



# 77<sup>th</sup> ANNUAL REPORT 2017-18



SUSTAINABILITY & SOCIAL RESPONSIBILITY



*Smt. V.L. Indira Dutt was conferred Honorary Doctorate (Honoris Causa) by the Saveetha Institute of Medical and Technical Scinces, Chennai.*



*KCP Cement Unit-II, has been presented the “Best Improvement in Electrical Energy Performance Award” for 2015-16*

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

(Rs. in Lakhs)

|                             | Year Ended |         |         |         |         |         |         |         |         |         |
|-----------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                             | 31-3-18    | 31-3-17 | 31-3-16 | 31-3-15 | 31-3-14 | 31-3-13 | 31-3-12 | 31-3-11 | 31-3-10 | 31-3-09 |
| SHARE CAPITAL               | 1289       | 1289    | 1289    | 1289    | 2089    | 2789    | 3289    | 3289    | 3289    | 1289    |
| RESERVES & SURPLUS          | 45289      | 39768   | 36652   | 34592   | 34250   | 34458   | 33168   | 29542   | 27189   | 22780   |
| NET WORTH                   | 46578      | 41057   | 37941   | 35881   | 36339   | 37247   | 36457   | 32831   | 30478   | 24069   |
| FIXED ASSETS (NET)          | 90710      | 72223   | 71838   | 69486   | 66453   | 60639   | 54374   | 50668   | 33448   | 13147   |
| GROSS INCOME                | 110709     | 95476   | 86582   | 70893   | 75723   | 88971   | 72654   | 37626   | 42289   | 41788   |
| EBITDA                      | 19669      | 14835   | 14965   | 10680   | 8002    | 11348   | 15208   | 8224    | 11052   | 11369   |
| DEPRECIATION                | 4903       | 4861    | 3912    | 3431    | 3409    | 3197    | 2935    | 1233    | 1056    | 914     |
| INTEREST                    | 3529       | 4725    | 4541    | 4886    | 4473    | 3812    | 3795    | 1394    | 949     | 671     |
| PROFIT BEFORE TAX           | 11237      | 5249    | 6512    | 2363    | 120     | 4339    | 8478    | 5597    | 9047    | 9784    |
| PROFIT AFTER TAX            | 8127       | 3381    | 4286    | 1587    | 127     | 3046    | 6153    | 4135    | 6002    | 6591    |
| OTHER COMPREHENSIVE INCOME  | -27        | -266    | -       | -       | -       | -       | -       | -       | -       | -       |
| TOTAL COMPREHENSIVE INCOME  | 8100       | 3115    | -       | -       | -       | -       | -       | -       | -       | -       |
| EARNINGS PER SHARE (Rs.)*   | 6.30       | 2.62    | 3.32    | 1.17    | -0.04   | 2.16    | 4.56    | 2.99    | 45.88   | 51.13   |
| BOOK VALUE PER SHARE (Rs.)* | 36.13      | 31.85   | 29.43   | 27.84   | 27.57   | 27.34   | 26.73   | 23.92   | 220.93  | 186.72  |
| DIVIDEND ON EQUITY (%)      | 100        | 200     | 100     | 75      | 10      | 100     | 150     | 100     | 100     | 100     |
| DEBT EQUITY RATIO           | 1.03       | 1.01    | 1.04    | 0.89    | 0.86    | 0.54    | 0.51    | 0.71    | 0.33    | 0.27    |

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

(Rs. in Lakhs)

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

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

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

**Dr. V.L. DUTT**

Executive Chairman

**Dr. V.L. INDIRA DUTT**

Managing Director

**Smt. KAVITHA D. CHITTURI**

Joint Managing Director

**Sri. V. GANDHI**

Technical Director

### INDEPENDENT DIRECTORS

**Sri. O. SWAMINATHA REDDY**

**Sri. V.H. RAMAKRISHNAN**

**Sri. VIJAY SANKAR**

**Sri. P.S. KUMAR**

**Sri. M. NARASIMHAPPA**

### CHIEF FINANCIAL OFFICER

**Sri. G.N. MURTY**

### COMPANY SECRETARY

**Sri. Y. VIJAYA KUMAR**

### AUDITORS

**M/s. K.S. RAO & CO**

Chartered Accountants,

Flat No. 601A, Golden Green Apartments  
Irrumangil Colony, Hyderabad - 500082.

### INTERNAL AUDITORS

**M/s. SRIRAMAMURTHY & 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** - 521457

Krishna District, Andhra Pradesh

### HYDEL POWER PLANT

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

Guntur District, AP

### WASTE HEAT RECOVERY PLANT

**Macherla**, Guntur District, AP

### THERMAL POWER PLANT

**Muktyala**, Krishna District, Andhra Pradesh

### HOTEL

**Mercure Hyderabad KCP,**

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

## 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**

### HEAVY ENGINEERING

**Tiruvottiyur** - 600 019

Chennai, Tamilnadu

**Arakonam** - 631 004

Mosur Road, Ekhunagar, Tamilnadu

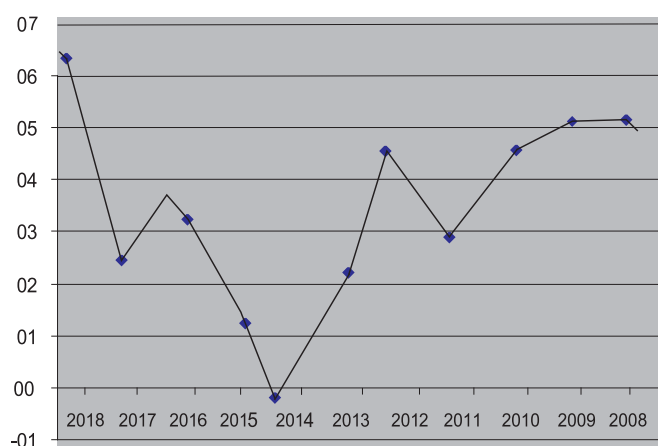
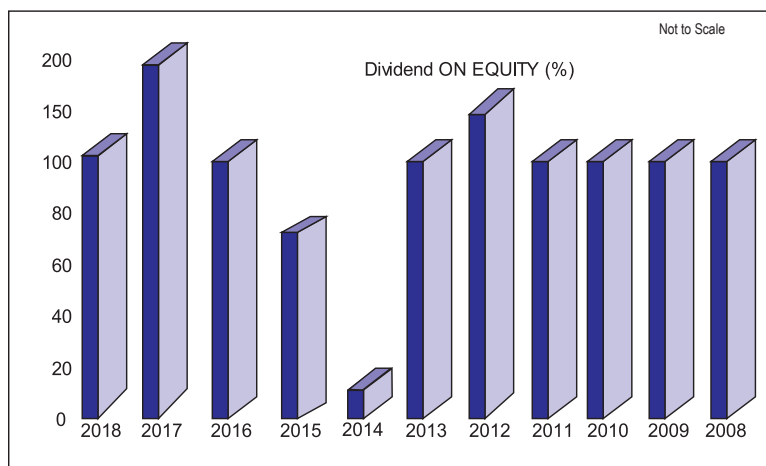
### SOLAR POWER PLANT

**Muktyala**, Krishna District, Andhra Pradesh

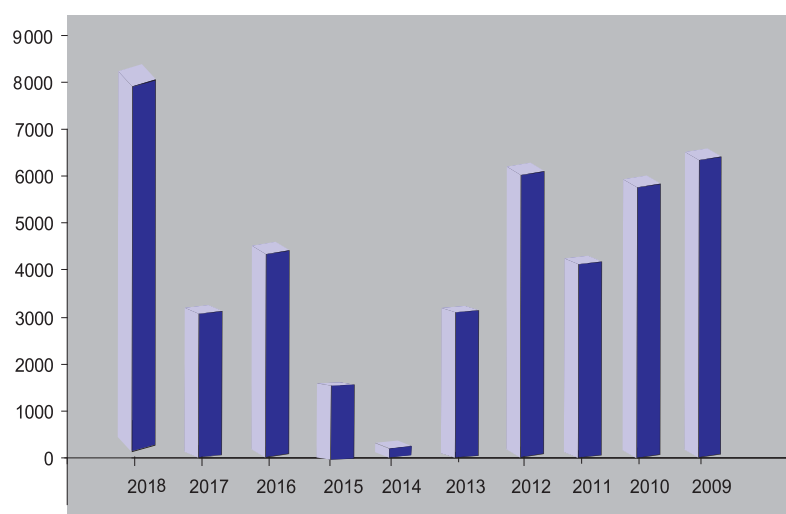
### WIND MILLS

**Uthumalai Village**, Tirunelveli District, Tamilnadu

# At a Glance

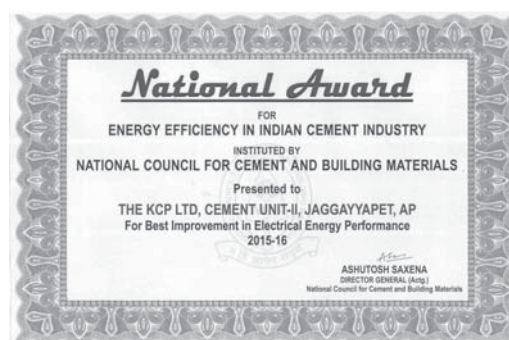


Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

# Awards & Recognitions



## From the Executive Chairman's Desk

**Dear Shareholders,**

Your company has completed 77 years in business, leaving in its wake a glorious history of corporate ethics and social responsibility.

Growth, being a high priority for a Company, KCP has well-conceived and detailed action plans for Growth in Revenue, Profitability, Return on Capital Employed, Shareholder Value, Capacity Utilization and Productivity.

In the complex setting of Goods and Service Tax (GST) implementation, the tighter regulatory norms and the increasingly volatile global scenario, the resilience of KCP lies in its optimism, managerial and technical competence, discipline and commitment.



Let me deliberate on the economic scenario and performance of the company in the year gone by and the outlook for future.

The Economy of this great country is evolving rapidly and your company is adapting to meet that changes. The economic progress in the first half was impacted by GST related issues, but the second half demonstrated recovery with higher economic growth.

The international agencies have painted a brighter picture of the Indian economy going ahead. International Monetary Fund (IMF) has projected the growth of 7.4% for 2018-19 and 7.8% for 2019-20 while the World Bank estimates the economy to grow by 7.3% in 2018 and 7.5% in 2019 citing that the economy has recovered from the adverse impact of demonetization and GST related disruptions. This growth will be contingent upon favorable monsoon, pick up in investment and increased private sector spending supported by continued government spending.

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**Growth, being a high priority for a Company, KCP has well-conceived and detailed action plans for Growth in Revenue, Profitability, Return on Capital Employed, Shareholder Value, Capacity Utilization and Productivity.**

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The manufacturing sector grew by 4.5% in 2017-18, the highest since FY14 on account of restocking activities undertaken by the sector post the implementation of the GST.

Coming to your Company, the performance of the KCP was quite encouraging with the improved results not only on standalone basis but group as whole.

Though the prices of cement were not as remunerative in 2018 as they were in 2017, the volumes helped us to improve the bottom line. The demand for cement was supported by irrigation schemes, low cost housing and infrastructure projects. Energy and freight costs were under pressure on the back of rising coal and diesel prices during FY2018. But for the substantial jump in coal prices in FY 2018, the KCP would have made substantial improvements in net realizations driven by cost saving measures.

Going forward, it is expected that there would be moderate growth in the demand and prices of cement.

We are gearing up with strategies for the off- take of the additional capacity, coming on stream during FY 2019, at our Muktyala plant.

Competition for the orders for engineering goods continues to exert pressure on margins in our Heavy Engineering. The engineering unit though languishing in losses, it substantially reduced the losses of the previous year.

Coming to the Hospitality sector with reference to our Hotel at Hyderabad, it is heartening to note that the Revenue per Available Room and Average Room Revenue have been improving in the country, signaling growth in this sector. Our Hotel also showed substantial improvement in line with the trend. It is expected that the industry would do well in Hyderabad in coming years.

