





Memorandum of Understanding (MoU) signed with Government of Andhra Pradesh at 2nd Sunrise AP Investment Meet, Visakhapatnam held on 28th Jan 2017, in the presence of **Hon'ble Chief Minister of Andhra Pradesh, Sri N. Chandrababu Naidu.**



Commendation certificate awarded to our Macherla Cement Unit for best practises in HRD by the Govt. of AP.

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

(Rs. in Lakhs)

	Year Ended									
	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	31-3-08
SHARE CAPITAL	1289	1289	1289	2089	2789	3289	3289	3289	1289	1289
RESERVES & SURPLUS	40415	37454	34592	34250	34458	33168	29542	27189	22780	17697
NET WORTH	41704	38743	35881	36339	37247	36457	32831	30478	24069	18986
FIXED ASSETS (NET)	73180	71613	69486	66453	60639	54374	50668	33448	13147	12653
GROSS INCOME	95455	86582	70893	75723	88971	72654	37626	42289	41788	41604
GROSS PROFIT	14398	14965	10680	8024	11348	15208	8224	11052	11369	11284
DEPRECIATION	5053	3912	3431	3409	3197	2935	1233	1056	914	858
INTEREST	4630	4541	4886	4473	3812	3795	1394	949	671	692
PROFIT BEFORE TAX	4715	6512	2363	120	4339	8478	5597	9047	9784	9734
PROFIT AFTER TAX	2960	4286	1587	127	3046	6153	4135	6002	6591	6654
EARNINGS PER SHARE(Rs)**	2.30	3.32	1.17	-0.04	2.16	4.56	2.99	45.88	51.13	51.62
BOOK VALUE PER SHARE(Rs)**	32.35	30.06	27.84	27.57	27.34	26.73	23.92	220.93	186.72	147.27
DIVIDEND ON EQUITY(%) *	*200	100	75	10	100	150	100	100	100	100
DEBT EQUITY RATIO	0.53	0.66	0.89	0.86	0.54	0.51	0.71	0.33	0.27	0.15

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

(Rs. in Lakhs)

	Year Ended									
	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	31-3-08
SHARE CAPITAL	1289	1289	1289	2089	2789	3289	3289	3289	1289	1289
RESERVES & SURPLUS	66895	60227	51896	48425	47574	46890	41684	33434	26791	19601
NET WORTH	68184	61516	53185	50514	50363	50179	44973	36723	28080	20890
FIXED ASSETS (NET)	99084	97320	76542	74502	67124	61561	57821	40750	22401	20084
GROSS INCOME	142431	141450	129229	118246	133590	115004	72100	69471	60401	58059
GROSS PROFIT	22715	24140	17990	14766	18316	23625	15288	17298	15428	14462
DEPRECIATION	6469	4829	4821	4713	4442	4104	2233	2167	2015	1605
INTEREST	4967	5234	5146	4631	3971	4154	1565	1336	1279	912
PROFIT BEFORE TAX	11279	14077	8023	5422	9903	15367	11490	13795	12134	11945
PROFIT AFTER TAX	7277	9335	5037	3449	6524	10605	7874	9076	8118	8022
EARNINGS PER SHARE(Rs)**	5.64	7.24	3.84	2.54	4.89	8.01	5.89	69.7	62.98	62.23
BOOK VALUE PER SHARE(Rs)**	52.90	47.72	41.25	38.57	37.91	37.38	33.33	269.38	217.84	162.06
DIVIDEND ON EQUITY(%) *	*200	100	75	10	100	150	100	100	100	100
DEBT EQUITY RATIO	0.42	0.54	0.60	0.60	0.39	0.38	0.53	0.42	0.07	0.17

* Recommended for the approval of shareholders at the ensuing Annual General Meeting.

** 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 were reworked accordingly.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. V.L. DUTT

Executive Chairman (w.e.f. 01/07/2017)

Smt. V.L. INDIRA DUTT

Managing Director (w.e.f. 01/07/2017)

Smt. KAVITHA D. CHITTURI

Joint Managing Director (w.e.f. 01/07/2017)

Sri. V. GANDHI

Technical Director

INDEPENDENT DIRECTORS

Sri. O. SWAMINATHA REDDY

Sri. V.H. RAMAKRISHNAN

Sri. VIJAY SANKAR

Sri. P.S. KUMAR

Sri. M. NARASIMHAPPA

CHIEF FINANCIAL OFFICER

Sri. G.N. MURTY

COMPANY SECRETARY

Sri. Y. VIJAYA KUMAR

AUDITORS

M/s. BRAHMAYYA & CO

Chartered Accountants,
33-25-33B, Govindarajulu Naidu Street,
Surya Rao Pet, Vijayawada - 520 002.

M/s. K.S. RAO & CO

Chartered Accountants,
Flat No. 505, Golden Green Apartments
Irrummangil Colony, Hyderabad - 500082.

INTERNAL AUDITORS

M/s. SREE RAMA CHANDRAMURTHY & CO
Visakhapatnam

M/s. M. 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
E-mail: 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: 28140801/803 Fax: 281424790
yuvraj@integratedindia.in, www.integratedindia.in

CEMENT PLANTS

Macherla - 522426

Guntur District, Andhra Pradesh

Muktyala - 521175

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

BOARD COMMITTEES & CONSTITUTION

AUDIT COMMITTEE

Sri. O. Swaminatha Reddy

Sri. Vijay Sankar,

Sri. M. Narasimhappa,

Sri. V.H. Ramakrishnan

Sri. P.S. Kumar

Smt. Kavitha D. Chitturi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri. O. Swaminatha Reddy

Sri. Vijay Sankar,

Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan

Sri. P.S. Kumar

NOMINATION AND REMUNERATION COMMITTEE

Sri. O. Swaminatha Reddy

Sri. Vijay Sankar

Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan

Sri. P.S. Kumar

Dr. V.L. Dutt

RISK MANAGEMENT COMMITTEE

Smt. Kavitha D. Chitturi

Sri. V. Gandhi

Sri. P.S. Kumar,

Dr. G.V.K. Prasad

Dr. A.V. Sivarama Prasad

Smt. V.L. Indira Dutt

Sri. Vijay Sankar

Sri. G.N. Murty

Sri. K. Ramakrishna

Sri. B.V. P.S. Chowdary

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Smt. V.L. Indira Dutt,

Sri. V. Gandhi,

Sri. P.S. Kumar

Smt. Kavitha D. Chitturi

Sri. Vijay Sankar,

INNOVATION AND BEST PRACTICES COMMITTEE

Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan

Smt. Kavitha D. Chitturi,

Sri. V. Gandhi

Sri. Vijay Sankar

Sri. P.S. Kumar

FINANCE COMMITTEE

Dr. V.L. Dutt,

Smt. Kavitha D. Chitturi,

Sri. Vijay Sankar

Smt. V.L. Indira Dutt,

Sri. V. Gandhi,

Sri. P.S. Kumar.

INVESTMENT COMMITTEE

Sri. O. Swaminatha Reddy

Sri. Vijay Sankar

Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan

Sri. P.S. Kumar

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.

BANKERS

BANK OF BARODA

BANK OF INDIA

CANARA BANK

HDFC BANK LTD

INDIAN OVERSEAS BANK

STATE BANK OF INDIA

PLANT LOCATIONS

HEAVY ENGINEERING

Tiruvottiyur - 600 019

Chennai, Tamilnadu

Arakonam - 631 004

Mosur Road, Ekhunagar, Tamilnadu

SOLAR POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

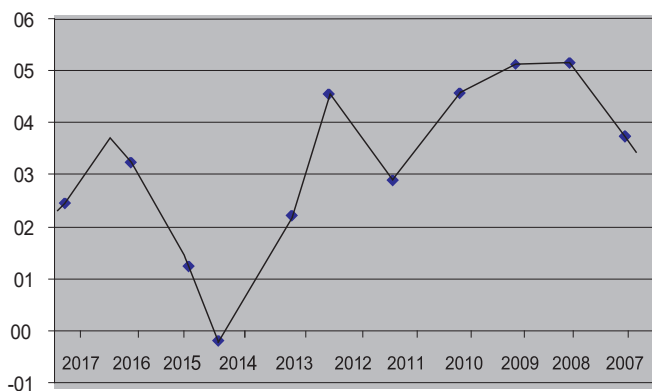
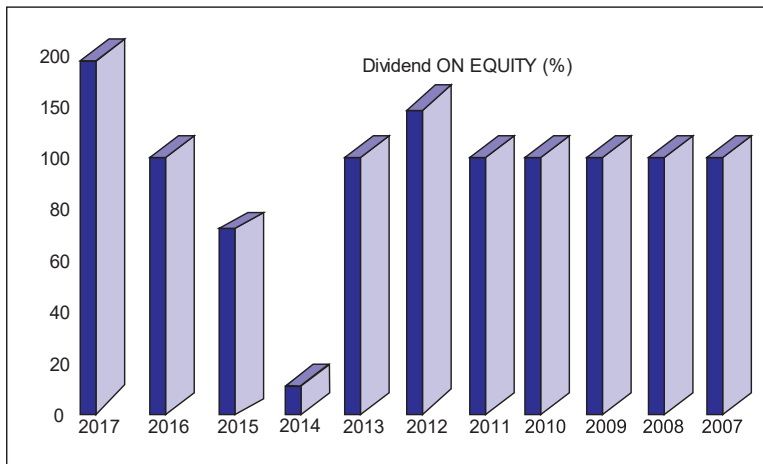
WIND MILLS

Uthumalai Village, Tirunelveli District, Tamilnadu

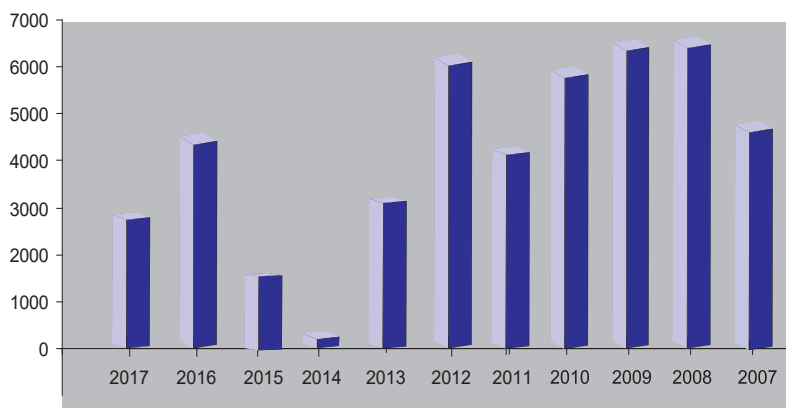
HOTEL

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 & Recognitions



From the Chairman's Desk

“Growing other leaders from the ranks isn’t just the duty of the leader, it’s an obligation.” – Warren Bennis

Dear Shareholders,

It has been an honor to lead the company as Chairman and Managing Director for 40 long years and take the company this far with all the memories of modernization of the cement units and the humungous expansion of the Engineering Unit into a versatile capital goods manufacturer.

My tenure witnessed the demerger of sugar businesses and addition of fresh capacities in Cement by way of Green field and brown field expansions and setting up of plants for generation of power from Wind, Hydel, Thermal and Solar.

The policies of transparent management with a set of prudent corporate governance principles have also led the company to associate with companies in the global arena established as world leaders in the fields in which we are focused. The association with Fuller International Inc, of USA in the cement technology sector resulted in the formation of Fuller K C P Ltd which performed exceedingly well and paid rich dividends.

Presently, the company has an association with Fives group of France as a Joint Venture in the name of Fives Cail KCP Ltd and has been doing competently well with generous technical support from its partners.

After the demerger of the sugar businesses in 1996, the company with its rich experience in the sugar industry and in the field of machinery manufacturing for that industry set up a subsidiary, KCP Vietnam Industries Ltd in Vietnam. This venture has expanded its crushing capacities since its inception and has been performing extremely well.

Another significant area that the company has ventured into the Hospitality industry with a 128 room four star hotel project by putting to beneficial use, the available land in a strategic location in Hyderabad. Before I elaborate on the performance of the Company in the year 2016-17, let me ponder over the economic events in the country, which have relevance to the operations of your company.



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GST, the most significant indirect tax reform in decades, has at last become reality and would be a game changer. It may not be the optimal GST structure, but let the best not be the enemy of the good. It is expected to usher in significant efficiencies and benefits in the logistics chain across sectors and lift India's growth trajectory over the medium run.

Although somewhat disruptive in the short run, demonetization is being leveraged to move India towards a 'less-cash' economy. The recent data shows a small and transitory hit to India growth from demonetization. It is expected to lift India's GDP growth to 7.4% in fiscal 2017-18 from 7.1% in the preceding fiscal. GST together with the move towards a 'less cash' economy will also give speed to the formalization of the economy

With this back ground, now I proceed to the performance of the company.

The performance of the cement segment is heartening. The segment recorded a growth of 15% in volumes. Despite de-growth in realizations, demonetization blues, the segment registered impressive best ever performance, both in top line and bottom line. With the brown field expansion at Muktyala unit likely to be completed by mid 2018-19, the volumes are expected to grow substantially.

On the power front, hydel unit continues to disappoint as hardly any power could be generated with scanty rains in the catchment areas. The thermal power generation was lower in fiscal 2016-17, as the available surplus capacity could not be utilized to export to others, as was done in 2015-16, due to ample availability of power in AP & Telangana. Further the selling rates available in power exchanges also were not encouraging. With the better season, Wind power could generate 78% more than that of 2015-16.

The engineering unit continues to struggle due to combination of reasons like the recovery from cycle 'Vardah', delayed reflection of impact of reforms etc. The Unit is vigorously pursuing the opportunities in defense, space etc. apart from strengthening its core competent areas of cement, sugar and power.

The expansion from 6000 TCD of cane crushing to 8000 TCD, in the Vietnam subsidiary has been completed. But the effects of expansion could not get reflected in the financial performance as the production was lower due to excessive rains in that area during the season. The subsidiary has embarked on further expansion to 10,000 TCD which is expected to be on stream in about a year's time.

Finally, let me thank all of you for your cooperation and confidence imposed and I strongly believe KCP's brightest and most innovative days are ahead of it with the new Managing Director and Joint Managing Director and I look forward in contributing to its success in a new role as Executive Chairman.

V.L.Dutt

From the Managing Director

“A leader is one who knows the way, goes the way, and shows the way.” —John Maxwell

Dear Shareholders,

I am extremely proud and at the same time humbled to write to you for the first time as the Managing Director of the Company.

KCP has grown over years from a small cooperative sugar unit into a diversified multinational, multi product conglomerate with presence in Cement, Engineering, Power and Hospitality sectors; thanks to the sustainability policies and practices of my predecessors and their initiatives towards the Company's goals.



The global economy continued to be subdued due to slowdown in the advanced economies and the Indian economy is in the process of recovery supported by strong consumption growth, Government spending and Tax reforms like introduction of Goods and Service Tax (GST).

The World Bank has projected a strong 7.2% growth rate for India this year against 6.8% growth in 2016 and further opined that in the long-term, demonetization has the potential to accelerate the formalization of the economy and the implementation of the GST is a key complementary reform that will support formalization, as firms have a strong incentive to register with GST to obtain input tax credits.

Against the back drop of deceleration in GDP and events like demonetization, our company performed reasonably well despite the drag due to loss reported by the new hotel at Hyderabad and Engineering Unit's indifferent performance. The Cement Division of the company performed extremely well and registered record ever profits in 2016-17

Against the back drop of deceleration in GDP and events like demonetization, our company performed reasonably well despite the drag due to loss reported by the new hotel at Hyderabad and Engineering Unit's indifferent performance. The Cement Division of the company performed extremely well and registered record ever profits in 2016-17.

The Union Budget proposals for the year have brightened prospects for the National Economy, particularly for Infrastructure and housing sectors and concrete steps are being proposed for re-energizing the capital goods sector with proposals to give a critical push to the manufacturing sector.

As reported earlier, The Company has undertaken expansion of cement capacity at its Unit located at Muktyala Village in Krishna District of Andhra Pradesh and the cement capacity would go up by 1.66 million tons per annum (MTPA) to 3.52 MTPA and the clinker capacity by 1.51 MTPA to 3.06 MTPA

In our Vietnam Subsidiary 30 MW Power Co-Generation plant was taken to production from March, 2017 to facilitate Son Hoa unit to operate at 8000 TCD rate and connected to national grid in 2017 to export the power and the Company is in the process of sourcing equipment to complete the expansion of Son Hoa sugar unit to 10,000 TCD for 2017-18 crushing season.

I am confident, with the guidance of eminent Directors on the Board and support of strong and dedicated team of employees; I will continue the legacy of KCP with its core values, sound ethics and good corporate governance practices.

V.L. Indira Dutt

From the Joint Managing Director

“Big thinking precedes great achievement.” —Wilfred Peterson

Dear Shareholders,

I am glad to be the Joint Managing Director of the company and looking forward to the challenge of further developing KCP's expertise, thereby ensuring to create a new age organization that is geared to drive higher growth and profitability.

In recent past, Technological and social innovation has driven major changes in the global economy, creating new sources of value and transforming organizations, strategies, and industries.

We are committed to our founder's philosophy of **“Modernise, Indegenise, Never compromise on Technology”** and launched a holistic journey that will touch upon all the key aspects of our business and our stakeholders and communities around our operations by reinventing our Mission and Vision in clear and differentiated terms to put forth a tangible action plan with defined results for the future.

We acknowledge the importance of Human resources by putting the right people in the right positions with the right training to achieve **“Organizational excellence through innovation”** and equip them for the challenges of today and readiness for tomorrow.

In recent past the Government of India has taken many steps on policy front, including a sharp focus on improving ease of doing business, speeding of green clearances and stepping up public sector outlays for infrastructure and Prime ministers new vision for Defense resurgence at this juncture enhancing our technology depth, developing skills of our employees, modernization of our facilities we can compete with the cheaper imports by making our products more competitive.

Today India is a land of oppurtunities, with a favourable demographic dividend and promising GDP growth, Skill India and Make India initiatives of Government are also considered as one of the important growth markets for many sectors with lots of untapped oppurtunities.

I believe we have an exciting journey ahead in the coming years and delighted to be a part of and leading this journey.



We acknowledge the importance of Human resources by putting the right people in the right positions with the right training to achieve “Organizational excellence through innovation” and equip them for the challenges of today and readiness for tomorrow.

Kavitha Dutt Chitturi

Board of Directors



Dr. V.L. Dutt
DIN: 00143013
Executive Chairman
(w.e.f. 01.07.2017)

Dr. V. L. Dutt is a Business Management Graduate from B.I.M, London. He serves as the Executive Chairman of the Company.

He has guided the company for over 40 years, during which period it has grown from strength to strength in turnover, profits and dividends all of which have had steady increase in infusing confidence in all stakeholders including banks, shareholders, customers etc. He has steered the company towards enhancing and optimising capacities in its manufacturing plants and has forged strategic initiatives by way of strategic joint ventures with global leaders in a professional manner to build profitable and sustainable global relationships.

He served as an Administrative Director of V. Ramakrishna Sons Private Limited for 12 years. He serves as Chairman of the Board of Fives Cail - KCP Limited and KCP Vietnam Industries Limited.

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

Presently, he also serves as a Director of Velagapudi Foundation and V Ramakrishna Sons Private Limited.

He is the Honorary Consul for Turkey in Chennai.

Dr. Dutt is the Chairman of Finance Committee and member of Nomination and Remuneration Committee of the company.



Smt. V.L. Indira Dutt
DIN: 00139883
Managing Director
(w.e.f. 01.07.2017)

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

She has over 20 years of experience and has ably supported the Chairman & Managing Director 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.

Smt.V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee and member of the Finance Committee and Risk Management Committees of the company.



Smt. Kavitha Dutt Chitturi
DIN: 00139274
Joint Managing Director
(w.e.f. 01.07.2017)

Smt. Kavitha Dutt Chitturi 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 15 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, ABI Showatech (India) 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. Kavitha Dutt Chitturi is the Chairperson of the Risk Management Committee and member of the Audit Committee, Corporate Social Responsibility Committee, Finance committee and Innovation and Best Practices Committees of the company.



Sri. V. Gandhi
DIN: 00140320
Technical Director

Sri. V. Gandhi is the Technical Director of the company and part of the senior management of KCP with over 31 years of experience. He has Bachelors Degree in Engineering (BE) from the Regional Engineering College (REC), Trichy. After serving in KCP Heavy Engineering as Head of Foundry for many years, he took up a project assignment as a Project Coordinator for World Bank funded rehabilitation of Heavy Engineering Plants for 4 years in Uganda. He served as General Manager (Planning & Procurement) in Fives Cail - KCP Limited.

He has been, during his tenure in the company as a Senior Executive and now as Technical Director, instrumental in the profitable management of the Heavy Engineering Business of the company in a very competitive atmosphere at a global level and engaging in strategic alliances, in addition to valuable contribution in the general management of the company.

He also serves as a Director in Fives Cail - KCP Limited and Bridge Gap Engineering India (P) Limited. Sri. V. Gandhi is the member of Finance Committee, Corporate Social Responsibility Committee, Risk Management Committee, Investment Committee and Innovation and Best practices Committees of the company.



Sri. O. Swaminatha Reddy
DIN: 00006391
Independent Director

Sri. O. Swaminatha Reddy, a Commerce graduate and fellow member of The Institute of Chartered Accountants of India, is the former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC. He has rich experience of almost four decades and has been guiding the Company in the areas of Financial Decision Making and Management Policies.

He presently serves as Chairman of the Boards of Sagar Cements Limited, T.C.I Finance Limited, Sagar Power Limited and as a Director of TCI Developers Limited, Transport Corporation of India limited, Surana Ventures Limited, Bhagyanagar India Limited and Sagar Cements (R) Limited.

Sri.O.Swaminatha Reddy is the Chairman of Audit Committee, Investment Committee, Nomination and Remuneration committee and Stakeholders relationship 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 served as a General Manager of Bank of India and as a Director of Andhra Bank. He serves as a member of the Group of Advisers of Shriram Group of Companies.

He served as a Director of 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 a member of Audit committee, Investment committee, Nomination and Remuneration committee, Innovation and Best practices committee and Stakeholders relationship committees of the company.



Sri. Vijay Sankar
DIN: 00007875
Independent Director

Sri. Vijay Sankar has a Masters in Business Administration (MBA) degree from the JL Kellogg Graduate School of Management, Northwestern University, Illinois. Prior to that, he earned his Bachelor of Commerce degree from Loyola College in Chennai. He is also a qualified Chartered Accountant.

Presently he serves as Deputy Chairman of Sanmar Group and he is responsible for the group's operational management. Apart from the organic growth of their core Business, he has been actively involved in Sanmar's entry into overseas ventures.

Sri. Vijay Sankar, serves as Director on the Boards of N Sankar Properties and Holdings Private Limited, C Sankar Trading and Consultancy Private Limited, M Sankar Trading and Consultancy Private Limited, Kaveri Retreats and Resorts Limited, Transport Corporation of India Limited, SCL Consultancy & Trading Limited and Oriental Hotels Limited. He serves as Vice President of the Tamil Nadu Tennis Association (TNTA) and Honorary Consul for Spain in Chennai.

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



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

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

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

He is a Director on the Boards of Brahmayya Consultants Private Limited and Rane Brakelining Limited.

Sri.P.S. Kumar is a member of Audit Committee, Investment Committee, Nomination and Remuneration Committee, Innovation and Best Practices Committee, Finance Committee, Risk Management committee, Corporate Social Responsibility Committee and Stakeholders relationship 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.

Corporate Social Responsibility

We, as a responsible corporate entity, often enter into a social relationship with all our stakeholders, clients and the civil society in which we operate and always make our decisions and carry out activities with utmost concern for the society and environment through transparent and ethical acts.

We strive to, wherever possible, contribute to sustainable development, including the health and welfare of society and development of infrastructure in whatever way possible while keeping in consideration the expectations of all the involved interest groups and it has always been our endeavour to conform to appropriate compliances balancing with the rules of social conduct.



KCP believes in Corporate citizenship, wherever possible, we contribute and support the initiatives of Central and State Governments like Swatch Bharat Abhiyan and adopted Muktyala Village to develop it as Integrated Smart Village.

Our CSR initiatives are driven by our vision, Philosophy and the need of the Communities around our operations and to promote our CSR policies, The Company is committed to work together with key community based partners like District rural development authorities, local hospitals, healthcare institutions and other voluntary organizations that have the greatest insights into the needs of local populations.

Within the framework of the primary CSR philosophy and in compliance with Section 135 read with Schedule VII of the Companies Act, 2013, the company has identified the following focus areas:

- Health care,
- Education and Vocational Training
- Infrastructure,
- Environmental sustainability and
- Women empowerment

The following sections provide details of the Company's key initiatives undertaken during the year:

Health care



KCP addresses health needs of the communities around its operations through preventive and primary healthcare services.

During the year, our Engineering unit at Thiruvottiur has conducted Medical Camp and free Vaccination programme for prevention of Swine Flu (H1N1).

In association with PSR Anjaneyulu Meenakshi Eye Hospital Macherla, we conducted Free Eye Camps in Terala & Mandadi Villages and the patients were provided with eye glasses and medicines free of cost.

In Muktyala and surrounding villages, we organized free medical camps and ambulance facility is also being provided for the benefit of local public.



Education



KCP strongly believes, Education is the backbone of every Society and the future of the Country depends on the standard of Primary education, we have unique participatory approach in promoting education through improvement in learning environment and the quality of education imparted in the Schools.

We introduced LKG, UKG English medium sections in Zilla Parishad (ZP) High school, Muktyala and paid the salaries and other expenditure for maintenance of the Sections and with an objective to provide quality education, we are operating a school bus for Muktyala children to attend schools in Jaggayyapeta, which is 10-15 kms away from Muktyala village.

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.

Vocational Training



Entrepreneurship is the most important tool for economic growth, KCP organized a free job oriented Computer training course to unemployed youth at Muktyala Village. NIIT, a reputed computer training institute is engaged to impart training.

200 students (5 batches) have attended the classes and received certificates on successful completion of the training.

Infrastructure

The Company believes that providing safe drinking water is one of the most effective ways to preventive health care and recognizes its responsibility to get involved with the rural population for upliftment of their living standards by installing Reverse Osmosis (RO) Plant in Muktyala.

The company has constructed culvert and drinking water pipe lines and internal Gravel Roads in Terala Village.

KCP also extended its support to the underprivileged families who are deprived of individual sanitation units by supporting the construction of toilets by providing 8 Cement bags and 500 Bricks for each family to 85 families of Muktyala.

KCP also organized 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.

Environmental sustainability

Environment conservation is one of the crucial initiatives undertaken by the company for its commitment towards the cognizance of a sustainable society and organised plantation programmes at ZP High School, and other public places in Muktyala to develop green belt in and around the village.

Women empowerment:



With the thrust of Empowerment of women by equipping them with skills and providing livelihood for a secure future, KCP and Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP) organized a Fashion design tailoring training program in Muktyala, hitherto, 150 ladies have completed the basic sewing machine course and fashion design course and were issued certificates.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 76th Annual Report of the company together with the Audited Financial Statements for the year ended 31st March, 2017.

1. Financial Results:

(Rs in Lakhs)

Particulars	For the year ended		For the year ended	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	Stand Alone		Consolidated (GROUP)	
Revenue from Operations	94,899	86,199	141,365	140,976
Profit for the year (PBDIT)	14,434	14,965	22,751	24,139
Less: a) Interest and Finance charges	4,630	4,541	4,967	5,234
b) Depreciation	5,053	3,912	6,469	4,829
Profit before Tax	4,751	6,512	11,315	14,077
a) Provision for current tax	1,026	1,392	1,137	1,461
b) Deferred Tax	1,386	2,122	1,383	2,194
c) Short / (Excess) Tax Provision for earlier years	-	102	11	97
Add: a) Refund of Income Tax	-	-	-	-
b) MAT Entitlement tax	649	1,390	628	1,420
Less : Minority share of profit	-	-	2,107	2,410
Profit for the Year from Continuing Operations	2,988	4,286	7,305	9,335
Profit / (Loss) from Discontinued Operations	(36)	-	(36)	-
Less : Tax expense of Discontinued Operations	(8)	-	(8)	-
Profit / (Loss) from Discontinued Operations After Tax	-28	-	-28	-
Profit for the Year	2,960	4,286	7,277	9,335
Add: Surplus brought forward from earlier year	7,571	4,709	19,097	11,275
Amount available for appropriations	10,531	8,995	26,373	20,610
Less:				
Transfer to General Reserve	-	-	-	41
Proposed Final Dividend – Equity Shares	-	-	-	40
Interim Dividends Paid –Equity Shares	-	1,289	-	1,289
Tax on Distributed Profits – Equity shares	-	135	-	143
Surplus at the end of the Year	10,531	7,571	26,373	19,097

2. Financial Performance:

Your Company reported a top-line growth of 10% on Standalone basis and 3% on Consolidated basis over the Previous Year. At Standalone level, the Gross Revenue from operations stood at Rs.94,899 lakhs compared with Rs. 86,199 lakhs in the Previous Year. The Operating Profit before tax (PBDIT) stood at Rs.14,398 Lakhs as against 14,965 Lakhs in the Previous Year. The Net Profit for the year stood at Rs.2,960 Lakhs against Rs.4,286 Lakhs reported in the Previous Year.

The Consolidated Gross Revenue from operations for FY 2017 was at Rs.141,365 (Previous Year: 140,976 Lakhs), The Consolidated Operating Profit(PBDIT) stood at Rs.22,715 Lakhs (Previous Year: Rs.24,139 Lakhs). The Consolidated Profit after tax stood at Rs. 7,277 Lakhs (Previous Year: Rs.9,335 Lakhs).

There are no material changes or commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of this Report.

