		5,800.85	10,827.80
Share of profit from joint venture		29.11	157.17
Less: Non Controlling share of Profit	17A	3,116.51	2,762.49
Profit / (Loss) after Non controlling interest		2,713.44	8,222.49
Other Comprehensive Income- OCI	36		
Items that will not be reclassified to P&L		2,286.45	819.28
Income tax relating to items that will not be reclassified to profit or loss		35.32	108.70
Share of OCI from joint venture		(0.02)	(28.95)
Less: Non controlling share of OCI	17A	955.28	382.25
OCI after Non controlling share		1,366.48	516.78
Total Comprehensive Income for the period (Comprising P& L + OCI)		8,151.70	11,884.01
Less: Minority share of Total Comprehensive income	17A	4,071.78	3,144.73
Total Comprehensive income after minority interest		4,079.92	8,739.27
Earnings per share (for Continuing Operations) Basic and diluted	42	2.10	6.38
Earnings per share (for Discontinued Operations) Basic and diluted		-	-
Total Earnings per share - Basic and diluted		2.10	6.38
(Face value of share is Rs.1)			
The accompanying notes are an integral part of the Consolidated financial statements.	1,37 to 53		

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed

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

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 18th June 2020

Rs. in Lakhs

Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

Particulars	No of Shares	Amount (Rs. Lakhs)
Balance as at 1st April, 2018	128,921,160	1,289.21
Changes in equity share capital during 2018-19	-	-
Balance as at 31st March, 2019	128,921,160	1,289.21
Changes in equity share capital during 2019-20	-	-
Balance as at 31st March, 2020	128,921,160	1,289.21

B. Other Equity**Reserves & Surplus**

Particulars	Reserves & Surplus						Other Comprehensive Income		Total	
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income		Actuarial Gains/losses reserve
Balance at the beginning of reporting period - 01-04-2018	2,000.00	279.91	103.83	9,548.48	375.29	27,248.40	33,157.26	0.56	(389.26)	72,324.48
Profit for the period	-	-	-	-	-	-	8,065.32	-	-	8,065.32
Share of profit of joint venture	-	-	-	-	-	-	157.17	-	-	157.17
Additions/(Deletions) during the year to translation reserve	-	-	-	(1,093.31)	1,845.63	-	-	(4.23)	(231.31)	752.32
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(235.54)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	8,739.27
Transfer from/to General Reserve	-	-	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	-	-	(1,289.21)	-	-	(1,289.21)
Dividend Distribution tax	-	-	-	-	-	-	(8.14)	-	-	(8.14)
Balance at the end of reporting period - 31-03-2019	2,000.00	279.91	103.83	8,455.18	2,220.92	27,248.40	40,082.40	(3.67)	(620.57)	79,766.40
Profit for the period	-	-	-	-	-	-	2,684.34	-	-	2,684.34
Share of profit of joint venture	-	-	-	-	-	-	29.11	-	-	29.11

Rs. in Lakhs

Particulars	Reserves & Surplus					Other Comprehensive Income		Total		
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	Other Reserves (General reserve)	Retained Earnings		Equity instruments through Other Comprehensive Income	Actuarial Gains/losses reserve
Additions/(Deletions) during the year to translation reserve				768.23	951.27					1,719.50
Adjustments for lease rentals under IND AS 116							(14.43)			(14.43)
Other Comprehensive Income								(7.13)	(345.89)	(353.02)
Total Comprehensive Income for the year										4,065.50
Final Dividends										(1,289.21)
Dividend Distribution tax										-
Balance at the end of reporting period - 31-03-2020	2,000.00	279.91	103.83	9,223.41	3,172.19	27,248.40	41,492.20	(10.80)	(966.47)	82,542.67

The accompanying notes form an integral part of the Consolidated financial statements 1,37 to 53

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed

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

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary

Place: Chennai

Date: 18th June 2020

CONSOLIDATED CASH FLOW STATEMENT

(Rs.in Lakhs)

PARTICULARS	CURRENT YEAR 2019-20	PREVIOUS YEAR 2018-19
(A) Cash flow from operating activities		
Profit before tax from continuing operations	6,809.94	13,767.65
Share of profits from joint venture	29.11	157.17
Profit before tax	6,839.04	13,924.83
Adjustments for :		
Depreciation/ Amortization on continuing operation	9,546.18	7,526.11
Depreciation/amortization on continuing operation	62.90	35.62
Loss/[profit] on sale of fixed assets	35.11	(24.83)
Assets written off	23.01	79.87
Expected Credit loss	1.06	(1.85)
Discounting of trade receivables	21.59	11.14
Amortisation of government grant	(2.00)	(1.99)
Unrealised foreign exchange loss/ (gain)	0.12	28.92
Actuarial loss on defined benefit plan-gratuity	(471.16)	(99.39)
Actuarial loss on defined benefit plan-leave	(65.76)	(223.84)
Translation gain/loss during the year	2,865.83	1,146.74
Interest expense	5,641.40	3,419.10
Share of OCI of Associate	(0.02)	(28.95)
Interest income	(248.00)	(234.69)
Dividend income	(2,872.69)	(1,424.38)
Operating profit before working capital changes	21,376.61	24,132.40
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	3,457.26	(768.05)
Increase/[decrease] in other financial liabilities (non-current)	921.98	936.83
Increase/[decrease] in long term provisions	413.17	152.26
Increase/[decrease] in other financial liabilities (Current)	(1,199.01)	(958.96)
Increase/[decrease] in other current liabilities	(1,035.38)	1,385.34
Increase/[decrease] in short-term provisions	2.93	4.79
Adjustments for [Increase]/decrease in operating assets :		
[Increase]/decrease in trade receivables (non-current)	(254.55)	(62.15)
[Increase]/decrease in other financial assets (non-current)	1.90	(4.21)
[Increase]/decrease in other non-current assets	1,560.00	1,243.06
[Increase]/decrease in inventories	5,997.08	1,042.03
[Increase]/decrease in trade receivables (current)	(814.60)	(791.43)
[Increase]/decrease in other bank deposits	(14,425.36)	(9,569.88)
[Increase]/decrease in other financial assets (current)	2,714.40	(2,817.67)
[Increase]/decrease in other current assets	1,612.10	2,376.88
Cash generated from/[used in] operations	20,328.54	16,301.23
Direct taxes paid (net of refunds)	(687.46)	(1,136.88)
Net cash flow from/[used in] operating activities (A)	19,641.08	15,164.35
(B) Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP	(7,058.66)	(14,011.57)
Proceeds from sale of fixed assets	598.21	29.11
Purchase of non-current investments	(0.69)	(0.72)
(Increase)/Decrease in value of investments in joint venture	(29.08)	(128.22)
Interest received	248.00	221.67
Dividends received	191.74	25.55
Net cash flow from/[used in] investing activities (B)	(6,050.48)	(13,864.18)
C. Cash flows from financing activities		
Repayment of long term Borrowings (net)	(6,336.65)	1,137.89
Proceeds from short term borrowings	1,673.36	2,807.59
Interest paid	(5,641.40)	(3,407.96)
Dividends paid	(2,891.79)	(1,952.97)
Net cash flow from/[used in] in financing activities (C)	(13,196.48)	(1,415.45)
Net increase/[decrease] in Cash and Cash Equivalents (A+B+C)	394.12	(115.28)
Cash and Cash Equivalents at the beginning of the year	1,570.68	1,685.96
Cash and Cash Equivalents at the end of the year	1,964.80	1,570.68
Components of Cash and Cash Equivalents		
Cash on hand	14.53	13.13
Deposits with original maturity of less than 3 months	-	700.00
With banks on current account	1,880.37	822.55
Cheques/drafts on hand	69.90	35.01
Total Cash and Cash Equivalents	1,964.80	1,570.68

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

KAVITHA DUTT VELAGAPUDI
Joint Managing Director

for **K.S.RAO & CO**
Chartered Accountants
Firm Regn No. 003109S
P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193
Y VIJAYAKUMAR
Company Secretary

P S KUMAR
Director

G N MURTY
Chief Financial Officer

Place: Chennai
Date: 18th June 2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Group overview and significant accounting policies

1.1. Group overview

The KCP Limited (“the group”) a public limited group incorporated and domiciled in India and has its registered office at Chennai. The securities of the group are listed in National Stock Exchange of India Limited. The Group is engaged in the business of manufacture and sale of cement, sugar, heavy engineering, power generation for captive use and hospitality. The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorize for issue on 18th June, 2020. The KCP Limited has a subsidiary by name KCP Vietnam Industries Ltd (KCP VIL), a group incorporated in Socialist Republic of Vietnam, in which it holds 2/3 rd of the share capital. KCP VIL owns and operates sugar business and also runs cogen power plant in Vietnam. The KCP Limited has a joint venture by name Fives Cail KCP Ltd (FC KCP), a Group incorporated in India. In FC KCP group it holds 40% interest in equity capital. FC KCP manufactures sugar machinery, boilers and steam generating plants.

1.2. Basis for preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading and
- expected to be realized within twelve months after the reporting period.

b) All other assets are classified as non-current.

c) A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

d) All other liabilities are classified as non-current.

e) Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.3. Basis of consolidation

The KCP Limited (Parent) has prepared the group consolidated financial statements by Consolidating its accounts and those of its subsidiary KCP VIL and Joint venture FC KCP. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns.

KCP VIL:

The subsidiary accounts have been consolidated by combining line-by-line like items of assets, liabilities, equity, income, expenses and cash flows after eliminating material intra group balances and

transactions. Non-controlling share of the minority in the net profit for the year is identified and adjusted against the profit after tax of the group to the extent of the share of minorities in the equity.

FIVES CAIL KCP:

The accounts of FC KCP have been consolidated based on equity method. As per the equity method, only share of the KCP Limited in the profits and reserves of FC KCP which is 40%, have been added to the profits and equity respectively in the consolidated accounts.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted there-after to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its Joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(v) below.

Changes in ownership interests:-

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative

interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or Significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.4 Adaption of New and Revised Standards

New accounting standards that are effective for the current year

a) IND AS 116- LEASE

The Group has adopted Ind AS 116-Leases effective from 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Group's lease asset consists of lease for Land, buildings and vehicles. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) IND AS 19-EMPLOYEE BENEFITS

In the current year, The Group has adopted amendments of INDAS 19. These amendments clarify that when a net defined benefit plan is remeasured as a result of curtailment(or plan amendment or settlement), updated actuarial assumptions should be used to determine current service cost net interest for

the remainder of the reporting period and to recognize in profit or loss as part of past service cost, gain or loss on settlement, any reduction in surplus even if that surplus was not previously recognized because of the impact of asset ceiling.

Effective date of application of these amendments is April 1,2019 and the effect of adoption would be insignificant in the Consolidated financial statements.

c) IND AS 12- INCOME TAX

Uncertainty over Income tax Treatments: -

In the current year, The Group has adopted amendments of IND AS 12. These amendments (appendix c) sets out how to determine the accounting tax provision when there is uncertainty over income tax treatments. According to appendix c, companies need to determine the probability of the relevant tax authorities accepting each tax treatment that companies have used or plan to use in their income tax filing to compute most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Effective date of application of these amendments is April 1,2019 and the effect of adoption would be insignificant in the Consolidated financial statements.

Dividend distribution tax: -

Amendment requires entities to recognize the income tax consequences of dividends in profit or loss, Other comprehensive income (OCI) or equity according to where the entity originally recognized those past transactions or events.

Effective date of application of these amendments is April 1,2019 and the effect of adoption would be insignificant in the consolidated financial statements.

1.5. Significant Accounting Policies

This note provides a list of the Significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The KCP Limited (the 'Group') and its subsidiary and the Joint Venture group.

i. Revenue Recognition Revenue from contracts with customers

The Group derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

Effective April 1, 2018 The Group adopted Ind AS 115 "Revenue from contracts with the customers" and applied prospectively to contracts with the customers existing as on 1st April 2018.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration that the entity expect to receive in exchange for those products or services.