The prices of sugar were southwards in FY 2018. With completion of expansion to 9000 TCD, the subsidiary in Vietnam could turn out larger volumes which helped in improved and healthy bottom line. Though expansion of crushing capacity to 11,000 TCD has been completed, the completion of sugar refining facilities would be done in a year's time.

It has been a rewarding year where the Board and the executive team have been deeply involved in all of this work. We are clear in our path and in our goals. I thank to my Board colleagues.

I thank you all for your continued support. I wish to express my deepest gratitude to our Partners, Bankers, Customers, Employees and Governments that we operate in, for their guidance, advice and support. Their goodwill renews our belief in ourselves and our potential.

**V.L.Dutt**

## From the Managing Director

**Dear Shareholders,**

Despite the implementation of much awaited reformist legislation GST in the Financial Year (FY 2018), KCP grew across all our key business metrics. Our standout business segment remains Cement in India and at group level it is sugar in Vietnam.

The results for the year reflect our focused approach, strategic and operational discipline, and financial strength.

Cement could sustain its good performance of FY 2017 in FY 2018 with volumes, despite the spiraling fuel prices affecting cost of production. With the surging oil prices, the logistics cost continued its upward trend unabatedly. But with the effective cost control measures and strategies of securing alternative sources of procurement, helped in containing the costs.

The cement segment registered major achievements in the fields of energy efficiency, technology up-gradation, quality and emission controls. KCP received best performance award in energy efficiency from Confederation of Indian Industry.

The cement industry is expected to grow at 5-6 per cent CAGR between FY17 and FY20. Besides, the ongoing investment in power and infrastructure sectors is also expected to boost demand growth.

With the sustained push on infrastructure through projects like Bharatmala, housing schemes and irrigation projects especially in South, the Management is confident that it would be able to operate at good levels of expanded capacity to ensure handsome rewards to the stakeholders.

Going forward, another important development is the enhancement in the Thermal Substitution Rate (TSR) by having increased usage of fly ash from the present 27 per cent in PPC, thereby prolonging the life of our depleting limestone reserves. The present TSR is less than one per cent in India as against world average of over 50 per cent. This will also considerably bring down further the emissions level of the industry apart from cutting down drastically the land required by the power houses for dumping the fly ash generated by them in open land area.




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**The cement segment registered major achievements in the fields of energy efficiency, technology up-gradation, quality and emission controls. KCP received best performance award in energy efficiency from Confederation of Indian Industry.**

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The increased cement demand in the country might see a paradigm shift in the movement pattern of cement from the conventional bagged to bulk movement of cement in loose form in special purpose wagons, although bagged cement will continue to dominate the market. Apart from this, movement of cement, clinker, etc. will start taking place through multimodal means, i.e., a combination of Rail/Road/Coastal modes, as the government is very keen to develop these transport modes also.

Despite volatility in global markets and continued uncertainties in regional and global economies the engineering division continued to improve its performance by reducing losses and with the support of a strong order book.

Sharing few highlights of the FY17-18 business, the turnover of the company grew during FY18 mainly due to higher off take of Cement. The major revenue contributor Cement business grew by 12% in FY18. EBITD in FY18 increased by 32% . The company has earned a net profit of Rs. 81.27 Crores for the year ended 31 March 2018 vis-a-vis net profit of Rs. 33.81 Crores in the previous year.

Undoubtedly, with friendlier laws, lower taxation and increased infrastructure spend; the company will grow and contribute to the Indian economy.

Business Sustainability is a comprehensive approach of management which is focused on creating and maximizing long-term economic, social and environmental values. As a responsible Corporate citizen we strive to balance the organization's growth with its environmental implications by developing sustainable solutions for the environmental concerns by innovative new technologies and use of alternative raw materials such as fly ash, dust etc from power generation.

The Corporate Social Responsibility (CSR) is an integral part of our policies and businesses from the beginning. Even before the CSR concept became law, our company took initiatives to incorporate creation of social and environmental values into our core strategy and operations, which enhances the long-term social and environmental sustainability.

We are expanding our cement capacity at Muktyala by setting up a new plant (Line 2) of 1.5 MT which is in the final phase of completion. With this expansion our cement production capacity will be over 4 MT to cater to the markets in South.

We are committed to continue with our operational excellence in the coming financial years and will take various initiatives at strategic and operational level.

I take this opportunity to thank our shareholders, dealers, employees, customers and other stakeholders for their firm belief in the Company.

**V.L.INDIRA DUTT**

## From the Joint Managing Director

**Dear Shareholders,**

At KCP our employees are the driving force behind our organic and inorganic growth and success. We adopted a corporate structure to meet the economic and social changes with focused attention on employee welfare and their performance.

India's workforce today is highly diverse, robust, and tech-savvy. Job satisfaction of such a dynamic work force becomes imperative since it has a direct impact on productivity and organization's success. Historically, satisfied employees are more likely to produce good quality work and optimized performance while demonstrating more creativity.

The diversity, commitment and expertise of our employees, inspire our vision "organizational excellence through innovation" Maximizing individual and organizational efficiency is a major objective of the Company.



At KCP, we encourage an open atmosphere that is conducive to learning and teamwork. KCP is committed to professional development and career advancement to all our employees with emphasis on gender equality and corporate social responsibilities.

KCP designed suitable policies and procedures for Health and safety in workplaces, which utmost priority in our organization. The company also laid down guidelines for compliance with labor legislations not only by the company but also by the contractors who are working for the company.

Going forward, KCP is geared up to face the latest HR challenges like handling millennial workforce, who hop on to web and change employers overnight, catering to multi-generational workforce etc. We are aware and conscious of the future generations love for flexible work arrangements, clear & transparent work culture and career advancements.

We attribute our success to our valued customers and trustworthy partners and all other stakeholders who put their faith in us, at the same time we have an internal driving force of our dedicated and specialized team of employees. It is their efforts that make it possible to increase and grow our business consistently.

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**The diversity, commitment and expertise of our employees, inspire our vision "organizational excellence through innovation" Maximizing individual and organizational efficiency is a major objective of the Company.**

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**Kavitha D 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.



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

Dr. 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 Executive Chairman in the strategic planning & direction of the operations of the company and has personally contributed towards the growth and operations of the Cement Plants at Macherla and Muktyala.

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

Dr.V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee 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, Sagar Power Limited and as a Director of Surana Solar Limited, Surana Ventures 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 J.L. 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 was the partner-in-charge of Brahmayya & Co., Chennai office and is the partner of Brahmayya & Co., 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 and serves as member of the Executive committee of Andhra Chamber of Commerce, Chennai.

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

Sri. P.S. Kumar serves as an Independent Director and 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 KCP Limited.



**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

Corporate Social Responsibility (CSR) refers to the company's responsibility for its impact on society, which includes social, environmental and economic aspects and poverty alleviation programs and focusing on need-based initiatives aligned with the national priorities such as public health, education, livelihoods, sanitation, water conservation and natural resource management.

KCP has launched its community development initiatives from its inception and since then it has continued to promote the same with host communities around its operations and is committed to operate core business in a socially responsible way by taking into consideration the wider interests of the community and the environment sustainability.

At KCP we planned our CSR projects with a focus on factors that will lead to infrastructure development, women empowerment and capacity building of rural youth with major emphasis on providing quality education and healthcare facilities to communities living around our operations as they are our key stakeholders.



## Health:

KCP believes preventive health care is an important dimension of health care which needs significant attention. Active awareness campaigns are undertaken to enhance communities understanding of the prevention of various diseases and healthy ways of living.

In association with PSR Anjaneyulu Meenaskhi Vision Centre, Macherla, we conducted Free Eye camps, which include eye checkup, vision testing in Mandadi and Polepalli Villages of Macherla surroundings and conducted cataract operations to 32 persons during the year and given medicines and spectacles free of cost.



During the year a wide range of social development initiatives were undertaken in partnership with local communities, government and non-government organizations.

Awareness campaign was conducted in association with LEPRa on chronic diseases like HIV, TB, Malaria, Filariasis.

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

Regular preventive health support to the community is reached out through our health camps and mobile health van in villages, with qualified medical staff and Medicines were distributed free of cost.

## Education



Education is the backbone of every society, despite the government initiatives to improve the standards of education the quality education still a dream for many In India and company initiatives with respect to education benefited a number students

Schools are being run at Thiruvottiyur and Macherla, where children of our employees and those from surrounding communities are provided free and quality education.

KCP also has supported government schools by providing funds and infrastructure for initial construction, and upgradation activities.

During the year We have extended financial support for renovation of SRVRGKMP Memorial Zilla Parishad Secondary and Upper Primary School, Muktyala and constructed toilet blocks for the school children and also provided furniture (benches and chairs) to the schools.

To support the children of neighboring communities, we have provided School Uniforms, Shoes, Belt & Tie, text books and note books and other stationary items in Muktyala Village,

At Ropeway colony Macherla to protect the school premises from trespassers, we have constructed Compound wall to MPP school and has actively supported the initiatives of construction of drainages, toilets, new pipe lines for drinking water and Taps at Govt Girls high school, Macherla.

KCP also has provided a school bus for the benefit of Muktyala village students for attending schools in Jaggayyapet for higher education.

#### Infrastructure:



KCP plays a vital role in facilitating the creation and maintenance of basic infrastructure around its operations such as roads, safe drinking water, repairing of schools and other community amenities.

KCP has constructed buildings, installed the equipment and maintaining the Reverse Osmosis (RO) plants at Annavaram, Mongolu, Terala villages of Andhrapradesh,.

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

KCP has made arrangements for collection and disposal of waste in Muktyala village by using it as bio fertilizer and with the involvement of students and villagers cleaned the premises of Zilla Parishad School and village roads and River Ghats.

At the request of the villagers, KCP has built roads in Polepalli village and provided Cement benches at Telagayapalem village and drainange canal at Macherla.

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

#### Training and Women empowerment:



We promote skill development among the rural youth through our CSR initiatives and make them employable.

KCP has provided training programme to the Muktyala youth in association with NIIT, Vijayawada and also provided employment opportunity to the selected candidates in Vijayawada based companies.



For women empowerment and making them self reliant several initiatives have been undertaken. These initiatives aim to improve literacy as well as provide training to enhance livelihood generation opportunities amongst women by proper utilization of available resources, up-gradation of existing skills and marketing support to sell the products,

Skill development training in tailoring and embroidery work was given to women at Muktyala village for their sustainable living and also provided training in paper bags making to eliminate plastic usage.

# Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting their 77th Annual Report of the company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March, 2018.