3. Dividend

The Board of Directors at their Meeting held on May 22, 2017, recommended dividend for approval of the shareholders at the ensuing Annual General Meeting of Re.2/- per share i.e 200% on paid-up share capital of the company for the Financial Year 2016-17 (including Re.1/- as special dividend to Commemorate the 75th year of the company). The Dividend shall be paid to the members whose names appear on Company's Register of Members on August 25, 2017 in respect of physical shareholders and whose name appear in the list of beneficial Owners on August 25, 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after September 8, 2017.

In terms of Regulation 43A of Listing Regulations, Formulation of Dividend distribution policy is applicable to top 500 listed companies only.

4. Transfer to Reserves

Current year's profits along with carried forward balance of previous year amount to Rs.10,531 lacs., The board has not recommended any transfer to Reserves.

5. Share Capital

The paid up Equity Share Capital as at March 31, 2017 is 12,89,21,160. The Company has neither issued

shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 in respect of voting rights not exercised directly by the employees of the company as the provisions of the said Section are not applicable and the company has not issued any convertible instruments during the year.

6. Credit Rating

During the year under review, the Rating agency CRISIL has revised (upgraded) the ratings of the Company bank loan facilities and other debt facilities as detailed below.

Long Term Rating	CRISIL A-/Stable (upgraded from CRISIL BBB+/Positive)
Short Term Rating	CRISIL A2 +(upgraded from A2)
Rs. 7000 lakhs Non-Convertible Debentures	CRISIL A-((upgraded from BBB+/Positive))
Fixed Deposits	FA/Stable (upgraded from FA-/Positive).

7. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on March 31, 2017 was Rs.9231.02 Lacs as compared to the figure of Rs.8375.87Lacs as on March 31, 2016 and the total amount of Fixed Deposits matured and remaining unclaimed is Rs.150.05 lacs from 232 Depositors. Fixed Deposits of 48 Depositors amounting to Rs.60.55lacs have been renewed and Fixed Deposits of Rs. 4.10lacs of 14 depositors repaid.

Formal intimations have been sent to Depositors about the maturity of deposits with a request to either renew or claim their deposits. Interm of the provisions of Section 124(5) 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.63000/- unclaimed deposits has been transferred to the IEPF.

8. 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 the financial statements.

9. Consolidated Financial statements

The Consolidated Financial Statements of the Company for the year ended 31st March, 2017 are prepared in compliance with the applicable provisions of the Companies Act, 2013, and as stipulated under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The consolidated financial statements have been prepared on the basis of the Audited Financial Statements of the company, its subsidiary KCP Vietnam Industries Ltd, Joint venture Fives Cail K C P Ltd.

10. Management Discussion & Analysis report:

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms part of this Report.

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

Discussed in detail in Management Discussion & Analysis report

12. Inter Corporate Loans and Investments

The Company has no inter corporate loans and investments or Guarantees given in terms of Section 186 of the Companies Act, 2013

13. Related Party transactions:

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.

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

14. Corporate Social Responsibility (CSR)

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

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

activities and suggest further improvement to make it more productive.

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

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

15. Risk Management

Our Company has implemented a Risk Management framework aimed at timely identification and assessment of risks and implementing mitigation measures.

These risks are continuously reviewed to ensure their relevance and also to identify existence of any new risks.

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:

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.

16. Internal controls system and their adequacy

The company has designed and implemented a process driven framework for Internal controls within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 and the necessary control systems considering the business requirements, scale of operations, geographical spread and applicable statutes of the company are in place in the organisation.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

Internal Audit plays a key role in providing assurance to the Board of Directors. Significant Audit observations and corrective actions taken by the management are presented to the Audit Committee.

17. 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. Various training programmes have been conducted at the plants such as behaviour based safety training program, Visible Safety Leadership program, Logistics Safety program etc.

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

Industrial Relations

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

18. 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 policies being recognised as one of the most energy efficient cement manufacturing organisation with low energy consumption levels, use of alternative fuel and raw materials, low GHG emissions, etc.

19. Indian Accounting Standards (IND AS) – convergence.

In terms of MCA notification dated 16.02.2015, Listed Companies having net worth of less than Rs. 500 crores are required to comply with Ind AS in the preparation of their financial statements for accounting period beginning on or after 1st April, 2017, with the comparatives for the period ending 31st March, 2017.

The Company and its subsidiary and joint venture Company will adopt Indian Accounting Standards (Ind AS) with effect from 1st April, 2017.

20. Vigil Mechanism / Whistle Blower Policy

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

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

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

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

During the year the shareholders of the company have approved the resolutions for appointment of Dr. V.L.Dutt as Executive Chairman, Smt. V.L.Indira Dutt as Managing Director, Smt. Kavitha Dutt Chitturi as Joint Managing Director and re-appointment of Sri.V. Gandhi as Technical director of the company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Dr.V.L.Dutt , retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following are the Key Managerial Personnel of the Company:

1. Dr.V.L.Dutt: Chairman and Managing Director
2. Smt.V.L.Indira Dutt: Joint Managing Director
3. Smt.Kavitha Dutt Chitturi : Executive Director
4. Sri.V.Gandhi : Technical Director
5. Sri.G.N.Murty : Chief Financial Officer
6. Sri.Y.Vijayakumar: Company Secretary

23. Board Meetings

During the year five Board Meetings were convened and held and the details are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act,2013 and the SEBI (LODR) Regulations, 2015.

24. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out an Annual Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the

evaluation has been carried out has been explained in the Corporate Governance Report.

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

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

25. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made there under the term of office of M/s. Brahmayya & Co, Chartered Accountants, Vijayawada (Firm Registration No.000513S), as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record their appreciation to the services rendered by M/s.Brahmayya &Co, Chartered Accountants, Vijayawada as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company have recommended the appointment of M/s. K.S. Rao & Co, Chartered Accountants, (Firm Registration No.003109S) Hyderabad as the Statutory Auditors of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

There is No Audit qualification for the year under review.

26. Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out Audit of Cost Records relating to Cement and Engineering Divisions of the company.

The Board of Directors, on the recommendation of Audit Committee, have appointed M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and M/s Mahadevan & Co, Chennai as the Cost Auditors for the Cement and Engineering Divisions respectively for the year 2017-18.

As required under the Companies Act, 2013, a Resolution seeking member's approval for the remuneration payable

to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

The Cost Audit Reports for the year 2015-16 were filed by the Cost Auditors within the due date.

27. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Smt. Sobana Pranesh, Company Secretary in Practice (CP No. 2403) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed as “Annexure 7” and forms part of this Report.

There is No Secretarial Audit qualification for the year under review.

The Board has appointed Smt. Sobana Pranesh as Secretarial Auditor of the Company for the Year 2017-18.

28. Subsidiary Company:

Your Company does not have any Indian Subsidiary company.

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 subsidiaries is included in the Annual Report in Form AOC 1 as Annexure 5.

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

The Annual accounts of the subsidiary company will be placed on the website of the company www.kcp.co.in.

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

29. Transfer of amounts to Investor Education and Protection Fund (IEPF)

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

30. Transfer of shares to DEMAT account of Investor Education and Protection Fund (IEPF) Authority.

Pursuant to Section 124(6) of the Companies Act, 2013 and Rules, all shares in respect of which dividend has not been claimed by the shareholder for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF) and the company is in the process of transferring the said shares to the DEMAT account of IEPF Authority.

31. Corporate Governance:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms part of this Report.

32. Remuneration Policy:

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The details of this policy are explained in the Corporate Governance Report and is placed on website of the company: www.kcp.co.in

33. Particulars of Employees

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure - 1 and forms part of this Report.

The above Annexure is not being sent along with this Annual Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days and is also available on the website of the Company.

- 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 - CMD	216.95	4.31	50 : 1
Smt.V.L.Indira Dutt - JMD	166.05	4.31	38 : 1
Smt.Kavitha Dutt Chitturi - ED	165.60	4.31	38 : 1
Sri.V.Gandhi - TD	160.73	4.31	37 : 1

- b) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: **10.52%**
- c) The number of permanent employees (Management staff) on the rolls of company: **548**
- d) Average increase in Managerial Remuneration is at par with increase in remuneration of Employees other than Managerial Personnel and there is/are no exceptional circumstances for increase in the managerial remuneration.
- e) If remuneration is as per the remuneration policy of the company: **Yes**

34. 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 Companies Act, 2013, is annexed and forms part of this Report as **"Annexure 4"**.

35. 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.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure - 2** and forms part of this Report.

37. Director's Responsibility Statement

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

- that in the preparation of the Annual Financial Statements for the year ended 31st March, 2017, the applicable accounting standards, read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

38. Appreciation

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

Your Directors wish to whole heartedly thank the employees for their sincere and devoted contribution to the company's continued performance and are thankful to the Shareholders and Deposit holders for their continued patronage.

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

(V.L. DUTT)

Chairman and Managing
Director

Place: Chennai
Date: 22nd May, 2017

Management Discussion and Analysis

Global Economy

Growth of global economy continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies and the political developments in United State of America and United Kingdom are expected to have long-term effects on the global economy.

Supported by the growth in Industry and service sectors Global Economic activity is picking up and the growth is expected to rise from 3.1% in year 2016 to 3.5% in 2017 and 3.6% in 2018.

Indian Economy

Indian economy followed a path of recovery during the year 2016-17, registering growth in the first three quarters with the Agrarian and Rural economy, benefiting from a good monsoon after two successive rain deficit years and the favorable policy as well as executive reforms by the Government to support strong and sustainable growth, the prudent fiscal regime and calibrated monetary easing that reigned in inflation, have helped to strengthen macroeconomic stability.

However, according to estimates, India's GDP growth has moderated in FY 2016-17 to 7.1% from 7.6% recorded in the previous financial year.

This happened largely owing to the demonetization initiative that led to temporary de-circulation of money and the situation has largely normalized, following the Government's re-monetization process.

Outlook

The growth momentum in Indian economy should rise, driven by the Government's policy initiatives in areas such as Taxation (GST), Foreign Direct Investment (FDI), and the ease of doing business and a well-regulated monetary policy by the Reserve Bank of India to stabilize prices, and improving fiscal Condition.

According to the Report of Asian Development Bank (ADB), The India's economy is set to grow at 7.4% in the current fiscal year 2017-18 against 7.1% in the previous year.

Performance of the Company:

Considering the deceleration in GDP and events like demonetization in fiscal 2017, the company performed reasonably well despite the drag due to loss reported by the new hotel at Hyderabad and Engineering Unit's dismal performance.

The major performance highlights of the Company are as under.

- ❖ The Cement Division has done very well compared to the last year. The enhanced segment bottom line was driven by volumes which were better than last year.
- ❖ Engineering Unit is still to take off awaiting pickup in economic activity.
- ❖ Hotel unit at Hyderabad started its operations and the occupancy levels have started improving from Quarter 3 onwards.
- ❖ Hydel unit continues its dismal performance due to scanty monsoon in catchment areas. The performance of other power units viz. Wind, Thermal and Solar Plants is satisfactory.

The Sugar subsidiary in Vietnam has started operating its expanded capacity but the performance was hampered by the excessive rains in the season affecting not only availability of sugarcane but also the yields.

The broad financial performance of the company on Standalone basis is as follows:

(Rs. In lakhs)

FINANCIAL YEAR	2016-17	2015-16
Gross Sales	94,899	86,199
Profit before depreciation, Interest & tax	14,398	14,965
Profit(+)/Loss(-) after tax	2,960	4,286

The division-wise (Segment-wise) performance is analyzed in the following paragraphs.

A. Cement Division:

Operational Performance:

FINANCIAL YEAR	2016-17	2015-16
Cement produced (MT)	1,753,754	1,524,092
Clinker produced (MT)	1,554,350	1,313,221
Turnover (Rs In lacs)	84,756	76,590
Segment Profit before Interest & Tax (Rs in lacs)	11,295	11,051

KCP's Cement Division continues to perform at its peak and registered record ever profits in 2016-17. Both top line and bottom line of cement segment have shown good improvement over the previous year. The bottom line of cement segment is driven by improvement in the demand for the KCP Cement in the regions it operates. The quantity of cement sold improved by about 15% over 2015-16. However, the prices were subdued due to the moderate overall demand in the region of KCP's operation.

Cement Scenario:

After modest cement demand growth in H1FY17, cement demand growth trajectory suffered a jolt by the demonetization, which caused cement volumes to decline on pan India basis, especially in North owing to higher proportion of rural population. In Southern region, with more banking coverage and higher urbanization remained insulated from the impact and continued to maintain the moderate cement demand growth even in the face of cash crunch caused by demonetization.

On Prices front, Pan-India prices are estimated to decline by 1-2% in FY17, as cement demand growth remained weak for major part of the year, which restricted meaningful increase in prices. Despite the healthy growth in cement demand in the eastern region, prices have declined owing to increased competition from new players entering the region.

Outlook:

As per research, Cement demand is expected to increase by 5-6% y-o-y in FY18 on account of increased spends on roads and railways, push on affordable housing by central govt. Further materialization of pent-up demand, particularly in rural housing and low base is expected to support modest increase in demand. Over a five-year period, cement demand is projected to increase at 6-7% CAGR, led by revival in government spending in housing (esp. affordable housing), marginal uptick in private housing, and fast growth in infrastructure spends like urban infrastructure, road, and irrigation. The impact of major reform in taxation i.e. GST legislation is yet to be felt.

Challenges:

Over the long-term, it is projected that the industry's capacity utilization will reach 77% by 2020-21 (average 74% over the next five years) vis-a-vis 72% in 2015-16, with improvement in demand supply balance.

On a regional level, South, where KCP operates, has the lowest utilization rates at ~55% and continues to be a drag on pan-India utilization rates. With players curtailing capacity additions, the region's operating rate, which is hovering around 55%, is expected to gradually reach 60-63% by 2020-21. As this will still be considerably below the pan-India average, some consolidation in the region is expected to continue. Similarly, prices are expected to witness moderate growth. Grounding of governmental projects including infrastructure spends is eagerly awaited by the industry.

B. Power Division:

Operational Performance:

Details	Hydel		Waste Heat Recovery		Windmill		Solar		Thermal Plant	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Gross Generation MWH	4441	319	12183	11161	8055	4505	1868	1891	104412	113138
Division Profit before Interest & Tax (Rs Lakhs)	(-) 97	199	413	267	271	121	33	29	268	629

Thermal Power Plant (TPP): Thermal Power plant achieved a plant load factor of 80.33% in 2016-17 against 86.71% in 2015-16. The plant is meeting full power needs of the cement unit at Muktyala. The surplus power capacity is being used to sell power to the grid or transfer to the other cement unit at Macherla. During the previous year TPP could sell power to Andhra Pradesh Power grid as per the agreement with the state government.

However, the State was not in need to buy power from private parties as they were surplus during the current year. In addition the demand from the Power Exchanges was low compared to 2015-16. Hence, the unit could not generate additional power to sell to others. Hence, the reduction in generation. However, though coal prices remained subdued in the first half of the year, from the second half of the year, coal prices started going up.

Hydel: Performance of Hydel unit is dismal due to extremely disappointing monsoon in the catchment areas. The unit could not generate worth mentioning power due to inadequacy of water in the canal where it operates.

Waste Heat Recovery: The performance of this unit is linked to cement production unit at Macherla. Since, there is an improvement in production at Macherla unit, the generation of power from waste heat, was satisfactory.

Wind Mill: The wind mill could generate more units than those generated in 2015-16 as the season in 2016-17 was much better compared to 2015-16. Correspondingly, the bottom line of this unit improved over 2015-16.

Solar: The performance of solar power plant in 2016-17 was more or less similar to that of 2015-16. However, due to inadequate demand for RECs in the exchange, the profitability took a hit due to the poor valuations of RECs.

C. Engineering Division:

Operational Performance:

Rs in Lakhs

FINANCIAL YEAR	2016-17	2015-16
Turnover :		
Domestic	6,838	6,704
Export	1,079	391
Segment Profit before Interest & Tax (Rs Lakhs)	-1,601	-1,028

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100 per cent Foreign Direct Investment (FDI). The various initiatives taken by the government like Make in India and Smart Cities are yet to reflect in demand growth. With limited demand shared by the large capacities, the margins were under pressure due to intense competition. The need for capacity utilization is driving the industry to quote for orders at very thin margins. Lack of technology, a handicap of the industry, is encouraging cross border competition in the form of imports.

KCP's Engineering Unit is no exception to the conditions prevailing in the country. In addition to the economic conditions of the industry as whole, KCP's unit also had to face two consecutive natural calamities i.e. flood in 2015 and cyclone 'Vardah' in 2016. The compounded effect of these conditions is low off take as well as low profitability in the segment of the company

Outlook:

With enhanced allocations to the Defense by Government of India and push for 'Make in India' should reflect in to some demand growth for the domestic industry. The fact that 50% of the engineering goods needs are met by imports reveals an opportunity of domestic demand growth based on domestic technological advancement.

D. Hotel Division:

The KCP's Hotel in Hyderabad, **Mercure Hyderabad KCP** has started the operations. As is common for any Hotel in the country, first few years of operations would be difficult years until the brand name is established. The Hotel started gaining the occupancy levels from 20% in the first quarter to about 50% in fourth quarter.

Business travelers especially from information technology and pharma account for 85-90% clientele of premium hotels of Hyderabad. Robust MICE (meetings, incentives, conferences and exhibitions) also should help in improving occupancy rates in the city.

Being a 4 Star hotel located centrally in Hyderabad, KCP's Hotel should be in a position to enjoy the advantage. One research expects improvement in RevPARs (revenue per available room) driven by improving room occupancy. It is expected that RevPAR to grow at 12% CAGR till 2019-20, based on the expected demand and supply.

E. Ready Mix Concrete:

During the year the Company undertook Ready Mix Concrete (RMC) business on experimental basis, by hiring the equipment temporarily, as the demand for the product is on the rise. Having gained the expertise, the company is ready to foray into this area by setting up own units, subject to availability of land nearer to the places of demand.

F. Bricks:

The Company also has a brick unit in its cement unit at Muktyala. Considering the demand traditional bricks, the unit has not made much progress. However, the unit is ready to meet the demand from upcoming capital of AP in Amaravati.

Expansion Project (Brown field cement project):

The Company has undertaken expansion of cement capacity at its Unit located at Muktyala Village in Krishna District of Andhra Pradesh. The cement capacity would go up by 1.66 million tons per annum (MTPA) to 3.52 MTPA and the clinker capacity by 1.86 MTPA to 3.06 MTPA. The project is estimated to cost about Rs 500 Crores and would be completed in 24 months of kick off i.e. by October 2018. Financial Closure has been achieved by tying up the loans to the extent of 75% of the project cost. Most of the orders for machinery as well as civil contracts have been awarded and the work is in brisk progress. The progress in monetary terms is as follows:

Rs in Lakhs

Total Value of Contracts awarded: (Before taxes)	23,701
Total Payments made: (Including taxes)	6,043
Total amount of Loan drawn:	4,060

Container Freight Station Project:

The Company is in the process of obtaining necessary approvals for the project. The Company is also exploring the possibility of improving the logistics and connectivity for the container movement between the station and the ports.

Joint Venture:

Fives Cail KCP Limited:

Operational Performance:

Rs in Lakhs

FINANCIAL YEAR	2016-17	2015-16
Turnover	13,602	23,999
Profit before Tax	430	835

The Company's sugar vertical performed better during the year under review as compared to the energy vertical. Due to delay in the operationalization of overseas orders, annual turnover has dipped substantially. During the latter half of the year, new orders were booked by the energy vertical which will be executable in the ensuing financial year. Scope for the energy vertical, with the incineration boiler using spent wash from molasses based distilleries as fuel, is expected to generate considerable revenue in the next few years. Indian sugar industry market is depressed due to prevalent draught conditions affecting the sentiments of investment for modernization. Increased activity in sugar industry in South East Asia and Africa, offer a silver lining.

Subsidiary:

KCP Vietnam Industries Limited: (KCP VIL)

Operational Performance:

Particulars	2016-17	2015-16
Crushing Capacity (TPD)	9,000	7,000
Cane Crushed (Mts.)	733,142	802,425
Sugar produced (Mts.)	95,024	92,177
Recovery Rate (%)	8.39%	9.24%
Average Sales Realization (Rs / MT)	47,046	42,611
Turnover (Rs Lacs)	41,272	46,010
Profit before Tax (Rs lacs)	6,393	7,230

Overview:

Most part of the year, company operated with a total crushing capacity of 7000 TCD (Son Hoa Unit – 6000 TCD and Dong Xuan Unit – 1000 TCD) and from Mar,2017 with a crush capacity of 9000 TCD (Son Hoa unit – 8000 TCD and Dong Xuan unit – 1000 TCD).

The total cane crushed was 733,142 Mts with a recovery rate of 8.39% and the refined sugar produced was 95,024 MTs which includes sugar processed from raw sugar of 29,578 MTs

Compared to the previous season, the sugarcane crushed and the quality of the sugar cane were lower but the sugar production was higher. Unusual heavy rains in Dec,2016 and Jan,2017 impacted the harvest and milling. Raw sugar was purchased for conversion in to high quality refined sugar to make up for the production loss due to low quality of the sugarcane.

Though the sugar prices maintained upward trend or stable due to forecast of deficit in the World during 2016, the trend was reversed in 2017 with the prices dropped in the

international market. Vietnam sugar market followed the trend in the international market.

30 MW Power Co-Generation plant was taken to production from March, 2017 to facilitate Son Hoa unit to operate at 8000 TCD rate and connected to national grid in year 2017 to export the power.

Company is in the process of sourcing equipment to complete the expansion of Son Hoa sugar unit to 10,000 TCD.

Cautionary Statement:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are as perceived currently. Actual results may differ materially from those expressed in the statement.

Important factors that could influence the Company's operations include domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Place: Chennai
Date: 22nd May, 2017

(V.L. DUTT)
Chairman and Managing Director

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

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

Energy conservation measures at Cement Unit, Macherla:

- ❖ Installed 90KW VFD for R-71 coal FK Pump blower.
- ❖ Installed 55KW Yaskawa A1000 VFD for J8A Packer Bag filter Exhaust fan (J20A) and 22 KW Yaskawa A1000 VFD for J71 Packer Bag filter Exhaust fan (J84).
- ❖ Installed 55KW Yaskawa A1000 VFD for J8C Packer Bag filter Exhaust fan (J20B) and 55 KW VFD F13 for NOSE RING FAN.
- ❖ Installed 20 HP submersible pump set at process water tank to minimize the operation of 40 HP centrifugal pump operation.
- ❖ Replaced 137 conventional tube lights with CCR LED lights at TG House control room, QC Laboratory, MCC Room, IT Department, TG house turbine room and street lights.

Energy conservation measures at Cement Unit and Thermal Power Plant, Muktyala.

- ❖ Internal modification in Raw Mill circuit resulted into Process optimization and productivity improvement.
- ❖ Optimization of Coal Mill operation.
- ❖ 65 No of 150 W HPSV Lamps replaced with 70W LED Lights for Plant Street Lights,
- ❖ 62 No of 4 X 14 W T5 Panel lights replaced with 36 W LED Panel lights for Load Centre and CCR office lighting.
- ❖ Installed 5 Nos Airtron energy savers in place of 3 star rating 1.5 TR Split A/c units.
- ❖ Installed Improved version of cooler plates.
- ❖ Heat Resistant (HR) painting with mixed compound of Lithopone & Sodium silicate used for KILN shell.
- ❖ HR Aluminum - BERGER 123 paint used for Pre-heater cyclones.

Energy conservation measures planned at Cement Unit and Thermal Power Plant, Muktyala.

- ❖ Planned to Install MV VFD in place of GRR for Raw Mill Fan Motor.
- ❖ Planned to install Raw Mill Fan impeller with high efficiency impeller.
- ❖ Planned to install retrofit Cooler 1st grate to improve the efficiency.
- ❖ Planned to Replace 150 W HPSV Conventional Lamps with 70 W LED Street Lights for Colony and Main Road lighting.
- ❖ Planned to replace induced Draft Cooling tower with Natural draft cooling tower for MRSS + CM building AHU System.
- ❖ Planned to replace 28 W T5 Lamps with 22 W LED Lights for Quarters.
- ❖ Planned to Install Airtron Energy saver for 1.5 TR Split AC units.
- ❖ Planned to install condensate in cooler exit duct to utilize waste heat for pre-heating of DM Water in power plant.

(ii) The Steps taken by the Company for using alternate source of Energy.

- ❖ Waste Heat Recovery Unit – Macherla
- ❖ Hydel Power Unit – Nekerikallu
- ❖ Solar Power Plant – Muktyala
- ❖ Wind Mills – Uthumalai (Tamil Nadu)

(iii) The Capital investment on energy conservation equipments: NIL**B. TECHNOLOGY ABSORPTION****(i) The efforts made towards technology absorption:**

The company continues its efforts towards adoption and implementation of new technologies by Identifying alternate fuels, utilizing waste material, adopting newer technologies, improving product quality with improved process and optimizing available resources.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- ❖ Energy Conservation
- ❖ Conservation of natural resources
- ❖ Utilization of waste and environment conservation
- ❖ Improvement in equipment efficiency and productivity
- ❖ Cost reduction

C. EXPENDITURE ON R & D

Particulars	2016- 2017 (Rs.)	2015-2016 (Rs.)
a) Capital Expenditure	-	-
b) Recurring Expenditure	329,133	323,904
c) Total expenditure	162.95	323,904
d) Total R&D expenditure as % of turnover	0.003	0.004

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

PARTICULARS	2016-17 (Rs. Lakhs)	2015-16 (Rs. Lakhs)
a) F.O.B value of goods exported during the year	1,300.29	2,319.79
b) Income from Service charge	162.95	0.75
c) Dividend from Investments held in Foreign Subsidiary	12.47	12.14

(b) Expenditure in Foreign Currency

PARTICULARS	2016-17 (Rs. Lakhs)	2015-16 (Rs. Lakhs)
a) Travelling expenses	5.02	6.27
b) Membership	3.65	3.65
c) Other matters- Advances to Suppliers	39.20	-
d) Commission	2.12	6.11

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.**

Smt. V.L. Indira Dutt - Chairperson

Smt. Kavitha D. Chitturi – Member

Sri. V. Gandhi – Member

Sri. Vijay Sankar – Member

Sri. P.S. Kumar - Member

- 3). Average net Profit the Company for last three financial years : Rs.2994 lakhs
- 4). Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 59.9 Lakhs
- 5). Details of CSR spent during the financial year.
 - (a) Total Amount spent for the financial year 2016-2017 Rs.62.24 Lakhs.
 - (b) Amount unspent, if any : Nil
 - (c) Manner in which the amount was spent during the financial year detailed in next page.

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 District of Andhrapradesh	9.00	10.57		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. Tiruvottiyur, Chennai, Tamilnadu. 2. Muktyala in Krishna District of Andhrapradesh	20.00	20.02		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 District of Andhrapradesh	2.00	1.90		Direct
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	1. Muktyala in Krishna District of Andhrapradesh 2. Macherla in Guntur District of Andhrapradesh	30.00	29.75		Direct and in association with local panchayats and municipalities.
	TOTAL			61.00	62.24		

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: NA.