Revenue relating to products sale is recognized when control over the promised goods is transferred to the customers. Engineering job work can be either 'material cum service' contracts or service contracts.

Performance obligation in case of 'material cum services' is satisfied at a point in time consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of 'service contracts' revenue is recognized based on performances completed to date by using either 'Input method' or 'output method' as prescribed for measuring progress of performance obligation under IND AS 115.

The Group accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/ commission.

Trade receivables and contract balances: -

The Group classifies the right to consideration in exchange for transferring control over goods or services either as a trade receivable or as contract asset.

Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

Other income: -

a) Dividend income:- Dividend is recognized in statement of profit or loss only when the right to

receive payment is established, it is probable that economic benefits associated with the dividend will flow to The Group, and the amount of dividend can be reliably measured.

b) Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

ii. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all stipulated conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

iii. Employee benefits:

Employee benefits includes short term employee benefits, Post-employment benefits, Other long-term benefits and Termination benefits.

Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Post employment benefits:

Defined contribution plans:

These benefits include PF, superannuation and Employee state insurance. Entity contributes at statutorily specified rate monthly to Provident fund, Employee state insurance and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior

periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation. So, these PF, superannuation, ESI benefits will be defined contribution plans. Employer contributions for these benefits will be recognized in statement of profit and loss by way of charge against income.

Defined benefit plans:

These benefits include leave absences, gratuity. Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components one is 'service cost' and 'Remeasurements'. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses as result of experience adjustment and changes in actuarial assumptions.

iv. PROPERTY, PLANT AND EQUIPMENT

Tangible assets:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. **Construction Period**

Expenses on Projects: All identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

Non current assets held for sale:- Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-current assets and disposal group that cease to be classified as "Held for sale" shall be measured at the lower of carrying

amount before the the non-current assets and disposal group was classified as “Held for sale” and the recoverable amount at the date of subsequent decision not to sell.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under “Other Non-Current Assets”.

Stripping Costs:

Developmental stripping costs

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of stripping costs ends when commercial production of mineral reserves begins.

Intangible Assets:

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and usefullives are reviewed at the end of financial year.

Investment Property:

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated Impairment loss, if any. Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Depreciation

Depreciation is provided in accordance with the useful life as prescribed as follows.

In respect of assets existing as on 30-6-1988, under

the written down value method; and in respect of assets acquired on or after 1-7-1988, under the straightline method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having Significant cost, has been assessed based on technical estimate which is different from the life given under the Schedule II to the Companies Act, 2013 as given below:

S. No	Description of the Asset	Estimated useful life
1	Transformers	30 Years
2	Economisers in Boilers in the Captive Power Plant; Turbines, Generators, Sluice Gates, Switchgears and Cables in Hydel Plant.	25 Years
3	Electrical Components like Panels, Motors , Insulators which are components of Plant and Machinery	10 Years
4	Economisers in Boilers and Water pre-heater in Waste Heat Recovery Plant; Evaporators in the Captive thermal Power Plant	5 Years

v. Financial Instruments: -

a. Initial Recognition:

The group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

b. Subsequent Recognition & Classification: Financial assets carried at amortized cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Impairment: -

The Group recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant finance component is measured at an amount equal to lifetime ECL using provision matrix as shown below. This estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

De-recognition of financial assets and liabilities:

Financial assets:

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or

- it transfers the financial asset and the transfer qualifies for de-recognition. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

Financial Liabilities: A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid shall be recognised in profit or loss.

vi. Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

vii. Cash And Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

viii. Cash flow Statement:

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

cash flows from operating, investing and financing activities of the group are segregated.

ix. Foreign Exchange Transactions:

Functional Currency of the group is Indian Rupee and the Subsidiary KCP VIL is Vietnamese Dongs (VND) These financial statements are presented in Indian Rupees, rounded off to Lakhs. Transactions and translations: Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year in determining net profit for the period.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expenses in the year in which they are arise.

x. Income tax:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially

enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where The Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, The Group accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

xi. Earnings Per Share

The Group Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

xii. Provisions/ Contingent Liabilities and Contingent Assets

Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when

time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Onerous contracts:

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Company estimates and provides provision at the lower of the following for onerous contracts.

- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfil it i.e. Cost of terminating the contract.

Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

xiii. Segment reporting:

Operating segments are defined as components for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The group has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Power Generation unit 4) Hotel and 5) Sugar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Rs in Lakhs

Note : 2 Property, Plant and Equipment for the year ended March 31, 2020 consist as the following:

Note. 2.A TANGIBLE ASSETS	COST AS ON 31-03-2019	ADDITION DURING THE YEAR	DEUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2020	EXCHANGE FLUCTUATION ON FOREIGN SUBSIDIARY	UPTO 31-03-2019	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2020	AS AT 31-03-2020	AS AT 31-03-2019
1 Lands	4,165.04	1,019.72	510.04	-	4,674.71	-	-	-	-	-	4,674.71	4,165.04
2. (a) Buildings	20,991.51	1,172.71	0.00	476.39	22,640.60	129.78	3,130.91	778.48	-	4,039.17	18,601.44	17,860.60
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	0.73	0.24	-	0.97	7.96	8.21
3 Roads	199.35	8.93	-	-	208.28	-	114.05	16.15	-	130.20	78.08	85.30
4 Plant & Machinery	119,627.44	4,857.38	79.37	2,603.76	127,009.20	1,315.99	27,923.98	7,994.67	27.65	37,206.99	89,802.22	91,703.46
5 Furniture,Fixtures	1,902.38	39.23	0.28	4.48	1,945.81	4.48	789.70	238.70	0.23	1,032.65	913.17	1,112.68
6 Motor Vehicles	1,234.78	64.08	48.84	15.29	1,265.32	12.03	642.01	146.76	21.99	778.81	486.51	592.77
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	9.45	3.16	-	12.61	19.93	23.08
8 Ropeway Structures	176.52	-	-	-	176.52	-	71.76	95.66	-	167.43	9.09	104.76
9 Office Equipment	244.25	5.20	1.93	8.20	255.72	7.98	173.01	27.62	0.75	207.86	47.85	71.25
10 Computer & Data Processing Units	317.31	29.44	4.95	-	341.80	-	199.27	40.90	1.30	238.87	102.93	118.03
11 Laboratory Equipment	35.56	1.45	1.94	-	35.08	-	19.92	4.96	1.82	23.06	12.03	15.65
12 Electrical Installation & Equipment	2,529.86	228.09	10.80	-	2,747.15	-	926.72	296.56	6.18	1,217.09	1,530.06	1,603.15
13 Hydraulic Works, Pipeline & Sluices	82.41	-	-	-	82.41	-	17.06	5.70	-	22.77	59.64	65.34
14 Leased Lands (Decommissioning)	846.29	131.22	-	-	977.51	-	59.16	43.81	-	102.97	874.54	787.14
TOTAL	152,394.16	7,557.45	658.14	3,108.12	162,401.59	1,470.27	34,077.72	9,693.38	59.93	45,181.44	117,220.14	118,316.44

* Depreciation for the year includes an amount of Rs.NIL capitalized.(Depreciation capitalized during the previous year Rs.17.63 Lakhs)

Note.2.B LEASED ASSETS - RIGHT OF USE*	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Addition on account of Transition to Ind AS 116 - 1st April, 2019	Addition during the Year	Deuction During the Year	Exchange Fluctuation on Opening Block of foreign subsidiary	Cost upto 31-03-2020	Exchange fluctuation on foreign subsidiary	Upto 31-03-2019	During the year	On deduc tions	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
1 Lands	37.02	-	-	-	37.02	-	-	0.39	-	0.39	36.63	-
2 Buildings	236.34	24.40	2.41	-	258.32	-	-	104.65	-	104.65	153.67	-
3 Vehicles	-	26.88	-	-	26.88	-	-	7.47	-	7.47	19.41	-
TOTAL	273.36	51.28	2.41	-	322.22	-	-	112.51	-	112.51	209.71	-

Note : 4 Investment Property for the year ended March 31, 2020 consist as the following:

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Cost as on 31-03-2019	Addition during the year	Deuction during the year	Exchange Fluctuation on Opening Block of foreign subsidiary	COST UPTO 31-03-2020	Exchange fluctuation on foreign subsidiary	Upto 31-03-2019	During the year	On deduc tions	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
1 Lands	0.47	-	-	-	0.47	-	-	-	-	-	0.47	0.47
2 Buildings	1.67	-	-	-	1.67	1.39	0.00	-	1.39	0.28	0.28	0.28
TOTAL	2.14	-	-	-	2.14	1.39	0.00	-	1.39	0.75	0.75	0.75

Note : 5 Intangible Assets for the year ended March 31, 2020 consist as the following:

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Cost as on 31-03-2019	Addition during the Year	Deuction During the Year	Exchange Fluctuation on Opening Block of foreign subsidiary	Cost upto 31-03-2020	Exchange fluctuation on foreign subsidiary	Upto 31-03-2019	During the year	On deduc tions	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
1 Intangible Asset	369.41	402.55	8.61	0.96	764.32	0.96	62.97	-	167.29	597.02	266.05	
TOTAL	369.41	402.55	8.61	0.96	764.32	103.36	62.97	-	167.29	597.02	266.05	

*(a) The Group has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

This has resulted in recognising a right-of-use asset of Rs. 295.65 lakhs and a corresponding lease liability of Rs. 310.08 lakhs. The difference of Rs. 14.43 lakhs has been adjusted to retained earnings as at 1st April 2019. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(b) The total cash outflow for leases is Rs.1.39 crores for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs.31.04 lakhs for the year.



Rs in Lakhs

Note : 2 Property, Plant and Equipment for the year ended March 31, 2019 consist of the following:

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK				
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Lands	3,611.79	553.24	-	-	4,165.04	-	-	-	-	-	4,165.04	3,611.79
2. (a) Buildings	19,368.76	445.28	-	220.40	20,034.44	24.53	1,408.74	740.57	-	2,173.84	17,860.60	17,960.02
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	0.48	0.24	-	0.73	8.21	8.45
3 Roads	186.17	13.18	-	-	199.35	-	89.75	24.30	-	114.05	85.30	96.42
4 Plant & Machinery	74,659.58	32,569.89	68.89	1,007.35	108,167.93	190.11	10,248.79	6,038.49	12.91	16,464.48	91,703.46	64,411.30
5 Furniture, Fixtures	1,832.13	10.90	0.00	0.16	1,843.18	0.16	494.25	236.09	-	730.50	1,112.68	1,337.87
6 Motor Vehicles	897.65	224.27	16.40	1.81	1,107.33	1.25	356.34	170.19	13.22	514.56	592.77	540.80
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	6.30	3.15	-	9.45	23.08	26.23
8 Ropeway Structures	115.93	153.98	93.39	-	176.52	-	42.24	99.41	69.88	71.76	104.76	73.69
9 Office Equipment	153.15	12.51	0.06	1.55	167.15	1.17	65.77	29.02	0.05	95.90	71.25	87.38
10 Computer & Data Processing Units	288.73	28.71	0.14	-	317.31	-	129.70	69.70	0.13	199.27	118.03	159.03
11 Laboratory Equipment	30.54	5.02	-	-	35.56	-	13.77	6.15	-	19.92	15.65	16.78
12 Electrical Installation & Equipment	2,383.90	148.67	2.70	-	2,529.86	-	615.30	312.65	1.23	926.72	1,603.15	1,768.60
13 Hydraulic Works, Pipeline & Sluices	82.41	-	-	-	82.41	-	11.38	5.69	-	17.06	65.34	71.03
15 Leased Mines (Decommissioning)	460.51	385.79	-	-	846.29	-	20.78	38.38	-	59.16	787.14	439.73
Total	104,112.71	34,551.44	181.58	1,231.28	139,713.84	217.21	13,503.58	7,774.03	97.43	21,397.40	118,316.44	90,609.13
Less: Depreciation capitalised during the year							(17.63)					
TOTAL							13,485.95					