## 1. Financial Results:

### Financial information – Standalone and Consolidated

(Rs in Lakhs)

| Particulars                                                      | For the year ended |               | For the year ended   |                |
|------------------------------------------------------------------|--------------------|---------------|----------------------|----------------|
|                                                                  | 31/03/2018         | 31/03/2017    | 31/03/2018           | 31/03/2017     |
|                                                                  | Stand Alone        |               | Consolidated (GROUP) |                |
| <b>Revenue from Operations</b>                                   | <b>105,999</b>     | <b>94,899</b> | <b>151,995</b>       | <b>136,171</b> |
| Profit for the year (EBDITA)                                     | 19,669             | 14,871        | 25,558               | 22,890         |
| <b>Less:</b> a) Interest and Finance charges                     | 3,529              | 4,725         | 4,234                | 4,993          |
| b) Depreciation & Amortization                                   | 4,903              | 4,861         | 7,051                | 6,259          |
| Profit before Tax                                                | 11,237             | 5,285         | 14,273               | 11,638         |
| Tax Expense                                                      | 3,110              | 1,876         | 3,112                | 1,948          |
| <b>Profit for the Year from Continuing Operations</b>            | <b>8,127</b>       | <b>3,409</b>  | <b>11,161</b>        | <b>9,690</b>   |
| Profit / (Loss) from Discontinued Operations                     |                    | (36)          | -                    | (36)           |
| Less : Tax expense of Discontinued Operations                    |                    | (8)           | -                    | (8)            |
| <b>Profit / (Loss) from Discontinued Operations After Tax</b>    | <b>-</b>           | <b>(28)</b>   | <b>-</b>             | <b>(28)</b>    |
| <b>Profit for the Year</b>                                       | <b>8,127</b>       | <b>3,381</b>  | <b>11,161</b>        | <b>9,662</b>   |
| Add : Share of Profit from Joint Vetur                           |                    |               | 105                  | 100            |
| Less : Non-Controlling Share of Profit                           |                    |               | 2,315                | 2,107          |
| <b>Profit / (Loss) after Non controlling interest</b>            | <b>8,127</b>       | <b>3,381</b>  | <b>8,951</b>         | <b>7,655</b>   |
| Other Comprehensive Income (OCI)                                 | (27)               | (266)         | (363)                | (1,178)        |
| Add : Share of OCI from Joint Vetur                              |                    |               | (30)                 | 5              |
| Less : Non-Controlling Share of OCI                              |                    |               | (102)                | (304)          |
| <b>OCI after Non controlling share</b>                           | <b>(27)</b>        | <b>(266)</b>  | <b>(291)</b>         | <b>(869)</b>   |
| <b>Total Comprehensive Income (TCI)</b>                          | <b>8,100</b>       | <b>3,115</b>  | <b>10,873</b>        | <b>8,589</b>   |
| Less : Non-Controlling Share of TCI                              |                    |               | 2,213                | 1,803          |
| <b>Total Comprehensive income after non-controlling interest</b> | <b>8,100</b>       | <b>3,115</b>  | <b>8,660</b>         | <b>6,786</b>   |
| Profit for the year                                              | 8,127              | 3,381         | 8,951                | 7,655          |
| Add: Surplus brought forward from earlier year                   | 10,952             | 7,571         | 26,792               | 19,145         |
| Less: Dividend Paid (including DDT)                              | 2,578              | -             | 2,586                | 8              |
| <b>Surplus at the end of the Year</b>                            | <b>16,501</b>      | <b>10,952</b> | <b>33,157</b>        | <b>26,792</b>  |

## 2. Indian Accounting Standards (IND AS)

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies in a phased manner. The Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Ind AS is applicable for our Company from April 1, 2017, with a transition date of April 1, 2016 and IGAAP as the previous GAAP.

The following are the areas which had an impact on account of transition to Ind AS :

- ❖ Fair valuation of certain financial instruments
- ❖ Employee costs pertaining to defined benefit obligations
- ❖ Discounting of certain long-term liabilities
- ❖ Loss allowance on certain financial assets

The reconciliation and description of the effect of the transition from IGAAP to INDAS have been provided in Note 1.5 and Note xx in the notes to accounts in the standalone and consolidated financial statements respectively.

## 3. Dividend

The Board has recommended for the approval of the shareholders at the ensuing Annual general Meeting a dividend of Re 1/- per share (100% on paid-up share capital of the Company).

## 4. Transfer to Reserves

The company has not transferred any amount to the reserves for the year ended March 31, 2018.

## 5. Share Capital

The paid up Equity Share Capital as on March 31, 2018 is Rs. 1289.21 Lakhs. 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 Act, 2013 (Act) as the provisions of the said Section are not applicable

## 6. Credit Rating

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

|                                           |                               |
|-------------------------------------------|-------------------------------|
| Long Term Rating                          | CRISIL A-/Stable (Reaffirmed) |
| Short Term Rating                         | CRISIL A2 +( Reaffirmed)      |
| Rs. 7000 lakhs Non-Convertible Debentures | CRISIL A-/Stable (Reaffirmed) |
| Fixed Deposits                            | FA/Stable (Reaffirmed)        |

## 7. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2018 was Rs.8740.48 lakhs as compared to the figure of Rs.9231.02 lakhs as on 31-3-2017. As on 31st March, 2018, Fixed Deposits matured and remained unclaimed were Rs.1017.29 lakhs from 473 depositors. As on the date of this report, Fixed Deposits relating to 248 Depositors amounting to Rs.755.15 lakhs have been renewed and Fixed Deposits of Rs.86.99 lakhs of 41 depositors repaid.

Depositors have been intimated regarding the maturity of deposits with a request to either renew or claim their deposits. As per the provisions of 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.1,87,000/- towards unclaimed deposits and Rs.21,000/- towards Stale cheque unclaimed on 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 notes to the financial statements.

## 9. Management Discussion & Analysis report:

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis forms part of this Report and all matters pertaining to Industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc are discussed in this report.

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

Discussed in detail in Management Discussion & Analysis report

## 11. 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.

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

All Related Party Transactions are placed before the Audit Committee for The policy on Related Party Transactions as approved by the Board is available at [www.kcp.co.in](http://www.kcp.co.in).

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.

## 12. Corporate Social Responsibility (CSR)

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

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

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

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

The 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.

## 13. Risk Management

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

The Board of Directors of the Company has formed a Risk Management Committee (even though 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.

### Risks, Concerns and Threats

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

## 14. Internal controls system and their adequacy

The company has designed and implemented a process driven framework for Internal Financial 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 systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc.

The Audit Committee reviews the plan for internal audit, significant internal audit observations and functioning of the Company's Internal Audit department on a periodic basis.

Revenue and capital expenditures are governed by approved budgets and the levels are defined by a delegation of authority mechanism. Review of capital expenditure is undertaken with reference to benefits expected in line with the policy for the same.

Major Investment decisions are approved by the Board of Directors on the recommendations of the Investment committee of the company.

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information, regulatory & statutory compliances and reporting processes resulting in financial discipline and accountability.

Company has designed the necessary internal financial controls and systems with regard to adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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

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

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

#### **d) Occupational Health and Safety:**

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

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

#### **Industrial Relations**

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

#### **16. Sustainability**

Company's sustainability initiatives are focussed on low carbon emission, use of alternate fuels, water & resource conservation and environment management and is recognised as one of the most efficient cement manufacturing organisation.

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

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

The details of the Whistle blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company [www.kcp.co.in](http://www.kcp.co.in).

#### **18. 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.

#### **19. Directors and Key Managerial Personnel (KMP)**

As per the provisions of section 152 of the Companies Act, 2013 read with the Articles of Association of the Company,

Smt. Kavitha Dutt Chitturi, Director (DIN : 00139274) retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for reappointment and the requisite details in this connection is contained in the notice convening the meeting and the Corporate Governance Report.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and also comply with Regulations 16 & 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

A brief resume of the Director proposed to be re-appointed, the nature of her expertise in specific functional areas, names of companies in which she has held Directorships, committee memberships/ chairmanships, her shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Directors recommend her re-appointment at the ensuing AGM.

None of the Directors of the Company have resigned as Director of the Company.

During the year there was no change (appointment or cessation) in the office of KMP.

## 20. Board Evaluation

In accordance with the Companies Act, 2013 and Listing Regulations, the Board has carried out evaluation of its own performance, the performance of Committees of the Board and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been given in the Corporate Governance Report.

## 21. Disclosure on Audit Committee

The Audit Committee as on March 31, 2018 comprises of the following Directors:

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

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

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

There have been no material changes and commitments affecting the financial position of the Company which have

occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 23. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. K.S. Rao & Company Chartered Accountants, (Firm Registration No.003109S) Hyderabad have been appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 74th Annual General Meeting until the conclusion of 79th Annual General Meeting of the Company on such remuneration as may be decided by the Board on the recommendations of Audit Committee of the Company.

### Report of Statutory Auditors

The Auditors M/s. K.S. Rao & Company Chartered Accountants, (Firm Registration No.003109S) Hyderabad, have submitted their Report on the Financial Statements of the Company for the FY 2017-18, which forms part of the Annual Report.

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

## 24. Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai as the Cost Auditors for the Cement and Engineering units for the year 2017-18 were re-appointed as Cost Auditors for the financial year 2018-19 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2016-17, issued by M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai as the Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within the due date.

## 25. Secretarial Auditors and their Report

Smt.Sobana Pranesh, Company Secretary in practice, was appointed as Secretarial Auditors of the Company for the financial year 2017-18 pursuant to Section 204 of the Companies Act, 2013.

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

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2017-18.

Smt.Sobana Pranesh, Company Secretary in practice has been re-appointed to conduct the Secretarial Audit of the Company for the year 2018-19.

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

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

## 27. Subsidiary Company:

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

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

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

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 and Joint Venture. A statement containing brief financial details of the subsidiaries is included in the Annual Report in Form AOC 1 as **Annexure 5**.

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

## 28. Policy on Directors' Appointment and Remuneration and Other Details (Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013)

The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are available on the Company's website at [www.kcp.co.in](http://www.kcp.co.in)

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

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

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

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

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

## 29. Number of Meetings of the Board

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

### 30. Corporate Governance

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

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

### 31. Transfer to the Investor Education and Protection Fund

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

### 32. Particulars of Employees

#### Particulars pursuant to Section 197(12) and the relevant Rules

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

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

| Name of the Director                                | Director remuneration (Rs. Lakhs) | Median employee's remuneration (Rs. Lakhs) | Ratio |
|-----------------------------------------------------|-----------------------------------|--------------------------------------------|-------|
| Dr.V.L.Dutt - Executive chairman                    | 498.64                            | 4.6                                        | 108:1 |
| Dr. V.L. Indira Dutt - Managing Director            | 373.98                            | 4.6                                        | 81:1  |
| Smt.Kavitha Dutt Chitturi - Joint Managing Director | 186.99                            | 4.6                                        | 40:1  |
| Sri.V.Gandhi - Technical Director                   | 186.99                            | 4.6                                        | 40:1  |

b) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: **(6.61)**

c) The number of permanent employees (Management staff) on the rolls of company: **568**

d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Average increase in managerial remuneration is at par with increase in remuneration of Employees other than Managerial Personnel and there is/are no exceptional circumstances for increase in the managerial remuneration.

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

### 33. Extract of Annual return

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

### 34. 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.

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

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

### 36. Director's Responsibility Statement

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

(a) in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards, read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and the profit and loss of the Company for the period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a 'going concern' basis;

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

(f) the Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

### Acknowledgements

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

For and on behalf of the Board of  
Directors

**Place:** Chennai  
**Date:** 28<sup>th</sup> May, 2018

**(V.L. DUTT)**  
Executive Chairman

# Management Discussion and Analysis

## Economy

After two sub-par years, interjected by demonetisation and rollout of the Goods and Services Tax (GST), growth is seen recuperating to a respectable 7.5% next fiscal, though this rate, is still below the 13-year average.

The key engines supporting the upturn are largely domestic and policy-driven, though a synchronous upturn in global growth will, undoubtedly, provide some tailwind.

The key areas on which the growth is likely to revolve around

- ❖ Rural Push
- ❖ Implementation of reforms, and
- ❖ Rising global growth

### Rural push:

The focus on demand and job creation through spending on rural and labor-intensive infrastructure space is likely to support growth next fiscal, and push demand in the consumer sectors. Funding, though, remains a concern, with significantly higher reliance on non-budgetary resources for supporting the aggressive spending plan on rural roads, affordable housing and railways.

### Reforms:

The sustainability of recovery also depends on effective implementation of key reforms such as GST, the Real Estate (Regulation and Development) Act, 2016, or RERA, and the Ujwal Discom Assurance Yojana (UDAY), rolled out in the last few years. Each of these has the potential to be transformative in the long run, but near-term efficacy and impact, could be mixed at best.

The most urgent need is to iron out the teething troubles with GST, and ease its impact on critical segments such as micro and small enterprises (MSMEs) and exports.

RERA has also muddled through with lack of uniform implementation. Many States have diluted the provisions, affecting the overall impact. While RERA increased the cost of compliance and is expected to lead to consolidation in the sector, activity in the last two years suggests no meaningful change. For a highly fragmented sector with deep-rooted practices, change is expected to be gradual.

On the other hand, the affordable housing segment is witnessing unprecedented action from both, the government and private sector. The momentum in this area to gather pace in fiscal 2019 with higher budget allocations and increasing attention of private players, given subdued demand in other segments.