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

Sd/- V.L.Dutt (Chairman & Managing Director)	Sd/- V.L.Indira Dutt (Chairperson CSR Committee)	Sd/- Y.Vijayakumar (Company Secretary)
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ANNEXURE - 4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31.03.2017

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	L65991TN1941PLC00128
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	LISTED
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	3242	83.70%
2	ENGINEERING	2825	7.82%
3	POWER	3510	6.88%
4	HOTEL	-	1.12%
5	OTHERS	-	0.48%

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'
vii)	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'
viii)	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	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
A	Shareholding of Promoter and Promoter Group	-								
(1)	Indian									
a	Individual/Hindu Undivided Family	11974748	-	11974748	9.29	12461843	-	12461843	9.67	0.38
b	Central Government/ State Governments									
c	Bodies Corporate	48813026	-	48813026	37.86	45613098	-	45613098	35.38	(2.48)
d	Financial Institutions / Banks									
e	Any other (Specify)									
	Sub Total A(1)	60787774	-	60787774	47.15	58074941	-	58074941	45.05	(2.10)
(2)	Foreign									
a	Individual (Non resident Individuals / Foreign individuals)	239050	-	239050	0.19	239050	-	239050	0.19	-
b	Bodies Corporate									
c	Institutions	-				-				
d	Qualified Foreign Investor									
e	Any other (Specify)	-				-				
	Sub Total A(2)	239050	-	239050	0.19	239050	-	239050	0.19	-
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	61026824	-	61026824	47.34	58313991	-	58313991	45.23	(2.10)
B	Public Shareholding									
(1)	Institutions									
a	Mutual Funds/ UTI	8212150	2000	8214150	6.37	5783569	2000	5785569	4.49	(1.88)
b	Financial Institutions / Banks	94747	4990	99737	0.08	621771	4990	626761	0.49	0.41
c	Central Government/ State Governments									
d	Venture capital Funds									
e	Insurance Companies	1302930	-	1302930	1.01	1302930	-	1302930	1.01	-
f	Foreign Institutional Investors	25259	-	25259	0.02	-	-	-	-	(0.02)
g	Foreign Venture Capital Investors									
h	Qualified Foreign Investor									
i	Any other									
	Sub Total B(1)	9635086	6990	9642076	7.48	7708270	6990	7715260	5.98	(1.49)

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
(2)	Non-Institutions									
a	Bodies Corporate	5562324	36550	5598874	4.34	6295836	36550	6332386	4.91	0.57
b	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	22622974	4913387	27536361	21.36	26402867	4543103	30945970	24.00	2.64
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	20550021	1066810	21616831	16.77	20317918	1066810	21384728	16.59	(0.18)
c	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d	Any other									
d(i)	Clearing Member	105193	0	105193	0.08	255230	0	255230	0.20	0.12
d(ii)	Corporate - Margin Trading Account	226202		226202	0.18	573426	0	573426	0.44	
d(iii)	Individual-Margin Trading Account	519	0	519	0.00	6	0	6	0.00	(0.00)
d(iv)	Nri /OCBs	1391127	1299321	2690448	2.09	1428186	1299321	2727507	2.12	0.03
d(v)	Trusts	28251	38310	66561	0.05	28251	38310	66561	0.05	-
d(vi)	Clearing House	100	0	100	0.00	100	0	100	0.00	-
d(vii)	Corporate Body-Limited Liability Partner	118688	0	118688	0.09	212760		212760	0.17	0.07
d(viii)	Foreign Port Folio Investor-Corporate	147483	0	147483	0.11	393235	0	393235	0.31	0.19
d(ix)	Limited Liability Partnership	145000	0	145000	0.11	0	0	0	0.00	(0.11)
	Sub Total B(2)	50897882	7354378	58252260	45.18	55907815	6984094	62891909	48.78	3.60
	Total Public Shareholding (B)= (B)(1)+(B)(2)	60532968	7361368	67894336	52.66	63616085	6991084	70607169	54.77	2.10
	TOTAL (A) + (B)	121559792	7361368	128921160	100.00	121930076	6991084	128921160	100.00	-
C	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)	121559792	7361368	128921160	100.00	121930076	6991084	128921160	100.00	-

(ii) Shareholding of Promoters and Promotor Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of theyear			Shareholding at the end of theyear			% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares Pledged / encumbered	No. of Shares	% of total shares of the Company	No. of Shares Pledged / encumbered	
1	V Ramakrishna Sons (P) Ltd	38956326	30.22	-	38956326	30.22	-	-
2	V. R. K. Grandsons Investment Private Ltd.	9578330	7.43	2500000	6378402	4.95	4400000	(2.48)
3	Velagapudi Lakshmana Dutt	6005569	4.66	-	6005569	4.66	-	-
4	V L Indira Dutt	3064479	2.38	-	3364479	2.61	-	0.23
5	Shivani Dutt Chitturi	1300000	1.01	-	1300000	1.01	-	-
6	Kavitha D Chitturi	950000	0.74	-	1180000	0.92	-	0.18
7	The Jeypore Sugar Company Limited	278370	0.22	-	278370	0.22	-	-
8	Rajeswary Ramakrishnan	224020	0.17	-	224020	0.17	-	-
9	Uma S Vallabhaneni	163120	0.13	-	163120	0.13	-	-
10	Irmgard Velagapudi	152490	0.12	-	152490	0.12	-	-
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	S. Rajiv Rangasami	46405	0.04	-	0	0.00	-	(0.04)
15	P Vikram Ramakrishnan	12655	0.01	-	12655	0.01	-	-
16	Sivaramakrishnan Prasad	12650	0.01	-	12650	0.01	-	-
17	S. Nalini	11250	0.01	-	11250	0.01	-	-
18	Rajeswary Ramakrishnan	6500	0.01	-	6500	0.01	-	-
19	Kiran Velagapudi	4220	0.00	-	4220	0.00	-	-
20	Anitha .	4000	0.00	-	4000	0.00	-	-
21	Rajeswary Ramakrishnan	3500	0.00	-	3500	0.00	-	-
22	Rajyalakshamma S R V	630	0.00	-	630	0.00	-	-
	Total	61026824	47.34	2500000	58310491	45.23	4400000	(2.11)

(iii) 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. R. K. GRANDSONS INVESTMENT PRIVATE LTD.						
	PAN:AAACV3678A						
	Opening Balance as on 01-04-2016	9578330	7.43				
	15-07-2016			-68260	-0.05	9510070	7.38
	22-07-2016			-625374	-0.49	8884696	6.89
	29-07-2016			-151068	-0.12	8733628	6.77
	01-08-2016			-230250	-0.18	8503378	6.60
	19-08-2016			-100000	-0.08	8403378	6.52
	02-09-2016			-213800	-0.17	8189578	6.35
	09-09-2016			-100000	-0.08	8089578	6.28
	16-09-2016			-172860	-0.13	7916718	6.14
	23-09-2016			-73399	-0.06	7843319	6.08
	30-09-2016			500000	0.39	8343319	6.47
	07-10-2016			-271819	-0.21	8071500	6.26
	14-10-2016			-85000	-0.07	7986500	6.20
	21-10-2016			-170000	-0.13	7816500	6.06
	28-10-2016			-99073	-0.08	7717427	5.99
	04-11-2016			-329038	-0.26	7388389	5.73
	11-11-2016			-177072	-0.14	7211317	5.59
	23-12-2016			-15500	-0.01	7195817	5.58
	30-12-2016			-12600	-0.01	7183217	5.57
	13-01-2017			-54500	-0.04	7128717	5.53
	10-02-2017			-248764	-0.19	6879953	5.34
	17-02-2017			-80400	-0.06	6799553	5.27
	24-02-2017			-34534	-0.03	6765019	5.25
	03-03-2017			-10865	-0.01	6754154	5.24
	10-03-2017			-206058	-0.16	6548096	5.08
	17-03-2017			-73755	-0.06	6474341	5.02
	24-03-2017			-85939	-0.07	6388402	4.96
	Closing Balance as on 31/03/2017			-10000	-0.01	6378402	4.95

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
2	V L INDIRA DUTT						
	PAN :AAAPD6756A						
	Opening Balance as on 01-04-2016	3064479	2.377				
	22-07-2016			200000	0.16	3264479	2.53
	09-09-2016			100000	0.08	3364479	2.61
	30-09-2016			-300000	-0.23	3064479	2.38
	04-11-2016			100000	0.08	3164479	2.46
	11-11-2016			200000	0.16	3364479	2.61
	Closing Balance as on 31-03-2017			0	0.00	3364479	2.61
3	KAVITHA D CHITTURI						
	PAN :AAAPD6737H						
	Opening Balance as on 01-04-2016	950000	0.737				
	22-07-2016			200000	0.16	1150000	0.89
	30-09-2016			-200000	-0.16	950000	0.74
	21-10-2016			143000	0.11	1093000	0.85
	04-11-2016			57000	0.04	1150000	0.89
	25-11-2016			4000	0.00	1154000	0.90
	02-12-2016			3000	0.00	1157000	0.90
	09-12-2016			19000	0.02	1176000	0.91
	16-12-2016			4000	0.00	1180000	0.92
	Closing Balance as on 31-03-2017			0	0.00	1180000	0.92
4	S. RAJIV RANGASAMI						
	PAN :AGUPR2921B						
	Opening Balance as on 01-04-2016	46405	0.036				
	23-09-2016			-46405	-0.04	0	0.00
	Closing Balance as on 31-03-2017			0	0.00	0	0.00
5	SIVARAMAKRISHNAN PRASAD						
	PAN :AFRPP5944E						
	Opening Balance as on 01-04-2016	12650	0.01				
	30-12-2016			3500	0.00	16150	0.01
	Closing Balance as on 31/03/2017			0	0.00	16150	0.01

Attachment 'D'

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

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		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	SBI SMALL AND MIDCAP FUND						
	PAN :AABTS6407Q						
	Opening Balance as on 01/04/2016	3435000	2.664				
	01/07/2016			-3500	0.00	3431500	2.66
	14/10/2016			-5000	0.00	3426500	2.66
	13/01/2017			-239814	-0.19	3186686	2.47
	20/01/2017			-107900	-0.08	3078786	2.39
	27/01/2017			-152286	-0.12	2926500	2.27
	03/02/2017			-26500	-0.02	2900000	2.25
	24/02/2017			-239000	-0.19	2661000	2.06
	03/03/2017			-254901	-0.20	2406099	1.87
	10/03/2017			-1449	0.00	2404650	1.87
	17/03/2017			-11384	-0.01	2393266	1.86
	24/03/2017			-154755	-0.12	2238511	1.74
	Closing Balance as on 31/03/2017			0	0.00	2238511	1.74
2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC GROWTH FUND						
	PAN :AAATH1809A						
	Opening Balance as on 01/04/2016	2581843	2.003				
	06/05/2016			-5600	0.00	2576243	2.00
	17/06/2016			-209500	-0.16	2366743	1.84
	22/07/2016			-64000	-0.05	2302743	1.79
	01/08/2016			-500000	-0.39	1802743	1.40
	26/08/2016			-400000	-0.31	1402743	1.09
	14/10/2016			-52000	-0.04	1350743	1.05
	Closing Balance as on 31/03/2017			0	0.00	1350743	1.05
3	THE K C P LIMITED - UNCLAIMED SUSPENSE ACCOUNT						
	PAN :AAACT8046J						
	Opening Balance as on 01/04/2016	2192540	1.701				
	22/04/2016			-1000	0.00	2191540	1.70
	29/07/2016			-2000	0.00	2189540	1.70
	16/09/2016			-2990	0.00	2186550	1.70
	18/11/2016			-21560	-0.02	2164990	1.68
	03/03/2017			-750	0.00	2164240	1.68
	17/03/2017			-1680	0.00	2162560	1.68
	Closing Balance as on 31/03/2017			-410	0.00	2162150	1.68

SI. 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
4	RELIANCE CAPITAL TRUSTEE CO. LTD- A/C RELIANCES						
	PAN :AAATR0090B						
	Opening Balance as on 01/04/2016	2190315	1.699				
	Closing Balance as on 31/03/2017			0	0.00	2190315	1.70
5	VINOD HASHMATRAI PUNWANI						
	PAN :AJJPP9783F						
	Opening Balance as on 01/04/2016	1638524	1.271				
	06/05/2016			-16000	-0.01	1622524	1.26
	20/05/2016			-2738	0.00	1619786	1.26
	27/05/2016			-10262	-0.01	1609524	1.25
	03/06/2016			-10000	-0.01	1599524	1.24
	10/06/2016			-12300	-0.01	1587224	1.23
	17/06/2016			-164700	-0.13	1422524	1.10
	24/06/2016			-22000	-0.02	1400524	1.09
	30/06/2016			-30000	-0.02	1370524	1.06
	08/07/2016			-20000	-0.02	1350524	1.05
	01/08/2016			-10000	-0.01	1340524	1.04
	19/08/2016			-15000	-0.01	1325524	1.03
	26/08/2016			-8500	-0.01	1317024	1.02
	02/09/2016			-6500	-0.01	1310524	1.02
	09/09/2016			-7000	-0.01	1303524	1.01
	07/10/2016			-301150	-0.23	1002374	0.78
	21/10/2016			-202374	-0.16	800000	0.62
	02/12/2016			-30000	-0.02	770000	0.60
	09/12/2016			-20000	-0.02	750000	0.58
	16/12/2016			-20000	-0.02	730000	0.57
	30/12/2016			-130000	-0.10	600000	0.47
	06/01/2017			-50000	-0.04	550000	0.43
	13/01/2017			-50000	-0.04	500000	0.39
	20/01/2017			-50000	-0.04	450000	0.35
	27/01/2017			-50000	-0.04	400000	0.31
	03/02/2017			-100000	-0.08	300000	0.23
	10/02/2017			-100000	-0.08	200000	0.16
	17/02/2017			-20000	-0.02	180000	0.14
	24/02/2017			-80000	-0.06	100000	0.08
	10/03/2017			-15000	-0.01	85000	0.07
	17/03/2017			-5000	0.00	80000	0.06
	24/03/2017			-10000	-0.01	70000	0.05
	Closing Balance as on 31/03/2017			-20000	-0.02	50000	0.04

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
6	SANDHYA G PARIKH						
	PAN :AAEPP1311M						
	Opening Balance as on 01/04/2016	1624159	1.26				
	10/06/2016			28214	0.02	1652373	1.28
	30/06/2016			1969	0.00	1654342	1.28
	Closing Balance as on 31/03/2017			0	0.00	1654342	1.28
7	THE NEW INDIA ASSURANCE COMPANY LIMITED						
	PAN :AAACN4165C						
	Opening Balance as on 01/04/2016	1302930	1.011				
	Closing Balance as on 31/03/2017			0	0.00	1302930	1.01
8	G.V. REDDY (DR)						
	PAN :3009						
	Opening Balance as on 01/04/2016	1287250	0.998				
	Closing Balance as on 31/03/2017			0	0.00	1287250	1.00
9	GOVINDLAL M PARIKH						
	PAN :AAEPP1312J						
	Opening Balance as on 01/04/2016	1058812	0.821				
	10/06/2016			52953	0.04	1111765	0.86
	Closing Balance as on 31/03/2017			0	0.00	1111765	0.86
10	SAKUNTHALA DEVI BOPPANA						
	PAN :AFWPB3847H						
	Opening Balance as on 01/04/2016	1052410	0.816				
	Closing Balance as on 31/03/2017			0	0.00	1052410	0.82
11	HITESH SATISHCHANDRA DOSHI						
	PAN :AACPD8612R						
	Opening Balance as on 01/04/2016	992445	0.77				
	10/06/2016			8255	0.01	1000700	0.78
	26/08/2016			24254	0.02	1024954	0.80
	02/09/2016			26135	0.02	1051089	0.82
	30/09/2016			105303	0.08	1156392	0.90
	03/02/2017			355518	0.28	1511910	1.17
	10/02/2017			109521	0.09	1621431	1.26
	Closing Balance as on 31/03/2017			0	0.00	1621431	1.26
12	RAAVI SOBHANADRI CHOWDARY						
	PAN :ABGPR2293B						
	Opening Balance as on 01/04/2016	967999	0.751				
	Closing Balance as on 31/03/2017			0	0.00	967999	0.75
13	BOPPANA VINAY KUMAR						
	PAN :AFXPB0044B						
	Opening Balance as on 01/04/2016	935250	0.725				
	Closing Balance as on 31/03/2017			0	0.00	935250	0.73

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
14	PADMINI RAJAN						
	PAN :ACOPR5427J						
	Opening Balance as on 01/04/2016	872690	0.677				
	Closing Balance as on 31/03/2017			0	0.00	872690	0.68
15	ANUMOLU RAGHAVA RAMAKRISHNA						
	PAN :AACPA9053F						
	Opening Balance as on 01/04/2016	849900	0.659				
	11/11/2016			-849900	-0.66	0	0.00
	Closing Balance as on 31/03/2017			0	0.00	0	0.00
16	INDIRA C ANUMOLU						
	PAN :AACPA9052E						
	Opening Balance as on 01/04/2016	422065	0.327				
	17/06/2016			-9716	-0.01	412349	0.32
	30/06/2016			-14424	-0.01	397925	0.31
	15/07/2016			-10000	-0.01	387925	0.30
	22/07/2016			-2500	0.00	385425	0.30
	05/08/2016			-500	0.00	384925	0.30
	30/09/2016			-5000	0.00	379925	0.30
	07/10/2016			-2500	0.00	377425	0.29
	21/10/2016			-1705	0.00	375720	0.29
	11/11/2016			849900	0.66	1225620	0.95
	17/02/2017			-1000	0.00	1224620	0.95
	24/02/2017			-3000	0.00	1221620	0.95
	03/03/2017			-1000	0.00	1220620	0.95
	Closing Balance as on 31/03/2017			0	0.00	1220620	0.95
17	PRATIKSHA SATISHCHANDRA DOSHI						
	PAN :AAEPD8993K						
	Opening Balance as on 01/04/2016	168322	0.131				
	20/05/2016			20000	0.02	188322	0.15
	03/06/2016			49941	0.04	238263	0.19
	19/08/2016			25000	0.02	263263	0.20
	10/02/2017			273406	0.21	536669	0.42
	Closing Balance as on 31/03/2017			0	0.00	536669	0.42

v) Shareholding of Directors and Key Managerial Personnel:

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
	Date wise increase / Decrease in Key Managerial Personnel Shareholding during the year						
1	VELAGAPUDI LAKSHMANA DUTT						
	PAN: AABPD7988F						
	Opening Balance as on 01/04/2016	6005569	4.66				
	Closing Balance as on 31/03/2017					6005569	4.66
2	V L INDIRA DUTT						
	PAN :AAAPD6756A						
	Opening Balance as on 01-04-2016	3064479	2.38				
	22-07-2016			200000	0.16	3264479	2.53
	09-09-2016			100000	0.08	3364479	2.61
	30-09-2016			-300000	-0.23	3064479	2.38
	04-11-2016			100000	0.08	3164479	2.46
	11-11-2016			200000	0.16	3364479	2.61
	Closing Balance as on 31-03-2017			0	0.00	3364479	2.61
3	KAVITHA D CHITTURI						
	PAN :AAAPD6737H						
	Opening Balance as on 01-04-2016	950000	0.74				
	22-07-2016			200000	0.16	1150000	0.89
	30-09-2016			-200000	-0.16	950000	0.74
	21-10-2016			143000	0.11	1093000	0.85
	04-11-2016			57000	0.04	1150000	0.89
	25-11-2016			4000	0.00	1154000	0.90
	02-12-2016			3000	0.00	1157000	0.90
	09-12-2016			19000	0.02	1176000	0.91
	16-12-2016			4000	0.00	1180000	0.92
	Closing Balance as on 31-03-2017			0	0.00	1180000	0.92
4	GANDHI.V						
	PAN: AAAPG6503C						
	Opening Balance as on 01/04/2016	2040	0.00				
	Closing Balance as on 31/03/2016					2040	0.00
5	SWAMINATHA REDDY ONTEDDU						
	PAN: AACPO1809P						
	Opening Balance as on 01/04/2016	20	0.00				
	Closing Balance as on 31/03/2017					20	0.00
		10022108	7.77			10552108	8.18

Attachment 'F'

vi) Particulars of Holding, Subsidiary and Associate Companies

S.No	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	Percentage of Holding	Applicable Section
1.	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 Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai - 600 008	U29254TN1995 PLC 033300	Associate	40%	2(6)

Attachment 'G'

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

Particulars	Secured Loans excluding deposits (Rs. Lakhs)	Unsecured Loans (Rs. Lakhs)	Public Deposits (Unsecured Loans) (Rs. Lakhs)	Total (Rs. Lakhs)
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26316.63	2500.00	8375.87	37192.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	367.43	367.43
Total (i+ii+iii)	26316.63	2500.00	8743.30	37559.93
Change in Indebtedness during the financial year				
* Addition - fresh deposits	4060.00	911.80	1612.79	6584.60
* Addition - Renewals	-	-	2317.00	2317.00
* Reduction- Repayments	6644.48	1400.00	757.64	8820.12
* Reduction- Renewals	-	-	2317.00	2317.00
Net Change	-2584.48	-488.20	855.15	-2217.52
Indebtedness at the end of the financial year				
i) Principal Amount	23732.15	2011.80	9231.02	34974.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	361.63	361.63
Total (i+ii+iii)	23732.15	2011.80	9592.66	35336.61

Attachment 'H'

viii). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. Lakhs

SN.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha Dutt Chitturi	Sri. V.Gandhi	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	108.00	84.00	84.00	348.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.78	58.05	81.60	76.73	217.16
	(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...	144.17	-	-	-	144.17
5	Others, please specify					
	Total (A)	216.95	166.05	165.60	160.73	709.34
	Ceiling as per the Act (As % of Net Profits)	4	3	1.5	1.5	10

Attachment 'I'

B. Remuneration to other directors

Rs. Lakhs

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. O. Swaminatha reddy	Sri. V.H. Ramakrishnan	Sri. Vijay sankar	Sri. P.S. Kumar	Sri. M. Narasimhappa	
1	Independent Directors						
	Fee for attending board committee meetings	2.10	2.40	2.70	2.70	2.40	12.30
	Commission						
	Others, please specify						
	Total (1)	2.10	2.40	2.70	2.70	2.40	12.30
	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2.10	2.40	2.70	2.70	2.40	12.30

Attachment 'J'

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

Rs. Lakhs

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	15.42	46.76	62.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.10	3.18	6.28
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify			
	Total	18.42	49.94	68.46

Attachment 'K'

ix). PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE - 5

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

FORM AOC-1

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

Part "A" : Subsidiaries

1	Name of the subsidiary	KCP VIETNAM INDUSTRIES LIMITED	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	
3	Reporting currency of foreign subsidiaries	Vietnamese Dongs (VND) ('000)	Indian Rs. Lakhs
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 346.34 VND as on 31.03.2017	
4	Share Capital	54,58,56,275	8,331
5	Reserves & Surplus	90,59,47,802	33,587
6	Total Assets	2,08,64,67,746	60,243
7	Total Liabilities	63,46,63,669	18,325
8	Investments	-	-
9	Turnover	1,40,64,52,563	41,272
10	Profit before taxation	230,404,346	6,393
11	Provision for taxation	24,71,599	73
12	Profit after taxation	22,79,32,748	6,320
13	Proposed Dividend	-	-
14	% of shareholding		66.667%

Part "B" : Associates and Joint Ventures

	Name of Joint Venture	FIVES CAIL - KCP LIMITED	
1	Latest Unaudited Balance Sheet Date	31st March 2017	
2	Shares of Joint Venture held by the Company on the year end (No.)		400,000
	Amount of Investment in Joint Venture (Rs. Lakhs)		40.00
	Extent of Holding %		40%
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital held.	
4	Reason why the Joint Venture is not consolidated		N.A.
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs.Lakhs)		911
6	Profit/(Loss) for the year		
	(i) Considered in Consolidation (Rs.Lakhs)		108
	(ii) Not Considered in Consolidation		-

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

As per our report annexed

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

for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S

**P. GOVARDHANA
REDDY**
Partner
(ICAI Memb.
No.029193)

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

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2017

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

FORM AOC-2

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

SL. No.	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction
				Rs. Lakhs
1	Fives Cail KCP Limited	Joint Venture	Sales and Services	551.73
2	Fives Cail KCP Limited	Joint Venture	Leasing of property & Services	80.79
3	KCP Technologies Limited	Associate Company	Purchases / Services	20.43
4	KCP Technologies Limited	Associate Company	Leasing of property	1.59
5	V. Ramakrishna Charitable Trust	Associate Company	Leasing of property	0.15
6	V R & Sons Private Limited	Associate Company	Leasing of property	0.16
7	Smt.V.L.Indira Dutt	Joint Managing Director (JMD), Wife of Dr.V.L.Dutt and Mother of Kavitha D Chitturi, ED of the Company.	Lease rentals	61.85
8	Smt. S R V Rajyalakshamma	Mother of JMD	Lease rentals	10.92
9	Smt.Uma.S.Vallabhaneni	Sister of JMD	Lease rentals	80.88
10	Smt.V.Rama Kumari	Sister of JMD	. Lease rentals	58.65
11	Bala Tripurasundari Ammavaru Trust	JMD is Trustee	Lease rentals	81.38
12	Sri.V.Chandra kumar	Brother of JMD	Lease rentals	35.72
13	Smt. Kavitha Dutt Chitturi	Executive Director	Lease rentals	4.29

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

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

- (1) The transactions in Serial number 1 and 2 contract of Sales and Services include contracts meant for expansion of our subsidiary company M/s KCP Vietnam Industries Limited and other contracts of our Joint Venture Company M/s Fives Cail KCP Limited undertaken by them at arm length prices.

- (2) The transaction in Serial No.3 is relating to Consultation services in Engineering business process rendered by our Associate company M/s KCP Technologies Limited which includes documentation, analysis and reporting.
- (3) The transactions in serial numbers 2,4,5 and 6 are relating to leasing of office space owned by the company at "Ramakrishna Buildings" 2, Dr.P.V.Churian crescent, Egmore, Chennai-600008 to M/s Fives Cail KCP Limited, (10,500 sft), KCP Technologies Limited (300sft) and M/s V.Ramakrishna Sons Private Limited (30 sft) the rate prevailing in that area.
- (4) The transactions in serial numbers 7 to 13 are relating to Lease Agreements with certain Land owners including the parties mentioned in the table who are related parties for Lease of lands at Muktyala for mining and the lease Rent is payable to all parties both related and un related as follows for the purpose of mining Limestone: 25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.

The Lands have been taken on lease 40 years earlier for which the Lease costs have been minimal. If the Lease lands are not available, the company would have to get the lands on lease from the Government and there were significant costs and the obligations like: Surrender of the land at the Present value computed earlier (as explained in our earlier reports).

- (c) Duration of the contracts / arrangements/transactions – From 11 months to 40 years
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: As explained above.
- (e) Date of approval by the Board: 22/05/2014
- (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 section188: 11/08/2014.

(FOR AND ON BEHALF OF THE BOARD)

Place: Chennai
Date: 22nd May, 2017

(V.L. DUTT)
Chairman and Managing Director

Secretarial Audit Report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2017

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

To,

The Members,

THE KCP LIMITED

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

Based on my verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, Its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with a 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, 2017 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 and
- 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 Bonus for the current year has been paid at the rate of 15% taking the basic amount as Rs.7000
- h. The Contract Labour (Regulation and Abolition) Act, 1970
- i. The Industrial Employment (Standing orders), Act,1946
- j. The Apprentices Act, 1961
- k. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956

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

Secretarial Standards issued by The Institute of Company Secretaries of India.

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.

Place: Chennai

Date: 22nd May, 2017

sd/-:

(Sobana Pranesh)

Company Secretary in Practice

ACS No. 7915

C P No.: 2403

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

'Annexure A'

The Members

The KCP Limited

Chennai

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

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

Place: Chennai

Date: 22nd May, 2017

sd/-:

(Sobana Pranesh)

Company Secretary in Practice

ACS No. 7915

C P No.: 2403

Report on Corporate Governance

The Directors present the report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

The Company's philosophy on code of Governance

KCP's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices over the past 75 years of the Company's existence and ensures transparency and fairness in dealing with the stakeholders.

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

The report on Corporate Governance is divided into four parts:

- 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, Chairman & Managing Director, Smt.V.L.Indira Dutt, Joint Managing Director, Smt. Kavitha Dutt Chitturi, Executive Director and Sri.V.Gandhi, Technical Director, manage the business of the Company under the overall supervision, control and guidance of the Board.

a) Composition and category of Board of Directors:

The Company has a judicious Combination of Executive and Non- Executive Directors. As on March 31, 2017, the Board comprised of 9 Directors out of which four are Executive Directors and five Independent Directors.

The Board's composition and size is robust and enables it to deal competently with emerging business development issues and exercise independent judgment and also composition of the Board meets the requirements of Regulation 17 of the Listing Regulations.

The Chairman of the Board is an Executive Director.

Category	Number of Directors
Executive Promoter Directors including the Chairman	3
Executive Non Promoter Directors	1
Independent Directors	5
Total	9

Board Independence

The Independent Directors of the company fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.kcp.co.in.

b) Board Meetings

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

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board, In case of business exigencies; the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meetings.

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

In the Financial Year 2016-2017, the Board met five times.

The Meetings were held on May 27, 2016, August 8, 2016, November 14, 2016, December 27, 2016 and February 3, 2017. 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.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Board Meeting held on							
Name of the Director	27/05/2016	08/08/2016	14/11/2016	27/12/2016	03/02/2017	No. of meetings attended	AGM held on 08/08/2016
Dr. V.L. Dutt	P	P	P	P	P	5	P
Smt. V.L. Indira Dutt	P	P	P	P	P	5	P
Smt. Kavitha D. Chitturi	P	P	A	P	P	4	P
Sri. V. Gandhi	P	P	P	P	P	5	P
Sri V.H. Ramakrishnan	P	P	P	P	P	5	P
Sri O. Swaminatha Reddy	P	P	P	A	P	4	P
Sri. Vijay Sankar	P	P	P	P	P	5	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 on committees.

The total number of directorships held by the Directors and the position of Membership/Chairmanship on committees is given below. All the Directors are complied with the provisions of the Companies Act, 2013 and Listing regulations with this regard.

Name of the Director	* Number of Directorship(s) held in Indian Public limited companies (Including KCP)	** Committees position (Including KCP)		No. of shares held by Directors
		Chairperson	Member	
Non-Executive Independent Directors:				
Sri O. Swaminatha Reddy	8	5	2	20
Sri V.H. Ramakrishnan	3	-	4	0
Sri. Vijay Sankar	6	-	2	0
Sri. P.S. Kumar	2	-	2	0
Sri. M. Narasimhappa	2	-	2	0
Executive Promoter Directors:				
Dr. V.L. Dutt, Chairman & Managing Director	2	-	-	6005569
Smt. V.L. Indira Dutt Joint Managing Director	2	-	-	3364479
Smt. Kavitha D Chitturi, Executive Director	3	-	1	1180000
Executive Non Promoter Director:				
Sri V. Gandhi, Technical Director	2	-	-	2040

(* Excludes Directorships held in Private limited companies, foreign companies and Section 8 companies)

(** Chairmanship/Membership of Audit committee and Shareholder relationship committee only 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) The information required to be made available to the Board.

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

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

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

e) Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him, 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 under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has a one to one discussion with the newly appointed Directors to familiarize him with them Company's operations.

Further, on 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 framework, 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

II. COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, 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 provides direction to the Audit and Risk management function in the Company and monitors the quality of internal audit.

The responsibilities of the Audit Committee include among other things overseeing the financial reporting process to ensure proper disclosure of financial statements,

recommending appointment and remuneration of internal auditors, external auditors and cost auditors, reviewing the periodical interim and annual financial statements before submission to the Board, reviewing adequacy of internal control systems and discussing the scope of audit with Statutory Auditors.

The Audit Committee met four times during the year on 27/05/2016, 08/08/2016, 14/11/2016 and 03/02/2017.

The Audit Committee comprises 5 Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. O. Swaminatha Reddy, a Chartered Accountant by qualification.

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

The committee also meets the requirements of Section 177 of the Companies Act 2013.

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

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

The Company Secretary is the Secretary to the Committee.