* During the year an amount of Rs.230.68 Lakhs (Previous year: Rs.240.40 Lakhs) has been adjusted against Scientific and Technology Development fund

Note : 4 Investment Property for the year ended March 31, 2019 consist of the following: Rs in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Lands	0.47		0.00		0.47		0.00	0.00	0.00	0.00	0.47	0.47
2. Buildings	1.67				1.67		0.99	0.40		1.39	0.28	0.68
TOTAL	2.14	0.00	0.00		2.14		0.99	0.40	0.00	1.39	0.75	1.15

Note : 5 Intangible Assets for the year ended March 31, 2019 consist of the following: Rs in Lakhs

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Intangible Asset	277.89	77.95	-	-	355.84	-	54.17	35.62		89.79	266.05	223.72

Rs in Lakhs

Note.3 Capital Work-in-Progress	As at 31st March 2020	As at 31st March 2019
1 Building Under Construction		
Opening Balance	853.35	430.52
Additions during the year (net)	1,346.26	515.81
Less : Capitalisation during the year (net)	(1,183.68)	(92.98)
Closing Balance	1,015.93	853.35
2 Plant & Machinery Under Installation		
Opening Balance	3,337.26	25,143.65
Additions during the year (net)	2,888.01	31.25
Less : Capitalisation during the year (net)	(5,701.72)	(21,837.64)
Closing Balance	523.55	3,337.26
TOTAL	1,539.47	4,190.60

Note.6 Non current Financial Assets-Investments	As at 31st March 2020	As at 31st March 2019
Investment in Joint Venture:		
4,00,000 (31 March 2019: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	1,004.63	1,055.55
Common Stock (unquoted):		
1640 (31 March 2019: 1640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preferred Shares (unquoted):		
750 (31 March 2019: 750) Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	385.00	385.00
Subtotal	1,466.63	1,517.54
Investments at fair value through other comprehensive income investment in equity instruments(quoted):		
100 (31st March 2019: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.00	0.01
14240 (31st March 2019: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank	2.72	6.64
Equity shares (unquoted):		
30 (31st March 2019: 30) equity shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd (Written off to the extent of Rs. 299/-)	0.00	0.00
100000 (31st March 2019: 100000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9,99,999/-) (The Shares are not traded in the Stock Exchange though listed).	0.00	0.00
Other Investments - Unit Trust of India - Quoted:		
38210.93 (31st March 2019 : 35536.18) UTI Balanced Fund Units of Rs.10/- each	7.28	9.79
Subtotal	10.01	16.45
TOTAL	1,476.63	1,533.99

Rs in Lakhs

Aggregate amount of quoted Investments - Market Value	10.01	16.45
Aggregate amount of quoted Investments - Book Value (cost)	20.81	20.12
Aggregate amount of unquoted Investments	1,466.63	1,517.54

Note.7 Non Current Financial Assets- Trade Receivables	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good	552.52	319.68
Receivables having Significant increase in credit risk	80.95	59.36
Less : Provision for expected credit loss	80.95	59.36
TOTAL	552.52	319.68

Note.8 Non current- Other Financial Assets	As at 31st March 2020	As at 31st March 2019
Earnest money deposit	23.18	25.08
TOTAL	23.18	25.08

Note.9 Non current- Other asset	As at 31-03-2020	As at 31-03-2019
Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	13.09	1,070.16
Receivable having Significant increase in credit risk	-	-
[A]	13.09	1,070.16
Advances other than Capital Advances		
Security Deposits (Unsecured, considered good)	139.16	655.54
(B)	139.16	655.54
Others		
Prepaid expenses	37.86	76.68
Balance with Government Authorities	794.51	742.23
Others	1.40	1.40
(C)	833.76	820.31
TOTAL [A+B+C]	986.01	2,546.01

Note.10 Inventories	As at 31st March 2020	As at 31st March 2019
Raw materials and components at Cost (includes those in transit Rs. 352.13 lakhs-) (As on 31-03-2019-Rs. 395.46 lakhs)	902.87	1,249.81
Coal At Cost (includes those in transit Rs. 161.68 lakhs-) (As on 31-03-2019-Rs. 3046.92 lakhs)	1,876.51	5,770.46
Work-in-progress		
: At Cost	7,253.76	4,581.66
: At Estimated Realisable Value	821.06	2,399.49
Finished goods		
: At Cost	14,081.92	16,888.10
Stores, spares and Coal at Cost (includes in transit Rs. 11.51 lakhs) (As on 31-03-2019 Rs. 1.62 lakhs)	3,974.92	4,018.59
TOTAL	28,911.03	34,908.11

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.54,874.33 lakhs for year ended 31-03-2020 (Rs. 65,995.95 lakhs for the year ended 31-03-2019).

The amount of write down of inventories to net realisable value recognised as an expense was Rs.101.47 lakhs.

The mode of valuation of Inventories has been stated in accounting policy VI of Note1.5. The amount of goods in transit is Rs. 173.19 lakhs (Rs. 3048.54 lakhs for previous year)

Rs in Lakhs

Note.11 Current- Trade receivables	As at 31st March 2020	As at 31st March 2019
Secured, considered good	3,722.03	2,495.32
Unsecured, considered good	5,146.42	5,558.53
Less : Provision for expected credit loss	5.61	4.55
Total	8,862.84	8,049.30

Note 12 Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
Cash and Cash Equivalents :		
Balances with Banks:		
On current accounts	1,880.37	822.55
Deposits with original maturity of less than 3 months	-	700.00
Cheques/drafts on hand	69.90	35.01
Cash on hand	14.53	13.13
TOTAL	1,964.80	1,570.68

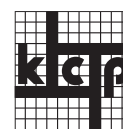
*Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

**Margin money deposits includes those earmarked for specific purpose

Balances with banks includes those maintained to pay matured Public deposits which are unclaimed.

Note 12A Bank balances other than Cash and Cash equivalents	As at 31st March 2020	As at 31st March 2019
Fixed Deposits with Banks (Maturity less than 12 months)*	24,597.56	10,049.67
On Unpaid dividend account	216.69	235.66
Margin money deposit **	633.63	707.99
Balances with banks #	24.15	53.35
TOTAL	25,472.03	11,046.67

Note 13. Current- Other Financial Assets	As at 31st March 2020	As at 31st March 2019
Interest accrued on fixed Deposits	79.44	46.06
Interest accrued on other Deposits	13.94	11.85
Loans to employees	31.87	39.50
Due from Gratuity Trusts	5.74	5.74
Non trade receivables from Joint Venture	0.91	1.75
Contract Assets	92.55	2,833.95
TOTAL	224.45	2,938.85



Rs in Lakhs

Note 14. Current Tax Assets (Net)	As at 31st March 2020	As at 31st March 2019
Advance tax		
Advance payment of Direct Taxes/TDS	2,206.78	2,678.00
Provision for Tax		
Provision for Income tax	500.84	1,848.02
TOTAL	1,705.94	829.98

Note 15. Other Current Assets	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good	1,701.12	3,838.68
Advances to Trade payables	1,401.13	1,507.99
Prepaid expenses	317.89	363.92
Balance with government Authorities	4,155.00	3,476.65
TOTAL	7,575.14	9,187.24

Note.16 Share Capital	As at 31st March 2020	As at 31st March 2019
Authorised Share Capital:		
35,00,00,000 (31 March 2019 : 35,00,00,000) Equity shares of Re.1/- each	3,500.00	3,500.00
2,00,00,000(31 March 2019 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	2,000.00	2,000.00
Issued Share Capital:	5,500.00	5,500.00
12,89,77,480 (31 March 2019 : 12,89,77,480) Equity shares of Re.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
Subscribed and fully paid-up:		
12,89,21,160 (31 March 2019 :12,89,21,160) Equity shares of Re.1/- each	1,289.21	1,289.21
Total issued, subscribed and fully paid-up capital	1,289.21	1,289.21

Note 16.1) Details of shareholders holding more than 5% share in the company:

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)

Note 16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity&Preference shares of the company is set out below:

Particulars	For FY 2019-20	For FY 2018-19
Equity Share Capital at the beginning of the Year	1,289.21	1,289.21
Add/ Less;- Changes during the year	-	-
Equity Share Capital at the end of the Year	1,289.21	1,289.21

The Company has only one class of equity shares referred to equity shares having a par value of Re.1. Each holder of equity is entitled to vote per share. In the event of liquidation of company, the holder of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

Rs in Lakhs

Note 17. Other Equity	As at 31st March 2020	As at 31st March 2019
Capital Reserve		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
	2,000.00	2,000.00
Capital Reserve On Reorganisation	279.91	279.91
Translation Reserve		
Balance as per the last Financial Statements	2,220.92	375.29
Additions/(Deletions) during the year	951.27	1,845.63
	3,172.19	2,220.92
Capital Reserve		
Balance as per the last Financial Statements	8,455.18	9,548.48
Additions/(Deletions) during the year	768.23	(1,093.31)
	9,223.41	8,455.18
On Amalgamation Reserve	103.83	103.83
Total Capital Reserve	14,779.34	13,059.84
Investment Revaluation Reserve	(3.67)	0.56
Add: Current year revaluation gain/loss	(7.13)	(4.23)
	(10.80)	(3.67)
Actuarial Gain/Loss	(620.57)	(389.26)
Add: Current year actuarial gain/loss	(345.87)	(202.36)
Add : Share of Other Comprehensive income of joint venture	(0.02)	(28.95)
	(966.47)	(620.57)
General Reserve		
Balance as per the last Financial Statements	27,248.40	27,248.40
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	-	-
Closing Balance	27,248.40	27,248.40
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	40,082.40	33,157.26
Add/(Less): Adjustments for lease rentals under IND AS 116	(14.43)	-
Profit for the year	2,684.34	8,065.32
Share of profit of joint venture	29.11	157.17
	42,781.41	41,379.76
Less : Appropriations		
Final Equity Dividend Paid @ Re.1/- per share (@ Re.1/- per Share in FY 2018-19)	1,289.21	1,289.21
Tax on Distributed Profits	-	8.14
Total Appropriations	1,289.21	1,297.35
Net Surplus in Statement of Profit and Loss	41,492.20	40,082.40
Total Reserves and Surplus taken to Balance Sheet	82,542.67	79,766.40

- > General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.
- > Investment Revaluation Reserve: This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified, if any to retained earnings when those investments are disposed off.
- > Actuarial Gain/Loss Reserve: This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to retained earnings.
- > Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.
- > Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years. This reserves can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013

Note No. 17A: Financial information of Subsidiary having Non-Controlling interest is given below:

Name	Country of Incorporation	Non Controlling interest % As on 31-03-2020	Profits allocated to non-controlling interest	Other Comprehensive income allocated to non-controlling interest	Accumulated non-Controlling interest
KCP Vietnam Industries Limited	Socialist Republic Vietnam	33.33%	3,116.51	955.28	19,269.18

The summarised financial information of subsidiary is provided below. This information is based on amounts before inter-company eliminations.