### Global growth:

Global growth is gathering pace, and the momentum in global trade is expected to reflect in 2018 numbers as well. This should buoy India's exports, but the pick-up is unlikely to be material, given poor local infrastructure, higher cost of capital and labour productivity issues. This needs urgent attention since, the prediction as per one leading economist, global growth is unlikely to sustain at these levels beyond the next 1-2 years.

Though, over all big picture show improving growth, it is not without risks.

The key risks stem from inability to resolve GST-related issues quickly and fiscal stress leading to a cut in capex by the government. On the global side, faster-than-expected rate increases by central banks, flashpoints in trade policies, and geopolitical events impacting crude oil prices are among risks to other macroeconomic forecasts.

### KCP's performance:

The analysis of performance of your company vis-à-vis the industry conditions are detailed below.

Over all the Company performed exceedingly well especially in cement and power. The new reformist legislation GST was implemented smoothly.

Now, the segment wise performance

#### A. Cement Segment:

Cement demand showed a moderate growth of about 4-5% in FY2018. The large pick-up in demand towards the end of the year was backed by low-cost housing in the eastern markets, Andhra Pradesh and Telangana along with infrastructure demand from the eastern, southern and western markets. Sand availability issues persist in Rajasthan, Uttar Pradesh, Bihar and Tamil Nadu, which is adversely impacting demand in these regions.

A pick-up in the affordable and rural housing segments and infrastructure, primarily road and irrigation projects, is expected to keep the demand growth momentum at 4-5% in FY2019.

The Budget of FY2019 also provides support in this direction with higher rural credit, increased Minimum Support price (MSP), increased allocation for the rural, agricultural and allied sectors along with continued focus on Pradhan Mantri Awas Yojana (PMAY) and infrastructure investments.

The capacity overhang and moderate demand growth might continue to keep the industry's capacity utilization level close to 65% over the medium term. Lumpy capacity additions in the recent past have led to an increase in debt levels and some deterioration in credit metrics, although they still remain at comfortable levels for most of the larger players.

Further, higher power and fuel (increase in coal and pet coke prices) and freight costs (increase in diesel prices) in FY2018 and in the coming quarters of FY2019 are likely to continue to pressurize profitability margins and debt metrics of cement companies.

Hence, the ability of the industry players to secure increase in cement prices remains critical from a profitability perspective.

The cement segment of the company performed well during FY 2017-18 as evidenced by the performance given below:

|                              | 2017-18 | 2016-17 |
|------------------------------|---------|---------|
| Turnover (Rs In lakhs)       | 95,506  | 84,828  |
| Segment Profit (Rs in lakhs) | 11,050  | 9,715   |

Although the performance is much better than the previous year, it was not uniform throughout the year. The prices

#### C. Power:

The power segment did reasonably well during the year the performance over all is as follows:

| Details                 | Thermal Plant |         | Hydel   |         | Waste Heat Recovery |         | Windmill |         | Solar   |         |
|-------------------------|---------------|---------|---------|---------|---------------------|---------|----------|---------|---------|---------|
|                         | 2017-18       | 2016-17 | 2017-18 | 2016-17 | 2017-18             | 2016-17 | 2017-18  | 2016-17 | 2017-18 | 2016-17 |
| Gross Generation MWH    | 117175        | 104412  | 11174   | 4441    | 16203               | 12183   | 7863     | 8055    | 1743    | 1868    |
| Segment Profit Rs lakhs | (263)         | (424)   | (583)   | (175)   | 471                 | 413     | 298      | 268     | 38      | 30      |

were good in the first quarter and thereafter they started sliding and were lower than the corresponding periods of last years in the latter half of the year. But on volumes, demand started picking up and volumes sold substantially improved though realizations were lower.

On costs front, though the company continued to focus on cost reduction measures, the alarming increase in coal prices, dented the otherwise better margins.

Over all, the segment recorded best ever volumes and turnover.

#### B. Engineering :

Engineering unit could not break even in the FY 2017-18, though reduced the losses compared to the previous year. Order book size is the biggest determinant of the performance in engineering sector. However due to intense competition in the industry, margins are quite compressed. The growth in the economy normally propels growth in the engineering goods also.

The industry severely lacks domestic R&D leading to intense competition from across borders. Despite 'Make in India' push, the reflection on the ground of the policies, is taking time.

The Engineering segment's performance in the FY 17-2018 is as under:

|                              | 2017-18 | 2016-17 |
|------------------------------|---------|---------|
| Domestic Turnover (Rs Lakhs) | 8411    | 7060    |
| Export Turnover (Rs Lakhs)   | 211     | 1076    |
| Segment Profit (Rs Lakhs)    | (993)   | (1876)  |

Buoyed by the Make in India and hike in spends of government in the sectors like defense, infrastructure and the resultant upturn in the economy could lead to spur in demand.

## Thermal Power Plant:

The plant operated at higher levels than previous year to meet the enhanced needs of the cement requirements. To ensure optimum utilization of the capacity, some power was wheeled to our unit at Macherla. This enabled the plant to run at higher levels of capacity utilization resulting in economies of operations.

The bottom line could have been much better, but for the spiraling coal prices. To mitigate the risk of volatility of imported coals, the Company made tie up for domestic coals by entering into Fuel Supply Agreements. This helped in reducing the impact on the cost of generation of power.

## Hydel:

Monsoon gods were kind in 2018 and helped in flow of water in the canals, helping the company to generate reasonably good power volumes from the Hydel unit. The unit could end up in profits, before exceptional item, mainly due to enhanced water flows in the latter half of the year. The power generated by the Hydel unit is fully consumed internally.

With the good monsoon outlook for the year 2018-19, by the weather men, the unit hopes to continue the good performance.

## Waste Heat Recovery

Waste Heat Recovery plant generates power from waste heat sourced from our cement unit at Macherla. The cement unit operated at higher levels during the year, enabling higher input to the unit, thus helping in excellent volumes of power generation. The power is internally consumed in the cement unit.

## Wind Power:

There is no much variation in the performance of Wind power as the generation is same as was last year.

## Solar:

Performance of Solar Power Plant in 2017-18 was more or less similar to that of 2016-17. During 2017-18, above plant was generated 1743 MWH green power as against previous year generation of 1868 MWH. Due to reduction of REC's base price and low demand for REC's in the exchange, the profitability took a hit. In addition, we are enjoying the benefit of Zero emissions during power generation, reduction of global warming, achieving the target of Greenest Cement Plant Status by installing Solar Power Plant in Muktyala.

## D. Hospitality-Hotel

Pan-India revenue per available rooms (RevPAR) posted steady improvement in FY2018 and contributed to improvement in occupancy and average room rate (ARR).

Pan-India average occupancy improved in FY2018 as compared to FY2017, with an YoY growth of about 2%. ARR also grew by about 5% during 2018. ARR's have slowly but steadily started to improve on a pan-India basis. While most of the cities have witnessed uptick in ARR's, some cities with recent supply additions (like Gurugram and Kolkata) witnessed only modest ARR growth.

Despite the steady RevPAR growth over the past three years, the current RevPAR levels were at about 25% discount to the peak levels witnessed in 2009.

Industry revenue over the previous few quarters have remained subdued, despite the pan India improvement in RevPAR, due to variety of issues such as demonetization, impacted F&B and MICE revenues, the GST rollout, and certain company-specific events such as renovations. Hence the margins remained flat with revenue growth largely offsetting the inflation in costs.

## Demand: Expected to remain healthy

Foreign Tourist Arrival (FTA) growth picked up strongly to 15.6% during CY2017 as compared to the 9.7% growth during CY2016. Arrivals into India during the period were higher than the 6% and 10% ITA growths in the Asia-Pacific and South Asia regions respectively for CY2017.

Going by the trends in FTA and forex earnings growth and improving domestic macro-economic data (barring the transitory dip in economic activities due to demonetization/GST), it is expected 7% growth in RevPAR's, driven by ~5% ARR improvement during FY2018.

Mercure Hyderabad KCP hotel at Hyderabad, better known as 'the Mercure' improved its performance with better room occupancy levels as well that in F&B section. The loss has been substantially reduced. In fact at EBITDA levels the hotel achieved breakeven levels.

Post-resolution of the Telangana problem, the Hyderabad city witnessed strong growth in demand. With leading IT/ITES and e-commerce companies announcing large office space off-take in the city, demand is likely to remain robust. However, the high supply pipeline in the city in FY2019 and FY2020 is likely to cap occupancy and ARR growth.

**E. Subsidiary-****KCP Vietnam Industries Limited: (KCP VIL)**

| FINANCIAL YEAR                      | 2017-18   | 2016-17 |
|-------------------------------------|-----------|---------|
| Crushing Capacity (TPD)             | 11,000    | 9,000   |
| Cane Crushed (Mts.)                 | 1,215,075 | 733,142 |
| Sugar produced (Mts.)               | 114,745   | 91,117  |
| Recovery Rate (%)                   | 8.71%     | 8.39%   |
| Average Sales Realization (Rs / MT) | 44,715    | 47,046  |
| Turnover (Rs Lakhs)                 | 46,152    | 41,682  |
| Profit before Tax (Rs Lakhs)        | 6,638     | 5,408   |
| Power sold to National Grid (MWH)   | 71,772    | -       |

Company operated with a total crushing capacity of 9,000 TCD (Son Hoa Unit – 8,000 TCD and Dong Xuan Unit – 1,000 TCD) during 2017 and from Jan, 2018 with a crushing capacity of 11,000 TCD (Son Hoa unit – 10,000 TCD and Dong Xuan unit – 1,000 TCD). The total cane crushed was 1,215,075Mts with a recovery rate of 8.71% and the refined sugar produced was 114,745MTs.

Compared to the previous season, the sugarcane crushed, the quality of the sugar cane and the sugar production are higher. The sugar prices maintained downward trend due to forecast of surplus in the world during 2017, the trend continued in 2018 with the prices dropped further 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 8,000 TCD rate and connected to national grid in April, 2017 to export the power. As per the Decision by the Government of Vietnam, the power cogeneration projects can export power at a price of 5.8 US cents/KWH to the grid. Son Hoa sugar unit operated at 10,000 TCD during part of the year 2018 along with cogeneration project.

Company completed part of the 10,000 TCD expansion project at Son Hoa sugar unit by Jan, 2018. Balance works of the project are being taken up.

**F. Joint Venture****FIVES CAIL-KCP Ltd**

FIVES CAIL-KCP posted an impressive turnover of Rs 268 crores. Apart from being a 93% increase, this is the highest turnover recorded so far. FCKCP's success in the incineration boilers, using distillery effluent as fuel, is phenomenal. It is a significant contribution to the green initiative of the globe, which the JV can be proud of.

Another notable milestone is the commissioning of 75 TPH incinerators, consuming 25 TPH of effluent, largest capacity in India and perhaps, the world so far. The JV also successfully launched falling film evaporators in India and 1300 continuous centrifugal machines and 2000KG charge 2612 batch centrifugal machines in Vietnam.

During the year about 60% of supplies and 35% of services were from exports.

Sugar industry in India, after a short profitable period, plunged to losses. Therefore, there were no major orders in this market. However, export market, especially, South East Asia is quite active. All the energy efficient and green products are likely to generate reasonable business in the next two years.

**G. New Projects:****Cement Expansion:**

The expansion of the cement capacity by 1.5 million tons at our existing Muktyala Plant at a cost of nearly Rs 500 Crores is going at brisk space as per schedule. It is expected to be completed by about October 2018 as per schedule.

Up to March 2018, the company has incurred an expenditure of Rs.270.04 Crores and drawn bank loan of Rs.199.63 Crores. The balance was funded from internal resources.

The railway siding which was part of the cost of expansion is yet to be taken up.

**Container Freight Station:**

The Company is following up for a few remaining approvals required for the project. However, since the CFS industry is not doing well and likely to be non-remunerative, any decision to incur the capex on CFS would be taken at appropriate time in future.