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

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 auditors, including cost auditors, for any other services rendered by them.
- ❖ Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013, Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by the management.
 - Significant adjustments made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions; and Qualifications in draft audit report.
- ❖ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- ❖ Monitoring and reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ❖ Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- ❖ 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.
- ❖ Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
- ❖ Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
- ❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ❖ Discussion with internal auditors of any significant findings and follow-up thereon.
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- ❖ To review the functioning of the Vigil Mechanism.
- ❖ Approval of appointment of the CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background etc., of the candidate.
- ❖ Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the

Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee.

The Chairman of the Audit Committee was present at the 75th Annual General Meeting of the company.

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

The Stakeholders Relationship Committee comprises five members. Sri.O.Swaminatha Reddy, Independent Director 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 O. Swaminatha Reddy - Chairman	1	1
Sri V.H. Ramakrishnan, Member	1	1
Sri. Vijay Sankar, Member	1	1
Sri. P.S. Kumar, Member	1	1
Sri. M. Narasimhappa, Member	1	1

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

The terms of reference of the committee are:

- To consider, resolve and monitor redressal of investors/shareholders' grievances related to transfer of securities, non-receipt of Annual Report, Non-receipt of declared Dividend etc.
- To oversee the performance of the Company's Registrar and Share Transfer Agent.
- To recommend the method(s) to upgrade the standard of services to investors.
- To carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. Continuous efforts are made to ensure

that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Details of shareholders' complaints received, solved and pending share transfers

The total number of complaints received and resolved during the year ended March 31, 2017 were 77. There were no complaints outstanding as on March 31, 2017.

Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days.

c) Nomination and Remuneration Committee-Mandatory committee

The Nomination and Remuneration Committee comprises of Six Directors. Sri.O.Swaminatha Reddy, Independent Director is the Chairman of the Committee and majority of the members on the committee are Independent Directors.

The Committee met on 27/05/2016 and 14/11/2016 during the year, 2016-2017.

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

Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy - Chairman	2	2
Sri V.H. Ramakrishnan, Member	2	2
Sri. Vijay Sankar, Member	2	2
Sri. P.S. Kumar, Member	2	2
Sri. M. Narasimhappa, Member	2	2
Dr. V.L. Dutt, Member	2	2

The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Chairman of the Committee was present at the 75th 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 term of reference of the committee include the following:

- ❖ Reviewing the overall compensation policy, service agreements and other employment conditions

of Managing/Whole-time Director(s) and Senior Management (one level below the Board of Directors);

- ❖ To help in determining the appropriate size, diversity and composition of the Board;
- ❖ To recommend to the Board appointment/re-appointment and removal of Directors;
- ❖ To frame criteria for determining qualifications, positive attributes and independence of Directors;
- ❖ To recommend to Board the remuneration payable to the Directors (while fixing the remuneration of executive Directors the restrictions contained in the Companies Act, 2013 are to be considered);
- ❖ To create an evaluation framework for the Independent Directors and the Board;
- ❖ To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- ❖ To assist in developing a succession plan for the Board;
- ❖ To assist the Board in fulfilling responsibilities entrusted from time to time.

Remuneration Policy

(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 thereunder.

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

The details of sitting fees paid to Independent Directors for the year 2016-2017 (for attending the Board Meetings, Audit Committee and other Committee Meetings) are given below:

Particulars	Sitting fees paid (Rs.in Lakhs)
Sri. O. Swaminatha Reddy	2.10
Sri. V. H. Ramakrishnan	2.40
Sri. Vijay Sankar	2.70
Sri. P.S. Kumar	2.70
Sri. M. Narasimhappa	2.40

(ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendations of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company.

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

Particulars of their remuneration for the year ended 31st March, 2017 are given below:

Particulars of Executive Directors	Salary & Perquisites (Rs.in Lakhs)	Commission (Rs.in Lakhs)	Total (Rs.in Lakhs)
Dr. V.L. Dutt Chairman & Managing Director	72.78	144.17	216.95
Smt. V.L. Indira Dutt Joint Managing Director	166.05	-	166.05
Smt. Kavitha Dutt Chitturi Executive Director	165.60	-	165.60
Sri. V. Gandhi Technical Director	160.73	-	160.73

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

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

The Corporate Social Responsibility (CSR) Committee comprises of Five Directors. Smt. V.L.Indira Dutt, Joint Managing Director, 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

The composition of the Committee as on March 31, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

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

During the year the committee met on 27/12/2016.

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

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

e) Risk management Committee: Non- Mandatory committee

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

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

- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

- Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions;

The Committee met on 03/02/2017 during the year, 2016-2017.

The composition of the Risk Management Committee as at March 31, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

Members	No. of meetings held	No. of Meetings attended
Smt. Kavitha D. Chitturi – Chairperson	1	1
Smt. V.L. Indira Dutt- Member	1	1
Sri. V. Gandhi – Member	1	1
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1
Dr.G.V.K. Prasad (Executive President) CPU – II, Muktyala - Member	1	1
Sri. G.N. Murty – Chief Financial Officer.	1	1
Sri.K. Ramakrishna (Executive President) Marketing – Member.	1	1
Dr. A.V. Sivarama Prasad-Executive President - HRD & S– Member	1	1
Sri. BVPS Chowdary, Sr.GM (CPU-Macherla) – Member	1	1

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

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

f) Investment Committee: 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 the following 5 Independent Directors. The Committee met on 27/05/2016 during the year, 2016-17.

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

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, 14 meetings of Share Transfer Committee were held on the following dates:

18/04/2016, 13/05/2016, 06/06/2016, 05/07/2016, 22/07/2016, 06/09/2016, 19/09/2016, 07/10/2016, 11/11/2016, 10/01/2017, 24/01/2017, 23/02/2017, 10/03/2017 and 31/03/2017.

The Committee comprises of the following executives of the Company:

Dr. A.V. Sivarama Prasad	Executive President - HRD & S
Sri. G.N. Murty	Chief Financial Officer
Sri. Sreerama Chandra Murthy	VP (Finance)
Sri. Y. Vijaya kumar	Company Secretary

h) Finance Sub-Committee: Non- Mandatory committee

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

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

- ❖ To Review banking arrangements and cash management Exercise all powers to borrow money (otherwise than by issue of debentures) within limits approved by the Board and take necessary actions connected therewith.
- ❖ To give guarantees / issue letters of comfort / providing securities within the limits approved by the Board.
- ❖ To provide corporate guarantee / performance guarantee by the Company within the limits approved by the Board.
- ❖ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.
- ❖ To delegate authorities from time to time to the executives / authorized persons to implement the Committee's decisions.

During the year the Committee met on 12/10/2016.

The composition of the Committee as on March 31, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

Directors	No. of meetings held	No. of meetings attended
Executive Directors		
Dr. V.L. Dutt – Chairman	1	1
Smt. V.L. Indira Dutt – Member	1	1
Smt. Kavitha D. Chitturi – Member	1	1
Sri. V. Gandhi – Member	1	1
Independent Directors		
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1

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

The Company has a 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. Kavitha D. Chitturi – Member	1	1
Sri. V.H. Ramakrishnan – Member	1	1
Sri. Vijaysankar – Member	1	1
Sri. V. Gandhi – Member	1	1
Sri. P.S. Kumar – Member	1	1

During the year the committee met on February 3, 2017.

j) Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 3, 2017, 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;
- ❖ Evaluation of 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.

All the Independent Directors were present at the Meeting.

III. GENERAL SHAREHOLDERS' INFORMATION

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

Date	August 31, 2017
Time	10.15 am
Venue (Registered Office)	"Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008.

2. Financial Calendar:

Key Financial Reporting Dates for the financial year 2017-18

First Quarter ending 30 th June, 2017	Within Forty five Days from the end of the Quarter
Second Quarter ending 30 th September, 2017	Within Forty five Days from the end of the Quarter
Third Quarter ending 31 st December, 2017	Within Forty five Days from the end of the Quarter
Fourth Quarter ending 31 st March, 2018	Within Sixty Days from the end of the Financial year

The above said Calendar is subject to the extension for first time adoption of INDAS.

- 3. Book Closure:** 25th August 2017 to 31st August 2017 (both days inclusive)

4. Dividend:

The Board of Directors at their Meeting held on May 22, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re.2/- per share, on equity shares of the Company for the Financial Year 2016-17. The Dividend will be paid to the members whose names appear on Company's Register of Members on August 25, 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on August 25, 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after September 8, 2017.

5. Listing on Stock Exchanges:

Name of Stock Exchange	Stock Code
National Stock Exchange of India Limited, Mumbai (NSE)	KCP
The Bombay Stock Exchange Limited, Mumbai (BSE) (permitted to trade)	590066
Name of the Depositories (for demat only)	
National Securities Depository Ltd (NSDL)	INE805C01028
Central Depository Services (India) Ltd (CDSL)	INE805C01028

The Company has paid the listing fees for the year 2017-2018 to the National Stock Exchange of India Limited.

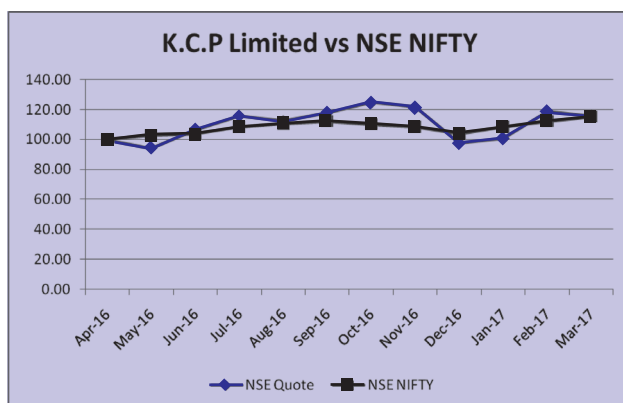
6. Share Price Data:

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2016	92.90	81.55
May 2016	87.50	76.25
June 2016	99.00	77.25
July 2016	107.50	90.60
August 2016	104.30	87.75
September 2016	109.40	93.00
October 2016	115.80	104.00
November 2016	112.80	78.85
December 2016	91.00	80.00
January 2017	93.50	83.80
February 2017	110.00	83.10
March 2017	107.50	97.20

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.

**8. Registrar & Share Transfer Agents**

(For demat & physical shares:)

M/s. Integrated Registry Management Services (P) Limited
 II Floor, "Kences Towers", No.1, Ramakrishna Street
 North Usman Road, T. Nagar, Chennai 600 017.
 Ph: 28140801/803, Email: corpserve@iepindia.com
www.integratedindia.in

9. Share Transfer System :

The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute.

A summary of transfer/ transmission of securities so approved by the share transfer and transmission committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by Registrar and Share Transfer Agent. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e.NSDL and CDSL, expeditiously.

10. Distribution of the Equity Shareholding as on March 31, 2017 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	19061	93.05	11313853	8.78
5001-10000	609	2.97	4497676	3.49
10001-20000	349	1.70	4971404	3.86
20001-30000	128	0.62	3093318	2.4
30001-40000	95	0.46	3334165	2.59
40001-50000	55	0.27	2549195	1.98
50001-100001	92	0.45	6621867	5.14
Above 100001	99	0.48	92539682	71.76
TOTAL	20488	100.00	128921160	100.00

11. Equity Shareholding as on March 31, 2017 by category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	286	1810005	1.4040
Bank Foreign	1	500	0.0004
Indian Financial Institutions	8	1929941	1.4970
Indian Promoters	21	58310491	45.2296
Mutual Funds & UTI	6	5785569	4.4877
NRI / OCBs	318	2727507	2.1156
Private Corporate Bodies	303	5956388	4.6202
Indian Public	19541	52334198	40.5939
Trusts	4	66561	0.0516
TOTAL	20488	128921160	100.00

12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on March 31, 2017

Sl no	Name of the share holder	Number of shares	%
1	SBI Emerging Business Fund	2238511	1.7363
2	Reliance Capital Trustee Co. Ltd- a/c Reliance Small Cap Fund	2190315	1.6990
3	The KCP Limited-Unclaimed Suspense Account	2162150	1.6771
4	Sandhya G Parikh	1654342	1.2832
5	HDFC Trustee Company Ltd A/c HDFC Growth Fund	1350743	1.0477
6	The New India Assurance Company Limited	1302930	1.0406
7	G.V. Reddy (Dr)	1287250	0.9985
8	Hitesh Satish Chandra Doshi	1280413	0.9932
9	Govindlal M Parikh	1111765	0.8624
10	Sakunthala Devi Boppana	1052410	0.8163
	TOTAL	15630829	12.15

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 128921160 Equity shares 121930076 Equity shares (94%) are held in dematerialized form with NSDL and CDSL and 69,91,084 shares are in physical form as on March 31, 2017.

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:

Details are provided in the third page along with other corporate information

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, 2016, September 30, 2016, December 31, 2016 and March 31, 2017. 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 minimisation procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

18. Performance evaluation 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 judgement, safeguarding the interest of the Company and its minority shareholders etc.

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

IV. DISCLOSURES AND OTHER INFORMATION:**19. Disclosures****i) 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.co.in.

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).

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.co.in

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 in accordance with "IND AS".

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.co.in

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.

20. OTHER INFORMATION

1. Details of Annual General Meetings & Special Resolutions:

(a) Location and time of Annual General Meetings held in last 3 years along with Special Resolutions passed:

Year	AGM	Location	Date	Time	Special Resolutions considered	Result
2014	73 rd	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	11/08/2014	10.45 a.m	1. Adoption of new set of Articles of Association of the company. 2. Resolution for acceptance of deposits from public and shareholders. 3. Resolution under section 180(1)(c) of the Companies Act, 2013 4. Resolution under section 180(1)(a) of the Companies Act, 2013 5. Resolution for amendment to liability clause of Memorandum of Association of the company. 6. Resolution under section 188 of the Companies Act, 2013 for approval of related party transactions.	Passed
2015	74 TH	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	12/08/2015	10.25 AM	-	-
2016	75 th	Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	08/08/2016	10.25 A.M.	1. Resolution for revision in remuneration payable to Joint Managing Director. Of the Company. 2. Resolution for revision in remuneration payable to Executive Director of the Company 3. Resolution for revision in remuneration payable to Technical Director of the Company.	Passed

(2) No EGM was held by the Company during the Financial Year ended March 31, 2017.**(3) Postal Ballot:**

During the year the Company has sought the consent of the Shareholders by way of Postal Ballot under Section 110 of the Companies Act, 2013 pursuant to Sections 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013, for the Special resolutions with respect to following business:

- 1) Appointment of Dr. V.L. Dutt as Executive Chairman of the Company.
- 2) Appointment of Smt. V.L. Indira Dutt as Managing Director of the Company.
- 3) Appointment of Smt. Kavitha Dutt Chitturi, Joint Managing Director of the Company.
- 4) Re-Appointment of Sri. V. Gandhi as Technical Director of the Company.

Voting Pattern and Procedure for Postal Ballot:

1. The Board of Director of the Company at their meeting held on 14th November 2016 appointed Sri. R. Balasubramaniam, Practising Company Secretary as the Scrutinizer for conducting the Postal Ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner.
3. All postal ballot forms received up to the close of working hours on 06/01/2017 the last date and time fixed by the company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on 12th January 2017 at the Registered Office of the Company as per the Scrutinizer Report as under:

Resolution No. 1

Appointment of Dr. V. L. Dutt (DIN: 00143013) as Executive Chairman of the Company for a period of 3 (three) years with effect from July 1, 2017.

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	112	5,98,38,185	487	94,50,652	599	6,92,88,837
2.	Less Invalid votes	0	0	34	29,376	34	29,376
3.	Net valid votes	112	5,98,38,185	453	94,21,276	565	6,92,59,461
4.	Total votes favoring the resolution.	106	5,98,36,221	435	93,84,828	541	6,92,21,049
5.	Total votes against the resolution.	6	1,964	18	36448	24	38,412

% of votes in favor of the resolution : 99.94%

% of votes against the resolution : 0.06%

Resolution No. 2

Appointment of Smt. V. L. Indira Dutt (DIN: 00139883) as Managing Director of the Company for a period of 3 (three) years with effect from July 1, 2017.

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	112	5,98,38,185	487	94,50,652	599	6,92,88,837
2.	Less Invalid votes	0	0	37	48,636	37	48,636
3.	Net valid votes	112	5,98,38,185	450	94,02,016	562	6,92,40,201
4.	Total votes favoring the resolution.	104	5,98,36,032	428	93,64,977	532	6,92,01,009
5.	Total votes against the resolution.	8	2153	22	37,039	30	39,192

% of votes in favor of the resolution : 99.94%

% of votes against the resolution : 0.06%

Resolution No. 3

Appointment of Smt. Kavitha Dutt Chitturi (DIN: 00139274) as Joint Managing Director of the Company for a period of 3 (three) years with effect from July 1, 2017.

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	110	5,98,37,857	487	94,50,652	597	6,92,88,509
2.	Less Invalid votes	0	0	38	49,756	38	49,756
3.	Net valid votes	110	5,98,37,857	449	94,00,896	559	6,92,38,753
4.	Total votes favoring the resolution.	102	5,98,35,094	425	93,58,602	527	6,91,93,696
5.	Total votes against the resolution.	8	2,763	24	42,294	32	45,057

% of votes in favor of the resolution : 99.93%

% of votes against the resolution : 0.07%

Resolution No. 4

Re-appointment of Sri. V. Gandhi (DIN: 00140320) as Technical Director of the Company for a period of 3 (three) years with effect from January 25, 2017.

S.No	Particulars	E-voting		Postal ballot forms		Total	
		Nos	No of shares	Nos	No of shares	Nos	No of shares
1.	Total votes cast.	112	5,98,38,185	487	94,50,652	599	6,92,88,837
2.	Less Invalid votes	0	0	39	72,696	39	72,696
3.	Net valid votes	112	5,98,38,185	448	93,77,956	560	6,92,16,141
4.	Total votes favoring the resolution.	101	5,98,33,322	425	93,40,647	526	6,91,73,969
5.	Total votes against the resolution.	11	4,863	23	37,309	34	42,172

% of votes in favor of the resolution : 99.94%

% of votes against the resolution : 0.06%

Accordingly, Four Special Resolutions as set out in the Notice dated 14th November 2016 were passed by the Shareholders with requisite majority.

4) Subsidiary Company

As per Regulation 24 of the SEBI (LODR) Regulations, 2015, your Company (The KCP Limited) does not have any Material non-listed Subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding accounting year.

- ❖ The Company does not have any unlisted material subsidiary, incorporated in India.
- ❖ The Audit Committee reviews the financial statements of the subsidiary Company M/s KCP Vietnam Industries Limited, Vietnam.
- ❖ The minutes of the Board meetings of the subsidiary company as well as statements of all significant transactions with the subsidiary company are placed before the Board of Directors of the Company for their review.
- ❖ All material transactions of the subsidiary company are being placed before the Board of the company.

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 share certificates lying With Company / R&T agent

Pursuant to Section 124(6) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), all shares in respect of

which dividend has not been claimed by the shareholder for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF).

Pursuant to sub-section (6) of section 124 of the Rules the company has sent Intimation to the shareholders at their available postal address by providing them an opportunity to claim their unclaimed dividend and so as to avoid transfer of their shares to IEPF suspense account and is in the process of transferring the shares to IEPF Authority suspense 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	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
1636	17	17	1619	1619
2172540	30390	30390	2162150	2162150

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.

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

Place: Chennai
Date: 22nd May, 2017

(V.L. DUTT)
Chairman and Managing Director

Auditors' Certificate on Corporate Governance

The Members

The K.C.P Limited

Ramakrishna Buildings

No. 2, Dr. P.V. Cherian Crescent

Egmore,

Chennai - 600 008

We have examined the compliance of conditions of Corporate Governance by The KCP Limited for the year ended 31st March, 2017 as stipulated in Chapter-IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter-IV of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

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

FOR K.S. RAO & CO
Chartered Accountants
Firm Regn. No. 0031109S

P. GOVARDHANA REDDY
Partner
(ICAI MEMB.NO.029193)

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

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

Place: Chennai

Date: 22nd May 2017

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

I, V.L. Dutt, Chairman & Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended March 31st, 2017.

Place: Chennai

Date: 22nd May 2017

V.L. Dutt
Chairman and Managing Director

CEO / CFO CERTIFICATION

The Board of Directors,

The KCP Limited

We hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March 2017 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 quarter 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 quarter;
 - ii) Significant changes in accounting policies during the quarter 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

For The KCP Limited

Place: Chennai
Date: 22nd May, 2017

G.N. Murty
Chief Financial Officer

V.L. Dutt
Chairman and Managing Director

Independent Auditor's Report

To the members of The KCP Limited, Chennai

Report on Standalone Financial Statements:

We have audited the accompanying standalone financial statements of The KCP Limited, Chennai, which comprise the Balance sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 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, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Companies 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", and

- g) with respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
 - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts and did not have derivative contracts – Refer Note 45 to the financial statements;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company; and
 - iv. the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company – Refer Note No.47 to the stand alone financial statements.

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn No 000513S

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

Place: Chennai

Date: 22nd May, 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Statement on the Companies (Auditor's Report) Order, 2016

The Annexure referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE KCP LIMITED, CHENNAI for the year ended 31st March 2017. 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, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification;
- 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 to the company.
- (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 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, , 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, Service Tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2017 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, 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

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	1996-2015	2029.40	89.20	At various Appellate forums
2	Sales tax and related demands	AP Sales Tax Act 1957	1996-2001 and 2011-12	169.12	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	259.77	96.06	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	Income Tax	Income Tax Act 1961	2010-11 & 2012-13	27.78	0	CIT (Appeals)
8	Electricity Duty	AP Electricity Duty Act 1938	July 2003 to May 2013	919.90	522.73	Hon'ble Supreme Court of India

- (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.

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn No 000513S

Place: Chennai

P. Govardhana Reddy
Partner

T. V. Ramana
Partner

Date: 22nd May, 2017

(ICAI Memb. No. 029193)

(ICAI Memb. No. 200523)

ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' REPORT

To the members of The KCP Limited, Chennai

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 Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 applicable to an audit of Internal Financial

Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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.

Place: Chennai

Date: 22nd May, 2017

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn No 000513S

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

BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Notes	As At 31st March 2017 Rs. Lakhs	As At 31st March 2016 Rs. Lakhs
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,289.21	1,289.21
Reserves and Surplus	4	40,414.56	37,454.41
		41,703.77	38,743.62
Non-Current Liabilities			
Long-term Borrowings	5	22,257.65	25,399.00
Trade Payables	6.1	271.26	271.26
Deferred Tax Liability (Net)	7	10,105.90	8,720.34
Other Long-Term Liabilities	6.2	3,620.42	3,562.46
Long-term Provisions	8.1	1,086.26	444.05
		37,341.50	38,397.11
Current Liabilities			
Short-term Borrowings	9	8,391.55	4,679.12
Trade Payables :	10.1		
Due to Micro and Small Enterprises		7.69	16.67
Due to Others		3,835.87	2,803.17
Other Current Liabilities	10.2	20,256.90	18,760.55
Short term Provisions	8.2	1,235.53	1,625.15
		33,727.54	27,884.65
TOTAL		112,772.80	105,025.39
II.Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	68,645.66	70,391.02
Intangible Assets	12	145.60	168.86
Capital Work in Progress		4,388.56	1,053.49
Non-current Investments	13	2,891.70	2,891.02
Deferred Tax Assets (net)		-	-
Long term Loans and Advances	14.1	10,399.98	7,364.72
Trade Receivables	15.1	438.60	158.44
Other Non-Current Assets	15.2	24.38	11.08
		86,934.49	82,038.64
Current Assets			
Current Investments	16	-	-
Inventories	17	11,725.20	12,092.43
Trade Receivables	15.1	3,214.71	3,021.33
Cash and Bank Balances	18	2,242.72	1,887.89
Short term Loans and Advances	14.2	8,576.98	5,911.74
Other Current Assets	15.2	78.70	73.35
		25,838.31	22,986.75
TOTAL		112,772.80	105,025.39
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	2		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

Place: Chennai
Date: 22nd May, 2017

As per our report annexed
for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S

P. GOVARDHANA REDDY
Partner
(ICAI Memb.
No.029193)

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

Y. VIJAYAKUMAR
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Notes	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Income			
Revenue from Operations (Gross)	19	94,898.65	86,199.32
Less: Excise duty		13,069.22	11,220.00
Revenue from operations (Net)		81,829.43	74,979.32
Other Income	20	556.66	382.92
Total Revenue (I)		82,386.09	75,362.25
Expenses			
Cost of Raw Materials and Components consumed	21	22,465.85	20,751.84
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	22	100.36	553.82
Employee Benefits expense	23	7,794.38	6,630.87
Finance Costs	24	4,630.33	4,540.92
Depreciation and amortization expense	25	5,053.07	3,911.60
Other expenses	26	37,015.06	32,376.49
Total Expenses (II)		77,059.05	68,765.55
Profit/(Loss) before Exceptional & Extraordinary items and tax		5,327.04	6,596.70
Add : Exceptional Items (Net)		-	-
Profit/(Loss) before Extraordinary items and tax		5,327.04	6,596.70
Extraordinary Items		576.51	84.32
Profit/(Loss) before tax		4,750.53	6,512.38
Add : Income Tax Refund		-	-
Less : Tax expenses			
Short /Excess provision of Income Tax of Eariler Years		-	101.60
Current tax		1,025.95	1,392.00
Deferred tax		1,385.56	2,122.49
Add: MAT credit entitlement		649.44	1,389.71
Total tax expense		1,762.07	2,226.37
Profit/(Loss) for the year from continuing operations (A)		2,988.46	4,286.02
Profit / (Loss) from discontinuing operations		(36.00)	-
Less : Tax expense of discontinuing operations		(7.68)	-
Profit / (Loss) from discontinuing operations (after tax) (B)		(28.32)	-
Profit / (Loss) for the year (A) + (B)		2,960.15	4,286.02
Earnings per equity share in Rs. [nominal value of share Re.1 /-]		2.30	3.32
[31st March 2016 : Rs. 1/-]			
Basic and diluted:			
Computed on the basis of total profit for the year		2.30	3.32
Statement of Significant Accounting Policies	2		

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

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

Place: Chennai
Date: 22nd May, 2017

As per our report annexed
for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S
P. GOVARDHANA REDDY
Partner
(ICAI Memb.
No.029193)
T.V. RAMANA
Partner
(ICAI Memb.
No.200523)
Y. VIJAYAKUMAR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
(A) Cash flow from operating activities		
Profit before tax from continuing operations	4,750.53	6,512.38
Profit before tax from discontinuing operations	(36.00)	-
Profit before tax	4,714.53	6,512.38
Adjustments for :		
Depreciation/amortization on continuing operation	5,056.23	3,911.60
Depreciation/amortization on discontinuing operation	-	-
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	14.94	1.20
Loss/(profit) on sale of fixed assets	30.32	25.59
Unrealised foreign exchange loss	12.38	(4.79)
Interest expense	4,630.33	4,540.92
Interest income	(179.12)	(315.77)
Dividend income	(53.15)	(12.77)
Operating profit before working capital changes	14,226.47	14,658.36
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/(decrease) in trade payables	1,023.72	(1,828.39)
Increase/(decrease) in long term provisions	642.21	19.53
Increase/(decrease) in short-term provisions	(14.32)	(41.29)
Increase/(decrease) in other current liabilities	84.33	2,744.06
Increase/(decrease) in other long-term liabilities	57.96	(161.53)
Adjustments for Decrease / (Increase) in operating assets :		
Decrease/(increase) in trade receivables	(473.54)	(1,527.87)
Decrease/(increase) in inventories	367.23	2,698.72
Decrease/(increase) in long term loans and advances	(3,779.39)	76.87
Decrease/(increase) in short-term loans and advances	(1,461.68)	797.29
Decrease/(increase) in other current assets	(5.36)	710.29
Decrease/(increase) in other non-current assets	(13.30)	(5.85)
Cash generated from/[used in] operations	10,654.36	18,140.21
Direct taxes paid [net of refunds]	(1,203.56)	(1,403.15)
Foreign exchange difference	(12.38)	4.79
Net cash flow from/[used in] operating activities (A)	9,438.41	16,741.85
(B) Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(6,735.89)	(5,818.67)
Proceeds from sale of fixed assets	67.96	25.30
Purchase of non-current investments	(0.68)	(0.51)
Interest received	179.12	315.77
Dividends received	53.15	12.77
Net cash flow from/[used in] investing activities (B)	(6,436.35)	(5,465.34)
(C) Cash flows from financing activities		
Proceeds from long term Borrowings	4,915.15	1,570.85
Repayment of long term Borrowings	(6,644.48)	(7,639.13)
Proceeds from short term borrowings	4,200.63	576.99
Repayment of short term borrowings	(488.20)	(50.00)
Interest paid	(4,630.33)	(4,540.92)
Dividends paid	-	(2,256.12)
Tax on dividend paid	-	(331.72)
Net cash flow from/[used in] in financing activities [C]	(2,647.23)	(12,670.06)
Net increase/[decrease] in cash and Bank Balances (A+B+C)	354.83	(1,393.55)
Cash and Bank Balances at the beginning of the year	1,887.89	3,281.44
Cash and Bank Balances at the end of the year	2,242.72	1,887.89
Components of Cash and Bank Balances		
Cash on hand	11.21	12.19
Cheques/Drafts on hand	184.17	106.35
With banks on current account	226.02	234.91
On deposit account	1,686.13	1,303.93
Unpaid dividend accounts	135.19	230.51
Total Cash and Bank Balances (Note 18)	2,242.72	1,887.89

(FOR AND ON BEHALF OF THE BOARD)

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Chairman and Managing Director

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Chief Financial Officer

Place: Chennai
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As per our report annexed

for K.S. RAO & CO
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Y. VIJAYAKUMAR
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1. GENERAL

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets

- a) Property, Plant and Equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses, if any. The cost comprises the purchase price (net of Cenvat and VAT credit wherever applicable) and all costs directly attributable to acquisition until the property, plant and equipment are ready for use, as intended by management. Subsequent expenditures related to an item of tangible asset are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

- b) 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.
- c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other Current Assets".
- d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- e) 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 "Long Term Loans and Advances".