The summarised Statement of Profit and Loss of subsidiary is provided below:-

Rs. in Lakhs

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Income	48,591.02	51,984.87
Expenses	39,241.49	43,697.42
Profit before tax	9,349.53	8,287.46
Tax expenses	-	-
Profit for the year	9,349.53	8,287.46
-Attributable to the owners of the company	6,233.02	5,524.97
-Attributable to the non-controlling interest	3,116.51	2,762.49
Other comprehensive Income	2,865.83	1,146.74
-Attributable to the owners of the company	1,910.55	764.49
-Attributable to the non-controlling interest	955.28	382.25
Total comprehensive Income	12,215.35	9,434.20
-Attributable to the owners of the company	8,143.57	6,289.46
-Attributable to the non-controlling interest	4,071.78	3,144.73

Rs in Lakhs

Summarised Balance Sheet

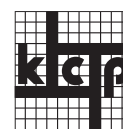
Particulars	As on 31-03-2020	As on 31-03-2019
Non-Current Assets	23,797.78	24,663.42
Current Assets	45,044.44	36,298.79
Non-Current Liabilities	4,568.57	5,175.21
Current Liabilities	6,466.10	5,720.22
Total Equity	57,807.55	50,066.78
-Attributable to the owners of the company	38,538.37	33,377.85
-Attributable to the non-controlling interest	19,269.18	16,688.93

Summarised Cash flow Statements for the year ended

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Net cash inflow in operating activities	5,405.56	7,276.80
Net cash inflow from investing activities	(1,602.57)	(1,333.56)
Net cash inflow in financing activities	(4,129.06)	(5,966.30)
Net decrease in Cash and Cash equivalent	(326.08)	(23.05)

NOTE 17A. NON CONTROLLING INTEREST

PARTICULARS	As at 31.03.2019	Additions	Deductions	As at 31.03.2020
Share Capital of KCP Vietnam Industries Limited 101,61,668 Equity shares (101,61,668 shares); - Share capital plus General Reserve held by minority shareholders	5,413.31	-	(384.11)	5,797.42
Profit & Loss account	10,143.85	3,116.51	(1,491.53)	11,768.84
Translation Reserve	1,131.77	571.16	-	1,702.93
Total	16,688.93	3,687.67	(1,875.64)	19,269.18
Total Dividend declared by KCP VIL	4,474.58			
Less: The KCP Ltd- share @ 2/3 rd Non Controlling Share in Dividends	2,983.05			
	1,491.53			



Rs in Lakhs

Note 18. Non current Financial Liabilities- Borrowings	As at 31st March 2020	As at 31st March 2019
Rupee Term Loans from Banks - Secured		
for Engg Unit	215.25	-
for Hotel Project	846.42	1,700.85
for Captive Power Plant- Muktyala	1,667.59	2,292.93
for Cement Plant Muktyala Expansion	19,199.70	22,716.98
for Corporate Loan	-	1,720.00
for Sugar project	1,077.19	2,408.38
Subtotal	23,006.15	30,839.14
Other Loans and advances:		
Deposits (unsecured)		
From Directors	1,315.00	240.03
From Others	3,713.68	4,648.28
Subtotal	5,028.68	4,888.31
TOTAL	28,034.83	35,727.45
The above amount includes		
Secured borrowings	23,006.15	30,839.14
Unsecured borrowings	5,028.68	4,888.31
Amount disclosed under the head		
Current maturities of the borrowings shown under 'other current liabilities (Note-25)	13,806.20	12,450.22
Details of deposits held by Directors of the company		
a) Dr. V. L. Dutt	-	1,133.50
b) Smt. Kavitha Dutt Velagapudi	101.53	101.53
c) Dr. V L Indira Dutt	1,258.50	25.00
D) Sri O.Swaminatha Reddy	-	5.00

Term Loans	Rs in Lakhs									
	Particulars	Macherla Cement	Muktyala Cement Expansion	Captive Power Plant	Hotel	Corporate Loan	Corporate Loan	Engineering Unit	KCP Vietnam Industries Ltd.	
Lending Bank	Bank of Baroda	State Bank of India	Canara Bank	Indian Overseas Bank	Bank of Baroda	Bank of India	Canara Bank	Vietnam Development Bank		
Loan Amount Sanctioned (Rs Lakhs)	2100	27563	7964	5973	4000	5600	338	330000 Million VND		
Loan Amount Availed (Rs Lakhs)	1431	27498	7215	5973	4000	5600	317	281300 Million VND		
Loan amount outstanding as on 31-03-2020	0	24223	2501	1701	600	1400	283	80948 Million VND		
No of Installments (Quarterly)	28	32	32	28	20	20	20	28		
Installments Commencement	Nov,2014	Dec,2018	Mar,2015	May,2015	Jan,2017	June,2016	Oct,2019	March,2016		
Rate of Interest	1.20% over 1 Yr MCLR plus SP	1 Yr MCLR plus 0.65%	1 Yr MCLR plus 1.30%	1 Yr MCLR plus 1.00%	1.20% over 1 Yr MCLR plus SP	1.95% over 1 Yr MCLR	1 Yr MCLR plus 0.50%	8.55%		
Installment Amount (Rs Lakhs)	75	Varying installment amounts.	207.25	314	200	280	16.9	11785 Million VND		
Security	First Charge on Fixed Assets of Macherla Cement Plant.	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	First Charge on Fixed Assets of Captive Power Plant.	First Charge on Fixed Assets of Hotel.	Exclusive Charge on Hydel Division Assets and Property at Chennai.	Exclusive Charge on land in Chennai.	First Charge on Imported Lathe Machine	Pledge of Project Assets		

(Rs. In Lakhs)

Carrying value of assets Hypothecated for Term Loan

Particulars	Muktyala Plant Fixed Assets (including Expansion Assets)		Macherla Plant Fixed Assets		Hotel Fixed Assets		Hydel Unit Fixed Assets	
	2020	2019	2020	2019	2020	2019	2020	2019
Plant & Machinery	55,706	58,050	3,519	3438	2,501	2845	658	783
Lands & Buildings	7,876	6,139	1219	1264	4887	5078	104	114
Furniture & fixtures	44	52	29	29	753	953	1	0
Total	63,627	64,242	4768	4730	8140	8876	763	897

Cash Credit

Particulars	Muktyala		Macherla		CPP	Engineering Unit	Engineering Unit - WCGL	Engineering Unit	KCP - WCGL	KCP - WCGL	KCP - STL
	Bank of Baroda	Bank of India	Bank of Baroda	HD-C Bank							
Lending Bank	849	306	1159	830	159	2308	20	914	490	0	2000
Outstanding Amount as on 31.03.2020	0.95% over 1 Yr MCLR plus SP	1.60% over 1 Yr MCLR plus SP	0.95% over 1 Yr MCLR plus SP	1 Yr MCLR plus 1.25%	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.80%	3 Month MCLR	3 Month MCLR plus 1%	3 Month MCLR plus 0.10%	9.85%	8.10%
Rate of Interest on 31.03.2020	0.95% over 1 Yr MCLR plus SP	1.60% over 1 Yr MCLR plus SP	0.95% over 1 Yr MCLR plus SP	1 Yr MCLR plus 1.25%	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.80%	3 Month MCLR	3 Month MCLR plus 1%	3 Month MCLR plus 0.10%	9.85%	8.10%
Security	Paripassu First Charge on Current Assets of Muktyala Cement Unit		Paripassu First Charge on Current Assets of Macherla Cement Unit		Paripassu First Charge on Current Assets of Captive Power Plant	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Unsecured	Paripassu First Charge on Current Assets of the Company	Paripassu First Charge on Current Assets of the Company

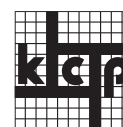
Rs in Lakhs

Note 19. Non current- Trade payables	As at 31st March 2020	As at 31st March 2019
Due to Micro and Small Enterprises	-	-
Due to Others	271.26	271.26

Note 20. Non current- Other Financial Liabilities	As at 31st March 2020	As at 31st March 2019
Trade Deposits	4,155.13	3,883.40
Science & Technology development fund	3,491.38	2,766.83
Deposits Payable-Contractors	341.90	323.90
Interest accrued but not due	122.35	118.10
Outstanding Liabilities for Expenses	641.62	723.75
TOTAL	8,752.39	7,815.97

Note 21. Non current - Provisions	As at 31st March 2020	As at 31st March 2019
Provision for gratuity	229.15	35.40
Provision for leave benefits	1,108.10	931.54
Provision for Decommissioning expenses	453.82	410.96
TOTAL	1,791.07	1,377.89

Note 22. Deferred Tax Liability (Net)	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liability		
Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting	14,322.29	12,355.62
Discounting of legal cases	24.95	38.97
Gross Deferred Tax Liability	14,347.24	12,394.59
Deferred Tax Asset		
MAT Credit	4,477.30	4,722.38
Expected Credit loss	1.96	1.59
Discounting of trade receivables	28.29	20.74
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	744.56	814.87



Rs in Lakhs

Note 22. Deferred Tax Liability (Net)	As at 31st March 2020	As at 31st March 2019
Unabsorbed Losses	4,313.96	483.50
Provision for decommissioning cost	158.58	143.60
Onerous Contracts	28.91	19.60
Others	107.82	28.01
Gross Deferred tax asset	9,861.37	6,234.31
Net Deferred Tax Liability	4,485.87	6,160.28

Note.23 Current Financial Liabilities- Borrowings	As at 31st March 2020	As at 31st March 2019
Cash credit from Banks		
: Secured	7,788.11	4,379.64
Other Short Term Borrowings-Working Capital Demand Loan	3,209.89	5,000.00
Loan Repayable on Demand (Unsecured)		
:from Directors	1,800.00	1,665.00
Inter-corporate deposit repayable on demand	270.00	350.00
TOTAL	13,068.00	11,394.64
The above amount includes		
Secured borrowings	10,998.00	9,379.64
Unsecured borrowings	2,070.00	2,015.00

Note.24 Current Financial liabilities- Trade payables	As at 31st March 2020	As at 31st March 2019
<u>Trade payables</u>		
Due to Micro and Small Enterprises	15.80	46.19
Due to Others	12,950.60	9,462.95
TOTAL	12,966.40	9,509.14

Rs in Lakhs

Note 25 Current maturities of long term borrowings	As at 31st March 2020	As at 31st March 2019
Rupee Term Loans from Banks - Secured		
for Hotel Project	854.43	854.43
for Engineering Unit	67.60	-
for Cement Plant- Macherla	-	81.33
for Captive Power Plant- Muktyala	833.79	833.79
for Cement Plant Muktyala Expansion	5,000.00	3,550.00
for Corporate	2,000.00	1,920.00
for Sugar Project	1,502.00	1,402.49
Sub Total	10,257.83	8,642.04
Other Loans and advances:		
Deposits (unsecured)		
From Directors	45.03	1,025.00
From Others	3,503.34	2,783.18
Sub Total	3,548.37	3,808.18
TOTAL	13,806.20	12,450.22

Note 25A. Current- Other Financial Liabilities	As at 31st March 2020	As at 31st March 2019
Interest Accrued but not due on borrowings	179.90	443.81
Interest Accrued and due on borrowings	341.80	49.21
Advance from customers	6,678.62	6,789.18
Unpaid Dividend	216.69	235.66
Accrued Salaries and Benefits	683.14	876.59
Directors Remuneration Payable	-	140.68
Project related payables	9.93	1,396.65
Outstanding Liabilities for Others	1,269.56	646.88
Total	9,379.65	10,578.66

Note 26. Other Current Liabilities	As at 31st March 2020	As at 31st March 2019
Statutory Dues	1,253.68	2,289.06
TOTAL	1,253.68	2,289.06

Rs in Lakhs

Note 27. Current- Provisions	As at 31st March 2020	As at 31st March 2019
Provision for gratuity	56.22	9.63
Provision for leave benefits	324.65	368.30
TOTAL	380.86	377.93

Rs in Lakhs

28. Revenue from operations	Current Year	Previous Year
Revenue from operations		
Sale of products	138,329.47	163,729.45
Sale of services	2,309.05	1,697.96
Subtotal (Details given in next table)	1,40,638.52	1,65,427.41
Other operating revenue		
Scrap sales	213.91	259.49
Packing & Forwarding	173.50	11.77
Interest Income on -		
Bank deposits	1,227.75	312.80
Others	102.98	102.13
Amortisation of govt. grant (VAT Incentive)	2.00	1.99
Insurance Claims Received	-	14.55
TOTAL	142,358.65	166,130.14

Disaggregation of revenue information as per INDAS 115

(Rs in lakhs)