**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: 28<sup>th</sup> May, 2018

(V.L. DUTT)

Executive Chairman

# Annexures to the Director's Report

ANNEXURE - 1

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

| Sl. No. | Employee Name              | Designation                   | Remuneration Received (Rs in Lakhs) | Qualification                      | Age | Total Experience | Date of Commence ment of Employment | Particulars of Previous Employment                   |                         |                                 |
|---------|----------------------------|-------------------------------|-------------------------------------|------------------------------------|-----|------------------|-------------------------------------|------------------------------------------------------|-------------------------|---------------------------------|
|         |                            |                               |                                     |                                    |     |                  |                                     | Organisation                                         | Designation             | Period for which last post held |
| 1.      | Dr. V.L. Dutt              | Executive Chairman            | 498.64                              | Grad. B.I.M.                       | 80  | 58               | 3/4/1970                            | V. Ramakrishna Sons Pvt. Ltd                         | Administrative Director | 12                              |
| 2.      | Dr. V.L. Indira Dutt       | Managing Director             | 373.98                              | B.A.                               | 77  | 22               | 1/7/1996                            | -                                                    | -                       | -                               |
| 3.      | Smt. Kavitha Dutt Chitturi | Joint Managing Director       | 186.99                              | Grad. Business Management, PGDHR   | 47  | 19               | 1/10/1999                           | -                                                    | -                       | -                               |
| 4.      | Sri. V. Gandhi             | Technical Director            | 186.99                              | B.E (MET)                          | 69  | 38               | 25/01/2006                          | Fives-cail KCP Limited                               | General Manager         | 7 years                         |
| 5.      | Dr. A.V. Sivarama Prasad   | Executive President - HRD & S | 70.16                               | B.E-Mechanical                     | 58  | 33               | 01/12/1997                          | Tata Consultancy Services                            | Consultant              | 10 years                        |
| 6       | Dr. GVK Prasad             | Executive President CPU – II  | 75.90                               | Ph.D- Mangmt<br>M.Sc-Tech,<br>Ph.D | 63  | 39               | 08/08/2008                          | NSBM Ramco Cement Andhra Cements, My home Industries | Head-Operations         | 29 years                        |
| 7       | Sri. K. Ramakrishna        | Executive President –CMU      | 76.50                               | B.Sc, PGDMSM                       | 53  | 37               | 22/04/1991                          | Annapurna Cements Ltd                                | -                       | 10 years                        |
| 8       | Sri. GN Murty              | Chief Financial Officer       | 55.27                               | B.Com, CA, CS, M.B.A., PGDCA       | 63  | 38               | 02/07/2015                          | RINL, Vizag Steel Plant                              | Executive Director      | 35 Years                        |
| 9       | Sri. C. Subbiah            | Vice President – Operations   | 17.74                               | B.E.-Mechanical                    | 54  | 30               | 23/11/2017                          | L & T Limited                                        | Joint General Manager   | 24 years                        |
| 10      | Sri. Chowdary BVPS         | Senior General Manager        | 46.00                               | B.Com, AICWA                       | 50  | 21               | 19/12/1997                          | -                                                    | -                       | -                               |

**Notes:**

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is Contractual in the case of Whole Time Directors.
3. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division / subsidiary of the Company.
4. None of the employees except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. Kavitha Dutt Chitturi mentioned above is/ are relative of any Director of the Company.
5. None of the employee except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. Kavitha Dutt Chitturi owns more than 2% of the outstanding shares of the Company as on March 31, 2018.
6. Total experience shown in Column 7 includes service with previous employers.

## Annexures to the Director's Report

### ANNEXURE - 2

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

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

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

##### A. CONSERVATION OF ENERGY:

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

Though the KCP Unit - II, Muktyala is the state -of -art energy efficient plant, action has been initiated to further reduce specific energy consumption by;

- operating kiln at 4800 TPD ( Designed Capacity 4000 TPD) resulted in reducing both specific fuel & energy consumption per ton of clinker.
- operating all equipments like Raw mill, Coal mill, Kiln & Cooler in Fuzzy Logic system helped to operate the plant as an energy efficient and consistent way.

##### Further Energy conservation measures taken at Cement Unit-II, Muktyala

- Modifications were carried out in Raw Mill circuit and Optimization in operation has resulted saving of 890 KWh/day
- Installed VFD for Raw Mill Fan and achieved saving of 1500 KWh/day
- Imported filter bags were installed in Coal Mill Bag house and achieved saving of 2,000 KWh/day
- Optimization of Coal Mill operation has resulted a saving of 860 KWh/day
- By replacing improved version of cooler plates, clinker production has increased up to 4800 TPD.
- By optimization of kiln tyre cooling fans and power saved 720 KWh/day
- Optimization of grinding Media in Cement Mills and achieved saving of 1290 KWh/day was saved
- Replacement of Raw Mill Fan impeller and achieved saving of 720 KWh/day was saved
- By optimization of Kiln Burner pipe location, nearly 10 Kcal/Kg clinker thermal energy was saved
- Replaced Induced Draft Cooling tower with Natural draft Cooling Tower for MRSS +CM building AHU System and achieved saving of 6 KW/hr
- Modifications in water lines has saved 22 KWh/hr Power consumption

##### Energy conservation measures planned at cement Unit-II, Muktyala

- Planned to retrofit Cooler 1st great to improve the efficiency and saving of 15 Kcal/Kg specific heat consumption
- Planned to install condensate in cooler exit duct to utilize waste heat for pre-heating of DM Water in power plant which is expected a reduction of 300 Kgs coal consumption in power Plant.
- Planned to replace 1st chamber cooler plates with high efficiency plates to improve the efficiency and saving of 10 Kcal/Kg specific heat consumption
-

### Energy conservation measures planned at cement Unit-I, Macherla

1. Provided 15 KW VFD for R-84 Bag filter Dust collector fan R-86 , and Energy saving of 1.1 KW per hour and 8800 KWH per year.
2. Provided 15 KW VFD for E-49 Bag filter Dust collector fan E-60 , and Energy saving of 4.5 KW per hour and 36000 KWH per year
3. Cement mill IMCC room Ac package unit operation optimization by providing Automatic operation according to the temperature. Obtained an energy saving of 50 KWH per day and 18000 KWH per year.
4. Provided 20 KW Submersible pump set at process water pumps for optimization of water pumps operation in place of 30 KW pump operation for process water tank filling pump. Energy saving of 50 KWH per day and 18000 KWH per year.
5. Provided 55 KW VFD for J8C packer dust collector fan J20B, Energy saving of 8 KWh per hour and 24000 KWH per year.
6. Provided 22 KW VFD for J71 packer dust collector fan J84, Energy saving of 7 KWh per hour and 7000 KWH per year.
7. Provided 55 KW VFD for J8A packer dust collector fan J20A, Energy saving of 8 KWh per hour 24000 KWH per year.
8. Retrofitting of 30 NOS of 18W LED lamps in place of 70W SV lamps and 6 Nos of 80 W LED lamps at TG house and in the Plant in place of 250 W MH lamps. Energy saving of 2.6 KWH per hour and 11380 KWH per year.

#### (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****(Rs. Lakhs)**

| Particulars                               | 2017-2018 | 2016-2017 |
|-------------------------------------------|-----------|-----------|
| a) Capital Expenditure                    | -         | -         |
| b) Recurring Expenditure                  | 3.27      | 3.29      |
| c) Total expenditure                      | 3.27      | 3.29      |
| d) Total R&D expenditure as % of turnover | 0.003     | 0.003     |

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

| PARTICULARS                                             | 2017-2018 | 2016-2017 |
|---------------------------------------------------------|-----------|-----------|
| a) F.O.B value of goods exported during the year        | 374.67    | 1,300.29  |
| b) Income from Service charge                           | 191.88    | 162.95    |
| c) Dividend from Investments held in Foreign Subsidiary | 3881.29   | 12.47     |

**(b) Expenditure in Foreign Currency**

| PARTICULARS            | 2017-2018 | 2016-2017 |
|------------------------|-----------|-----------|
| a) Travelling expenses | 6.94      | 5.02      |
| b) Membership          | 4.13      | 3.65      |
| c) Other matters       | 9.74      | 4.97      |
| d) Commission          | 0         | 2.12      |

# 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.4543.70 lakhs**
- 4). Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 90.87 Lakhs**
- 5). Details of CSR spent during the financial year.
  - (a) Total Amount spent for the financial year 2017-2018: **Rs.54 Lakhs.**
  - (b) Amount unspent, if any : **36.87 Lakhs**
  - (c) CSR Projects in which the amount was spent during the financial year is details below:

| S.No.        | CSR project or activity identified                                                                                                                                    | Sector in which the project is covered                                                           | Projects or programs<br>1. Local area or other<br>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:<br>1) Direct expenditure on projects or programs.<br>2) Overheads: | Cumulative expenditure upto the reporting period: | Amount Spent: Direct or through implementing agency:                |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------|
|              |                                                                                                                                                                       |                                                                                                  |                                                                                                                               | Rs. Lakhs                                       | Rs. Lakhs                                                                                                              | Rs. Lakhs                                         |                                                                     |
| 1.           | Promoting Health care, sanitation and making available safe drinking water                                                                                            | Promotion of Health Care                                                                         | 1. Muktyala in Krishna Dist. of AP<br>2. Macherla Guntur Dist. AP<br>3. Chennai, Tamilnadu                                    | 40.00                                           | 11.68                                                                                                                  |                                                   | Direct                                                              |
| 2.           | Promoting Education and employment enhancing vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects             | Promotion of education and vocational training                                                   | 1. Thiruvottiyur Chennai, TN<br>2. Muktyala in Krishna Dist. of AP<br>3. Macherla Guntur Dist. AP                             | 35.00                                           | 31.96                                                                                                                  |                                                   | Direct                                                              |
| 3.           | Promoting gender equality, empowering women and selling up homes for women and measures for reducing inequalities faced by socially and economically backward groups. | Empowerment of women                                                                             | Muktyala in Krishna Dist. of AP<br>Macherla, Guntur Dist. AP                                                                  | 10.00                                           | 2.00                                                                                                                   |                                                   | 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<br>2. Macherla in Guntur District of Andhrapradesh                           | 10.00                                           | 8.36                                                                                                                   |                                                   | Direct and in association with local panchayats and municipalities. |
| <b>TOTAL</b> |                                                                                                                                                                       |                                                                                                  |                                                                                                                               | <b>95.00</b>                                    | <b>54.00</b>                                                                                                           |                                                   |                                                                     |

6). In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report: **There are certain CSR Projects undertaken in the Financial Year 2017-18 for which some more expenditure will be spent in the coming financial year.**

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

|                                          |                                                        |                                              |
|------------------------------------------|--------------------------------------------------------|----------------------------------------------|
| Sd/-<br>V.L.Dutt<br>(Executive Chairman) | Sd/-<br>V.L.Indira Dutt<br>(Chairperson CSR Committee) | Sd/-<br>Y.Vijayakumar<br>(Company Secretary) |
|------------------------------------------|--------------------------------------------------------|----------------------------------------------|

## ANNEXURE - 4

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

For the financial year ended on 31.03.2018

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

#### I. REGISTRATION & OTHER DETAILS:

|    |                                                                            |                                                                                                                                                      |
|----|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN                                                                        | L65991TN1941PLC001128                                                                                                                                |
| 2. | Registration Date                                                          | 03/07/1941                                                                                                                                           |
| 3. | Name of the Company                                                        | THE KCP LIMITED                                                                                                                                      |
| 4. | Category/Sub-category of the Company                                       | MANUFACTURING COMPANY                                                                                                                                |
| 5. | Address of the Registered office & contact details                         | "RAMAKRISHNA BUILDINGS", NO. 2, DR. P.V. CHERIAN CRESCENT, EGMORE, CHENNAI-600 008                                                                   |
| 6. | Whether listed company                                                     | 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 US-MAN 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                            | 80.57                              |
| 2      | ENGINEERING                                      | 2825                            | 7.27                               |
| 3      | POWER                                            | 3510                            | 7.25                               |
| 4      | OTHER                                            | -                               | 3.61                               |
| 5      | HOTEL                                            | -                               | 1.30                               |