Depreciation

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

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

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

2.2 Intangible assets

Intangible assets are initially recorded at the consideration paid for acquisition and stated in the account each year net of amortized value. Intangible assets are amortized over their individual estimated lives of 4-7 years.

2.3. Impairment of Assets

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

2.4. Leased Assets :

(A) Assets under Finance lease:

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

(B) Assets under Operating Lease :

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

2.5. Investments

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

2.6. Inventories

- (a) Finished goods are valued at cost or market value, whichever is lower.
- (b) Stock of scrap –
 - i. In respect of Engineering Unit, purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.
 - ii. In respect of other scrap, the stock of scrap is not valued and adjusted. As and when sales made, stocks are adjusted.
- (c) Work-in-Progress, raw materials, stores, spares, material in transit, are valued at cost using weighted average method except where the net realisable value of the finished goods they are used in is less than the

cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.

2.7. Revenue Recognition

- (a) Sales and service earnings are inclusive of excise duty, service tax, freight, insurance etc. recovered thereon.
- (b) Despatches from Engineering Unit are in completely knocked down condition and are invoiced at the appropriate technically evaluated values, with contracted sale prices.
- (c) Electricity generated by the power units of the company, sold to its other units is accounted at the tariff rates charged by the State Electricity Boards. Such earnings are adjusted to the power charges.
- (d) The revenue from sale of Renewable Energy credit is recognised on delivery thereof or sale of right therein, as the case may be, in terms of the contract with the buyers.
- (e) The revenue from sale of thermal power is recognised based on actual billing to the State Board at the end of each billing cycle .
- (f) Dividend income is accounted as and when the right to receive arises.
- (g) Other income – Revenue in respect of other incomes are recognised when there is a reasonable certainty as to its realisation.

2.8. Government grants

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

2.9. Foreign Exchange Transactions

- A) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.
- B) At each Balance Sheet date
 - foreign currency monetary items are reported using the rate of exchange on that date

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

2.10. Accounting for Derivatives

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

2.11. Employee benefits

- a) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b) Long Term Employee Benefits in respect of compensated absences, which do not fall due wholly within twelve months after the end of the period in which the employees render the related service, are recognized as follows
- Expense is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which employee has rendered services in lieu of such leave.
 - Liability as at the date of each Balance Sheet is arrived at and recognized therein as per actuarial valuation.
- c) Post Employment Benefits:
- (i) Defined Contribution plans:
- The company's employees are covered under superannuation schemes, state governed provident fund scheme, employee state insurance scheme and employee pension scheme, which are in the nature of Defined Contribution Plans. The contributions paid/payable under the schemes are recognized during the period in which the employee renders the related service.
- (ii) Defined Benefit plans:
- The company's liability to gratuity of its eligible employees is funded under a Defined Benefit Plan

with the Life Insurance Corporation of India. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method by Consulting Actuary. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss account in the year in which the employee has rendered service.

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

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

2.12. Dividends

Dividends proposed and declared after the balance sheet date, but before the financial statements have been approved, are not recognised as a liability at the balance sheet date. Details of these dividends are, however, disclosed in the Notes to Accounts.

2.13. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

2.14. Expenditure during construction period

All identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

2.15 Expenditure On Approved Research And Development Programme

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

2.16. Taxation

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

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

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

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

2.17. Earnings Per Share (Eps)

The earnings considered in ascertaining the company's Basic EPS is the attributable net profit or loss to the equity shareholders as per AS-20 "Earnings Per Share". The number of shares used in computing Basic EPS is the weighted

average number of shares outstanding during the period. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

2.18. Provisions/ Contingent Liabilities And Assets

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

2.19 Warranty claims

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

3) SHARE CAPITAL

PARTICULARS	As At 31st March, 2017 Rs. Lakhs	As At 31st March, 2016 Rs. Lakhs
Authorised Share Capital:		
35,00,00,000 (31 March 2016 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000 (31 March 2016 : 2,00,00,000) Preference shares of Rs.10/- each	2,000.00	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31 March 2016 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
Subscribed and paid-up :		
12,89,21,160 (31 March 2016 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
Total issued, subscribed and paid-up capital	1,289.21	1,289.21

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 63,78,402 (95,78,330) equity shares of Rs.1/- each fully paid- 4.95% (7.43%)

4) RESERVES AND SURPLUS

PARTICULARS	As At 31st March 2017 Rs. Lakhs	As At 31st March 2016 Rs. Lakhs
Capital Reserve		
Capital Redemption Reserve	2,000.00	2,000.00
Capital Reserve On Reorganisation	279.91	279.91
Capital Subsidy	50.00	50.00
On Amalgamation Reserve	103.83	103.83
Total Capital Reserve	2,433.74	2,433.74
General Reserve	27,450.00	27,450.00
Surplus/(Deficit) in the Statement of Profit and Loss		

4) RESERVES AND SURPLUS (Continued)

PARTICULARS	As At 31st March 2017 Rs. Lakhs	As At 31st March 2016 Rs. Lakhs
Balance as per the last Financial Statements	7,570.67	4,708.75
Profit for the year	2,960.15	4,286.02
	10,530.81	8,994.76
Less : Appropriations		
Interim Dividend Paid (Previous Year :@ Re.1/- per Share)	-	1,289.21
Tax on Distributed Profits	-	134.88
Total Appropriations	-	1,424.09
Net Surplus in Statement of Profit and Loss	10,530.81	7,570.67
Total Reserves and Surplus taken to Balance Sheet	40,414.56	37,454.41

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	As At 31st March 2017 Rs. Lakhs	As At 31st March 2016 Rs. Lakhs	As At 31st March 2017 Rs. Lakhs	As At 31st March 2016 Rs. Lakhs
Rupee Term Loans from Banks - Secured				
for Cement Plant Muktyala	-	2,442.30	2,271.75	2,904.00
for Hotel Project	3,409.71	4,264.14	854.43	854.43
for Cement Plant- Macherla	381.33	681.33	300.00	300.00
for Captive Power Plant- Muktyala	3,979.43	4,974.93	995.50	995.50
for Cement Plant Muktyala Expansion (Line-2)	4,060.00	-	-	-
for Corporate	5,560.00	7,520.00	1,920.00	1,380.00
	17,390.47	19,882.70	6,341.68	6,433.93
Other Loans and advances:				
Deposits (unsecured)				
From Directors	1,005.00	45.03	45.03	-
From Others	3,862.18	5,471.27	4,318.81	2,859.57
	4,867.18	5,516.30	4,363.84	2,859.57
	22,257.65	25,399.00	10,705.52	9,293.50

5) LONG TERM BORROWINGS: (Continued)

The above amount includes				
5.1) Secured Borrowings	17,390.47	19,882.70	6,341.68	6,433.93
5.2) Unsecured Borrowings	4,867.18	5,516.30	4,363.84	2,859.57
5.3) Amount disclosed under the head				
"Other Current Liabilities" (Note 10)	-	-	10,705.52	9,293.50
	22,257.65	25,399.00		

- 5.4 a) Term loans from Bank of India, Bank of Baroda and Canara Bank for Cement plant at Muktyala are Secured by Paripassu First Charge on the Fixed Assets, paripassu Second charge on the current assets and charge on the leasehold rights of the leased Lands of the Muktyala Cement Division. These loans are repayable in 28 Quarterly Installments of Rs. 726 lakhs each with effect from 30th June 2011.
- b) The rate of interest and other terms of the above said loans are as follows:
 Bank of Baroda - Sanctioned Loan of Rs.6500 lakhs at Interest Rate of Base Rate plus 1.50%, repayable in 28 Quarterly Instalments of Rs.232 lakhs each.
 Bank of India - Sanctioned Loan of Rs.9000 lakhs at Interest Rate of Base Rate plus 2.25%, repayable in 28 Quarterly Instalments of Rs.322 lakhs each.
 Canara Bank - Sanctioned Loan of Rs.4800 lakhs at Interest Rate of Base Rate plus 1.50%, repayable in 28 Quarterly Instalments of Rs.172 lakhs each.
- 5.5 a) Term loan obtained from Indian Overseas Bank for Hotel project at Hyderabad is secured by First charge on the land, building and other assets of the Hotel at Hyderabad.
- b) The loan of Rs.4500 lakhs drawn is repayable in 28 quarterly instalments of Rs. 1.61 crores each with last instalment being Rs. 1.53 crores, with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period.
- c) Additional Term loan of Rs.1473 lakhs drawn for the Project is repayable in 28 quarterly instalments of Rs.0.53 crores each after holiday period of 18 months.
- d) The rate of interest of both the loans is Base Rate plus margin 2%
- e) First installment of repayment for both the loans commenced in May 2015.
- 5.6 a) Term Loan of Rs.1431 lakhs obtained from Bank of Baroda for the Cement Plant Macherla is secured by the First Charge on the fixed Assets (both present and proposed out of the loan) and second charge on the current assets of the Cement Division at Macherla. The loan is repayable in 28 Quarterly Installments of Rs. 75 lakhs each with an initial moratorium period of two years from the date of first disbursement. Repayments started from November 2014.
- b) The rate of interest of the abovesaid loan is Base Rate plus 2%
- 5.7 a) Term Loan obtained from Canara Bank for the Captive Power Plant Muktyala is secured by the First Charge on the fixed Assets of that Division. The loan is repayable in 32 Quarterly Instalments of Rs 249 lakhs each with the last instalment being Rs 245 lakhs with an initial moratorium period of two years from the date of first disbursement. First installment of Repayment commenced in March'2015.
- b) The rate of interest of the abovesaid loan is Base Rate plus 1.75%
- 5.8 a) Term Loan of Rs.1200 lakhs obtained from HDFC Bank for working capital and business operations is secured by Equitable Mortgage on properties at Visakhapatnam, Mumbai and Hyderabad. The rate of interest of this loan is Base Rate plus 2.75%.

- b) The Company has pre-paid Rs.1000 lakhs of loan amount ahead of repayment schedule in the previous year.
- c) The balance loan has been re-paid fully during the current year as per revised payment schedule.
- 5.9** a) Term Loan of Rs.5600 lakhs obtained from Bank of India for shoring up working capital is secured by exclusive charge on land near Chennai.
- b) The rate of interest of the abovesaid loan is Base Rate plus 2.25%
- c) This loan is repayable in 20 quarterly instalments of Rs.280 lakhs each after 2 years moratorium.
- d) First installment of repayment commenced in June 2016.
- 5.10** a) Term Loan of Rs.4000 lakhs obtained from Bank of Baroda for shoring up working capital is secured by exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus 2.25%
- b) This loan is repayable in 20 quarterly instalments of Rs.200 lakhs each after 2 years moratorium.
- c) During the previous year, the Company has pre-paid Rs.8 crores of loan amount ahead of repayment schedule.
- d) First installment of repayment commenced in January 2017.
- 5.11** a) Term Loan of Rs.35400 lakhs obtained from State Bank of India for Cement Capacity Expansion and Railway Siding at Muktyala is secured by pari-passu charge on Land at Muktyala and exclusive Charge on the Project Assets.
- b) The rate of interest of the abovesaid loan is MCLR plus 0.65%
- c) This loan is repayable in 32 quarterly instalments after 2 years moratorium.

5.12 Details of deposits held by Directors of the company

	Non-Current		Current	
	As on 31st March 2017	As on 31st March 2016	As on 31st March 2017	As on 31st March 2016
a) Dr. V. L. Dutt	1,000.00	33.50	33.50	-
b) Smt. Kavitha D. Chitturi	-	11.53	11.53	-
c) Sri O. Swaminatha Reddy	5.00	-	-	-

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31-03-2017 Rs. Lakhs	AS AT 31-03-2016 Rs. Lakhs
6.1) Trade payables	271.26	271.26
Total	271.26	271.26
6.2) Others		
Outstanding Liabilities for Expenses	829.65	1,042.98
Retention Money Payable - Projects	-	9.40
Trade Deposits	2,402.17	2,190.82
Deposits Payable-Contractors	235.90	189.90
Interest accrued but not due	152.70	129.37
Total	3,620.42	3,562.46

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31-03-2017 Rs. Lakhs	AS AT 31-03-2016 Rs. Lakhs
Deferred Tax Liability:		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	10,833.86	10,699.64
Gross Deferred Tax liability (A)	10,833.86	10,699.64
Deferred Tax asset:		
Disallowance under Sec.43B of the Income Tax Act, 1961	727.95	648.51
Unabsorbed Loss	-	1,330.79
Gross Deferred Tax Asset (B)	727.95	1,979.30
Net Deferred Tax Liability (A) - (B)	10,105.90	8,720.34

8) PROVISIONS

PARTICULARS	8.1 - Long Term		8.2 - Short Term	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Provision for employee benefits:				
Provision for gratuity	-	-	75.44	-
Provision for Leave Benefits	764.21	444.05	55.36	145.11
Total (A)	764.21	444.05	130.80	145.11
Other Provisions:				
Provision for Wealth tax	-	-	12.59	12.59
Provision for Income tax	-	-	1,092.14	1,467.44
Provision for Mines Decommissioning	322.06	-	-	-
Total (B)	322.06	-	1,104.73	1,480.03
Total (A+B)	1,086.26	444.05	1,235.53	1,625.15

9) SHORT TERM BORROWINGS

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Cash Credit from Banks		
: Secured	6,379.75	2,179.12
Loan Repayable on Demand (Unsecured)		
: from Directors	1,336.80	2,000.00
Inter-corporate Deposits repayable on demand	675.00	500.00
Total	8,391.55	4,679.12
The above amount includes		
Secured Borrowings	6,379.75	2,179.12
Unsecured Borrowings	2,011.80	2,500.00

9) SHORT TERM BORROWINGS (Continued)

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
9.1) i) Cash Credit relating to Engineering Division from Canara Bank is secured by paripassu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5%	1,844.06	-
ii) Cash Credit relating to Macherla Cement Division from Bank of Baroda and HDFC Bank, is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5% in the case of Rs.658 lakhs Cash Credit from Bank of Baroda and 10% in the case of Rs.87 lakhs Cash Credit from HDFC Bank.	745.27	805.79
iii) Cash Credit relating to Muktyala Cement Division from Bank of Baroda, Bank of India and Canara Bank, is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5% in the case of Rs.1046 lakhs Cash Credit from Bank of Baroda, Base Rate plus 1.75% in respect of Rs.1597 lakhs Cash Credit from Bank of India and Base Rate plus 1.50% in respect of Rs.386 lakhs Cash Credit from Canara Bank.	3,028.86	775.75
iv) Cash Credit relating to Captive Power Plant from Canara Bank is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus margin 1.5%.	761.56	597.58
Total	6,379.75	2,179.12
9.2) Demand loans obtained from Directors		
a) Dr. V.L. Dutt	800.00	1,300.00
b) Smt. V. L. Indira Dutt	355.00	420.00
c) Smt. Kavitha Dutt Chitturi	181.80	280.00
Total	1,336.80	2,000.00
The above demand loans carry interest at the rate of 9%.		
9.3) Details of Inter-corporate loan		
Inter Corporate loan obtained from V. Ramakrishna Sons Pvt Limited and carries interest at the rate of 9%	675.00	500.00
Total	675.00	500.00

10) OTHER CURRENT LIABILITIES

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
10.1) Trade payables		
Due to Micro and Small Enterprises	7.69	16.67
Due to Others (includes Rs. 17.41 lakhs (Previous Year : Rs 13.85 lakhs) due to Joint Managing Director and Rs.0.96 lakhs (Previous Year : Rs. 1.12 lakhs) due to Executive Director)	3,835.87	2,803.17
	3,843.56	2,819.84
10.2) Other Liabilities:		
Current maturities of long term borrowings (Note No. 5.3)	10,705.52	9,293.50
Interest accrued but not due on borrowings	209.15	238.38
Interest accrued and due on borrowings	88.10	96.97
Advance from customers	3,472.02	4,289.19
Unpaid dividend	135.19	230.51
Others		
Accrued Salaries and Benefits	642.34	638.28
Directors Remuneration payable	144.17	442.52
Project Related payables	1,711.41	944.57
Statutory Dues	1,897.83	1,507.62
Others	1,251.17	1,079.01
Total	20,256.90	18,760.55

11) TANGIBLE ASSETS and 12) INTANGIBLE ASSETS

S. No		DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			Cost as on 01-04-2016	Additions during the year	Deductions during the year	Cost upto 31-03-2017	Total Depreciation upto 31-03-2016	Depreciation For the Year	Depreciation On Deletions	Total Depreciation upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
			Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs.
TANGIBLE ASSETS												
1		LANDS										
	(a)	FREEHOLD	2,682.69	262.45	-	2,945.14	-	-	-	-	2,945.14	2,682.69
	(b)	LEASE HOLD MINES	-	287.55	-	287.55	-	86.08	-	86.08	201.47	-
2	(a)	BUILDING	14,930.34	811.43	13.00	15,728.78	1,858.37	454.47	1.07	2,311.76	13,417.01	13,071.98
	(b)	LEASE HOLD BUILDING	15.48	-	-	15.48	6.10	0.23	-	6.34	9.14	9.37
3	ROADS		971.02	35.03	-	1,006.05	793.54	46.76	-	840.30	165.75	177.48
4	PLANT & MACHINERY		73,753.83	1,530.62	41.62	75,242.83	24,357.10	3,553.72	4.11	27,906.71	47,336.12	49,396.73
5	FURNITURE, FIXTURES		2,012.22	49.57	0.97	2,060.82	272.54	243.64	0.45	515.73	1,545.09	1,739.68
6	MOTOR VEHICLES		1,759.03	49.20	74.22	1,734.00	977.94	193.34	32.43	1,138.85	595.15	781.09
7	RAILWAY SIDING, LOCOMOTIVES, ROLLING STOCK ROLLING STOCKS		106.83	-	-	106.83	71.06	3.10	-	74.17	32.66	35.76
8	ROPEWAY STRUCTURES		136.12	9.09	-	145.21	132.24	4.17	-	136.41	8.80	3.88
9	OFFICE EQUIPMENT		174.67	110.93	11.89	273.71	101.94	25.38	11.14	116.17	157.54	72.73
10	COMPUTER & DATA PROCESSING UNITS		622.40	36.25	18.79	639.86	453.03	56.82	16.54	493.31	146.55	169.38
11	LABORATORY EQUIPMENT		110.31	15.17	1.50	123.97	81.37	19.52	0.79	100.10	23.87	28.93
12	ELECTRICAL INSTALLATION & EQUIPMENT		3,223.28	177.37	7.40	3,393.25	1,084.37	328.84	4.58	1,408.63	1,984.62	2,138.91
13	HYDRAULIC WORKS, PIPELINES & SLUICES		89.48	-	-	89.48	7.07	5.66	-	12.73	76.75	82.41
INTANGIBLE ASSETS												
1	PATENTS		9.00	-	-	9.00	9.00	-	-	9.00	-	-
2	INTANGIBLE ASSETS		196.94	11.24	-	208.18	28.08	34.50	-	62.58	145.60	168.86
	GRAND TOTAL		100,793.63	3,385.88	169.39	104,010.12	30,233.75	5,056.23	71.11	35,218.87	68,791.26	70,559.88
	PREVIOUS YEAR		85,636.18	15,294.76	137.32	100,793.63	26,398.71	3,920.27	85.23	30,233.75	70,559.88	59,237.47

Note: :- a) Depreciation for the year includes an amount of Rs. 3.16 lakhs capitalised during the year.

13) NON-CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiary:		
203,23,332 (31 March 2016: 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 2016: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	40.00	40.00
Common Stock (unquoted):		
1640 Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preferred Shares (unquoted):		
750 Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	385.00	385.00
(A)	2,873.43	2,873.43
Non-Trade Investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments(quoted):		
100 (31st March 2016: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.04	0.04
14240 (31st March 2016: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank.	11.57	11.57
Equity Shares (unquoted):		
30 (31st March 2016: 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
Equity shares (quoted):		
100000 (31st March 2016: 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/-)	0.00	0.00
Other Investments - Unit Trust of India - Quoted:		
29278.082 (31st March 2016 : 26915.858) UTI Balanced Fund Units of Rs.10/- each	6.66	5.98
(B)	18.27	17.59
(A+B)	2,891.70	2,891.02
13.1) Aggregate amount of quoted Investments - Market Value	19.55	17.22
Aggregate amount of quoted Investments - Book Value	18.27	17.59
13.2) Aggregate amount of unquoted Investments	2,873.43	2,873.43
13.3) Aggregate provision for diminution in value of Investments	NIL	NIL

14) LOANS AND ADVANCES

PARTICULARS	14.1 - Non-current		14.2 - Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	4,816.73	791.06	-	-
(A)	4,816.73	791.06	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	404.83	869.86	-	-
Doubtful	-	-	-	-
	404.83	869.86	-	-
Provision for Doubtful security deposit	-	-	-	-
(B)	404.83	869.86	-	-
Loans and advances to related parties parties				
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
	-	-	-	-
Provision for Doubtful advances	-	-	-	-
(D)	-	-	-	-
Other Loans and Advances				
MAT Credit	4,784.75	5,528.88	-	-
Advances to Trade Payables	-	-	1,315.49	849.24
Advance Income-tax/TDS	-	-	2,182.28	978.72
Prepaid expenses	39.42	28.92	244.09	172.62
Loans and Advance to employees	-	-	35.18	33.09
Due to Gratuity Trusts	-	-	-	142.80
Balances with statutory/ government authorities	342.45	146.00	4,752.42	3,645.95
Gratuity Planned Assets (Net)	-	-	43.14	82.79
Others	11.81	-	4.38	6.54
(E)	5,178.43	5,703.80	8,576.98	5,911.74
Total [A+B+C+D+E]	10,399.98	7,364.72	8,576.98	5,911.74

15) TRADE RECEIVABLE AND OTHER ASSETS

15.1) TRADE RECEIVABLES	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	241.25	210.42
Unsecured, considered good	438.55	158.44	88.03	208.15
Doubtful	-	-	-	-
	438.55	158.44	329.28	418.57
Provision for Doubtful Receivables	-	-	-	-
(A)	438.55	158.44	329.28	418.57
Other Receivables				
Secured, considered good	-	-	390.28	359.81
Unsecured, considered good	0.05	-	2,495.15	2,242.95
Doubtful	-	-	-	-
	0.05	-	2,885.44	2,602.76
Provision for Doubtful Receivables	-	-	-	-
(B)	0.05	-	2,885.44	2,602.76
Total [A+B]	438.60	158.44	3,214.71	3,021.33

15.2) OTHER ASSETS	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Unsecured, considered good unless stated otherwise				
Non-current Bank balances	-	-	-	-
[A]	-	-	-	-
Unamortized expenditure	-	-	-	-
[B]	-	-	-	-
Others				
Interest accrued on fixed deposits	-	-	37.04	31.42
Interest accrued on other deposits	-	-	29.92	40.85
Non trade receivables(interest)				
From - Joint Venture	-	-	11.74	1.07
- Others	-	-	-	-
Others -Earnest Money Deposit	24.38	11.08	-	-
[C]	24.38	11.08	78.70	73.35
Total [A+B+C]	24.38	11.08	78.70	73.35

16) CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
NIL	-	-
Total	-	-

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

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Raw materials and components at Cost (includes those in transit Rs.3.88 lakhs) (31 March 2016:Rs.15.97 lakhs)	1,569.69	967.57
Work-in-progresss		
: At Cost	4,981.76	5,610.69
Finished goods		
:At Cost	703.53	760.13
Stores and spares at Cost (includes in transit Rs. 5.55 lakhs) (includes in transit of Rs. 3.41 lakhs on 31st March 2016)	4,470.22	4,754.04
Total	11,725.20	12,092.43

18) CASH AND BANK BALANCES

PARTICULARS	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Cash and Cash Equivalents :				
Balances with Banks:				
On Current Accounts	-	-	226.02	234.91
Deposits with original maturity of less than 3 months	-	-	934.62	6.11
Cheques/drafts on hand	-	-	184.17	106.35
Unpaid matured deposits	-	-	30.53	25.12
Cash on hand	-	-	11.21	12.19
Total	-	-	1,386.56	384.68

CASH AND BANK BALANCES (Continued)

PARTICULARS	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Other Bank Balances :				
Earmarked balances with banks - Unclaimed dividends	-	-	135.19	230.51
Deposits with original maturity for more than 3 months but less than 12 months	-	-	166.02	754.45
Margin money deposit	-	-	554.96	518.25
	-	-	856.16	1,503.21
Amount disclosed under Non-Current Assets-(note15.2)	-	-	-	-
Total	-	-	2,242.72	1,887.89

19) REVENUE FROM OPERATIONS

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Revenue from operations		
Sale of products	91,816.12	84,315.86
Sale of services	1,915.13	384.42
Other operating revenue		
Sale of Scrap	17.77	25.09
Packing & Forwarding	7.06	9.53
VAT Incentives	674.50	1,059.98
Interest Income on - Bank deposits	120.92	245.71
Interest from customers on overdue	2.56	8.48
Others	55.63	61.58
Rent Recovery	95.01	88.67
Insurance Claims Settled against Loss of Profits	193.94	-
Revenue from operations (Gross)	94,898.65	86,199.32
Less: Excise Duty	13,069.22	11,220.00
Revenue from operations (Net)	81,829.43	74,979.32

20) OTHER INCOME

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Dividend income on		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	-	-
Investment in joint venture - Fives Cail KCP Ltd.,	40.00	-
Long-term investments	13.15	12.77
Other Non-operating income*	503.51	370.16
Total	556.66	382.92

Other Non Operating Income (*)	Current year Rs. Lakhs	Previous year Rs. Lakhs
Unclaimed balance Credited Back	4.53	8.39
Bad Debts Written Off Recovered	2.97	-
Excess Provision In Earlier Years Credited Back	407.46	146.95
Duty Drawback	23.40	18.92
Difference In Exchange-(Net)	(12.38)	4.79
LD Recovered From Suppliers	1.33	49.72
Miscellaneous Receipts	50.70	113.05
Misc.Scrap Sales	25.50	28.33
Total	503.51	370.16

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Inventory at the beginning of the year	967.57	1,609.48
Add: Purchases	9,255.51	8,055.30
Add: Cost of raw materials produced	13,812.46	12,054.64
	24,035.54	21,719.41
Less: Inventory at the end of the year	1,569.69	967.57
Cost of raw material and components consumed	22,465.85	20,751.84

Details of Raw material and components consumed	Current year Rs. Lakhs	Previous year Rs. Lakhs
i) Cement Division		
Limestone	13,675.94	12,303.35
Laterite	728.38	583.60
Fly Ash	968.54	745.34
Gypsum	1,669.54	1,592.98
	17,042.40	15,225.27

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED (Continued)

PARTICULARS	Current year Rs.	Previous year Rs.
ii) Thermal Power Unit		
Coal	3,573.78	3,715.87
iii) Engineering Unit		
Iron and Steel,Nickel,Scrap and Equipments	1,594.63	1,777.22
iv) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	114.97	32.74
v) Hotel		
Provisions	140.08	0.74
Total	22,465.85	20,751.84

DETAILS OF INVENTORY	Current year Rs. Lakhs	Previous year Rs. Lakhs
Raw materials and components		
Limestone	543.32	406.81
Laterite	54.96	45.98
Fly Ash	3.90	6.13
Gypsum	108.45	82.96
Coal	849.26	398.17
Iron and Steel,Nickel,Scrap and Equipments - In Transit	3.88	15.97
Others	5.92	11.56
Total	1,569.69	967.57

22) (INCREASE) / DECREASE IN INVENTORIES

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs	(Increase)/ Decrease Rs.
Inventories at the end of the year			2016-17
Work in progress	4,981.76	5,610.69	628.93
Finished goods	703.53	760.13	56.60
	5,685.29	6,370.82	685.53
Less : Cost of Self Constructed Assets transferred to Capital Work-in-Progress			585.17
			100.36
Inventories at the beginning of the year			2015-16
Work in progress	5,610.69	5,757.06	146.36
Finished goods	760.13	1,167.58	407.46
Total	6,370.82	6,924.64	553.82

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

DETAILS OF INVENTORY	Current year Rs. Lakhs	Previous year Rs. Lakhs
Work-in-progress		
Raw meal	138.04	133.15
Clinker	1,302.33	1,203.23
Engineering goods	3,541.38	4,274.31
Total	4,981.76	5,610.69
Finished goods		
Cement	569.82	579.43
Engineering	-	-
Power - Banked Units	114.49	156.55
Bricks	19.22	24.14
Total	703.53	760.13

23) EMPLOYEE BENEFIT EXPENSES

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Salaries, Wages and Bonus	6,099.23	5,603.32
Contribution to Provident Fund and other Funds	596.11	452.29
Gratuity Expenses	225.54	63.61
Staff Welfare Expenses	873.50	511.64
Total	7,794.38	6,630.87

24) FINANCE COSTS

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Interest	4,563.98	4,438.20
Other Borrowing Costs	66.35	102.73
Total	4,630.33	4,540.92

25) DEPRECIATION AND AMORTIZATION EXPENSES

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Depreciation of Tangible Assets	5,018.57	3,895.86
Amortization of intangible assets	34.50	15.74
Total	5,053.07	3,911.60