Particulars	FY 2019-20	FY 2018-19
Revenue from Sale of Cement	84,343.93	1,01,710.30
Revenue from Sale of Sugar	43,599.76	47,424.85
Revenue from Power	3,822.23	4,876.98
Revenue from Engineering Job works	7,076.17	9,806.74
Revenue from Hospitality services	1,796.43	1,608.54
Total	1,40,638.52	1,65,427.41

Revenue from Contract with Customer as per disclosure requirements under para 126AA of INDAS-115:

S. No	Particulars	FY 2019-20	FY 2018-19
1	Revenue from contracts with customers (excl GST)	1,54,362.13	1,76,200.40
	Less:		
2	Discounts	13,429.26	10,028.08
3	Selling Agent commission	160.33	557.89
4	Sales Promotion	134.03	187.02
	Gross sales as per Profit and loss account	1,40,638.52	1,65,427.41

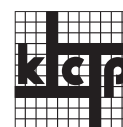
Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works

Particulars	As on 31.03.2020	As on 31.03.2019
Opening balance of Trade Receivables	2,211.00	2,023.60
Opening balance of Contract assets	2,833.95	567.11
Opening balance of Contract liabilities	2,695.14	1,452.49
Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period	2,392.33	5,333.59
Revenue recognized in the reporting period from performance obligations satisfied in the previous period	-	-
Closing balance of receivables	2,946.18	2,211.00
Closing balance of contract assets	92.55	2,833.95
Closing balance of contract liabilities	2,128.85	2,695.14

29. Other Income	Current Year	Previous Year
Dividend income on		
Long-term investments	0.69	13.38
Net gain on sale of Assets	-	24.83
Other non-operating income	411.69	765.20
TOTAL	412.37	803.40

30. Cost of raw material and components consumed	Current Year	Previous Year
Inventory at the beginning of the year	1,249.81	743.38
Add: Purchases	4,936.13	5,842.81
Add: Trial run production stocks	-	1,014.68
Add: Cost of raw materials produced	41,569.14	47,187.22
	47,755.08	54,788.09
Less: Inventory at the end of the year	902.87	1,249.81
TOTAL	46,852.21	53,538.29

Details of raw material and components consumed	Current Year	Previous Year
i) Cement Unit		
Limestone	12,698.88	14,698.80
Laterite	864.06	1,227.64
Fly Ash	1,806.28	1,565.86
Gypsum	2,044.91	2,589.54
Sugar Cane	26,094.67	27,436.16
Clinker	-	2,973.17
Sub Total	43,508.80	50,491.18



Rs in Lakhs

ii) Engineering Unit		
Iron and Steel,Nickel,Scrap and Equipments	3,115.86	2,834.18
iii) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	13.59	20.89
iv) Hotel		
Provisions	213.96	192.03
TOTAL	46,852.21	53,538.29

Details of Inventory	Current Year	Previous Year
Raw materials and components		
Limestone	532.21	570.37
Laterite	63.69	71.54
Fly Ash	7.49	6.49
Gypsum	294.01	416.77
Sugar	-	-
Iron and Steel,Nickel,Scrap and Equipments - In Transit	4.92	178.91
Others	-	-
Sand	0.12	2.82
Stone Crusher Dust	0.17	2.91
Cement Stock Loose	0.26	-
TOTAL	902.87	1,249.81

31. (Increase)/decrease in inventories	Current Year	Previous Year
Inventories at the end of the year		
Work in progress	8,074.82	6,981.15
Finished goods	14,081.92	16,888.10
Sub Total	22,156.74	23,869.25
Inventories at the beginning of the year		
Work in progress	6,981.15	5,127.32
Finished goods	16,888.10	23,520.75
Sub Total	23,869.25	28,648.07
Increase/ (Decrease)	1,712.51	4,778.82

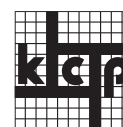
32. Employee benefit expenses	Current Year	Previous Year
Salaries, Wages and bonus	8,626.81	8,906.86
Contribution to Provident and other funds	652.55	786.36
Gratuity expenses	124.61	90.54
Staff welfare expenses	886.48	948.65
TOTAL	10,290.46	10,732.41

Rs in Lakhs

33. Finance Costs	Current Year	Previous Year
Interest	5,653.66	3,823.02
Other Borrowing costs	142.81	110.43
Unwinding of Finance Cost	143.33	(24.53)
TOTAL	5,939.80	3,908.92

Depreciation and amortization expense	Current Year	Previous Year
Depreciation of tangible assets	9,546.18	7,526.11
Amortization of intangible assets	62.90	35.62
TOTAL	9,609.07	7,561.73

34. Other expenses	Current Year	Previous Year
Consumption of stores and spares	6,138.65	7,504.48
Consumption of loose tools	170.96	174.36
Sub-contracting expenses	1,755.69	2,101.09
Insurance	215.03	163.53
Rent	39.36	157.84
Rates and taxes	533.74	503.85
Repairs and maintenance	-	
To Plant&Machinery	1,452.41	1,591.91
Buildings	342.48	496.79
Other Assets	264.91	227.17
Wheeling/Banking Charges	787.21	77.78
Advertising and sales promotion	705.77	450.60
Travelling and conveyance	291.15	277.10
Communication costs	112.91	128.37
Printing & Stationery	76.78	89.24
Donations	2.48	11.00
Corporate Social Responsibility	63.68	108.81
Professional, Consultancy and Legal fees	721.23	530.70
Directors' sitting fees	11.40	11.60
Payment to auditors (Refer details below)	43.20	38.33
Exchange Difference - Net Loss /(Gain)	0.12	38.46
Bad debts/advances written off	2.30	17.95
Bank Charges	81.30	96.29
Assets Written Off	20.71	79.87
Loss on sale of fixed assets (net)	35.11	-
Performance and Delivery Guarantee Claims	484.00	168.22
Security Charges	505.23	484.38
Miscellaneous expenses	1,775.49	1,063.08
TOTAL	16,633.31	16,592.80



Rs in Lakhs

Payment to Auditors	Current Year	Previous Year
As Auditor:		
Audit Fee	24.28	21.31
Certification & Other fees	7.14	8.41
Fees for Cost Auditor	8.60	6.60
Reimbursement of expenses	3.18	2.01
TOTAL	43.20	38.33

Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2020 & 31-03-2019 are:

S No	Income tax expense:-	FY 2019-20	FY 2018-19
a)	Current tax	487.82	1,045.00
b)	Deferred tax	(1,884.17)	1,311.22
c)	MAT credit Utilised/ (Entitlement)	-	(804.42)
d)	Short /(Excess) provision of Income Tax/MAT	(466.56)	(22.95)
	Total tax expense for the year	(1,862.91)	1,528.85

Reconciliation of effective tax rate

Tax on the company's profit before tax differs from the the theoretical amount that would arise on using the enacted rate of coporate tax in india (34.944%) as follows:

Particulars	FY 2019-20	FY 2018-19
a) Net Profit / (Loss) before taxes	3,937.94	12,356.65
b) Corporate Tax as per Income Tax Act, 1961	34.944%	34.944%
c) Tax on Accounting Profit (c) = (a)*(b)	1,376.07	4,317.91
d) Increase/Decrease in tax expense on account of:-		
i) Non taxable income/Exempt income	(3,295.29)	(2,910.20)
ii) Reduction in Depreciation/ (Accelerated Depreciation)	(1,660.44)	(1,576.31)
iii) Expenses not allowed under Income Tax	52.02	65.42
iv) Expenses that are allowed under payment basis	(148.68)	(120.22)
v) Expected Credit Loss(income) as per Ind AS	-	(0.65)
vi) Amortisation of Government Grant as per Ind AS	(0.70)	(0.70)
vii) Finance Cost as per Ind AS	47.76	(6.52)
viii) Stripping Cost Capitalised as per Ind AS	(45.85)	(130.62)
ix) Difference in tax rate for foreign dividend		-
x) Deduction under Sec 80-IA	2,900.03	(109.79)
xi) Foreign dividend taxable at special rates	487.82	239.54
Difference due to elimination of dividend received from		
xii) group companies	1,003.59	493.06
xiii) Other adjustments	(228.51)	(21.39)

Rs in Lakhs

Particulars	FY 2019-20	FY 2018-19
e) Tax as per Normal Provision under Income Tax	487.82	239.54
f) Tax rate applicable to the company as per MAT Provisions	21.55%	21.55%
g) MAT Tax expense on Net Profits	848.58	2,662.71
h) Increase/Decrease in tax expense on account of:-		
i) Items that will not be reclassified to Profit & Loss	(29.40)	(67.03)
ii) Exempt Income u/s 10(34)	(2,032.10)	(1,794.62)
iii) 1/5th of transition amount u/s 115JB(2C)	(42.81)	(42.81)
iv) Expected Credit Loss	0.23	(0.40)
v) Expenses that are not allowed as per Section 115JB	20.70	(17.94)
vi) Difference due to elimination of dividend received from group companies	618.88	304.05
i) MAT tax provision under 115JB (g+h)	-	1,045.00

Deferred Taxes:-

S.no	Particulars	FY 2019-20	FY 2018-19
	As on reporting date		
	Deferred tax arising due to		
a)	On OCI component		
	-Actuarial Gain/Loss	(35.32)	(108.70)
b)	Other than OCI component		
	-Difference in W.D.V of Property Plant & Equipment	1,966.66	1,690.81
	-Impact of expenditure allowed under Income tax on payment basis		
	-Discounting of trade receivables	(7.54)	(3.89)
	-Provision for Loss allowance	(0.37)	0.65
	-Discounting of Legal cases	(14.02)	26.68
	-Unamortised transaction cost	-	(13.55)
	-Provision for Decommissioning cost	(14.98)	(17.56)
	-Other disallowances	16.53	111.60
	- Unabsorbed Losses	(3,830.45)	(483.50)
c)	Total for the year	(1,919.50)	1,202.52

Expense/(income) recognised for the year ended:		
Deferred tax liability/(asset) recognised in statement of profit and loss	(1,884.17)	1,311.22
Deferred tax recognised in other comprehensive income	(35.32)	(108.70)
Deferred tax recognised in Total comprehensive income	(1,919.49)	1,202.52

Details of Deferred tax liability/ (asset) arised during FY 2019-20:-

S. NO	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporarty Timing difference arised in relation to Fixed Assets - Depreciation charged as per income tax act and Companies Act	12,355.62	1,966.66	-	-	14,322.29
	- Decommissioning Cost- Mines	-	-	-	-	-
2)	Bank Processing Charges - Amortization	-	-	-	-	-
3)	Discounting of Legal Cases	38.97	(14.02)	-	-	24.95
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(814.87)	105.64	(35.32)	-	(744.56)
5)	Provision for Doubtful debts	(20.74)	(7.54)	-	-	(28.29)
6)	Deferred Tax Asset on Expected credit loss	(1.59)	(0.37)	-	-	(1.96)
7)	Provision for Decommissioning Cost	(143.60)	(14.98)	-	-	(158.58)
8)	MAT Credit	(4,722.38)	-	-	245.08	(4,477.30)
9)	Unabsorbed Losses	(483.50)	(3,830.45)	-	-	(4,313.96)
10)	Onerous Contract	(19.60)	(9.30)	-	-	(28.91)
11)	Others	(28.01)	(79.81)	-	-	(107.82)
	TOTAL	6,160.28	(1,884.17)	(35.32)	245.08	4,485.87

36. Other Comprehensive Income- OCI	Current Year	Previous Year
Foreign translation reserve changes	2,674.77	1,134.57
Remeasurement of Defined Benefit Plan Loss/Gain		
Gratuity	(280.10)	(87.22)
Leave Encashment	(101.09)	(223.84)
Increase/Decrease in Fair Value of Investments	(7.13)	(4.23)
Deferred Tax Liability on above items	35.32	108.70
Share of OCI from Joint Venture	(0.02)	(28.95)
Sub Total	2,321.75	899.03
Less: Non Controlling interest share in OCI (Refer Note 17A)	955.28	382.25
TOTAL	1,366.48	516.78

Rs in Lakhs

Statement of additions, write off and payments closing as per IND AS 37 Para 84

S.No	Provisions	Leave Benefits	Gratuity	Income Tax	Decommissioning
1	Balance as at 31st March, 2019	1,299.83	45.03	1,848.02	410.96
2	Provision recognised during the year				
	- In Statement of Profit & Loss	264.83	124.75	487.82	42.86
	- In Statement of Other Comprehensive Income	101.09	280.10	-	-
3	Amounts incurred and charged against the provision	(233.01)	(164.52)	(1,835.00)	-
4	Balance as at 31st March, 2020	1,432.74	285.36	500.84	453.82

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2020-21 for terala mines, 2034-35 for macherla mines.