#### 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)  | <b>INDEBTEDNESS</b>                                                                                         |                     |     |
|       | Indebtedness of the Company including interest outstanding/accrued but not due for payment                  | - As per attachment | 'G' |
| vii)  | <b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>                                               |                     |     |
| A.    | Remuneration to Managing Director, Whole-time Directors and/or Manager                                      | - As per attachment | 'H' |
| B.    | Remuneration to other directors                                                                             | - As per attachment | 'I' |
| C.    | Remuneration to Key Managerial Personnel other than MD/Manager/WTM                                          | - As per attachment | 'J' |
| viii) | <b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>                                                      | - 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)                                                                          |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| <b>A</b>      | <b>Shareholding of Promoter and Promoter Group</b>                            | -                                               |             |                 |                   |                                           |             |                 |                   |                          |
| (1)           | <b>Indian</b>                                                                 |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a             | Individual/Hindu Undivided Family                                             | 12461843                                        | 0           | 12461843        | 9.67              | 11068343                                  | 0           | 11068343        | 8.59              | (1.08)                   |
| b             | Central Government/ State Governments                                         |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| c             | Bodies Corporate                                                              | 45613098                                        | 0           | 45613098        | 35.38             | 44540424                                  | 0           | 44540424        | 34.55             | (0.83)                   |
| d             | Financial Institutions / Banks                                                |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| e             | <b>Any other (Specify)</b>                                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
|               | <b>Sub Total A(1)</b>                                                         | <b>58074941</b>                                 | <b>0</b>    | <b>58074941</b> | <b>45.05</b>      | <b>55608767</b>                           | <b>0</b>    | <b>55608767</b> | <b>43.13</b>      | <b>(1.91)</b>            |
| (2)           | <b>Foreign</b>                                                                |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a             | Individual (Non resident Individuals / Foreign individuals)                   | 239050                                          | 0           | 239050          | 0.19              | 1539050                                   | 0           | 1539050         | 1.19              | 1.01                     |
| b             | Bodies Corporate                                                              |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| c             | Institutions                                                                  | -                                               |             |                 |                   | -                                         |             |                 |                   |                          |
| d             | Qualified Foreign Investor                                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| e             | Any other (Specify)                                                           | -                                               |             |                 |                   | -                                         |             |                 |                   |                          |
|               | <b>Sub Total A(2)</b>                                                         | <b>239050</b>                                   | <b>0</b>    | <b>239050</b>   | <b>0.19</b>       | <b>1539050</b>                            | <b>0</b>    | <b>1539050</b>  | <b>1.19</b>       | <b>1.01</b>              |
|               | <b>Total shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)</b> | <b>58313991</b>                                 | <b>0</b>    | <b>58313991</b> | <b>45.23</b>      | <b>57147817</b>                           | <b>0</b>    | <b>57147817</b> | <b>44.33</b>      | <b>(0.90)</b>            |
| <b>B</b>      | <b>Public Shareholding</b>                                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| (1)           | <b>Institutions</b>                                                           |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a             | Mutual Funds/ UTI                                                             | 5783569                                         | 2000        | 5785569         | 4.49              | 5180171                                   | 2000        | 5182171         | 4.02              | (0.47)                   |
| b             | Financial Institutions / Banks                                                | 621771                                          | 4990        | 626761          | 0.49              | 140954                                    | 4990        | 145944          | 0.11              | (0.37)                   |
| c             | Central Government/ State Governments                                         |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| d             | Venture capital Funds                                                         |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| e             | Insurance Companies                                                           | 1302930                                         | 0           | 1302930         | 1.01              | 1302930                                   | 0           | 1302930         | 1.01              | -                        |
| f             | Foreign Institutional Investors                                               | 0                                               | 0           | 0               | 0.00              | 0                                         | 0           | 0               | 0.00              | -                        |
| g             | Foreign Venture Capital Investors                                             |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| h             | Qualified Foreign Investor                                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| i             | Any other                                                                     |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
|               | <b>Sub Total B(1)</b>                                                         | <b>7708270</b>                                  | <b>6990</b> | <b>7715260</b>  | <b>5.98</b>       | <b>6624055</b>                            | <b>6990</b> | <b>6631045</b>  | <b>5.14</b>       | <b>(0.84)</b>            |

| 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)           | <b>Non-Institutions</b>                                                                 |                                                 |                |                  |                   |                                           |                |                  |                   |                          |
| a             | Bodies Corporate                                                                        | 6295836                                         | 36550          | 6332386          | 4.91              | 4948581                                   | 36050          | 4984631          | 3.87              | (1.05)                   |
| b             | Individuals                                                                             |                                                 |                |                  |                   |                                           |                |                  |                   |                          |
| (i)           | Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh                    | 26402867                                        | 4543103        | 30945970         | 24.00             | 28643211                                  | 4112000        | 32755211         | 25.41             | 1.40                     |
| (ii)          | Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh            | 20317918                                        | 1066810        | 21384728         | 16.59             | 20588223                                  | 750070         | 21338293         | 16.55             | (0.04)                   |
| c             | Qualified Foreign Investor                                                              | -                                               | -              | -                | -                 | -                                         | -              | -                | -                 | -                        |
| d             | <b>Any other**</b>                                                                      |                                                 |                |                  |                   |                                           |                |                  |                   |                          |
| d(i)          | Clearing Member                                                                         | 255230                                          | 0              | 255230           | 0.20              | 244294                                    | 0              | 244294           | 0.19              | (0.01)                   |
| d(ii)         | Corporate - Margin Trading Account                                                      | 573426                                          | 0              | 573426           | 0.44              | 528006                                    | 0              | 528006           | 0.41              |                          |
| d(iii)        | Individual-Margin Trading Account                                                       | 6                                               | 0              | 6                | 0.00              | 1970                                      | 0              | 1970             | 0.00              | 0.00                     |
| d(iv)         | Nri /OCBs                                                                               | 1428186                                         | 1299321        | 2727507          | 2.12              | 1706380                                   | 1299321        | 3005701          | 2.33              | 0.22                     |
| d(v)          | Trusts                                                                                  | 28251                                           | 38310          | 66561            | 0.05              | 26250                                     | 38310          | 64560            | 0.05              | (0.00)                   |
| d(vi)         | Clearing House                                                                          | 100                                             | 0              | 100              | 0.00              | 100                                       | 0              | 100              | 0.00              | -                        |
| d(vii)        | Corporate Body-Limited Liability Partner                                                | 212760                                          |                | 212760           | 0.17              | 203086                                    | 0              | 203086           | 0.16              | (0.01)                   |
| d(viii)       | Foreign Port Folio Investor-Corporate                                                   | 393235                                          | 0              | 393235           | 0.31              | 1106903                                   | 0              | 1106903          | 0.86              | 0.55                     |
| d(ix)         | IEPF                                                                                    | 0                                               | 0              | 0                | 0.00              | 909543                                    | 0              | 909543           | 0.71              | 0.71                     |
|               | <b>Sub Total B(2)</b>                                                                   | <b>55907815</b>                                 | <b>6984094</b> | <b>62891909</b>  | <b>48.78</b>      | <b>58906547</b>                           | <b>6235751</b> | <b>65142298</b>  | <b>50.53</b>      | <b>1.75</b>              |
|               | <b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>                                    | <b>63616085</b>                                 | <b>6991084</b> | <b>70607169</b>  | <b>54.77</b>      | <b>65530602</b>                           | <b>6242741</b> | <b>71773343</b>  | <b>55.67</b>      | <b>0.90</b>              |
|               | <b>TOTAL (A) + (B)</b>                                                                  | <b>121930076</b>                                | <b>6991084</b> | <b>128921160</b> | <b>100.00</b>     | <b>122678419</b>                          | <b>6242741</b> | <b>128921160</b> | <b>100.00</b>     | <b>-</b>                 |
| <b>C</b>      | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                                                 |                |                  |                   |                                           |                |                  |                   |                          |
| 1             | Promoter and Promoter Group                                                             | -                                               | -              | -                | -                 | -                                         | -              | -                | -                 | -                        |
| 2             | Public                                                                                  | -                                               | -              | -                | -                 | -                                         | -              | -                | -                 | -                        |
|               | <b>Grand Total (A) + (B) + (C)</b>                                                      | <b>121930076</b>                                | <b>6991084</b> | <b>128921160</b> | <b>100.00</b>     | <b>122678419</b>                          | <b>6242741</b> | <b>128921160</b> | <b>100.00</b>     | <b>-</b>                 |

## Attachment 'B'

## (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       | Velagapudi Lakshmana Dutt                  | 6005569                                  | 4.66                             | -                                  | 6005569                            | 4.66                             | -                                  | -                        |
| 3       | V. R. K. Grandsons Investment Private Ltd. | 6378402                                  | 4.95                             | 4400000                            | 5305728                            | 4.12                             | 3100000                            | (0.83)                   |
| 4       | V L Indira Dutt                            | 3364479                                  | 2.61                             | -                                  | 3364479                            | 2.61                             | -                                  | -                        |
| 5       | Shivani Dutt Chitturi                      | 1300000                                  | 1.01                             | -                                  | 1300000                            | 1.01                             | -                                  | -                        |
| 6       | Kavitha D Chitturi                         | 1180000                                  | 0.92                             | -                                  | 1180000                            | 0.92                             | -                                  | -                        |
| 7       | The Jeypore Sugar Company Limited          | 278370                                   | 0.22                             | -                                  | 278370                             | 0.22                             | -                                  | -                        |
| 8       | Uma S Vallabhaneni                         | 163120                                   | 0.13                             | -                                  | 163120                             | 0.13                             | -                                  | -                        |
| 9       | Irmgard Velagapudi                         | 152490                                   | 0.12                             | -                                  | 152490                             | 0.12                             | -                                  | -                        |
| 10      | S. Rajiv Rangasami                         | 0                                        | 0.00                             | -                                  | 137520                             | 0.11                             | -                                  | 0.11                     |
| 11      | Velagapudi Lakshmana Dutt (HUF)            | 113500                                   | 0.09                             | -                                  | 113500                             | 0.09                             | -                                  | -                        |
| 12      | Subbarao Vallabhaneni                      | 75930                                    | 0.06                             | -                                  | 75930                              | 0.06                             | -                                  | -                        |
| 13      | R Prabhu                                   | 62880                                    | 0.05                             | -                                  | 62880                              | 0.05                             | -                                  | -                        |
| 14      | P Vikram Ramakrishnan                      | 12655                                    | 0.01                             | -                                  | 12655                              | 0.01                             | -                                  | -                        |
| 15      | Sivaramakrishnan Prasad                    | 12650                                    | 0.01                             | -                                  | 12650                              | 0.01                             | -                                  | -                        |
| 16      | S. Nalini                                  | 11250                                    | 0.01                             | -                                  | 11250                              | 0.01                             | -                                  | -                        |
| 17      | Rajeswary Ramakrishnan                     | 6500                                     | 0.01                             | -                                  | 6500                               | 0.01                             | -                                  | -                        |
| 18      | Kiran Velagapudi                           | 4220                                     | 0.00                             | -                                  | 4220                               | 0.00                             | -                                  | -                        |
| 19      | Anitha.                                    | 4000                                     | 0.00                             | -                                  | 4000                               | 0.00                             | -                                  | -                        |
| 20      | Rajyalakshamma S R V                       | 630                                      | 0.00                             | -                                  | 630                                | 0.00                             | -                                  | -                        |
| 21      | Rajeswary Ramakrishnan                     | 224020                                   | 0.17                             | -                                  | 0                                  | 0.00                             | -                                  | (0.17)                   |
|         | <b>Total</b>                               | <b>58306991</b>                          | <b>45.23</b>                     | <b>4400000.00</b>                  | <b>57147817</b>                    | <b>44.33</b>                     | <b>3100000.00</b>                  | <b>(0.90)</b>            |