26) OTHER EXPENSES

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
Consumption of stores and spares	4,370.76	3,738.37
Consumption of loose tools	178.87	129.90
Sub-contracting expenses	1,301.83	1,166.57
Power and fuel	21,155.57	
Less : Self Consumption Power Generated Internally	(6,261.28)	11,907.11
Wheeling/Banking Charges	21.69	50.17
Freight and forwarding charges	10,506.55	9,866.57
Rent	143.09	156.82
Rates and taxes	533.49	285.62
Insurance	94.75	81.18
Repairs and maintenance		
To Plant&Machinery	771.50	899.65
Buildings	282.81	301.48
Other Assets	209.42	205.10
Advertising and sales promotion	735.09	1,143.93
Sales commission	135.97	136.28
Travelling and conveyance	272.28	213.54
Communication costs	133.83	84.14
Printing & Stationery	79.01	73.66
Professional, Consultancy and Legal fees	485.76	404.53
Directors' sitting fees	12.30	10.80
Cement Cess	4.39	11.45
Payment to auditors (Refer details below)	50.52	38.56
Bad debts/advances written off	9.89	5.33
Assets Written Off	14.94	1.20
Loss on sale of fixed assets (net)	30.32	25.59
Performance and Delivery Guarantee Claims	420.76	245.49
(Increase)/decrease of excise duty on inventory	29.87	(37.66)
Corporate Social Responsibility	62.24	82.57
Miscellaneous expenses	1,228.83	1,148.56
	37,015.06	32,376.49

PAYMENT TO AUDITORS

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
As Auditor:		
Audit Fee	16.00	16.00
Tax Audit Fee	4.75	3.50
Certification and Other fees	21.91	10.78
In other Capacity:		
Trust Audit fee	0.25	0.25
Fees and Expenses for Cost Auditor	5.19	5.10
Reimbursement of expenses	2.43	2.93
Total	50.52	38.56

27) CONTINGENT LIABILITIES

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
A. Claims against the Company / Disputed liabilities not acknowledged		
a) In respect of Statutory levies	3,433.48	3,899.97
b) In respect of Contractual levies	127.11	146.17
c) In respect of others	1,112.39	1,726.57
B. Guarantees issued by the Bankers on behalf of the Company		
a) Against Advances obtained	2,999.29	1,836.66
b) Towards Performance Guarantees	506.80	480.78
C. Other Commitments		
- Foreign Currency Exposure that are not hedged by derivative Instruments		
- Export Receivables	431.32	42.59

28) COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	19,349.92	214.88
b) Other commitments - Sales contracts	8,237.28	9,196.99
- Export Obligation under EPCG Scheme	716.31	716.31

29) VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
a) Raw Materials and Stock-in-Trade	3,601.39	2,191.39
b) Components, Spares parts and Consumables	8,798.77	5,084.80
c) Tools	5.04	-
d) Capital goods	42.73	394.92

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

PARTICULARS	Current year Rs. Lakhs	Current year (%)	Previous year Rs. Lakhs	Previous year (%)
a) Raw materials				
(i) Imported	5,188.62	23.17	4,026.53	19.43
(ii) Indigenous	17,201.70	76.83	16,698.68	80.57
	<u>22,390.32</u>		<u>20,725.22</u>	
b) Spare parts and components (debited to respective heads)				
(i) Imported	299.00	6.84	105.45	2.82
(ii) Indigenous	4,071.76	93.16	3,632.92	97.18
	<u>4,370.76</u>		<u>3,738.37</u>	

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

Particulars	Current year Rs. Lakhs	Previous year Rs. Lakhs
a) Salaries, Wages & Bonus	304.26	288.25
b) Contribution to P.F. & Other Funds	40.97	30.67
c) Workmen & Staff welfare expenses	23.12	22.19
d) Power & Fuel consumed	161.92	156.72
e) Stores & Spares consumed	216.22	228.10
f) Royalty	2,517.00	2,014.53
g) Taxes & Licences	17.52	28.85
h) Repairs to Building & Roads	33.49	27.96
i) Repairs to Machinery	87.06	153.97

Particulars	Current year Rs. Lakhs	Previous year Rs. Lakhs
j) Repairs to Other Assets	4.99	7.66
k) Insurance	3.45	3.76
l) Lime Stone Freight	4,463.76	3,874.61
m) Lime Stone Loading	3,665.81	3,259.01
n) Lime Stone Mining	1,586.52	1,381.06
o) Lime Stone - Hire Charges for Shovel and Water tank	80.32	82.41
p) Lease rentals & Others	606.04	494.90
	13,812.46	12,054.64

32) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
a) Travelling expenses	5.02	6.27
b) Membership	3.65	3.65
c) Other matters- Seminars	39.20	-
d) Commission	2.12	6.11

33) EARNINGS IN FOREIGN EXCHANGE

PARTICULARS	Current year Rs. Lakhs	Previous year Rs. Lakhs
a) F.O.B value of goods exported during the year	1,300.29	2,319.79
b) Income from Service charge	162.95	0.75
c) Income from Investments held in Foreign Companies	12.47	12.14

34) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
a) Number of Non Resident Shareholders	320	286
b) Number of Equity Shares held by them	29,66,557	29,29,498
c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	Nil	Nil
(2) Tax Deducted at Source	Nil	Nil
(3) Year to which dividend relates	Nil	Nil

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

35) REVENUE EXPENDITURE CAPITALISED DURING THE YEAR

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
Opening unallocated capital expenditure	383.30	2,067.68
Add:		
Salaries,wages & Bonus	92.81	228.97
Contribution to provident fund and Family Pension Scheme	4.46	28.74
Staff welfare Expenses	4.50	64.00
Stores and Spares Consumed	-	10.73
Power	0.60	58.80
Insurance	2.08	11.86
Repairs to Building	0.57	21.53
Repairs to Machinery	0.45	-
Repairs to Other Assets	0.66	0.03
Payment to auditors	0.10	0.25
Professional Fees	45.56	94.37
Travelling Expenses	2.21	12.30
Security Charges	0.96	27.29
Rates & taxes	0.86	124.30
Interest on Fixed Loan	48.07	649.72
Depreciation	3.16	8.67
Miscellaneous expenses	75.18	41.09
	665.54	3,450.34
Less:		
Interest Received	0.07	1.98
Miscellaneous Income	16.87	23.93
	648.60	3,424.43
Less:		
Capitalised/Allocated to Fixed Assets	8.50	3,041.13
Closing Unallocated Capital Expenditure	640.10	383.30
	648.60	3,424.43

36) SALES

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Finished goods sold (inclusive of Excise duty/Service tax)		
Cement	83,915.12	75,430.08
Heavy Engineering products	6,854.27	6,617.25
Electrical Energy	703.56	2,198.09
Service Receipts	1,915.13	384.42
Others	1,510.56	1,569.48
Total	94,898.65	86,199.32

37) EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
i) Net Profit after tax as per Profit and Loss Statement	2,960.15	4,286.02
ii) Net Profit attributable to Equity Shareholders	2,960.15	4,286.02
iii) Weighted Average number of equity shares used as denominator for calculating EPS	1,289.21	1,289.21
iv) Basic and Diluted Earnings per share (Rs.)	2.30	3.32
v) Nominal value per each Equity share (Rs.)	1	1

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

PARTICULARS	As at 31st March, 2017 Gratuity Rs. Lakhs	As at 31st March, 2017 Leave Benefits Rs. Lakhs	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year as per last financial statements	1,022.16	589.16	973.27	441.29
Less : Prior Period Adjustment	-	-	(9.17)	-
Present value of obligations as at beginning of the year	1,022.16	589.16	964.10	441.29
Interest cost	75.58	44.72	71.44	31.57
Current service cost	69.17	120.49	66.64	163.77
Benefits paid	130.98	46.09	119.96	73.05
Actuarial loss/gain on Obligation	179.63	123.52	39.93	25.58

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2017 Gratuity Rs. Lakhs	As at 31st March, 2017 Leave Benefits Rs. Lakhs	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs
Present value of obligations as at end of the year	1,215.56	831.81	1,022.16	589.16
b) Reconciliation for fair value of plan assets				
Fair value of plan assets at the beginning of the year as per last Financial Statements	1,104.94	-	1,103.08	-
Less : Prior Period Adjustment	-	-	(1.73)	-
Fair value of plan assets at the beginning of the year	1,104.94	-	1,101.35	-
Expected return on Plan Assets	91.69	-	89.86	-
Contributions	82.40	46.09	33.61	73.05
Benefits paid	130.98	46.09	119.96	73.05
Actuarial gain on Plan Assets	(7.94)	-	0.08	-
Fair value of Plan Assets at the end of the year	1,140.12	-	1,104.94	-
c) Expenses recognised in statement of Profit and Loss A/c				
Current Service Cost	69.17	120.49	66.64	163.77
Interest cost	75.58	44.72	71.44	31.57
Expected return on Plan Assets	91.69	-	89.86	-
Net actuarial gain/loss recognised in the year	187.57	123.52	39.85	25.58
Expense to be recognised in the Statement of Profit and Loss	240.63	288.74	88.07	220.92
d) Net Liability recognised in the Balance Sheet				
Present value of obligations as at the end of the year	1,215.56	831.81	1,022.16	589.16
Fair value of Plan Assets as at the end of the year	1,140.12	-	1,104.94	-
Funded status	75.44	831.81	(82.79)	589.16
Net Asset/liability recognised in the Balance Sheet	75.44	831.81	(82.79)	589.16
e) Actuarial Assumptions as at 31st March ,				
Discount rate	7.40%	7.40%	7.90%	7.90%
Salary escalation	6.00%	6.00%	5.00%	5.00%
Attrition rate	4.00%	4.00%	3.00%	3.00%
Expected Return on Plan Assets	7.75%	-	8.50%	-
Mortality	LIC 94-96		LIC 94-96	

39) JOINT VENTURE DISCLOSURE

- a) The company has a 40% interest in its joint venture entity Fives Cail KCP Limited a company incorporated in India.
- b) The Company's share (at 40%) of the contingent liabilities of Fives Cail KCP Limited at the Balance Sheet date works out to Rs 1.60 Lakhs (Rs. 13.14 Lakhs)
- c) The Company's share (at 40%) of the capital commitments of Fives Cail KCP limited at the Balance sheet date works out to Rs. Nil (Rs. Nil).
- d) The interest of the company (at 40%) in the aggregate amount of the assets, income and expenses of Fives Cail KCP Limited was as follows:

PARTICULARS	As at 31st March, 2017 (Rs. Lakhs)	As at 31st March, 2016 (Rs. Lakhs)
Equity and Liabilities		
a) Shareholders's Funds	40.00	40.00
b) Reserves and Surplus	906.08	803.13
c) Non-Current Liabilities	156.85	151.69
d) Current Liabilities	3,131.90	3,025.41
Total	4,234.83	4,020.23
Assets:		
a) Non-Current Assets	186.18	189.97
b) Current Assets	4,048.65	3,830.26
Total	4,234.83	4,020.23
PARTICULARS	Current Year (Rs. Lakhs)	Previous Year (Rs. Lakhs)
Performance of the Company		
Revenue	5,465.15	9,534.61
Expenses:		
Cost of material consumed	4,197.06	6,844.96
Increase/Decrease in Inventories of FG and WIP	(283.00)	441.31
Depreciation of Plant and Machinery	18.09	17.11
Employee Benefit Expense	388.99	400.47
Other expenses	903.21	1,416.97
Finance Costs	68.80	79.76
Total Expenses:	5,293.16	9,200.59
Profit before tax	171.99	334.02
Income-tax expense	(69.05)	(104.99)
Profit after tax	102.94	229.02

40) PARTICULARS DISCLOSED PURSUANT TO “AS-18 RELATED PARTY DISCLOSURES”

A). List of Related parties

Subsidiary Company	KCP Vietnam Industries Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	Dr. V.L. Dutt - Chairman and Managing Director Smt. V.L. Indira Dutt - Joint Managing Director Smt. Kavitha D Chitturi - Executive Director Sri V.Gandhi - Technical Director Sri. G. N. Murty - Chief Financial Officer Sri. Y. Vijaya Kumar - Company Secretary
Relatives of Key Managerial Personnel (KMP)	Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Smt. V.L. Indira Dutt - Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister Smt. Kavitha D Chitturi - Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband Sri. V.Gandhi - Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Anupama - Daughter
Companies controlled by Key Management Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. BGE Engineering (India) Private Limited VRK Grandsons Investment (Private) Limited V. Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru Fives Combustion Systems Pvt.Ltd

B. Transactions with the related parties:

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Goods					
KCP Vietnam Industries Limited	-				
	(14.97)				
Fives Cail KCP Limited		551.74			
		(1,960.58)			
Services -Rendered					
Fives Cail KCP Limited		80.80			
		(81.70)			
V. Ramakrishna Sons Pvt Limited					0.16
					(0.15)
KCP Technologies Limited					1.59
					(1.52)
V. Ramakrishna Charitable Trust					0.15
					(0.15)
Services -Received					
KCP Technologies Limited					18.97
					(13.67)
Dividend Income					
Fives Cail KCP Limited	40.00				
	-				
Loans/Deposits received					
Dr V L Dutt			1,500.00		
			-		
Smt V L Indira Dutt			135.00		
			(10.00)		
Smt Kavitha D Chitturi			101.80		
			-		
V. Ramakrishna Sons Pvt Limited					175.00
					-
VL Dutt (HUF)				200.00	
				-	
Kum.Shivani Dutt Chitturi				60.00	
				(13.00)	

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt. S. R.V. Rajyalakshamma				25.00	
				-	
Purchase of Goods					
Fives Cail KCP Limited		-			
		(19.11)			
KCP Technologies Limited					1.47
					-
Fives Combustion Systems Pvt Ltd.					-
					(108.43)
Remuneration paid					
Dr V L Dutt			216.95		
			(289.44)		
Smt V L Indira Dutt			166.05		
			(217.08)		
Smt Kavitha D Chitturi			165.60		
			(108.54)		
Sri V .Gandhi			160.73		
			(108.54)		
Interest paid					
Dr V L Dutt			158.05		
			(133.69)		
Smt V L Indira Dutt			39.24		
			(42.69)		
Smt Kavitha D Chitturi			24.16		
			(29.27)		
Other Relations					
Kum. Shivani D. Chitturi				27.57	
				(22.72)	
VL Dutt (HUF)				81.90	
				(66.17)	
Smt. S. R. V. Rajyalakshamma				4.29	
				(4.14)	
V. Ramakrishna Sons Pvt Limited					54.81
					(50.00)

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Dividend paid					
Dr V L Dutt			-		
			(105.10)		
Smt V L Indira Dutt			-		
			(53.63)		
Smt Kavitha D Chitturi			-		
			(16.63)		
Sri V .Gandhi			-		
			(0.04)		
Other Relations					
Kum.Shivani Dutt Chitturi				-	
				(22.75)	
Smt.S R V Rajyalakshamma				-	
				(0.01)	
Smt.Uma S Vallabhaneni				-	
				(2.85)	
Smt.Rajeswary Ramakrishnan				-	
				(4.10)	
Smt.Kamala Devi Valluri				-	
				(0.09)	
Sri.V Praveen Kumar				-	
				(0.04)	
Smt.Anupama				-	
				(0.04)	
V. Ramakrishna Sons Pvt Limited					-
					(681.74)
The Jeypore Sugar Company Ltd.					-
					(4.87)
VRK Grandsons Investment (Private) Limited					-
					(167.62)
Dr V L Dutt (HUF)				-	
				(1.99)	

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Loans/Deposit Repaid					
Dr V L Dutt			1,000.00		
			-		
Smt. VL Indira Dutt			200.00		
			(60.00)		
Smt Kavitha D Chitturi			200.00		
			-		
Rent Paid					
Smt V L Indira Dutt			61.85		
			(56.60)		
Smt Kavitha D Chitturi			4.29		
			(4.90)		
Other Relations					
Smt.Uma.S.Vallabhaneni				80.88	
				(73.98)	
Smt. S R V Rajyalakshamma				10.92	
				(10.02)	
Smt.V.Rama Kumari				58.65	
				(53.61)	
Bala Tripurasundari Ammavaru Temple					81.38
					(74.38)
Sri.V.Chandra kumar				35.72	
				(33.36)	
Balances as at 31.03.2017					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	2,371.44				
	(2,371.44)				
Fives Cail KCP Limited		40.00			
		(40.00)			
Receivable - Trade dues/others					
KCP Vietnam Industries Limited	-				
	(0.81)				

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Fives Cail KCP Limited		11.40			
		(215.31)			
KCP Technologies Limited					3.90
					(2.29)
Receivable - Rent					
Fives Cail KCP Limited		0.34			
		(1.07)			
Share capital in KCP held by					
Dr. VL Dutt			60.06		
			(60.06)		
Smt. VL Indira Dutt			33.64		
			(30.64)		
Smt. Kavitha D Chitturi			11.80		
			(9.50)		
Sri V. Gandhi			0.02		
			(0.02)		
Other Relations					
Kum.Shivani Dutt Chitturi				13.00	
				(13.00)	
Smt.Rajeswary Ramakrishnan				2.34	
				(2.34)	
Smt.S R V Rajyalakshamma				0.01	
				(0.01)	
Smt.Uma S Vallabhaneni				1.63	
				(1.63)	
Smt.Anupama				0.02	
				(0.02)	
Smt.Kamala Devi Valluri				0.05	
				(0.05)	
Sri.V Praveen Kumar				0.02	
				(0.02)	
V. Ramakrishna Sons Pvt Limited					389.56
					(389.56)

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
The Jeypore Sugar Company Ltd.					2.78
					(2.78)
VRK Grandsons Investment (Private) Limited					63.78
					(95.78)
Dr. VL Dutt (HUF)				1.14	
				(1.14)	
Loans/Advances held					
Fives Cail KCP Limited		-			
		(92.42)			
Dr V L Dutt			800.00		
			(1,300.00)		
Smt V L Indira Dutt			355.00		
			(420.00)		
Smt Kavitha D Chitturi			180.00		
			(280.00)		
V. Ramakrishna Sons Pvt Limited					675.00
					(500.00)
Deposits held with the company					
Dr V L Dutt			1,033.50		
			(33.50)		
Smt Kavitha D Chitturi			11.53		
			(11.53)		
Other Relations					
VL Dutt[HUF]				800.00	
				(600.00)	
Kum.Shivani Dutt Chitturi				270.00	
				(210.00)	
Smt.S R V Rajyalakshamma				62.50	
				(37.50)	
Commission payable					
Sri. V L Dutt			144.17		
			(216.74)		

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt. V. L. Indira Dutt			-		
			(131.49)		
Smt Kavitha D Chitturi			-		
			(49.49)		
Sri V .Gandhi			-		
			(44.79)		
Payable-Trade Dues					
Smt. VL Indira Dutt			17.41		
			(13.85)		
Smt Kavitha D Chitturi			0.96		
			(1.12)		
Fives Combustion Systems Pvt Ltd.					-
					(2.09)
Other Relations					
Smt.S R V Rajyalakshamma				3.08	
				(2.45)	
Smt.V.Rama Kumari				16.51	
				(13.13)	
Sri.V.Chandra kumar				7.27	
				(5.91)	
Smt.Uma.s.Vallabhaneni				14.98	
				(14.48)	
Bala Tripurasundari Ammavaru Temple					-
					(15.68)

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

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
a. The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
- Principal	7.69	16.67
- Interest	-	-

Transactions with the related parties (Continued)

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
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.	-	-
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 to be determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditor.		

42) CASH AND BANK BALANCES INCLUDES

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them	554.96	509.67
Deposits maintained as per the provisions of Section 73(2)(C) of the Companies Act, 2013 and Rules made there under.	1,088.10	754.45
Balances held at banks towards Unclaimed Dividends	135.19	230.51

43) In compliance with AS-22 "Accounting for Taxes on Income" Major components of Deferred Tax Assets and Liabilities arising on account of timing differences are:

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
1) Depreciation	10,833.86	10,699.64
2) Items u/s 43B of the Income Tax Act, 1961	727.95	648.51
3) Unabsorbed losses under the Income Tax Act 1961	-	1,330.79
Net Deferred Tax liability	10,105.90	8,720.34

44) Corporate Social Responsibility (CSR)

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

Rs. Lakhs

PARTICULARS	Current Year	Previous Year
Gross amount required to be spent by the company during the year	59.88	44.67
Less: Amount spent by the company during the year towards CSR	62.24	82.57
Amount yet to be spent by the company	-	-

45) 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.51.02 Lakhs (Previous Year : Rs. 82.90 lakhs)

46) Extra-ordinary item

An expenditure of Rs. 576 lakhs (Net of Tax of Rs. 453 lakhs) incurred by Engineering Unit on account of Chennai floods has been accounted as Extra-ordinary Expenses subject to the settlement of the insurance claim.

47) During the year , the Company has Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 to December 30,2016.

The denomination wise SBNs and other notes as per the notification are given below :

PARTICULARS	SBNs(specified bank notes) (value Rs. Lakhs)	Other denomination notes (value Rs. Lakhs)	Total Rs. Lakhs
Closing cash on hand as on 08.11.2016	7.78	2.70	10.48
(+) Permitted receipts	-	47.87	47.87
(-) Permitted payments	-	25.47	25.47
(-) Amount deposited in bank	7.78	15.13	22.91
Closing cash on hand as on 30.12.2016	-	9.97	9.97

48) Proposed Dividend:

Proposed dividend Rs.2/- per share amounting to Rs. 2578.42 lakhs (excluding Dividend Distribution Tax) is not recognised as liability for the year under report in accordance with revised AS-4 and there would be cash out flow of Rs. 2578.42 lakhs, in the financial year 2017-2018 on account of dividend payments.

49) 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
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn
No.000513S

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

**KAVITHA D
CHITTURI**
Executive Director

**P. GOVARDHANA
REDDY**
Partner
(ICAI Memb.
No.029193)

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

**O. SWAMINATHA
REDDY**
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial
Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2017



Mercure Hyderabad KCP
6-3-551, Somajiguda
Hyderabad - 500 082, Telangana
Phone: +91-40-67 88 88 44 /88
Email: h8824-re@accor.com



KCPTM

Super Sreshtaa

THE NEW GENERATION CEMENT



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

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of The KCP Limited, Chennai

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of The **KCP Limited** (the "Company"), its subsidiary and its joint venture as at 31st March, 2017, (collectively referred to as "the Group"), which comprise the Consolidated Balance sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies

Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditor, on the financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and jointly controlled entity as at 31st March, 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements /financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/financial information reflect total assets of Rs.60,243.33 Lakhs as at 31st March 2017, total revenues of Rs. 41,681.92 Lakhs and net cash flows amounting to Rs. 2,889.57 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the share of net profit of Rs.4,213.54 Lakhs for the year ended 31st March 2017, as considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us.

These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, we report to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act;
- f) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A", and
- g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and jointly controlled entity -- Refer Note 2.4 to the Consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts -- Refer Note 2.17 to the Consolidated 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; and
 - iv. The company has provided requisite disclosures in the Consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.19 to the Consolidated financial statements.

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn No 000513S

Place: Chennai

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

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

Date: 22nd May, 2017

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 jointly controlled entity, which are companies incorporated in India, as of 31st March 2017, in conjunction with our audit of the consolidated 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 jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and jointly controlled entity, which are companies incorporated in India, 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, 2017, 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 insofar as it relates to one jointly controlled entity, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

For BRAHMAYYA & CO
Chartered Accountants
Firm Regn No 000513S

Place: Chennai

Date: 22nd May, 2017

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

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

BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Notes	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,289.21	1,289.21
Reserves and Surplus	4	66,894.84	60,226.50
Minority Interest	4.1	13,972.82	12,170.20
		82,156.87	73,685.90
Non-Current Liabilities			
Long-term Borrowings	5	28,678.41	33,439.31
Trade Payables	6.1	271.26	271.26
Deferred Tax Liability (Net)	7	10,051.99	8,668.65
Other Long-term Liabilities	6.2	6,882.26	6,419.01
long-term Provisions	8.1	1,123.46	476.09
		47,007.38	49,274.32
Current Liabilities			
Short-term Borrowings	9	12,549.60	5,199.98
Trade Payables	10.1		
Due to Micro and Small Enterprises		31.75	83.36
Due to Others		8,982.42	7,136.17
Other Current Liabilities	10.2	22,636.43	22,421.52
Short term Provisions	8.2	1,303.93	1,719.49
		45,504.13	36,560.52
TOTAL		174,668.39	159,520.74
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	87,954.52	85,061.29
Intangible Assets	12	149.72	170.71
Capital Work in Progress		10,980.03	12,087.97
Non-current Investments	13	480.27	479.59
Long term Loans and Advances	14.1	10,482.38	7,532.54
Trade Receivables	15.1	438.60	158.44
Other Non- Current assets	15.2	24.38	11.08
		110,509.90	105,501.62
Current Assets			
Current Investments	16	-	-
Inventories	17	27,995.67	21,990.20
Trade Receivables	15.1	10,346.91	14,126.54
Cash and Bank Balances	18	8,537.92	4,499.82
Short term Loans and Advances	14.2	17,191.08	13,315.60
Other Current Assets	15.2	86.90	86.96
		64,158.49	54,019.12
TOTAL		174,668.39	159,520.74
III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	2		

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

As per our report annexed
for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S
P. GOVARDHANA
REDDY
Partner
(ICAI Memb.
No.029193)

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

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Notes	Current Year	Previous Year
		Rs. Lakhs	Rs. Lakhs
INCOME			
Revenue from operations	19		
Group Companies		135,924.07	
Less:Excise Duty		13,069.22	
		122,854.85	120,163.77
Joint Venture		5,440.99	
Less:Excise Duty		75.22	
		5,365.77	9,436.22
Revenue from operations (Net)			
Other Income	20		
- Group Companies		967.01	383.84
- Joint Venture		99.38	90.74
Total Revenue (I)		129,287.01	130,074.57
EXPENSES			
Cost of Raw Materials & Components Consumed	21	60,195.97	58,685.89
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	22	(5,846.78)	(122.02)
Employee benefits expense	23		
-Group companies		9,666.84	8,420.55
-Joint Venture		388.99	400.47
Finance Costs	24		
-Group companies		4,898.46	5,153.83
-Joint Venture		68.80	79.76
Depreciation and Amortization expense	25		
-Group companies		6,450.69	4,811.83
-Joint Venture		18.09	17.11
Other expenses	26	41,554.08	38,465.87
Total Expenses (II)		117,395.14	115,913.29
Profit/(Loss) before Exceptional and Extraordinary items and Tax		11,891.87	14,161.28
Add : Exceptional Items (Net) - Group Companies		-	-
Profit/(Loss) before Extraordinary items and tax		11,891.87	14,161.28
Extraordinary Items		576.51	84.32
Profit/(Loss) before tax		11,315.36	14,076.96
Add: Refund of Income Tax		-	-
Less: Provision for Taxation-Current			
- Group Companies		1,098.48	1,392.00
- Joint Venture		38.35	68.80
Less: Provision for Taxation-Deferred			
- Group Companies		1,385.56	2,122.49
- Joint Venture		(2.22)	71.56
Less: Short / (Excess) Provision of Income Tax of earlier years credited back		(11.26)	(96.62)
Add: MAT Credit Entitlement		627.79	1,420.10
Profit / (Loss) from continuing operations (A)		9,411.72	11,745.60
Profit / (Loss) from discontinuing operations		(36.00)	-
Less : tax expense of discontinuing operations		(7.68)	-
Profit / (Loss) from discontinuing operations (B)		(28.32)	-
		9,383.40	11,745.60
Less: Minority Interest		2,106.77	2,410.19
Profit/[loss] for the year (A) + (B)		7,276.63	9,335.41
Earnings per equity share in Rs. [nominal value of share Re.1 /-] [31st March 2016 : Re. 1/-]each			
Basic and diluted:		5.64	7.24
Computed on the basis of total profit for the year			
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	2		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing
Director

O. SWAMINATHA REDDY
Director

V.L. INDIRA DUTT
Joint Managing Director

V. GANDHI
Technical Director

KAVITHA D CHITTURI
Executive 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 Memb. No.029193)
Y. VIJAYAKUMAR
Company Secretary

for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S
T.V. RAMANA
Partner
(ICAI Memb. No.200523)

Place: Chennai
Date: 22nd May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
(A) Cash flow from operating activities		
Profit before tax from continuing operations	11,315.36	14,076.96
Profit before tax from discontinuing operations	(36.00)	-
Profit before tax	11,279.36	14,076.96
Adjustments for :		
Depreciation/amortization on continuing operation	6,471.94	4,828.94
Depreciation/amortization on discontinuing operation	-	-
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	14.94	1.20
Loss/[profit] on sale of fixed assets	(341.89)	25.53
Unrealised foreign exchange loss	12.38	(4.79)
Interest expense	4,914.63	5,168.46
Interest income	(250.31)	(499.87)
Dividend income	(53.15)	(12.77)
Operating profit before working capital changes	22,047.91	23,583.66
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	1,672.09	826.05
Increase/[decrease] in long term provisions	642.21	19.53
Increase/[decrease] in short-term provisions	(36.56)	(1,782.28)
Increase/[decrease] in other current liabilities	(1,198.12)	4,625.55
Increase/[decrease] in other long-term liabilities	463.25	(158.83)
Adjustments for Decrease / (Increase) in operating assets :		
Decrease/[increase] in trade receivables	3,622.01	(7,816.74)
Decrease/[increase] in inventories	(6,005.47)	1,065.35
Decrease/[increase] in long term loans and advances	(4,048.19)	699.06
Decrease/[increase] in short-term loans and advances	(2,278.96)	3,087.83
Decrease/[increase] in other current assets	(4.21)	727.06
Decrease/[increase] in other non-current assets	(13.30)	(5.85)
Cash generated from/[used in] operations	14,862.68	24,870.37
Direct taxes paid [net of refunds]	(1,331.20)	(1,429.45)
Foreign exchange difference	(924.82)	705.48
Net cash flow from/[used in] operating activities (A)	12,606.66	24,146.40
(B) Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	(8,867.83)	(25,386.97)
Proceeds from sale of fixed assets	958.54	25.63
Purchase of non-current investments	(0.68)	(0.51)
Interest received	250.31	499.87
Dividends received from subsidiary company	53.15	12.77
Net cash flow from/[used in] investing activities (B)	(7,606.51)	(24,849.22)
(C) Cash flows from financing activities		
Proceeds from long term borrowings	4,915.15	9,611.16
Repayment of long term borrowings	(8,264.03)	(7,639.13)
Proceeds from short term borrowings	8,112.07	927.20
Repayment of short term borrowings	(762.46)	(50.00)
Interest paid	(4,914.63)	(5,168.46)
Dividends paid	(40.00)	(2,256.12)
Tax on dividend paid	(8.14)	(331.72)
Net cash flow from/[used in] in financing activities (C)	(962.04)	(4,907.08)
Net increase/[decrease] in cash and Bank Balances (A+B+C)	4,038.10	(5,609.90)
Cash and Bank Balances at the beginning of the year	4,499.82	10,109.72
Cash and Bank Balances at the end of the year	8,537.92	4,499.82
Components of cash and Bank Balances		
Cash on hand	20.35	23.72
Cheques/drafts on hand	184.17	106.35
With banks on current account	2,034.33	2,476.12
On Deposit account	6,163.89	1,644.70
Unpaid Dividend accounts	135.19	248.93
Total Cash and Bank Balances (Note 18)	8,537.92	4,499.82

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

Place: Chennai
Date: 22nd May, 2017

As per our report annexed

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

for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

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

Y. VIJAYAKUMAR
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

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

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

The accounts of all the companies taken into these consolidated accounts have been prepared for the year ended 31st March 2017.