NOTES TO ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

37. CONTINGENT LIABILITIES	As at 31-03-2020	As at 31-03-2019
A. Claims against the company not acknowledged as debt		
Statutory Levies	2,669.56	3,307.86
Contractual Levies	13.41	127.11
Others	579.86	579.86
B. Guarantees issued by the Bankers on behalf of the Company		
Against Advances Received	6,010.73	5,816.84
Towards Performance Guarantees	1,976.91	1,462.15

38. COMMITMENTS	As at 31-03-2020	As at 31-03-2019
A. Estimated amount of contracts remaining to be executed on capital account and not provided for	1,148.32	2,713.28
B. Other commitments - Sale contracts	14,745.54	16,020.78
- Export Obligation under EPCG Scheme	144.29	144.29

Rs in Lakhs

39. UN ALLOCATED CAPITAL EXPENDITURE	As at 31-03-2020	As at 31-03-2019
a) Opening unallocated capital expenditure	362.36	1,536.81
Add:		
Salaries, wages, Bonus, PF & FPS	51.18	185.45
Staff welfare Expenses	-	0.63
Stores and Spares Consumed	-	38.93
Power	1.90	85.56
Insurance	1.60	18.57
Repairs to Other Assets	-	0.21
Rent	-	2.27
Professional Fees	70.17	76.50
Travelling Expenses	-	10.04
Security Charges	-	11.01
Rates & taxes	-	54.12
Interest on Term Loan	-	1,432.61
Depreciation	-	17.64
Miscellaneous expenses	0.59	16.17
Net Expenditure during the Trial Run	-	614.29
	487.80	4,100.82
Less:		
Interest Received	-	7.89
Miscellaneous Income	-	0.03
	487.80	4,092.91
Less:		
Capitalised/Allocated to fixed assets	452.18	3,730.55
Written off during the year	3.05	
Closing unallocated Capital Expenditure	32.58	362.36

Rs in Lakhs

40. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR	As at 31-03-2020	As at 31-03-2019
a) Opening unallocated capital expenditure	362.36	1,536.81
Add:		
Salaries,wages & Bonus	51.18	185.45
Staff welfare Expenses	-	0.62
Stores and Spares Consumed	-	38.93
Power	1.90	85.56
Insurance	1.60	18.57
Repairs to Other Assets	-	0.21
Rent	-	1.79
Professional Fees	70.17	76.50
Travelling Expenses	-	9.69
Security Charges	-	11.01
Rates & taxes	-	51.92
Interest on Fixed Loan	-	1,432.61
Depreciation	-	17.64
Miscellaneous expenses	0.59	16.17
Net expenditure during trial run period	-	614.29
	487.81	4,097.77
Less:		
Interest Received	-	7.89
Miscellaneous Income	-	0.03
	487.81	4,089.86
Less:		
Capitalised/Allocated to fixed assets	452.18	3,730.55
Written off during the year	3.05	-
Closing unallocated Capital Expenditure	32.58	362.36
b) Net expenditure during trial run production		
Raw material consumed	-	1,528.74
salaries&wages	-	12.71
contribution to providend and other funds	-	0.02
staff welfare expenses	-	0.27
Power & fuel	-	2,486.62
Repairs to other Assets	-	0.00
Interest paid to Bankers&Others	-	288.16
Insurance	-	1.76
Miscellaneous expenses	-	81.72
Depreciation	-	262.20
	-	4,662.19

Rs in Lakhs

40. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR	As at 31-03-2020	As at 31-03-2019
Less:		
Sales/Inter Unit Transfer		
Raw-meal transfered to LINE I	-	25.54
Clinker transfered to LINE I	-	3,007.69
Stocks at the end of trial run production		
Raw Meal	-	83.27
Clinker	-	931.41
Net Income/Expenditure during trial period :	-	(614.29)

41. REVENUE FROM OPERATIONS	For FY 2019-20	For FY 2018-19
Finished goods sold		
Cement	84303.23	101644.72
Heavy Engineering products	6563.56	9717.32
Electrical energy	534.18	661.97
Sugar	48030.28	51860.62
Service Receipts	2309.05	1697.96
Others	618.35	547.54
TOTAL	142,358.65	166,130.14

42. EARNINGS PER SHARE (EPS)	FY 2019-20	FY 2018-19
i) Profit / (Loss) after Non controlling interest from continuing operations	2,713.44	8,222.49
i) Profit / (Loss) after Non controlling interest from discontinued operations	-	-
Total Profit / (Loss) after Non controlling interest	2,713.44	8,222.49
ii) Net Profit attributable to Equity Shareholders	2,713.44	8,222.49
iii) Weighted Average number of equity shares used as denominator for calculating EPS	128,921,160	128,921,160
Earnings per share (for Continuing Operations) Basic and diluted	2.10	6.38
Earnings per share (for Discontinued Operations) Basic and diluted	-	-
Total Earnings per share - Rs.	2.10	6.38
Nominal value per each Equity share - Rs.	1.00	1.00

Rs in Lakhs

43. Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2019-20		FY 2018-19	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year	1,376.37	1,299.83	1,279.26	1,212.71
Less: Difference in Opening Balance	-	-	-	-
Interest cost	96.39	90.52	91.14	81.07
Current service cost	119.14	174.31	94.70	93.80
Past service cost			-	-
Benefits paid	(232.64)	(233.01)	(181.91)	(311.58)
Actuarial loss/(gain) on obligation	319.71	101.09	93.18	223.83
Present value of obligations as at end of the year	1,678.97	1,432.74	1,376.37	1,299.83
b) Reconciliation for fair value of plan assets				
Fair Value Of Plan Assets At The Beginning Of The Year	1,331.34	0.00	1,253.90	0.00
Add : Increase In Value By LIC	0.00		0.00	
Less: Decrease In Value	0.00		0.00	
Expected Return On Plan Assets	90.78		94.99	
Contributions	164.52	233.01	158.40	311.58
Benefits Paid	(232.64)	(233.01)	(181.91)	(311.58)
Actuarial Gain On Plan Assets	39.60		5.96	
Fair Value Of Plan Assets At The End Of The Year	1,393.60	0.00	1,331.34	0.00
c) Net Liability recognised in the Balance Sheet				
Present value of obligations as at the end of the year	1,678.97	1,432.74	1,376.37	1,299.83
Fair value of plan Assets as at the end of the year	1,393.60	-	1,331.34	-
Amount determined under para 63 of IND AS 19	285.37	1,432.74	45.03	1,299.83
Net defined benefit liability recognised in the Balance sheet	285.37	1,432.74	45.03	1,299.83
Present value of future reduction in contribution under para 65 of IND AS 19	-	-	-	-
Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
d) Expenses recognised in statement of Profit & Loss				
Current service cost	119.14	174.31	94.70	93.80
Net interest on net Defined benefit obligations	5.61	0.00	(3.84)	0.00
Interest cost	0.00	90.52	0.00	81.07
Net actuarial (gain)/loss recognised in the year	0.00	0.00	0.00	0.00
Past service Cost	0.00		0.00	
Expense to be recognised in the Profit & Loss a/c	124.75	264.83	90.86	174.87

Rs in Lakhs

e) Amount recognised in the statement of OCI				
Actuarial (gain)/loss on Plan obligation	319.70	101.09	93.18	223.83
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(39.60)	0.00	(5.96)	0.00
Effect of Balance Sheet asset limit	0.00	0.00	0.00	0.00
Amount recognized in OCI for the current period	280.10	101.09	87.22	223.83
f) Actuarial Assumptions				
Assumptions as at 31 March, 2020				
Discount rate	6.73%	6.73%	7.65%	7.65%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	6.73%	0.00%	7.65%	0.00%
Mortality	IALM (2012-14)		IALM (2012-14)	
g) Date of Valuation	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
h) Average Duration of Defined Benefit Obligation (in Yrs)	8.69	5.29	9.13	5.33

i) Sensitivity Analysis

Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase or decrease in the reported assumption by 100 basis points.

Particulars	FY 2019-20		FY 2018-19	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
Discount Rate + 100/ (100) BP	7.73%	7.73%	8.65%	8.64%
Defined Benefit Obligation (PVO)	1,594.37	1,492.57	1,307.49	1,259.02
Current Service Cost	109.33	167.99	88.01	90.44
Discount Rate - 100/(100) BP	5.73%	5.73%	6.65%	6.64%
Defined Benefit Obligation (PVO)	1,773.82	1,376.43	1,453.58	1,344.03
Current Service Cost	127.25	181.19	102.41	97.46
Salary Escalation Rate + 100/(100) BP	7.00%	7.00%	7.00%	7.00%
Defined Benefit Obligation (PVO)	1,784.57	1,385.59	1,459.50	1,352.64
Current Service Cost	127.95	182.23	102.91	97.95
Salary Escalation Rate - 100/(100) BP	5.00%	5.00%	5.00%	5.00%
Defined Benefit Obligation (PVO)	1,583.02	1,483.81	1,300.94	1,250.13
Current Service Cost	108.56	166.90	87.49	89.92

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date.

Rs in Lakhs

Projected plan Cash flows:				
i) Expected Contribution in following Years [mid-year cash flows]				
Year 1	164.59	324.65	102.94	368.29
Year 2	171.17	278.08	109.11	205.75
Year 3	178.02	248.57	115.66	213.52
Year 4	185.14	210.50	122.60	191.43
Year 5	192.55	141.91	129.95	135.87
next 5 years	1,084.61	441.93	137.75	415.62
j) Expected Benefit payments in following Years [mid- year cash flows]				
Year 1	330.75	324.65	294.43	368.29
Year 2	195.53	278.08	119.16	205.49
Year 3	220.00	248.57	173.16	213.25
Year 4	148.71	210.50	168.38	191.20
Year 5	144.54	141.91	130.57	135.70
next 5 years	768.87	441.93	609.25	415.62

44 Particulars disclosed pursuant to “IND AS-24 Related Party Disclosures” :-

(as per separate annexure-I enclosed)

45. Corporate Social Responsibility (CSR)

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

Gross amount required to be spent by the company during the year	106.55	123.44
Less: Amount spent by the company during the year towards CSR	63.68	108.81
Amount yet to be spent by the company	42.87	14.63

46. Provision for Onerous Contracts as per IND AS-37

As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision for an amount of **Rs.82.72 lakhs** (Previous Year : **Rs.56.10 lakhs/-**)

47. Particulars disclosed pursuant to IND AS 108 “ Segment Reporting” are given in Annexure II.**48. Movement in Translation Reserve**

PARTICULARS	Majority	Minority	Total
	Rs.	Rs.	Rs.
Opening Balance (Cr)	2,220.92	1,131.77	3,352.69
Movement due to Non Monetary items-			
Capital, Reserves, opening Stock etc.	1,142.32	571.16	1,713.48
Exchange Difference on Dividend Received	(191.05)	-	(191.05)
Closing balance(Cr)	3,172.19	1,702.93	4,875.12

49. Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation : Rs in Lakhs

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of Total comprehensive income	Amount Rs.
Parent								
The KCP Limited	45%	46,700.32	(25%)	(676.68)	(26%)	(353.00)	(25%)	(1,029.68)
Subsidiary Foreign								
KCP Vietnam Industries Limited	37%	38,538.37	345%	9,349.53	210%	2,865.82	299%	12,215.35
Non Controlling Interest in all Subsidiaries	19%	19,269.18	(115%)	(3,116.51)	(70%)	(955.27)	(100%)	(4,071.78)
Joint Venture (Investment as per Equity Method)								
Indian								
Fives Cail KCP Limited	1%	964.63	1%	29.11	0%	(0.02)	1%	29.08
Less : Elimination on Consolidation								
Dividend received from Subsidiary & Joint Venture	-	-	(106%)	2,872.00	(14%)	(191.05)	(70%)	2,872.00
Difference in Foreign Exchange Investment in Foreign Subsidiary	(2%)	(2,371.44)					(4.68%)	(191.05)
Total	100%	103,101.06	100%	2,713.44	100%	1,366.48	100%	4,079.92

50. Proposed Dividends

In respect of the year ended March 31, 2020 the Directors proposed a dividend of Rs.0.15 paise per share, on equity share of Re.1/- each. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.193.38 lakhs excluding Dividend Distribution Tax.