**(iii) Change in Promoters Shareholding:**

| Sl No. | Shareholder's Name                           | Shareholding at the beginning of the year |                                  | Increase / Decrease Shares | Increase / Decrease Shares % | Cumulative Shareholding during the year |                                  |
|--------|----------------------------------------------|-------------------------------------------|----------------------------------|----------------------------|------------------------------|-----------------------------------------|----------------------------------|
|        |                                              | No. of Shares                             | % of total shares of the Company |                            |                              | No. of Shares                           | % of total shares of the Company |
| 1      | V RAMAKRISHNA SONS P LTD                     |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACV2307A                              |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017             | 38956326                                  | 30.22                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018             | 0                                         | 0.00                             | 0                          | 0                            | 38956326                                | 30.22                            |
| 2      | V. R. K. GRANDSONS INVESTMENT PRIVATE LTD. . |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACV3678A                              |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017             | 6378402                                   | 4.95                             |                            |                              |                                         |                                  |
|        | 03-04-2017                                   | 0                                         | 0.00                             | -10000                     | -0.008                       | 6368402                                 | 4.94                             |
|        | 05-04-2017                                   | 0                                         | 0.00                             | -30000                     | -0.023                       | 6338402                                 | 4.92                             |
|        | 06-04-2017                                   | 0                                         | 0.00                             | -110000                    | -0.085                       | 6228402                                 | 4.83                             |
|        | 07-04-2017                                   | 0                                         | 0.00                             | -10000                     | -0.008                       | 6218402                                 | 4.82                             |
|        | 11-04-2017                                   | 0                                         | 0.00                             | -110000                    | -0.085                       | 6108402                                 | 4.74                             |
|        | 18-05-2017                                   | 0                                         | 0.00                             | -100000                    | -0.078                       | 6008402                                 | 4.66                             |
|        | 13-06-2017                                   | 0                                         | 0.00                             | -55000                     | -0.043                       | 5953402                                 | 4.62                             |
|        | 14-06-2017                                   | 0                                         | 0.00                             | -10000                     | -0.008                       | 5943402                                 | 4.61                             |
|        | 16-06-2017                                   | 0                                         | 0.00                             | -14000                     | -0.011                       | 5929402                                 | 4.60                             |
|        | 19-06-2017                                   | 0                                         | 0.00                             | -26000                     | -0.02                        | 5903402                                 | 4.58                             |
|        | 20-06-2017                                   | 0                                         | 0.00                             | -60000                     | -0.047                       | 5843402                                 | 4.53                             |
|        | 22-06-2017                                   | 0                                         | 0.00                             | -12500                     | -0.01                        | 5830902                                 | 4.52                             |
|        | 23-06-2017                                   | 0                                         | 0.00                             | -24469                     | -0.019                       | 5806433                                 | 4.50                             |
|        | 28-06-2017                                   | 0                                         | 0.00                             | -108000                    | -0.084                       | 5698433                                 | 4.42                             |
|        | 04-07-2017                                   | 0                                         | 0.00                             | -17846                     | -0.014                       | 5680587                                 | 4.41                             |
|        | 05-07-2017                                   | 0                                         | 0.00                             | -31000                     | -0.024                       | 5649587                                 | 4.38                             |
|        | 10-07-2017                                   | 0                                         | 0.00                             | -2500                      | -0.002                       | 5647087                                 | 4.38                             |
|        | 12-07-2017                                   | 0                                         | 0.00                             | -1500                      | -0.001                       | 5645587                                 | 4.38                             |
|        | 18-07-2017                                   | 0                                         | 0.00                             | -17227                     | -0.013                       | 5628360                                 | 4.37                             |
|        | 19-07-2017                                   | 0                                         | 0.00                             | -12900                     | -0.01                        | 5615460                                 | 4.36                             |
|        | 20-07-2017                                   | 0                                         | 0.00                             | -9475                      | -0.007                       | 5605985                                 | 4.35                             |
|        | 21-07-2017                                   | 0                                         | 0.00                             | -6698                      | -0.005                       | 5599287                                 | 4.34                             |
|        | 24-07-2017                                   | 0                                         | 0.00                             | -14347                     | -0.011                       | 5584940                                 | 4.33                             |
|        | 26-07-2017                                   | 0                                         | 0.00                             | -595                       | 0                            | 5584345                                 | 4.33                             |
|        | 27-07-2017                                   | 0                                         | 0.00                             | -5500                      | -0.004                       | 5578845                                 | 4.33                             |
|        | 28-07-2017                                   | 0                                         | 0.00                             | -2500                      | -0.002                       | 5576345                                 | 4.33                             |
|        | 01-08-2017                                   | 0                                         | 0.00                             | -20113                     | -0.016                       | 5556232                                 | 4.31                             |
|        | 02-08-2017                                   | 0                                         | 0.00                             | -3000                      | -0.002                       | 5553232                                 | 4.31                             |

| Sl No. | Shareholder's Name                  | 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 |
|        | 08-08-2017                          | 0                                         | 0.00                             | -1500                      | -0.001                       | 5551732                                 | 4.31                             |
|        | 09-08-2017                          | 0                                         | 0.00                             | -8800                      | -0.007                       | 5542932                                 | 4.30                             |
|        | 10-08-2017                          | 0                                         | 0.00                             | -13650                     | -0.011                       | 5529282                                 | 4.29                             |
|        | 22-08-2017                          | 0                                         | 0.00                             | -10000                     | -0.008                       | 5519282                                 | 4.28                             |
|        | 23-08-2017                          | 0                                         | 0.00                             | -2750                      | -0.002                       | 5516532                                 | 4.28                             |
|        | 09-10-2017                          | 0                                         | 0.00                             | -5000                      | -0.004                       | 5511532                                 | 4.28                             |
|        | 10-10-2017                          | 0                                         | 0.00                             | -5000                      | -0.004                       | 5506532                                 | 4.27                             |
|        | 11-10-2017                          | 0                                         | 0.00                             | -5000                      | -0.004                       | 5501532                                 | 4.27                             |
|        | 05-01-2018                          | 0                                         | 0.00                             | -12500                     | -0.01                        | 5489032                                 | 4.26                             |
|        | 06-01-2018                          | 0                                         | 0.00                             | -2700                      | -0.002                       | 5486332                                 | 4.26                             |
|        | 09-01-2018                          | 0                                         | 0.00                             | -19115                     | -0.015                       | 5467217                                 | 4.24                             |
|        | 10-01-2018                          | 0                                         | 0.00                             | -16870                     | -0.013                       | 5450347                                 | 4.23                             |
|        | 11-01-2018                          | 0                                         | 0.00                             | -13639                     | -0.011                       | 5436708                                 | 4.22                             |
|        | 12-01-2018                          | 0                                         | 0.00                             | -38500                     | -0.03                        | 5398208                                 | 4.19                             |
|        | 18-01-2018                          | 0                                         | 0.00                             | -17210                     | -0.013                       | 5380998                                 | 4.17                             |
|        | 19-01-2018                          | 0                                         | 0.00                             | -9000                      | -0.007                       | 5371998                                 | 4.17                             |
|        | 24-01-2018                          | 0                                         | 0.00                             | -46270                     | -0.036                       | 5325728                                 | 4.13                             |
|        | 25-01-2018                          | 0                                         | 0.00                             | -20000                     | -0.016                       | 5305728                                 | 4.12                             |
|        | Closing Balance as on 31-03-2018    | 0                                         | 0.00                             | 0                          | 0                            | 5305728                                 | 4.12                             |
| 3      | VELAGAPUDI LAKSHMANA DUTT           |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AABPD7988F                     |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017    | 6005569                                   | 4.66                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018    | 0                                         | 0.00                             | 0                          | 0                            | 6005569                                 | 4.66                             |
| 4      | V L INDIRA DUTT                     |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAAPD6756A                     |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017    | 3364479                                   | 2.61                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018    | 0                                         | 0.00                             | 0                          | 0                            | 3364479                                 | 2.61                             |
| 5      | SHIVANI DUTT CHITTURI               |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ASKPC4646C                     |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017    | 1300000                                   | 1.01                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018    | 0                                         | 0.00                             | 0                          | 0                            | 1300000                                 | 1.01                             |
| 6      | KAVITHA D CHITTURI                  |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAAPD6737H                     |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017    | 1180000                                   | 0.92                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018    | 0                                         | 0.00                             | 0                          | 0                            | 1180000                                 | 0.92                             |
| 7      | THE JEYPORE SUGAR COMPANY LIMITED . |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACT9942R                     |                                           |                                  |                            |                              |                                         |                                  |

| Sl No. | Shareholder's Name               | 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 |
|        | Opening Balance as on 01-04-2017 | 278370                                    | 0.22                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 278370                                  | 0.22                             |
| 8      | RAJESWARY RAMAKRISHNAN           |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ADQPR8661R                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 234020                                    | 0.18                             |                            |                              |                                         |                                  |
|        | 14-12-2017                       | 0                                         | 0.00                             | -227520                    | -0.176                       | 6500                                    | 0.01                             |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 6500                                    | 0.01                             |
| 9      | UMA S VALLABHANENI               |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AEYPV0586Q                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 163120                                    | 0.13                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 163120                                  | 0.13                             |
| 10     | IRMGARD VELAGAPUDI               |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAFPI6691A                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 152490                                    | 0.12                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 152490                                  | 0.12                             |
| 11     | MR. VELAGAPUDI LAKSHMANA DUTT    |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAAHV0216K                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 113500                                    | 0.09                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 113500                                  | 0.09                             |
| 12     | SUBBARAO VALLABHANENI            |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AKRPS6475L                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 75930                                     | 0.06                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 75930                                   | 0.06                             |
| 13     | R PRABHU                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ADJPP4946N                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 62880                                     | 0.05                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 62880                                   | 0.05                             |
| 14     | SIVARAMAKRISHNAN PRASAD          |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AFRPP5944E                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 16150                                     | 0.01                             |                            |                              |                                         |                                  |
|        | 27-10-2017                       | 0                                         | 0.00                             | -3500                      | -0.003                       | 12650                                   | 0.01                             |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 12650                                   | 0.01                             |
| 15     | P VIKRAM RAMAKRISHNAN            |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AIZPV8779N                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 12655                                     | 0.01                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 12655                                   | 0.01                             |

| Sl No. | Shareholder's Name               | 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 |
| 16     | S. NALINI                        |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ABMPN3058Q                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 11250                                     | 0.01                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 11250                                   | 0.01                             |
| 17     | KIRAN VELAGAPUDI                 |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AFDPK3995G                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 4220                                      | 0.00                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 4220                                    | 0.00                             |
| 18     | ANITHA .                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AEVPA9301D                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 4000                                      | 0.00                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 4000                                    | 0.00                             |
| 19     | RAJYALAKSHMAMMA S R V            |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AQIPR7490M                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01-04-2017 | 630                                       | 0.00                             |                            |                              |                                         |                                  |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 630                                     | 0.00                             |
| 20     | S. RAJIV RANGASAMI               |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AGUPR2921B                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 15-12-2017 | 227520                                    | 0.18                             |                            |                              |                                         |                                  |
|        | 07-03-2018                       | 0                                         | 0.00                             | -90000                     | -0.07                        | 137520                                  | 0.11                             |
|        | Closing Balance as on 31-03-2018 | 0                                         | 0.00                             | 0                          | 0                            | 137520                                  | 0.11                             |