2. Principles of consolidation

The consolidated financial statements of the KCP Ltd, its subsidiary and its Joint Venture are prepared according to the accounting policies and standards applicable to them in the countries in which they are incorporated as stated in the "Statements on Accounting Policies" in the respective companies and published separately. To the extent practicable, uniform accounting policies have been adopted in preparing the consolidated financial statements.

2.1. Foreign Exchange Transactions

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

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

PARTICULARS	ASSET Rs. Lakhs	LIABILITY Rs. Lakhs
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting others		
Group Companies		10,833.86
Joint Venture	1.59	
Disallowance under Sec. 43B of the Income Tax Act, 1961		
Group Companies	727.95	-
Joint Venture	52.33	-
Unabsorbed Loss		
Group Companies	-	
Joint Venture	-	
	781.87	10,833.86
Net deferred tax liability as on 31.03.2017		10,051.99

2.3. Movement in Translation Reserve

PARTICULARS	Majority Rs. Lakhs	Minority Rs. Lakhs	Total Rs. Lakhs
Opening Balance (Cr)	1,217.69	608.84	1,826.53
Movement due to Non Monetary items-			
Capital, Reserves, opening Stock etc. (Cr)	(608.29)	(304.14)	(912.43)
Closing balance(Cr)	609.40	304.70	914.10

2.4. Contingent Liabilities

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
a. Claims against the company / disputed liabilities not acknowledged		
Statutory Levies - Group Companies	3,433.48	3,899.97
- Joint venture	-	13.14
Contractual Levies-Group Companies	127.11	146.17
Others - Group companies	1,112.39	1,726.57
- Joint venture	-	-
b. Guarantees		
Corporate Guarantees issued by the Company to Customers		
- Group Companies	2,999.29	1,836.66
- Joint Venture	235.27	232.94
Guarantees issued by Bankers on behalf of the Company		
- Group Companies	506.80	480.78
- Joint Venture	2,124.49	2,726.50

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

PARTICULARS	As at 31st March 2017 Rs. Lakhs	As at 31st March 2016 Rs. Lakhs
a) Salaries, Wages & Bonus	304.26	288.25
b) Contribution to P.F. & Other Funds	40.97	30.67
c) Workmen & Staff welfare expenses	23.12	22.19
d) Power & Fuel consumed	161.92	156.72
e) Stores & Spares consumed	216.22	228.10
f) Royalty	2,517.00	2,014.53
g) Taxes & Licences	17.52	28.85
h) Repairs to Building & Roads	33.49	27.96
i) Repairs to Machinery	87.06	153.97
j) Repairs to Other Assets	4.99	7.66
k) Insurance	3.45	3.76
l) Lime Stone Freight	4,463.76	3,874.61
m) Lime Stone Loading	3,665.81	3,259.01
n) Lime Stone Mining	1,586.52	1,381.06
o) Lime Stone - Hire Charges for Shovel and Water tank	80.32	82.41
p) Lease rentals & Others	606.04	494.90
	13,812.46	12,054.64

2.6. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR:

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
a) Opening unallocated capital expenditure	383.30	2,067.68
Add:		
Salaries, Wages & Bonus	92.81	228.97
Contribution to Provident Fund and Family Pension Scheme	4.46	28.74
Staff welfare Expenses	4.50	64.00
Stores and Spares consumed	-	10.73
Power	0.60	58.80
Insurance	2.08	11.86
Repairs to Building	0.57	21.53

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Repairs to Machinery	0.45	-
Repairs to Other Assets	0.66	0.03
Payment to auditors	0.10	0.25
Rent	-	-
Professional Fees	45.56	94.37
Travelling Expenses	2.21	12.30
Security Charges	0.96	27.29
Rates & taxes	0.86	124.30
Interest on Fixed Loan	48.07	649.72
Depreciation	3.16	8.67
Miscellaneous expenses	75.18	41.09
Net expenditure during trial run period	-	-
	665.54	3,450.34
Less:		
Interest Received	0.07	1.98
Miscellaneous Income	16.87	23.93
	648.60	3,424.43
Less:		
Capitalised/Allocated to fixed assets	8.50	3,041.13
Closing unallocated Capital Expenditure	640.10	383.30
	648.60	3,424.43

2.7. SALES

PARTICULARS	As at 31st March 2017 Rs. Lakhs	As at 31st March 2016 Rs. Lakhs
Finished goods sold (inclusive of Excise duty/Service tax)		
Cement	83,915.12	75,430.08
Heavy Engineering products	11,696.02	15,015.09
Electrical energy	703.56	2,198.09
Sugar	41,227.51	45,854.10
Service Receipts	2,170.01	724.17
Others	1,652.83	1,754.11
Total	141,365.05	140,975.64

2.8. EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
i) Net Profit after tax as per Profit and Loss Statement	7,276.63	9,335.41
ii) Net Profit attributable to Equity Shareholders	7,276.63	9,335.41
iii) Weighted Average number of equity shares used as denominator for calculating EPS	1,289.21	1,289.21
iv) Basic and Diluted Earnings per share (Rs)	5.64	7.24
v) Nominal value per each Equity share (Rs)	1	1

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

PARTICULARS	As at 31st March, 2017 Gratuity Rs. Lakhs	As at 31st March, 2017 Leave Benefits Rs. Lakhs	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year as per last Financial Statements	1,065.16	628.33	973.27	441.29
Less: Prior Period Adjustments	-	-	(9.17)	-
Present value of obligations as at beginning of the year	1,065.16	628.33	964.10	441.29
- Group Companies	1,022.16	589.16	964.10	441.29
- Joint Venture	43.01	39.17	32.88	27.62
Interest cost				
- Group Companies	75.58	44.72	71.44	31.57
- Joint Venture	3.62	3.03	2.63	2.08
Current service cost				
- Group Companies	69.17	120.49	66.64	163.77
- Joint Venture	3.62	7.68	3.10	11.32
Benefits paid				
- Group Companies	130.98	46.09	119.96	73.05
- Joint Venture	0.73	(2.54)	(0.24)	(3.21)
Actuarial loss/gain on obligation				
- Group Companies	179.63	123.52	39.93	25.58
- Joint Venture	2.01	(1.73)	4.63	1.35

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2017 Gratuity Rs. Lakhs	As at 31st March, 2017 Leave Benefits Rs. Lakhs	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs
Present value of obligations as at end of the year				
- Group Companies	309.33	171.34	1,022.16	589.16
- Joint Venture	51.34	45.61	43.01	39.17
b) Reconciliation for fair value of plan assets				
Fair value of plan assets at the beginning of the year as per last Financial Statements	1,147.36	-	1,103.08	-
Less: Prior Period Adjustments	-		(1.73)	
Fair value of plan assets at the end of the year				
- Group Companies	1,104.94	-	1,101.35	-
- Joint Venture	42.42	-	35.99	
Expected return on plan assets				
- Group Companies	91.69		89.86	
- Joint Venture	4.03	-	3.26	
Contributions				
- Group Companies	82.40	46.09	33.61	73.05
- Joint Venture	7.37	2.54	3.40	3.21
Benefits paid				
- Group Companies	130.98	46.09	119.96	73.05
- Joint Venture	0.73	(2.54)	(0.24)	(3.21)
Actuarial gain on plan assets		-		-
- Group Companies	(7.94)		0.08	
- Joint Venture	-	-		
Fair value of plan assets at the end of the year				
- Group Companies	1,140.12	-	1,104.94	
- Joint Venture	53.09	-	42.42	
c) Expenses recognised in statement of Profit & Loss A/c				
Current service cost				
- Group Companies	69.17	120.49	66.64	163.77
- Joint Venture	3.62	7.68	3.10	11.32
Interest cost				
- Group Companies	75.58	44.72	71.44	31.57
- Joint Venture	3.44	3.03	2.63	2.08
Expected return on plan assets				
- Group Companies	91.69	-	89.86	-
- Joint Venture	4.03	-	3.26	-

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2017 Gratuity Rs. Lakhs	As at 31st March, 2017 Leave Benefits Rs. Lakhs	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs
Net actuarial gain/loss recognised in the year				
- Group Companies	187.57	123.52	39.85	25.58
- Joint Venture	2.01	(1.73)	4.63	1.35
Expense to be recognised in the Profit & Loss a/c				
- Group Companies	240.63	288.74	88.07	220.92
- Joint Venture	5.04	8.99	7.11	14.75
d) Net Liability recognised in the Balance Sheet				
Present value of obligations as at the end of the year				
- Group Companies	1,215.56	831.81	1,022.16	589.16
- Joint Venture	51.34	45.61	43.01	39.17
Fair value of plan Assets as at the end of the year				
- Group Companies	1,140.12	-	1,104.94	-
- Joint Venture	53.09	-	42.42	-
Funded status				
- Group Companies	75.44	831.81	(82.79)	589.16
- Joint Venture	1.75	(45.61)	(0.59)	39.17
Net Asset/liability recognised in the Balance Sheet				
- Group Companies	75.44	831.81	(82.79)	589.16
- Joint Venture	1.75	(45.61)	(0.59)	39.17
e) Acturial Assumptions				
Assumptions as at 31st March,				
Discount rate	7.40%	7.40%	7.9%	7.9%
Salary escalation	6.00%	6.00%	5%	5%
Attrition rate	4.00%	4.00%	1-3%	
Expected return on plan assets	7.75%	-	8.50%	
Mortality	LIC 94-96		LIC 94-96	

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

2.11 Extra-ordinary Items

An expenditure of Rs.576 lakhs (Net of Tax of Rs.453 lakhs) incurred by Engineering Unit on account of Chennai floods has been accounted as Extra-ordinary Expenses subject to the settlement of the insurance claim.

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

A). List of Related parties:

Key Managerial Personnel (KMP)	Dr. V.L. Dutt - Chairman and Managing Director, The K.C.P. Ltd Smt. V.L. Indira Dutt - Joint Managing Director, The K.C.P. Ltd Smt. Kavitha D Chitturi - Executive Director, The K.C.P. Ltd Sri. V. Gandhi - Technical Director, The K.C.P. Ltd Sri. K.B. Pranesh - Managing Director, Fives Cail KCP Ltd Sri. G.N. Murty - Chief Financial Officer, The K.C.P. Ltd Sri. Y.Vijaya Kumar - Company Secretary , The K.C.P. Ltd
Relatives of Key Managerial Personnel (KMP)	Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Smt. V.L. Indira Dutt - Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister Smt. Kavitha D Chitturi - Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband Sri. V.Gandhi - Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Anupama - Daughter Sri. K.B. Pranesh - Smt. Sobana Pranesh - Wife
Companies/Trusts controlled by Key Managerial Personnel/ Relatives	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. BGE Engineering (India) Private Limited VRK Grandsons Investment (Pvt) Limited V Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru Fives Combustion System Pvt Limited
Associates/Companies with substantial interest - Joint Venture	Fives Cail, France Fives Fletcher

B. Transactions with the related parties:

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Goods				
Fives Cail, France - Joint Venture				0.81
				(2.51)
Fives Cail KCP Ltd	331.04			
	(1,176.35)			
Services - Rendered				
V. Ramakrishna Sons Pvt Limited				0.16
				(0.15)
KCP Technologies Limited				1.59
				(1.52)
V. Ramakrishna Charitable Trust				0.15
				(0.15)
Fives Cail KCP Ltd	48.48			
	(49.02)			
Services - Received				
KCP Technologies Limited - Group Companies				18.97
				(13.67)
KCP Technologies Limited - Joint Venture				0.06
				(0.05)
Fives Cail, France - Joint Venture				11.21
				(10.00)
Loans/Deposits received				
Dr V L Dutt		1,500.00		
		-		
Smt V L Indira Dutt		135.00		
		(10.00)		
Smt Kavitha D Chitturi		101.80		
		-		
V. Ramakrishna Sons Pvt Limited				175.00
				(-)
V L Dutt (HUF)			200.00	-
			(-)	
Kum.Shivani Dutt Chitturi			60.00	
			(13.00)	

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt S.R.V. Rajyalakshamma			25.00	
			(0)	
Purchase of Goods				
Fives Cail KCP Ltd.	-			
	(4,792.66)			
Fives Combustion Systems Pvt Ltd.				-
				(108.43)
Royalty Paid				
Fives Cail, France - Joint Venture				11.23
				(91.26)
Remuneration paid				
Dr V L Dutt		216.95		
		(289.44)		
Smt V L Indira Dutt		166.05		
		(217.08)		
Smt Kavitha D Chitturi		165.60		
		(108.54)		
Sri V .Gandhi		160.73		
		(108.54)		
Sri K.B. Pranesh - Joint Venture		22.93		
		(22.03)		
Interest paid				
Dr V L Dutt		158.05		
		(133.69)		
Smt V L Indira Dutt		39.24		
		(42.69)		
Smt Kavitha D Chitturi		24.16		
		(29.27)		
Other Relations				
Kum Shivani D. Chitturi			27.57	
			(22.72)	
VL Dutt (HUF)			81.90	
			(66.17)	
Smt. S R V Rajyalakshamma			4.29	
			(4.14)	

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
V. Ramakrishna Sons Pvt Limited				54.81
				(50.00)
Dividend paid				
Dr V L Dutt		-		
		(105.10)		
Smt V L Indira Dutt		-		
		(53.63)		
Smt Kavitha D Chitturi		-		
		(16.63)		
Sri V .Gandhi		-		
		(0.04)		
Sri K.B. Pranesh - Joint Venture		0.29		
		-		
Other Relations				
Kum.Shivani Dutt Chitturi			-	
			(22.75)	
Smt.S R V Rajyalakshamma			-	
			(0.01)	
Smt.Uma S Vallabhaneni			-	
			(2.85)	
Smt.Rajeswary Ramakrishnan			-	
			(4.10)	
Smt.Kamala Devi Valluri			-	
			(0.09)	
Sri.V Praveen Kumar			-	
			(0.04)	
Smt.Anupama			-	
			(0.04)	
V. Ramakrishna Sons Pvt Limited				-
				(681.74)
The Jeypore Sugar Company Ltd.				-
				(4.87)

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
VRK Grandsons Investment (Private) Limited				-
				(167.62)
Dr V L Dutt (HUF)			-	
			(1.99)	
Fives Cail, France - Joint Venture				
Loans/Deposit Repaid				
Dr V L Dutt		1,000.00		
		-		
Smt V L Indira Dutt		200.00		
		(60.00)		
Smt Kavitha D Chitturi		200.00		
		-		
Rent Paid				
Smt V L Indira Dutt		61.85		
		(56.60)		
Smt Kavitha D Chitturi		4.29		
		(4.90)		
Other Relations				
Smt.Uma.s.Vallabhaneni			80.88	
			(73.98)	
Smt. S R V Rajyalakshamma			10.92	
			(10.02)	
Smt.V.Rama Kumari			58.65	
			(53.61)	
Bala Tripurasundari Ammavaru Temple				81.38
				(74.38)
Sri.V.Chandra kumar			35.72	
			(33.36)	
Balances as at 31.03.2017				
Loans/Advances given				
Fives Cail KCP Ltd		-		
	(25.53)			

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Receivable - Trade dues/others				
KCP Technologies Limited				3.90
				(2.29)
Fives Cail KCP Ltd	9.50			
	(129.83)			
Receivable - Rent				
Fives Cail KCP Ltd	0.20			
	(0.64)			
Share capital in KCP held by				
Dr V L Dutt		60.06		
		(60.06)		
Smt V L Indira Dutt		33.64		
		(30.64)		
Smt Kavitha D Chitturi		11.80		
		(9.50)		
Sri V .Gandhi		0.02		
		(0.02)		
Other Relations				
Kum.Shivani Dutt Chitturi			13.00	
			(13.00)	
Smt.Rajeswary Ramakrishnan			2.34	
			(2.34)	
Smt.S R V Rajyalakshamma			0.01	
			(0.01)	
Smt.Uma S Vallabhaneni			1.63	
			(1.63)	
Smt.Anupama			0.02	
			(0.02)	
Smt.Kamala Devi Valluri			0.05	
			(0.05)	

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sri.V Praveen Kumar			0.02	
			(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				63.78
				(95.78)
Dr. VL Dutt (HUF)			1.14	
			(1.14)	
Fives Cail, France - Joint Venture				16.00
				(16.00)
Loans/Advances held				
Dr V L Dutt		800.00		
		(1,300.00)		
Smt V L Indira Dutt		355.00		
		(420.00)		
Smt Kavitha D Chitturi		180.00		
		(280.00)		
V. Ramakrishna Sons Pvt Limited				675.00
				(500.00)
Fives Cail KCP Ltd.		-		
	(55.45)			
Deposits Received				
Dr V L Dutt		1,033.50		
		(33.50)		
Smt Kavitha D Chitturi		11.53		
		(11.53)		
Other Relations				
VL Dutt[HUF]			800.00	
			(600.00)	

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Kum.Shivani Dutt Chitturi			270.00	
			(210.00)	
Smt.S R V Rajyalakshamma			62.50	
			(37.50)	
Royalty Payable				
Fives Cail, France - Joint Venture				11.23
				(91.26)
Commission payable				
Sri. V L Dutt		144.17		
		(216.74)		
Smt. V. L. Indira Dutt		-		
		(131.49)		
Smt Kavitha D Chitturi		-		
		(49.49)		
Sri V .Gandhi		-		
		(44.79)		
Sri K.B. Pranesh - Joint Venture		4.80		
		(4.86)		
Payable-Trade Dues				
Fives Cail, France - Joint Venture				26.69
				(27.69)
Smt. V. L. Indira Dutt		17.41		
		(13.85)		
Smt Kavitha D Chitturi		0.96		
		(1.12)		
Fives Combustion Systems Pvt Ltd.				-
				(2.09)
Fives Cail KCP Ltd	95.74			
	(149.16)			

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Other Relations				
Smt.S R V Rajyalakshamma			3.08	
			(2.45)	
Smt.V.Rama Kumari			16.51	
			(13.13)	
Sri.V.Chandra kumar			7.27	
			(5.91)	
Smt.Uma.s.Vallabhaneni			14.98	
			(14.48)	
Bala Tripurasundari Ammavaru Temple				-
				(15.68)

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

PARTICULARS	As at 31st March 2017 Rs. Lakhs	As at 31st March 2016 Rs. Lakhs
a. The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
- Principal	31.75	83.36
- Interest	-	-
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.	-	-
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.

2.14. CASH AND BANK BALANCES INCLUDE:

PARTICULARS	As at 31st March, 2017 Rs. Lakhs	As at 31st March, 2016 Rs. Lakhs
Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them	874.95	873.37
Deposits maintained as per the provisions of Section 73 (2)(c) of the Companies Act 2013 and Rules made there under.	1,088.10	754.45
Balances held with banks towards Unclaimed Dividends	135.19	230.51

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

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

Rs. Lakhs

PARTICULARS	Current Year	Previous Year
Gross amount required to be spent by the company during the year	59.88	44.67
Less: Amount spent by the company during the year towards CSR	62.24	82.57
Amount yet to be spent by the company	-	-

2.16 As per section 143(3)(j) of the Companies Act 2013 and Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the company estimated material foreseeable losses on long-term contracts at its Engineering unit and made provision for an amount of Rs.51.02 Lakhs (Previous year : Rs.82.90 Lakhs).

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

2.18 During the year , the Company has Specified Bank Notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31,2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 to December 30,2016. The denomination wise SBNs and other notes as per the notification are given below :

PARTICULARS	SBNs(specified bank notes) (value) (Rs. Lakhs)	Other denomination notes (Rs. Lakhs)	Total (Rs. Lakhs)
Closing cash on hand as on 08.11.2016	2.92	2.93	5.85
(+) Permitted receipts	-	33.89	33.89
(-) Permitted payments	-	27.59	27.59
(-) Amount deposited in bank	2.92	0.50	3.42
Closing cash on hand as on 30.12.2016	-	8.73	8.73

2.19 Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation:

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount Rs. Lakhs	As % of consolidated profit or loss	Amount Rs. Lakhs
Parent				
The KCP Limited	47.83	39,292.33	31.55	2,960.15
Subsidiary				
Foreign				
KCP Vietnam Industries Limited	34.01	27,945.64	44.90	4,213.54
Minority Interest in the subsidiary	17.01	13,972.82	22.45	2,106.77
Joint Venture (as per proportionate consolidation)				
Indian				
Fives Cail KCP Limited	1.15	946.08	1.10	102.94
Total	100	82,156.87	100	9,383.40

3) SHARE CAPITAL

PARTICULARS	As At 31st March, 2017 Rs. Lakhs	As At 31st March, 2016 Rs. Lakhs
Authorised Share Capital:		
35,00,00,000(31 March 2016 : 35,00,00,000) equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000 (31 March 2016 :2,00,00,000) preference shares of Rs.10/- each	2,000.00	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31 March 2016 : 12,89,77,480) equity shares of Rs.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
Subscribed and fully paid-up shares :		
12,89,21,160 (31 March 2016 :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

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 63,78,402 (95,78,330) equity shares of Rs.1/- each fully paid- 4.95% (7.43%)

4) RESERVES AND SURPLUS

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
Capital Reserve		
Capital Redemption Reserve		
Balance as per Last Financial Statements	2,000.00	2,000.00
Add: Amount Transferred from Surplus Balance in Statement of Profit and Loss	-	-
	2,000.00	2,000.00
Capital Reserve On Reorganisation	279.91	279.91
Capital Reserve on Consolidation of Subsidiary	9,548.48	9,548.48
Capital Subsidy	50.00	50.00
On Amalgamation reserve	103.83	103.83
Total capital Reserve	9,982.23	9,982.23
General Reserve		
Balance as per the last Financial Statements		
Group Companies	27,450.00	27,450.00
Joint Venture	479.34	438.02
Add : Amount transferred from Surplus Balance in the Statement		
Group Companies	-	-
Joint Venture	-	41.33
Closing Balance	27,929.34	27,929.34
Other Reserves		
Translation reserve		
Opening Balance	1,217.69	750.57
Additions/(Deletions) during the year	(608.29)	467.12
Closing Balance	609.40	1,217.69
Surplus/(Deficit) In The Statement Of Profit And Loss		
Balance as per the last Financial Statements		
Group Companies	18,773.45	11,091.16
Joint Venture	323.79	184.24
Add : Profit for the year		
Group Companies	7,173.69	9,106.39
Joint Venture	102.94	229.02
	26,373.87	20,610.80

4) RESERVES AND SURPLUS (Continued)

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
Less : Appropriations		
Proposed Dividend - Group Company (Previous Year : Nil)	-	-
- Joint Venture - Amount per share Rs.10/-	-	40.00
Interim Dividend Paid (Previous Year :@ Re.1/- per Share)	-	1,289.21
Tax on Distributed Profits		
Group Company	-	134.88
Joint Venture	-	8.14
Transfer to General Reserve-Group companies		
Joint Venture	-	41.33
Total Appropriations	-	1,513.57
Net Surplus In Statement Of Profit And Loss	26,373.87	19,097.24
Total Reserves And Surplus Taken To Balance Sheet	66,894.84	60,226.50.

4.1) MINORITY INTEREST	Figures as at the end of the previous reporting period 31.03.2016 Rs. Lakhs	Additions Rs. Lakhs	Deductions Rs. Lakhs	Figures as at the end of current reporting period 31.03.2017 Rs. Lakhs
Share Capital of KCP Vietnam Industries Limited 101,61,668 Equity shares (101,61,668 shares) held by minority shareholders	5,959.96	-	-	5,959.96
Profit & Loss account	5,601.39	2,106.77	-	7,708.16
Translation Reserve	608.84	(304.14)	-	304.70
Total	12,170.20	1,802.63	-	13,972.82

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion		Current maturities	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Term Loans				
Group companies				
From Banks (Secured)	23,811.23	27,923.01	6,341.68	6,433.93
Total	23,811.23	27,923.01	6,341.68	6,433.93

5) LONG TERM BORROWINGS: (Continued)

PARTICULARS	Non -current portion		Current maturities	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Other Loans and advances:				
Deposits (unsecured)-Group Companies				
Deposits from directors	1,005.00	45.03	45.03	-
From Others	3,862.18	5,471.27	4,318.81	2,859.57
	4,867.18	5,516.30	4,363.84	2,859.57
Total Amount	28,678.41	33,439.31	10,705.52	9,293.50
The above amount includes				
Secured Borrowings	23,811.23	27,923.01	6,341.68	6,433.93
Unsecured Borrowings	4,867.18	5,516.30	4,363.84	2,859.57
Amount disclosed under the head				
"Other Current Liabilities"(Note 10)	-	-	10,705.52	9,293.50
Net Amount	28,678.41	33,439.31	-	-

- 5.1 a) Term loans from Bank of India, Bank of Baroda and Canara Bank for Cement plant at Muktyala are Secured by Paripassu First Charge on the Fixed Assets, paripassu Second charge on the current assets and charge on the leasehold rights of the leased Lands of the Muktyala Cement Division. These loans are repayable in 28 Quarterly Installments of Rs. 726 lakhs each with effect from 30th June 2011.
- b) The rate of interest and other terms of the abovesaid loan are as follows:
Bank of Baroda - Sanctioned Loan of Rs.6500 lakhs at Interest Rate of Base Rate plus 1.50%, repayable in 28 Quarterly Instalments of Rs.232 lakhs each.
Bank of India - Sanctioned Loan of Rs.9000 lakhs at Interest Rate of Base Rate plus 2.25%, repayable in 28 Quarterly Instalments of Rs.322 lakhs each.
Canara Bank - Sanctioned Loan of Rs.4800 lakhs at Interest Rate of Base Rate plus 1.50%, repayable in 28 Quarterly Instalments of Rs.172 lakhs each.
- 5.2 a) Term loan obtained from Indian Overseas Bank for Hotel project at Hyderabad is secured by First charge on the land, building and other assets of the Hotel at Hyderabad.
- b) The loan of Rs.4500 lakhs drawn is repayable in 28 quarterly instalments of Rs. 1.61 crores each with last instalment being Rs. 1.53 crores, with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period.
- c) Additional Term loan of Rs.1473 lakhs drawn for the Project is repayable in 28 quarterly instalments of Rs.0.53 crores each after holiday period of 18 months.
- d) The rate of interest of both the loans is Base Rate plus margin 2%
- e) First installment of repayment for both the loans commenced in May 2015.
- 5.3 a) Term Loan of Rs.1431 lakhs obtained from Bank of Baroda for the Cement Plant Macherla is secured by the First Charge on the fixed Assets (both present and proposed out of the loan) and second charge on the current assets of the Cement Division at Macherla. The loan is repayable in 28 Quarterly Installments of Rs. 75 lakhs each with an initial moratorium period of two years from the date of first disbursement. Repayments started from November 2014.
- b) The rate of interest of the abovesaid loan is Base Rate plus 2%

- 5.4** a) Term Loan obtained from Canara Bank for the Captive Power Plant Muktyala is secured by the First Charge on the fixed Assets of that Division. The loan is repayable in 32 Quarterly Instalments of Rs 249 lakhs each with the last instalment being Rs 245 lakhs with an initial moratorium period of two years from the date of first disbursement. First installment of Repayment commenced in March'2015.
- b) The rate of interest of the abovesaid loan is Base Rate plus 1.75%
- 5.5** a) Term Loan of Rs.1200 lakhs obtained from HDFC Bank for working capital and business operations is secured by Equitable Mortgage on properties at Visakhapatnam, Mumbai and Hyderabad. The rate of interest of this loan is Base Rate plus 2.75%.
- b) The Company has pre-paid Rs.1000 lakhs of loan amount ahead of repayment schedule in the previous year.
- c) The balance loan has been re-paid fully during the current year as per revised payment schedule.
- 5.6** a) Term Loan of Rs.5600 lakhs obtained from Bank of India for shoring up working capital is secured by exclusive charge on land near Chennai.
- b) The rate of interest of the abovesaid loan is Base Rate plus 2.25%
- c) This loan is repayable in 20 quarterly instalments of Rs.280 lakhs each after 2 years moratorium.
- d) First installment of repayment commenced in June 2016.
- 5.7** a) Term Loan of Rs.4000 lakhs obtained from Bank of Baroda for shoring up working capital is secured by exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus 2.25%
- b) This loan is repayable in 20 quarterly instalments of Rs.200 lakhs each after 2 years moratorium.
- c) During the previous year, the Company has pre-paid Rs.8 crores of loan amount ahead of repayment schedule.
- d) First installment of repayment commenced in January 2017.
- 5.8** a) Term Loan of Rs.35400 lakhs obtained from State Bank of India for Cement Capacity Expansion and Railway Siding at Muktyala is secured by pari-passu charge on Land at Muktyala and exclusive Charge on the Project Assets.
- b) The rate of interest of the abovesaid loan is MCLR plus 0.65%
- c) This loan is repayable in 32 quarterly instalments after 2 years moratorium.
- 5.9** a) Term Loan of Vietnamese Dongs 281.305 Billions (about Indian Rupees Rs.8130 lakhs) obtained from Vietnam Development Bank for Capacity Expansion by the Overseas Subsidiary is secured by assets formed from the loan.
- b) The rate of interest of the abovesaid loan is 8.55%.
- c) This loan is repayable in 28 quarterly instalments.