51. Financial Instruments- Fair value and risk management

(Separately given in the annexure-III)

52. Consequent to the Hon'ble Supreme Court upholding the power of APERC to levy the wheeling charges an amount of Rs. 571 lakhs was provided in the books of accounts for the charges payable by the company for the period from 2002-03 to 2013-14.

53. General:

Figures in brackets indicate Negative figures unless otherwise specifically stated..

Figures for the previous year have been regrouped, wherever necessary.

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director

P S KUMAR
Director

Place: Chennai
Date: 18th June 2020

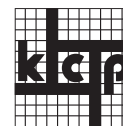
KAVITHA DUTT VELAGAPUDI
Joint Managing Director

G N MURTY
Chief Financial Officer

As per our report annexed
for K.S.RAO & CO
Chartered Accountants
Firm Regn No. 003109S

P GOVARDHANA REDDY
Partner
ICAI Mem No: 029193

Y VIJAYAKUMAR
Company Secretary



ANNEXURE - I TO CONSOLIDATED NOTES

44. RELATED PARTY DISCLOSURE

A. List of Related parties:

Subsidiary Company	KCP Vietnam Industires Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	<p>Dr. V.L. Dutt - Executive Chairman-The KCP Ltd (till 18th Feb. 2020)</p> <p>Dr. V.L. Indira Dutt - Chairperson and Managing Director-The KCP Ltd</p> <p>Smt.V Kavitha Dutt - Joint Managing Director-The KCP Ltd</p> <p>Sri V.H. Ramakrishnan- Independent Director- The KCP Ltd</p> <p>Sri P.S Kumar- Independent Director- The KCP Ltd</p> <p>Sri Vijay Sankar- Independent Director- The KCP Ltd</p> <p>Sri Narasimhappa Muttuluri- Independent Director- The KCP Ltd</p> <p>Sri O. Swaminatha Reddy - Independent Director - The KCP Ltd (till 31st March, 2019)</p> <p>Sri V. Gandhi - Technical Director - The KCP Ltd (till 31st March, 2019)</p> <p>Sri. G.N. Murty - Chief Financial Officer - The KCP Ltd</p> <p>Sri. Y. Vijaya Kumar - Company Secretary - The KCP Ltd</p>
Relatives of Key Managerial Personnel (KMP)	<p>Dr. V.L. Dutt -</p> <p style="padding-left: 20px;">Smt. Rajeswary Ramakrishanan - Sister</p> <p>Dr. V.L. Indira Dutt -</p> <p style="padding-left: 20px;">Sri V.Chandra Kumar - Brother</p> <p style="padding-left: 20px;">Smt. Uma S Vallabhaneni - Sister</p> <p style="padding-left: 20px;">Smt.V.Rama Kumari - Sister</p> <p>Smt. V Kavitha Dutt -</p> <p style="padding-left: 20px;">Kum.Sivani Dutt Chitturi - Daughter</p> <p style="padding-left: 20px;">Sri Ravi Chitturi - Husband</p> <p>Sri K.B Pranesh</p> <p style="padding-left: 20px;">Smt. Sobana Pranesh - Wife</p>
Companies controlled by Key Managerial Personnel/Relatives	<p>KCP Technologies Limited</p> <p>V. Ramakrishna Sons Pvt Limited</p> <p>The Jeypore Sugar Company Ltd.</p> <p>BGE Engineering (India) Private Limited</p> <p>VRK Grandsons Investment Private Limited</p> <p>V Ramakrishna Charitable Trust</p> <p>Sri Chandramouleswara Nursing Home Trust</p> <p>Bala Tripurasundari Ammavaru Trust</p> <p>Fives Combustion Systems Pvt Ltd.</p>

B. Transactions with the related parties:

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
Sale of Goods					
Fives Cail KCP Ltd	- (10.68)				
Services -Rendered					
V. Ramakrishna Charitable Trust				0.16 (0.16)	
Fives Cail KCP Ltd	121.33 (120.11)				
Dividend Income					
Bridgecap Engineering				- (12.65)	
Loans/Deposits/advances received					
Dr V L Dutt		- (337.68)			
Dr V L Indira Dutt		2,368.50 (435.00)			
Smt V Kavitha Dutt		- (315.00)			
V. Ramakrishna Sons Pvt Limited				- -	
VL Dutt (HUF)			150.00 (50.00)		
Kum.Shivani Dutt Chitturi			45.00 (58.00)		
Sri. V.Chandra Kumar			0.96 (0.96)		
Purchase of Goods					
KCP Technologies Limited				- (0.46)	
Fives Cail KCP Limited	16.61 (18.22)				
Five Combution Systems Pvt. Ltd.				- (13.32)	
Remuneration paid					
Dr V L Dutt		88.69 (242.49)			

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
Dr V L Indira Dutt		154.44			
		(181.87)			
Smt V Kavitha Dutt		166.66			
		(147.31)			
Sri G.N. Murty		85.36			
		(78.16)			
Sri Y. Vijaykumar		35.37			
		(29.28)			
Directors Out of pocket Exp. & Sitting fees					
Sri O. Swaminatha Reddy		-			
		(2.37)			
Sri V. H Ramakrishnan		3.34			
		(2.48)			
Sri Vijay shankar		1.90			
		(2.20)			
Sri P. S. Kumar		3.30			
		(2.63)			
Sri M. Narasimhappa		3.34			
		(2.48)			
Interest paid					
Dr V L Dutt		155.06			
		(179.98)			
Dr V L Indira Dutt		63.28			
		(25.09)			
Smt V Kavitha Dutt		45.16			
		(31.69)			
Other Relations					
Kum. Shivani D. Chitturi			35.53		
			(33.53)		
VL Dutt (HUF)			85.15		
			(77.45)		
V. Ramakrishna Sons Pvt Limited				26.44	
				(36.12)	
Sri O. Swaminatha Reddy					0.44
					(0.47)

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
Dividend paid					
Dr V L Dutt		60.06 (60.06)			
Dr V L Indira Dutt		34.68 (33.64)			
Smt V Kavitha Dutt		12.25 (11.80)			
Sri V .Gandhi		- (0.02)			
Other Relations					
Kum.Shivani Dutt Chitturi			13.00 (13.00)		
Late Smt.S R V Rajyalakshamma			- (0.01)		
Smt.Uma S Vallabhaneni			1.63 (1.63)		
Smt.Rajeswary Ramakrishnan			0.07 (0.07)		
Smt.Kamala Devi Valluri			- (0.05)		
Smt.Anupama			- (0.02)		
V. Ramakrishna Sons Pvt Limited				389.56 (389.56)	
The Jeypore Sugar Company Ltd.				2.78 (2.78)	
VRK Grandsons Investment (Private) Limited				42.49 (52.35)	
Dr V L Dutt (HUF)			1.14 (1.14)		
Loans/Deposit Repaid					
Dr V L Dutt		2,133.50 (30.00)			
Dr V L Indira Dutt		- (620.00)			
Smt V Kavitha Dutt		- (10.00)			

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
V. Ramakrishna Sons Pvt Limited		-		80.00 (270.00)	
Kum. Shivani Dutt Chitturi			- (13.00)		
Sri O . Swaminatha Reddy					- (5.00)
Rent Paid					
Dr V L Indira Dutt		123.27 (136.46)			
Smt V Kavitha Dutt		5.06 (5.06)			
Other Relations					
Smt.Uma.s.Vallabhaneni			119.64 (143.68)		
Smt.V.Rama Kumari			89.96 (104.25)		
Bala Tripurasundari Ammavaru Trust				114.99 (144.41)	
Sri.V.Chandra kumar			49.59 (58.50)		
Balances as at 31.03.2020					
Receivable - Trade dues/others					
Fives Cail KCP Ltd	19.04 (1.74)				
Receivable - Rent/Service					
Fives Cail KCP Ltd	- (0.03)				-
Share capital in KCP held by					
Dr V L Dutt		60.06 (60.06)			
Dr V L Indira Dutt		35.94 (34.67)			
Smt V Kavitha Dutt		13.00 (12.25)			

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
Sri V. Gandhi		- (0.02)			
Other Relations					
Kum.Shivani Dutt Chitturi			13.00 (13.00)		
Smt.Rajeswary Ramakrishnan			0.07 (0.07)		
Late Smt.S R V Rajyalakshamma			- (0.01)		
Smt.Uma S Vallabhaneni			1.63 (1.63)		
Smt.Anupama			- (0.02)		
Smt.Kamala Devi Valluri			- (0.05)		
V. Ramakrishna Sons Pvt Limited				389.56 (389.56)	
The Jeypore Sugar Company Ltd.				2.78 (2.78)	
VRK Grandsons Investment (Private) Limited				42.49 (42.49)	
VL Dutt (HUF)			1.14 (1.14)		
Loans/Advances held					
Dr V L Dutt		- (1,000.00)			
Dr V L Indira Dutt		1,355.00 (215.00)			
Smt V Kavitha Dutt		450.00 (450.00)			
V. Ramakrishna Sons Pvt Limited				270.00 (350.00)	
Sri. V. Chanra Kumar			0.96 (0.96)		
Sri Chandramouleswara Nursing Home Trust				0.36 (0.36)	

Rs. in Lakhs

Particulars	Joint Venture	KMP	Related parties other relations	Companies Controlled by KMP	Independent Directors
Bala Tripurasundari Ammavaru Trust				0.54 (0.54)	
Deposits held with the company					
Dr V L Dutt		- (1,133.50)			
Smt. V L Indira Dutt		1,258.50 (25.00)			
Smt V Kavitha Dutt		101.53 (101.53)			
Other Relations					
VL Dutt [HUF]			1,000.00 (850.00)		
Kum. Shivani Dutt Chitturi			415.00 (370.00)		
Commission payable					
Dr V L Dutt		- (100.13)			
Dr V L Indira Dutt		- (40.55)			
Payable-Trade Dues					
Dr V L Indira Dutt		30.55 (33.13)			
Smt V Kavitha Dutt		1.16 (1.16)			
Other Relations					
Smt.V.Rama Kumari			26.81 (26.71)		
Sri.V.Chandra kumar			11.95 (11.79)		
Smt.Uma.s.Vallabhaneni			26.47 (29.59)		
Bala Tripurasundari Ammavaru Trust				28.20 (37.05)	

Note: Figures in brackets under Note No.44 (Annexure - I) relate to Previous Year.

Note 47: SEGMENT REPORT UNDER IND AS 108 AS AT 31ST MARCH 2020
Primary Segment Report - Business Segments

PARTICULARS	Engineering		Cement		Power		Hotel		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue																
Revenue from Operations	7,288	9,998	84,411	101,736	11,033	12,864	1,802	1,614	48,030	51,861	193	214	-	-	152,757	178,287
Other Income	206	513	47	49	4	18	7	4	30	46	2,990	1,586	(2,872)	(1,411)	412	804
	7,494	10,511	84,458	101,785	11,037	12,883	1,809	1,618	48,060	51,906	3,183	1,800	(2,872)	(1,411)	153,170	179,091
Less : Inter Segment Sales	-	-	-	-	7,637	7,970	-	-	2,762	4,187	-	-	-	-	10,399	12,157
	7,494	10,511	84,458	101,785	3,400	4,912	1,809	1,618	45,298	47,719	3,183	1,800	(2,872)	(1,411)	142,771	166,934
Result																
Segment Result	(2,309)	63	2,688	6,948	(462)	190	(410)	(655)	10,291	9,654	(5)	4	(2,872)	(1,411)	6,920	14,794
Less : Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	(2,958)	(1,434)	-	-	(2,958)	(1,434)
Operating Profit / (Loss)	(2,309)	63	2,688	6,948	(462)	190	(410)	(655)	10,291	9,654	2,953	1,437	(2,872)	(1,411)	9,878	16,227
Less : Interest Expenses															(5,940)	(3,871)
															3,938	12,357
Less : Tax Provisions															21	1,022
Current Tax															(1,884)	1,311
Deferred Tax															-	(804)
MAT Entitlement Credit															(1,863)	1,529
Total Tax Expense Profit/(Loss) from Continuing Operations															5,801	10,828
Profit/(Loss) from Discontinued Activities															-	-
Less : Current Tax of Discontinued Operations															-	-
Profit After Tax of Discontinued Operations															-	-
Profit/(Loss) for the Year															5,801	10,828

(Rs In lakhs)

PARTICULARS	Engineering		Cement		Power		Hotel		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Other Comprehensive Income															2,322	928
Add : Share of Profit from Joint Venture															29	128
Less : Non Controlling of Profit / (Loss)															(4,072)	(3,145)
Total Comprehensive Income after Non-Controlling Interest															4,080	8,739
Other Information																
Segment Assets	13,379	15,170	86,948	89,826	23,344	25,290	8,770	9,487	57,977	49,394	216	246	(1,407)	(1,356)	189,227	188,057
Unallocated Corporate Assets															8,095	7,672
Total Assets	13,379	15,170	86,948	89,826	23,344	25,290	8,770	9,487	57,977	49,394	216	246	(1,407)	(1,356)	197,322	195,729
Segment Liabilities	9,869	9,026	50,236	52,305	4,187	4,277	2,066	2,940	11,019	10,841	1	4	(1,407)	(1,356)	75,972	78,036
Unallocated Corporate Liabilities															18,249	19,949
Minority Interest															19,269	16,689
Shareholders Funds															83,832	81,056
Total Liabilities	9,869	9,026	50,236	52,305	4,187	4,277	2,066	2,940	11,019	10,841	1	4	(1,407)	(1,356)	197,322	195,729
Depreciation	377	340	5,054	3,009	1,890	1,831	749	877	1,375	1,353	164	151			9,609	7,562

PARTICULARS	Sales Revenue		Carrying amount of Assets	
	Current Year	Previous Year	Current Year	Previous Year
	India	93,797	114,191	139,345
South East Asia - Vietnam	48,561	51,939	68,842	60,962

Other Disclosures :

1. The Company and its subsidiary have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of products, the different risks and rewards, the organisation structure and internal reporting system.
2. No external customer individually accounted for more than 10% of the revenues in the year ended 31-03-2020.
3. Inter-Segment revenues are recognised at market price.
4. Figures for previous year have been regrouped, wherever necessary, for reporting in accordance with Ind-AS.

ANNEXURE-III Referred in Note No.51

51A. Financial Assets & Financial Liabilities and their fair values Financial instruments - Fair values and risk management

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs, other than quoted prices which are included in Level 1, that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31st March,2020 (Rs in lakhs)

Particulars	Note	Fair value hedging instruments	Carrying amount					Fair value						
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial instruments measured at fair value														
Investments	6	-	10.01	-	1,466.62	-	-	1,476.63	10.01	-	-	-	-	10.01
Financial assets not measured at fair value														
Trade receivables	7 & 11	-	-	-	9,415.36	-	-	9,415.36	-	-	-	-	-	-
Cash and Cash Equivalents	12	-	-	-	1,964.80	-	-	1,964.80	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	25,472.03	-	-	25,472.03	-	-	-	-	-	-
Loans and advances to employees	13	-	-	-	31.87	-	-	31.87	-	-	-	-	-	-
Other Financial assets														
EMD	8	-	-	-	23.18	-	-	23.18	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	13.94	-	-	13.94	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	79.44	-	-	79.44	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	5.74	-	-	5.74	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	0.91	-	-	0.91	-	-	-	-	-	-
Others	13	-	-	-	92.55	-	-	92.55	-	-	-	-	-	-
TOTAL		-	10.01	-	38,566.44	-	-	38,576.45	10.01	-	-	-	-	10.01

(Rs In lakhs)

Particulars	Note	Carrying amount					Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial liabilities not measured at fair value														
Borrowings	18,23&25	-	-	-	-	-	54,909.03	-	-	-	54,909.03	-	-	-
Trade payables	19 & 24	-	-	-	-	-	13,237.66	-	-	-	13,237.66	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	-	-	8,752.39	-	-	-	8,752.39	-	-	-
Accrued salaries and benefits	25A	-	-	-	-	-	683.14	-	-	-	683.14	-	-	-
Payable to director	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding liabilities for expenses	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	25A	-	-	-	-	-	8,696.51	-	-	-	8,696.51	-	-	-
TOTAL		-	-	-	-	-	86,278.73	-	-	-	86,278.73	-	-	-

As at 31st March, 2019

Particulars	Note	Carrying amount					Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Financial instruments measured at fair value														
Investments	6	-	16.45	-	1,517.54	-	1,533.99	16.45	-	-	1,533.99	16.45	-	16.45
Financial assets not measured at fair value														
Trade receivables	7 & 11	-	-	-	8,368.98	-	8,368.98	-	-	-	8,368.98	-	-	-
Cash and Cash Equivalents	12	-	-	-	1,570.68	-	1,570.68	-	-	-	1,570.68	-	-	-
Bank balances other than above	12A	-	-	-	11,046.67	-	11,046.67	-	-	-	11,046.67	-	-	-
Loans and advances to employees	13	-	-	-	39.50	-	39.50	-	-	-	39.50	-	-	-
Other Financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-

(Rs In lakhs)

Particulars	Note	Carrying amount					Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
EMD	8	-	-	-	25.08	-	25.08	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	11.85	-	11.85	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	46.06	-	46.06	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	5.74	-	5.74	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	1.75	-	1.75	-	-	-	-	-	-	-
Others	13	-	-	-	2,833.95	-	2,833.95	-	-	-	-	-	-	-
TOTAL		-	16.45	-	25,467.80	-	25,484.25	16.45	-	-	-	-	-	16.45
Financial liabilities not measured at fair value														
Borrowings	18,23&25	-	-	-	-	-	59,572.31	-	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	-	-	9,780.40	-	-	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	-	-	7,815.97	-	-	-	-	-	-	-
Accrued salaries and benefits	25A	-	-	-	-	-	876.59	-	-	-	-	-	-	-
Payable to director	25A	-	-	-	-	-	140.68	-	-	-	-	-	-	-
Outstanding liabilities for expenses	25A	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL							9,561.39							9,561.39

51B. Financial instruments - Fair values and risk management

Financial risk management objectives and policies

Group activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

b) Interest rate risk

Group exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

Group policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

The interest rate profile of the Company's interest-bearing instruments is as follows.

Particulars	31-03-2020	31-03-2019
Fixed rate instruments		
Financial liabilities	10647.05	14522.36
Financial assets	23.18	25.08
Variable rate instruments		
Financial liabilities	44261.98	45,049.93
Total financial liabilities	54932.21	59,597.37

i) Sensitivity analysis

Particulars	Impact on profit or loss		Impact on other components of equity	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
1% increase in MCLR rate	443	450	443	450
1% decrease in MCLR rate	(443)	(450)	(443)	(450)

ii) Fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value

iii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Group credit risk for trade receivables is as follows

Rs. in Lakhs

Particulars	31-03-2020	31-03-2019
Trade receivables	9415.36	8368.98

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for credit loss	31-03-2020	31-03-2019
Balance at the beginning	4.56	6.41
Impairment loss recognised	1.05	(1.85)
Balance at the end	5.61	4.56

No single customer accounted for more than 10% of the revenue as of 31.03.2020 and 31.03.2019.

There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

51C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Group is exposed to this risk from its operating activities and financial activities. The Group's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2020

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	28,034.83	-	9,646.01	17,965.86	422.96	28,034.82
Current maturities of long term borrowings	13,806.20	13,806.20	-	-	-	13,806.20
Financial liabilities (Non current)	8,752.39	-	8,752.39	-	-	8,752.39
Cash credit and demand loans	13,068.00	13,068.00	-	-	-	13,068.00
Trade payables (current)	12,966.40	12,966.40	-	-	-	12,966.40
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities(Current)	9,379.65	9,379.65	-	-	-	9,379.65
	86,278.73	49,220.25	18,669.66	17,965.86	422.96	86,278.72

As at 31st March 2019

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	35,727.45	-	14,399.00	17,411.55	3,916.90	35,727.44
Current maturities of long term borrowings	12,450.22	12,450.22	-	-	-	12,450.22
Financial liabilities (Non current)	7,815.97	-	7,815.97	-	-	7,815.97
Cash credit and demand loans	11,394.64	11,394.64	-	-	-	11,394.64
Trade payables (current)	9,509.14	9,509.14	-	-	-	9,509.14
Trade payables (non-current)	271.26	-	271.26	-	-	271.26
Other financial liabilities(Current)	10,578.66	10,578.66	-	-	-	10,578.66
	87,747.34	43,932.66	22,486.23	17,411.55	3,916.90	87,747.33

51D. Foreign exchange risk

The Group imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation on its segments performance, assuming no change in other parameters like price and quantity of imports, is as follows.

(Rs. Lakhs)

Particulars	Impact on profit	
	2019-2020	2018-2019
Increase in Exchange Rate by Re.1		
Cement	(86.74)	(194.28)
Captive Power Plant	(16.13)	(1.44)
Engineering	(0.77)	(1.53)
Decrease in Exchange Rate by Re.1		
Cement	86.74	194.28
Captive Power Plant	16.13	1.44
Engineering	0.77	1.53

E Commercial risk**Sale price risk`**

(Rs. Lakhs)

Particulars	Impact on profit	
	2019-2020	2018-2019
Selling price increase by 5%		
Cement	4,215.16	5,082.24
Sugar	2,401.51	2,593.03
Power	26.71	33.10
Engineering	328.18	485.87
Hospitality & other Services	146.37	112.28
	7,117.93	8,306.51
Selling price decrease by 5%		
Cement	(4,215.16)	(5,082.24)
Sugar	(2,401.51)	(2,593.03)
Power	(26.71)	(33.10)
Engineering	(328.18)	(485.87)
Hospitality & other Services	(146.37)	(112.28)
	(7,117.93)	(8,306.51)

Raw material price risk

Particulars	Impact on profit	
	2019-2020	2018-2019
Raw material price increase by 5%		
Cement		
Limestone	(634.94)	(734.94)
Laterite	(43.20)	(61.38)
Fly Ash	(90.31)	(78.29)
Gypsum	(102.25)	(129.48)
Sugar		
Sugarcane	(1,304.73)	(1,371.81)
Engineering		
Iron and Steel, Nickel and Scrap	(155.79)	(141.71)
	(2,331.23)	(2,517.61)
Raw material price decrease by 5%		
Cement		
Limestone	634.94	734.94
Laterite	43.20	61.38
Fly Ash	90.31	78.29
Gypsum	102.25	129.48
Sugar		
Sugarcane	1,304.73	1,371.81
Engineering		
Iron and Steel, Nickel and Scrap	155.79	141.71
	2,331.23	2,517.61



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