5.10 Details of deposits held by Directors of the company

	Non-Current		Current	
	As on 31st March 2017 (Rs. Lakhs)	As on 31st March 2016 (Rs. Lakhs)	As on 31st March 2017 (Rs. Lakhs)	As on 31st March 2016 (Rs. Lakhs)
a) Dr. V. L. Dutt	1,000.00	33.50	33.50	-
b) Smt. Kavitha D. Chitturi	-	11.53	11.53	-
c) Sri O. Swaminatha Reddy	5.00	-	-	-

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
6.1) Trade payables		
Group Companies	271.26	271.26
Joint Venture	-	-
Total	271.26	-
6.2) Others		
Outstanding Liabilities for Expenses		
Group Companies	829.65	1,042.98
Joint Venture	119.64	119.64
Retention Money Payable		
Group Companies	-	9.40
Joint Venture	-	-
Trade Deposits		
Group Companies	2,402.17	2,190.82
Deposits Payable-Contractors		
Group Companies	235.90	189.90
Others		
Group companies	3,294.90	2,866.27
Joint venture	-	-
Total	6,882.26	6,419.01

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
Deferred Tax Liability		
Fixed assets: Impact of difference between Tax Depreciation and Depreciation/Amortisation charged for the financial reporting others		
Group Companies	10,833.86	10,699.64
Joint Venture	(1.59)	(4.20)
Gross deferred Tax Liability	10,832.27	10,695.44
Deferred Tax Asset		
Disallowance under Sec. 43B of the Income Tax Act, 1961		
Group Companies	727.95	648.51
Joint Venture	52.33	47.50

7) DEFERRED TAX LIABILITY (NET) (Continued)

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
Unabsorbed Loss		
Group Companies	-	1,330.79
Joint Venture	-	-
Gross Deferred Tax Asset	780.28	2,026.80
Net Deferred Tax Liability	10,051.99	8,668.65

8) PROVISIONS

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Provision for Employee Benefits:				
Provision for Gratuity				
Group companies	-	-	75.44	-
Joint Venture	-	-	-	0.59
Provision for Leave Benefits				
Group companies	764.21	444.05	55.36	145.11
Joint Venture	37.20	32.04	8.41	7.12
	801.41	476.09	139.20	152.82
Other Provisions				
Provision for Wealth tax	-	-	12.59	12.59
Provision for Income tax				
Group companies	-	-	1,092.14	1,467.44
Joint Venture	-	-	60.00	38.49
Proposed equity dividend	-	-	-	40.00
Provision for tax on Distributed Profits	-	-	-	8.14
Provision for Mines Decommissioning	322.06	-	-	-
	322.06	-	1,164.73	1,566.67
	1,123.46	476.09	1,303.93	1,719.49

9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31.03.2017 Rs. Lakhs	AS AT 31.03.2016 Rs. Lakhs
Cash credit from Banks		
Secured		
Group Companies	6,379.75	2,179.12
Joint Venture	246.60	520.86
Unsecured Short Term Loans from Banks		
Group Companies	3,911.45	-
Other Unsecured Loans		
Loan Repayable on Demand (Unsecured)	-	-
- from Directors	1,336.80	2,000.00
Inter-corporate Deposits repayable on demand	675.00	500.00
	12,549.60	5,199.98
The above amount includes		
Secured Borrowings	6,626.35	2,699.98
Unsecured Borrowings	2,011.80	2,500.00
9.1 i) Cash Credit relating to Engineering Division from Canara Bank is secured by paripassu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5%	1,844.06	-
ii) Cash Credit relating to Macherla Cement Division from Bank of Baroda and HDFC Bank, is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5% in the case of Rs.658 lakhs Cash Credit from Bank of Baroda and 10% in the case of Rs.87 lakhs Cash Credit from HDFC Bank.	745.27	805.79
iii) Cash Credit relating to Muktyala Cement Division from Bank of Baroda, Bank of India and Canara Bank, is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus 1.5% in the case of Rs.1046 lakhs Cash Credit from Bank of Baroda, Base Rate plus 1.75% in respect of Rs.1597 lakhs Cash Credit from Bank of India and Base Rate plus 1.50% in respect of Rs.386 lakhs Cash Credit from Canara Bank.	3,028.85	775.74

iv)	Cash Credit relating to Captive Power Plant from Canara Bank is secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of that Division. The rate of interest is Base Rate plus margin 1.5%.	761.56	597.58
v)	Cash Credit relating to Joint Venture Company from the Banks is secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares and book debts of that Company. The rate of interest is Base Rate plus margin 2.25%	246.60	520.86
9.2 i)	Short Term Unsecured Loans for Working Capital obtained from BIDV of VND 85.47 Billion (about INR 2467 lakhs) and Vietcom Bank VND 50 Billion (about INR 1444 lakhs) taken at the interest rate of 4.8%.	3,911.45	-

10) OTHER CURRENT LIABILITIES:

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
10.1) Trade payables		
Due to Micro and Small Enterprises		
Group Companies	7.69	16.67
Joint Venture	24.06	66.68
Due to Others		
Group Companies	8,114.97	6,264.78
Joint Venture	867.45	871.39
	9,014.17	7,219.53
10.2) Other Liabilities:		
Current maturities of long term borrowings (Note 5.3)		
Group Companies	10,705.52	9,293.50
Interest accrued but not due on borrowings-Group Companies	209.15	238.38
Interest accrued and due on borrowings-Group Companies	88.10	96.97
Advance from customers		
Group Companies	3,665.93	4,252.62
Joint Venture	1,527.57	998.09
Unpaid dividend		
Group Companies	135.19	230.51
Joint Venture	-	-
Others		
Group Companies	5,960.57	6,940.98
Joint Venture	344.41	370.46
	22,636.43	22,421.52

11) FIXED ASSETS and 12) INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK						DEPRECIATION				NETT BLOCK	
	Cost upto 31 st March 2016	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31 st March 2017	Exchange difference	Depreciation upto 31 st March 2016	Depreciation For the Year	Total Depreciation upto 31 st March 2017	As at 31 st March 2017	As at 31 st March 2016	
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	
1 Lands												
(a) Freehold	2,682.69	262.45	-	-	2,945.14	-	-	-	-	2,945.14	2,682.69	
(b) Leasehold Mines	-	287.55	-	-	287.55	-	-	86.08	86.08	201.47	-	
2. (a) Buildings	19,029.43	2,930.17	13.00	(131.73)	21,814.87	(34.36)	2,818.03	673.76	3,456.36	18,358.51	16,211.40	
Joint Venture	72.36	-	54.49	-	17.87	-	61.77	1.00	8.28	9.59	10.59	
(b) Leasehold Buildings	15.48	-	-	-	15.48	-	6.10	0.23	6.34	9.14	9.37	
Group companies	971.02	35.03	-	-	1,006.05	-	793.54	46.76	840.30	165.75	177.48	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
4 Plant and Machinery												
Owned	98,529.44	6,444.56	2,188.66	(796.19)	101,989.16	(421.67)	37,700.39	4,931.73	40,383.94	61,605.22	60,829.06	
Group companies	1.05	4.40	-	-	5.45	-	0.70	0.51	1.21	4.24	0.35	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
5 Furniture,Fixtures												
Owned	2,075.54	49.57	0.97	(2.03)	2,122.11	(1.97)	331.90	247.54	577.02	1,545.09	1,743.64	
Group companies	4.75	1.47	-	-	6.22	-	4.24	0.40	4.64	1.58	0.51	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
6 Motor Vehicles	1,931.77	49.20	74.22	(5.55)	1,901.20	(4.33)	1,105.73	207.24	1,276.21	624.99	826.04	
Group companies	17.81	13.96	6.78	-	24.99	-	9.46	4.85	8.49	16.51	8.36	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
7 Railway Siding, Locomotives												
Group companies	106.83	-	-	-	106.83	-	71.06	3.10	74.17	32.66	35.76	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
8 Ropeway Structures												
Group companies	136.12	9.09	-	-	145.21	-	132.24	4.17	136.41	8.80	3.88	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
9 Office Equipment												
Group companies	270.38	130.42	11.89	(3.08)	385.83	(2.72)	179.25	40.23	205.61	180.22	91.13	
Joint Venture	12.01	2.29	0.04	-	14.26	-	9.23	1.67	10.86	3.40	2.78	
10 Computer & Data Processing Units												
Group companies	622.40	36.25	18.79	-	639.86	-	453.03	56.82	493.31	146.55	169.38	
Joint Venture	54.14	7.33	12.84	-	48.64	-	46.75	4.87	39.10	9.53	7.39	
11 Laboratory Equipment												
Owned	110.31	15.17	1.50	-	123.97	-	81.37	19.52	100.10	23.87	28.93	
Group companies	-	-	-	-	-	-	-	-	-	-	-	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
12 Electrical Installation & Equipment												
Group companies	3,223.28	177.37	7.40	-	3,393.25	-	1,084.37	328.84	1,408.63	1,984.62	2,138.91	
Joint Venture	2.68	-	-	-	2.68	-	1.43	0.35	1.78	0.90	1.25	
13 Hydraulic Works, Pipeline & Sluices												
Group companies	89.48	-	-	-	89.48	-	7.07	5.66	12.73	76.75	82.41	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
1 Patents												
Group companies	9.00	-	-	-	9.00	-	9.00	-	9.00	-	-	
Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
2 Intangible Asset												
Group companies	210.55	11.24	-	(0.44)	221.35	(0.44)	41.69	34.50	75.75	145.60	168.86	
Joint Venture	63.90	6.72	0.21	-	70.40	-	62.04	4.45	66.28	4.12	1.85	
Grand Total												

Note: Total Depreciation for the year includes an amount of (a) Rs. 3.16 lakhs capitalised during the year and (b) Rs.232.32 lakhs adjusted against Science & Technology Development Fund.

13) NON-CURRENT INVESTMENTS

PARTICULARS	As At 31.03.2017 Rs. Lakhs	As At 31.03.2016 Rs. Lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Common Stock (unquoted)		
1640 Non-voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preferred Shares (unquoted)		
750 Non-voting Preferred stock of BGE Global Inc., par value \$0.01 per share	385.00	385.00
	462.00	462.00
Non-trade investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments (quoted)		
100 (31st March 2016: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.04	0.04
14240 (31st March 2016: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank	11.57	11.57
Equity Shares (unquoted)		
30 (31st March 2016: 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 2016: 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	6.66	5.98
	18.27	17.59
Total	480.27	479.59

14) LOANS AND ADVANCES

PARTICULARS	14.1 Non-current		14.2 Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Capital Advances				
Secured, considered good				
Group Companies	-	-	-	-
Unsecured, considered good				
Group Companies	4,816.73	791.06	-	-
(A)	4,816.73	791.06	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Group Companies	404.83	869.86	-	-
Doubtful	-	-	-	-
	404.83	869.86	-	-
Provision for doubtful security deposit		-	-	-
(B)	404.83	869.86	-	-
Loans and advances to related parties (note 37(b))				
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Group Companies	-	-	-	-
Joint Venture	-	-	0.05	6.34
Provision for Doubtful Advances	-	-	-	-
(D)	-	-	0.05	6.34
Other Loans and Advances				
MAT Credit				
Group Companies	4,784.75	5,528.88	-	-
Joint Venture	82.00	103.65	-	-
Advances to Trade Payables				
Group Companies	-	-	8,423.90	7,497.06
Joint Venture	-	-	694.58	199.71

LOANS AND ADVANCES (CONTINUED)

PARTICULARS	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Advance Income-tax				
Group Companies	-	-	2,182.28	978.72
Joint Venture	-	-	96.73	129.35
Duty Drawback Receivable				
Group Companies	-	-	-	-
Joint Venture	-	-	16.53	35.63
Prepaid expenses/				
Group Companies	39.42	91.53	258.37	183.19
Joint Venture	0.40	1.56	17.88	16.45
Loans and Advance to employees				
Group Companies	-	-	39.41	34.49
Joint Venture	-	-	2.33	4.49
Balances with Statutory/Government Authorities				
Group Companies	342.45	146.00	5,074.19	3,649.26
Joint Venture	-	-	335.57	348.79
Others				
Group Companies	11.81	-	47.52	232.13
Joint Venture	-	-	1.75	-
(E)	5,260.83	5,871.61	17,191.03	13,309.26
Total [A+B+C+D+E]	10,482.38	7,532.54	17,191.08	13,315.60

15) TRADE RECEIVABLE AND OTHER ASSETS

TRADE RECEIVABLES	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Group Companies	-	-	241.25	-
Joint Venture	-	-	-	210.42
Unsecured, considered good				
Group Companies	438.55	158.44	88.03	199.85
Joint Venture	-	-	712.05	208.15
Doubtful	-	-	-	-
	438.55	158.44	1,041.33	618.43
Provision for doubtful receivables	-	-	-	-
(A)	438.55	158.44	1,041.33	618.43
Other Receivables				
Secured, considered good				
Group Companies	-	-	390.28	359.81
Joint Venture	-	-	-	-

TRADE RECEIVABLE AND OTHER ASSETS (CONTINUED)

TRADE RECEIVABLES AND OTHER ASSETS	NON CURRENT		CURRENT	
PARTICULARS	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Unsecured, considered good				
Group Companies	0.05	-	7,659.12	11,039.72
Joint Venture	-	-	1,256.18	2,108.59
Doubtful		-	-	-
	0.05	-	9,305.58	13,508.11
Provision for doubtful receivables	-	-	-	-
(B)	0.05	-	9,305.58	13,508.11
Total [A+B]	438.60	158.44	10,346.91	14,126.54

15.2) OTHER ASSETS	Non-current		Current	
	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2017 Rs. Lakhs	31st March 2016 Rs. Lakhs
Unsecured, considered good unless stated otherwise				
Non-current Bank balances [Note 18]				
Group Companies				
Joint Venture	-	-	-	-
(A)	-	-	-	-
Unamortized expenditure				
Unamortized Premium on Forward Contract	-	-	-	-
Ancillary Cost of arranging the Borrowings	-	-	-	-
(B)	-	-	-	-
Others				
Interest accrued on fixed deposits-Group Companies	-	-	37.04	31.42
Interest accrued on fixed deposits-Joint Venture	-	-	12.89	14.04
Interest accrued on investments-Group Companies	-	-	29.92	40.85
Non trade receivables(interest)				
From - Joint Venture	-	-	7.04	0.64
- Others	-	-	-	-
Others - Earnest Money Deposit				
Group Companies	24.38	11.08	-	-
Joint Venture	-	-	-	-
(C)	24.38	11.08	86.90	86.96
Total [A+B+C]	24.38	11.08	86.90	86.96

16) CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Nil	-	-

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

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Raw materials and components at Cost		
Group Companies	1,569.69	967.57
Joint Venture	-	-
(includes in transit for 31st March 2017 : Rs.3.88 lakhs) (31 March 2016:Rs.15.97 lakhs)		
Work-in-progresss		
Group Companies	4,981.76	5,773.33
Joint Venture	286.14	106.51
Finished goods		
Group Companies	14,813.31	9,043.13
Joint Venture	138.42	35.05
Stores and spares at Cost		
Group Companies	6,115.75	5,956.62
Joint Venture	90.61	108.00
(includes in transit for 31st March 2017 : Rs.5.55 lakhs) (31 March 2016 : Rs.3.41 lakhs)		
Total	27,995.67	21,990.20

18) CASH AND BANK BALANCES

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Cash and Cash Equivalents :		
Balances with Banks:		
On current accounts		
Group Companies	2,031.38	2,454.78
Joint Venture	2.94	21.34
Deposits with original maturity of less than 3 months		
Group Companies	5,092.39	6.11
Cheques/Drafts on hand		
Group Companies	184.17	106.35
Unpaid matured deposits	30.53	25.12
Cash on hand		
Group Companies	20.18	23.20
Joint Venture	0.17	0.51
	7,361.77	2,637.42
Other Bank Balances :		
Earmarked Balances with Banks - Unclaimed Dividends		
Group Companies	135.19	230.51

CASH AND BANK BALANCES (Continued)

PARTICULARS	As At 31-03-2017 Rs. Lakhs	As At 31-03-2016 Rs. Lakhs
Deposits with original maturity for more than 3 months but less than 12 months		
Group Companies	166.02	754.45
Joint Venture	-	-
Margin Money Deposit		
Group Companies	554.96	518.25
Joint Venture	319.99	359.19
	1,176.16	1,862.40
Total	8,537.92	4,499.82

19) REVENUE FROM OPERATIONS

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Revenue from Operations		
Sale of products:		
Finished goods		
Group Companies	132,822.94	129,370.76
Joint Venture	5,062.45	9,197.04
Sale of Services		
Group Companies	1,915.13	382.06
Joint Venture	254.88	339.74
Other Operating Revenue		
Scrap sales		
Group Companies	17.77	25.09
Joint Venture	2.80	(1.17)
Others		
Group Companies	681.56	1,069.51
Joint Venture	78.52	20.26
Interest Income on		
Bank Deposits		
Group Companies	157.50	372.91
Joint Venture	27.13	27.96
Others		
Group Companies	65.67	99.00
Joint Venture	15.21	8.03
Rents received	69.55	64.45
Insurance Claims Settled against Loss of Profits	193.94	-
Revenue from Operations (Gross)		
Group Companies	135,924.07	131,383.77
Joint Venture	5,440.99	9,591.87
Less:Excise Duty		
Group Companies	13,069.22	11,220.00
Joint Venture	75.22	155.65
Revenue from Operations (Net)	128,220.62	129,599.99

20) OTHER INCOME

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Dividends Received on		
Current investments	-	-
Long Term Investments	53.15	12.77
Net gain on sale of Assets		
- Group Companies	362.48	-
- Joint Venture	10.32	0.12
Other Non-Operating Income (*)		
- Group Companies	551.38	371.07
- Joint Venture	89.05	90.63
Total Other Income	1,066.39	474.58
Note : (*) Other Non-Operating Income includes :		
Unclaimed balance Credited Back		
- Group Companies	4.53	8.39
- Joint Venture	25.73	0.06
Duty Drawback		
- Group Companies	23.40	18.92
- Joint Venture	39.51	87.48
Provisions no longer required credited back		
- Group Companies	407.46	146.95
- Joint Venture	-	-
LD recovered from Suppliers		
- Group Companies	1.33	49.72
- Joint Venture	0.11	3.09
Difference in exchange (net)		
- Group Companies	(12.38)	4.79
- Joint Venture	23.71	-
Bad Debts Written Off Recovered		
- Group Companies	2.97	-
- Joint Venture	-	-
Miscellaneous receipts		
- Group Companies	124.08	142.30
- Joint Venture	-	-
Total	640.44	461.70

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Group Companies		
Inventory at the beginning of the year	967.57	1,609.48
Add:Purchases	9,255.51	8,047.65
Add:Cost of raw materials produced	47,566.21	43,935.61
	57,789.29	53,592.73
Less: Inventory at the end of the year	1,569.69	967.57
Cost of raw material and components consumed - Group Companies	56,219.60	52,625.16
Joint Venture		
Inventory at the beginning of the year	108.00	108.70
Add:Purchases	3,958.97	6,060.04
Less: Inventory at the end of the year	90.61	108.00
Cost of raw material and components consumed - Join Venture	3,976.37	6,060.73
Total Cost of raw materials and components consumed	60,195.97	58,685.89

22) (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND TRADED GOODS

Particulars	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Inventories at the end of the year		
Traded goods	-	-
Work in progress		
Group Companies	4,981.76	5,773.33
Joint venture	286.14	106.51
Finished goods		
Group Companies	14,813.31	9,043.13
Joint venture	138.42	35.05
	20,219.63	14,958.01
Inventories at the beginning of the year		
Traded goods	-	-
Work in progress		
Group Companies	5,773.33	5,863.47
Joint venture	106.51	459.48
Finished goods		
Group Companies	9,043.13	8,389.66
Joint venture	35.05	123.39
	14,958.01	14,836.00
	(5,261.61)	(122.02)
Less : Cost of Self Constructed Assets transferred to Capital Work-in-Progress	585.17	-
(Increase) / Decrease in Inventories of Finished Goods, Working Process and Traded Goods	(5,846.78)	(122.02)

23) EMPLOYEE BENEFITS EXPENSES

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Salaries, Wages and Bonus		
Group Companies	7,694.92	7,173.81
Joint Venture	332.14	338.85
Contribution to Provident and other Funds		
Group Companies	754.15	578.98
Joint Venture	31.63	29.82
Gratuity Expense		
Group Companies	225.54	63.61
Joint Venture	-	-
Staff Welfare Expenses		
Group Companies	992.22	604.15
Joint Venture	25.22	31.80
Total	10,055.83	8,821.02

24) FINANCE COSTS

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Interest - Group Companies	4,832.11	5,051.10
- Joint Venture	14.02	14.47
Other Borrowing Cost		
- Group Companies	66.35	102.73
- Joint Venture	54.78	65.29
Total	4,967.26	5,233.59

25) DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Depreciation of Tangible Assets		
- Group Companies	6,416.19	4,796.09
- Joint Venture	13.65	14.06
Depreciation of Intangible Assets		
- Group Companies	34.50	15.74
- Joint Venture	4.45	3.05
Total	6,468.79	4,828.94

26) OTHER EXPENSES

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Consumption of Stores and Spares		
- Group Companies	5,150.04	4,542.02
- Joint Venture	-	-
Consumption of Loose tools		
- Group Companies	178.87	129.90
- Joint Venture	-	-
Sub-contracted works		
- Group Companies	1,301.83	1,166.57
- Joint Venture	307.40	458.51
(Increase)/Decrease of Excise duty on Inventory		
- Group Companies	29.87	(37.66)
- Joint Venture	-	-
Power and Fuel		
- Group Companies		
Less:Self consumption of Power generated internally	15,001.62	12,027.28
- Joint Venture	13.23	13.68
Insurance		
- Group Companies	122.89	119.42
- Joint Venture	5.62	2.04
Research and Development		
- Group Companies	733.61	838.14
Technical fee and royalty		
- Group Companies	-	-
- Joint Venture	12.47	101.40
Repairs to Buildings		
- Group Companies	330.48	341.58
Repairs to Machinery		
- Group Companies	1,280.02	1,734.87
Repairs to Other Assets		
- Group Companies	318.56	303.76
Advertisement and Sales Promotion		
- Group Companies	736.36	1,150.83
- Joint Venture	10.13	5.95
Freight & Forwarding charges		
- Group Companies	11,572.29	11,486.47
- Joint Venture	282.24	207.24

OTHER EXPENSES (Continued)

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Commission on Sales		
- Group Companies	135.97	136.28
- Joint Venture	44.16	64.28
Wheeling charges		
- Group Companies	21.69	50.17
Rent		
- Group Companies	146.18	158.71
- Joint Venture	0.52	0.39
Payments to Auditors		
- Group Companies	52.21	41.57
- Joint Venture	3.41	4.24
Directors' Sitting Fee		
- Group Companies	12.30	10.80
Travelling and Conveyance		
- Group Companies	338.11	246.91
- Joint Venture	82.91	79.84
Communication costs		
- Group Companies	144.54	94.20
- Joint Venture	7.45	8.27
Printing and Stationary		
- Group Companies	96.20	93.24
- Joint Venture	-	-
Legal and Professional fees		
- Group Companies	485.83	404.73
- Joint Venture	-	-
Miscellaneous Expenses		
- Group Companies	1,463.05	1,457.18
- Joint Venture	99.58	81.64
Warranty Claims		
- Group Companies	420.76	245.49
- Joint Venture	-	-
Bad debts and Irrecoverable Advances Written off		
- Group Companies	16.45	5.34
- Joint Venture	-	336.48
Discarded Assets Written off		
- Group Companies	14.94	1.20

OTHER EXPENSES (Continued)

PARTICULARS	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
Loss on Sale of Assets		
- Group Companies	30.32	25.59
- Joint Venture	0.59	0.06
Difference in Exchange (Net)		
- Group Companies	-	-
- Joint Venture	-	17.17
Rates and Taxes		
- Group Companies	541.33	300.91
- Joint Venture	8.04	9.19
Total	41,554.08	38,465.87

General:

- ❖ Figures in brackets indicate those for the previous year.
- ❖ Figures for the previous year have been regrouped, wherever necessary.

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed
for K.S. RAO & CO
Chartered
Accountants
Firm Regn
No.003109S
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn
No.000513S

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing
Director

KAVITHA D CHITTURI
Executive Director

**P. GOVARDHANA
REDDY**
Partner
(ICAI Memb.
No.029193)

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

**O. SWAMINATHA
REDDY**
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2017

SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2017

Primary Segment Report - Business Segments

Annexure-I
(Rs in lakhs)

PARTICULARS	Engineering		Cement		Power		Sugar		Hotel		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																
Total Revenue	13,136	15,900	84,756	76,590	6,974	7,885	41,272	46,010	1,134	0	485	331			147,757	146,716
Less:Excise Duty	553	644	12,476	10,712	-	-	-	-	88	-	28	20			13,144	11,376
	12,584	15,256	72,280	65,878	6,974	7,885	41,272	46,010	1,046	0	458	311	-	-	134,612	135,341
Less:Inter Segment Sales	-	15	101	19	6,266	5,683	-	-	-	-	24	23	(6,391)	(5,741)	(6,391)	(5,741)
	12,584	15,241	72,179	65,858	708	2,202	41,272	46,010	1,046	0	433	288			128,221	129,600
Result																
Segment Result	(778)	(530)	11,295	11,051	888	1,245	6,661	7,843	(1,120)	(38)	(131)	(45)			16,815	19,526
Less: Unallocated Corporate Expenses															(49)	131
Operating Profit / (Loss)	(778)	(530)	11,295	11,051	888	1,245	6,661	7,843	(1,120)	(38)	(82)	(176)	-	-	16,864	19,395
Less:Interest Expenses															(4,967)	(5,234)
Add : Income Tax Refund/Credited back															11,897	14,161
Mat Entitlement credit															-	-
															627	1,420
Less: Income Taxes																
Net Current Tax liability															(1,136)	(1,461)
Net Deferred Tax Liability															(1,383)	(2,194)
Short/Excess provision for earlier years															(11)	(97)
Profit from Ordinary Activities															9993	11,830
Less : Extraordinary loss															(577)	(84)
Profit after extra-ordinary item															9,417	11,746
Profit/(Loss) from Discontinued Activities															(36)	-
Less : Current Tax of Discontinued Operations															(8)	-
Profit After Tax of Discontinued Operations															(28)	-
less: Minority share of profit / (Loss)															(2,107)	(2,410)
Net Profit															7281	9,335
Other Information																
Segment Assets	16,349	15,921	58,657	50,308	15,967	16,543	60,243	53,179	11,094	11,957	831	827	(2487)	(2,613)	160,554	146,122
Unallocated corporate Assets															14,152	13,399
Total Assets	16,349	15,921	58,657	50,308	15,967	16,543	60,243	53,179	11,094	11,957	831	827	(2487)	(2,613)	174,706	159,521
Segment Liabilities	6,124	7,536	30,456	25,873	6,050	7,205	20,696	19,040	4,666	6,010	37	92	(2487)	(2,613)	56,781	63,144
Unallocated Corporate liabilities															23,996	22,691
Minority Interest															0	12,170
Shareholders Funds															58,640	61,516
Total Liabilities	6,124	7,536	30,456	25,873	6,050	7,205	20,696	19,040	4,666	6,010	37	92	(2,583)	(2,613)	139,418	159,521
Capital Expenditure	187	1,074	2,564	1,810	220	697	7,052	10,386	110	11,420	341	299			10,475	25,685
Total Capital Expenditure																
Depreciation	432	397	2,824	2,503	781	856	1,398	900	884	22	150	151			6,469	4,829

Secondary Segment Report - Geographical Segments

	Sales Revenue		Carrying amount of assets		Additions to Fixed Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	86,949	83,590	114,420	106,342	3,423	15,299
South East Asia - Vietnam	41,272	46,010	60,243	53,179	7,052	10,386

Other disclosures:

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17) issued by the ICAI, on consolidated basis including business conducted through it's Subsidiary and Joint venture.
2. The company has disclosed business segment as the primary segment.
3. The reportable segments are further described below.
 - (a) Engineering
 - (b) Cement
 - (c) Power
 - (d) Sugar
 - (e) Hotel
 - (f) Others
4. Inter-Segment revenues are recognised at market price.

Notes:

GROUP

Notes:

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Mr. Huynh Tan Viet, Secretary of Phu Yen Province Communist Party presenting The Friendship Medal to Dr. V. L. Dutt, Chairman & Managing Director of the Company



Sri Arjun Ram Meghwal, Hon'ble Minister of state for Finance and Corporate Affairs presenting "National Award for Excellence in Cost Management- 2016" to our Muktyala Cement Unit.



Dr. V. L. Dutt, was conferred the “ASEAN - India Achievement and Excellence Award, 2017” in the 25th Anniversary ASEAN - India BIZTECH Expo and Conference on 24th May 2017 at Kuala Lumpur Convention Centre.

THE KCP LIMITED

Registered Office: *Ramakrishna Buildings,*
2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008. INDIA

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