# Attachment 'D'

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

| 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 Promoters Shareholding during the year |                                           |                                  |                            |                              |                                         |                                  |
| 1      | SBI SMALL AND MIDCAP FUND                                               |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN: AABTS6407Q                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                        | 2238511                                   | 1.736                            |                            |                              |                                         |                                  |
|        | 07/04/2017                                                              |                                           |                                  | -338511                    | -0.263                       | 1900000                                 | 1.474                            |
|        | 05/05/2017                                                              |                                           |                                  | -122228                    | -0.095                       | 1777772                                 | 1.379                            |
|        | 12/05/2017                                                              |                                           |                                  | -256772                    | -0.199                       | 1521000                                 | 1.180                            |
|        | 19/05/2017                                                              |                                           |                                  | -121000                    | -0.094                       | 1400000                                 | 1.086                            |
|        | 26/05/2017                                                              |                                           |                                  | -35200                     | -0.027                       | 1364800                                 | 1.059                            |
|        | 20/10/2017                                                              |                                           |                                  | -2893                      | -0.002                       | 1361907                                 | 1.056                            |
|        | 27/10/2017                                                              |                                           |                                  | -43255                     | -0.034                       | 1318652                                 | 1.023                            |
|        | 31/10/2017                                                              |                                           |                                  | -77122                     | -0.060                       | 1241530                                 | 0.963                            |
|        | 03/11/2017                                                              |                                           |                                  | -172313                    | -0.134                       | 1069217                                 | 0.829                            |
|        | 10/11/2017                                                              |                                           |                                  | -18058                     | -0.014                       | 1051159                                 | 0.815                            |
|        | 08/12/2017                                                              |                                           |                                  | -1051159                   | -0.815                       | 0                                       | 0.000                            |
|        | Closing Balance as on 31/03/2018                                        |                                           |                                  |                            |                              | 0                                       | 0.000                            |
| 2      | RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND            |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAATR0090B                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                        | 2190315                                   | 1.699                            |                            |                              |                                         |                                  |
|        | 19/05/2017                                                              |                                           |                                  | 101327                     | 0.079                        | 2291642                                 | 1.778                            |
|        | 26/05/2017                                                              |                                           |                                  | 469434                     | 0.364                        | 2761076                                 | 2.142                            |
|        | 06/10/2017                                                              |                                           |                                  | 33904                      | 0.026                        | 2794980                                 | 2.168                            |
|        | 13/10/2017                                                              |                                           |                                  | 73744                      | 0.057                        | 2868724                                 | 2.225                            |
|        | 05/01/2018                                                              |                                           |                                  | -315106                    | -0.244                       | 2553618                                 | 1.981                            |
|        | 12/01/2018                                                              |                                           |                                  | -205399                    | -0.159                       | 2348219                                 | 1.821                            |
|        | Closing Balance as on 31/03/2018                                        |                                           |                                  |                            |                              | 2348219                                 | 1.821                            |
| 3      | THE K C P LIMITED - UNCLAIMED SUSPENSE ACCOUNT                          |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACT8046J                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                        | 2162150                                   | 1.677                            |                            |                              |                                         |                                  |
|        | 12/05/2017                                                              |                                           |                                  | -4870                      | -0.004                       | 2157280                                 | 1.673                            |
|        | 26/05/2017                                                              |                                           |                                  | -70                        | 0.000                        | 2157210                                 | 1.673                            |

| 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 |
|        | 09/06/2017                                        |                                           |                                  | -580                       | 0.000                        | 2156630                                 | 1.673                            |
|        | 30/06/2017                                        |                                           |                                  | -630                       | 0.000                        | 2156000                                 | 1.672                            |
|        | 11/08/2017                                        |                                           |                                  | -750                       | -0.001                       | 2155250                                 | 1.672                            |
|        | 08/09/2017                                        |                                           |                                  | -40                        | 0.000                        | 2155210                                 | 1.672                            |
|        | 24/11/2017                                        |                                           |                                  | -900                       | -0.001                       | 2154310                                 | 1.671                            |
|        | 01/12/2017                                        |                                           |                                  | -777530                    | -0.603                       | 1376780                                 | 1.068                            |
|        | 22/12/2017                                        |                                           |                                  | -12030                     | -0.009                       | 1364750                                 | 1.059                            |
|        | 29/12/2017                                        |                                           |                                  | -1620                      | -0.001                       | 1363130                                 | 1.057                            |
|        | 05/01/2018                                        |                                           |                                  | -9020                      | -0.007                       | 1354110                                 | 1.050                            |
|        | 19/01/2018                                        |                                           |                                  | -3750                      | -0.003                       | 1350360                                 | 1.047                            |
|        | 09/02/2018                                        |                                           |                                  | -500                       | 0.000                        | 1349860                                 | 1.047                            |
|        | 23/02/2018                                        |                                           |                                  | -5920                      | -0.005                       | 1343940                                 | 1.042                            |
|        | 16/03/2018                                        |                                           |                                  | -2260                      | -0.002                       | 1341680                                 | 1.041                            |
|        | Closing Balance as on 31/03/2018                  |                                           |                                  | -750                       | -0.001                       | 1340930                                 | 1.040                            |
| 4      | SANDHYA G PARIKH                                  |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAEPP1311M                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                  | 1654342                                   | 1.283                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018                  |                                           |                                  |                            |                              | 1654342                                 | 1.283                            |
| 5      | HITESH SATISHCHANDRA DOSHI                        |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AACPD8612R                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                  | 1621431                                   | 1.258                            |                            |                              |                                         |                                  |
|        | 15/09/2017                                        |                                           |                                  | 157632                     | 0.122                        | 1779063                                 | 1.380                            |
|        | 22/09/2017                                        |                                           |                                  | 400                        | 0.000                        | 1779463                                 | 1.380                            |
|        | 30/09/2017                                        |                                           |                                  | 22522                      | 0.017                        | 1801985                                 | 1.398                            |
|        | 20/10/2017                                        |                                           |                                  | 5238                       | 0.004                        | 1807223                                 | 1.402                            |
|        | 10/11/2017                                        |                                           |                                  | 1229                       | 0.001                        | 1808452                                 | 1.403                            |
|        | 17/11/2017                                        |                                           |                                  | 321                        | 0.000                        | 1808773                                 | 1.403                            |
|        | 01/12/2017                                        |                                           |                                  | -200000                    | -0.155                       | 1608773                                 | 1.248                            |
|        | 29/12/2017                                        |                                           |                                  | -300000                    | -0.233                       | 1308773                                 | 1.015                            |
|        | Closing Balance as on 31/03/2018                  |                                           |                                  |                            |                              | 1308773                                 | 1.015                            |
| 6      | HDFC TRUSTEE COMPANY LIMITED A/C HDFC GROWTH FUND |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAATH1809A                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                  | 1350743                                   | 1.048                            |                            |                              |                                         |                                  |
|        | 08/12/2017                                        |                                           |                                  | 1027200                    | 0.797                        | 2377943                                 | 1.844                            |
|        | 15/12/2017                                        |                                           |                                  | 60000                      | 0.047                        | 2437943                                 | 1.891                            |
|        | 22/12/2017                                        |                                           |                                  | 48000                      | 0.037                        | 2485943                                 | 1.928                            |

| 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 |
|        | 05/01/2018                              |                                           |                                  | 56000                      | 0.043                        | 2541943                                 | 1.972                            |
|        | 26/01/2018                              |                                           |                                  | 112000                     | 0.087                        | 2653943                                 | 2.059                            |
|        | 02/02/2018                              |                                           |                                  | 32000                      | 0.025                        | 2685943                                 | 2.083                            |
|        | 09/02/2018                              |                                           |                                  | 30700                      | 0.024                        | 2716643                                 | 2.107                            |
|        | 30/03/2018                              |                                           |                                  | 2900                       | 0.002                        | 2719543                                 | 2.109                            |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 2719543                                 | 2.109                            |
| 7      | THE NEW INDIA ASSURANCE COMPANY LIMITED |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACN4165C                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017        | 1302930                                   | 1.011                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 1302930                                 | 1.011                            |
| 8      | G.V. REDDY (DR)                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :3009                               |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017        | 1287250                                   | 0.998                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 1287250                                 | 0.998                            |
| 9      | INDIRA CAESAR ANUMOLU                   |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AACPA9052E                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017        | 1220620                                   | 0.947                            |                            |                              |                                         |                                  |
|        | 07/04/2017                              |                                           |                                  | -10000                     | -0.008                       | 1210620                                 | 0.939                            |
|        | 14/04/2017                              |                                           |                                  | -27500                     | -0.021                       | 1183120                                 | 0.918                            |
|        | 21/04/2017                              |                                           |                                  | -32251                     | -0.025                       | 1150869                                 | 0.893                            |
|        | 28/04/2017                              |                                           |                                  | -17500                     | -0.014                       | 1133369                                 | 0.879                            |
|        | 05/05/2017                              |                                           |                                  | -2500                      | -0.002                       | 1130869                                 | 0.877                            |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 1130869                                 | 0.877                            |
| 10     | GOVINDLAL M PARIKH                      |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAEPP1312J                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017        | 1111765                                   | 0.862                            |                            |                              |                                         |                                  |
|        | 23/06/2017                              |                                           |                                  | -50000                     | -0.039                       | 1061765                                 | 0.824                            |
|        | 07/07/2017                              |                                           |                                  | -4550                      | -0.004                       | 1057215                                 | 0.820                            |
|        | 05/01/2018                              |                                           |                                  | -45000                     | -0.035                       | 1012215                                 | 0.785                            |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 1012215                                 | 0.785                            |
| 11     | SAKUNTHALA DEVI BOPPANA                 |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AFWPB3847H                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017        | 1052410                                   | 0.816                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018        |                                           |                                  |                            |                              | 1052410                                 | 0.816                            |

| 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 |
| 12     | RAAVI SOBHANADRI CHOWDARY        |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ABGPR2293B                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 967999                                    | 0.751                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 967999                                  | 0.751                            |
| 13     | BOPPANA VINAY KUMAR              |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AFXPB0044B                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 935250                                    | 0.725                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 935250                                  | 0.725                            |
| 14     | PADMINI RAJAN                    |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :ACOPR5427J                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 872690                                    | 0.677                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 872690                                  | 0.677                            |
| 15     | PRATIKSHA SATISHCHANDRA DOSHI    |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAEPD8993K                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 536669                                    | 0.416                            |                            |                              |                                         |                                  |
|        | 11/08/2017                       |                                           |                                  | -180000                    | -0.140                       | 356669                                  | 0.277                            |
|        | 24/08/2017                       |                                           |                                  | -185000                    | -0.143                       | 171669                                  | 0.133                            |
|        | 09/02/2018                       |                                           |                                  | 60000                      | 0.047                        | 231669                                  | 0.180                            |
|        | 16/03/2018                       |                                           |                                  | 1                          | 0.000                        | 231670                                  | 0.180                            |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 231670                                  | 0.180                            |
| 16     | ANUMOLY LAKSHMI                  |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAAPL8197M                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 531620                                    | 0.412                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 531620                                  | 0.412                            |
| 17     | AXIS BANK LIMITED                |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACU2414K                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 520417                                    | 0.404                            |                            |                              |                                         |                                  |
|        | 07/04/2017                       |                                           |                                  | -57670                     | -0.045                       | 462747                                  | 0.359                            |
|        | 14/04/2017                       |                                           |                                  | -6010                      | -0.005                       | 456737                                  | 0.354                            |
|        | 21/04/2017                       |                                           |                                  | 23039                      | 0.018                        | 479776                                  | 0.372                            |
|        | 28/04/2017                       |                                           |                                  | -98401                     | -0.076                       | 381375                                  | 0.296                            |
|        | 05/05/2017                       |                                           |                                  | 114800                     | 0.089                        | 496175                                  | 0.385                            |
|        | 12/05/2017                       |                                           |                                  | -19596                     | -0.015                       | 476579                                  | 0.370                            |
|        | 19/05/2017                       |                                           |                                  | 8000                       | 0.006                        | 484579                                  | 0.376                            |
|        | 26/05/2017                       |                                           |                                  | -449017                    | -0.348                       | 35562                                   | 0.028                            |
|        | 02/06/2017                       |                                           |                                  | 51052                      | 0.040                        | 86614                                   | 0.067                            |
|        | 09/06/2017                       |                                           |                                  | -8179                      | -0.006                       | 78435                                   | 0.061                            |

| 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 |
|        | 16/06/2017                       |                                           |                                  | -50                        | 0.000                        | 78385                                   | 0.061                            |
|        | 23/06/2017                       |                                           |                                  | -28403                     | -0.022                       | 49982                                   | 0.039                            |
|        | 07/07/2017                       |                                           |                                  | -5000                      | -0.004                       | 44982                                   | 0.035                            |
|        | 14/07/2017                       |                                           |                                  | 8195                       | 0.006                        | 53177                                   | 0.041                            |
|        | 21/07/2017                       |                                           |                                  | -4250                      | -0.003                       | 48927                                   | 0.038                            |
|        | 28/07/2017                       |                                           |                                  | -25650                     | -0.020                       | 23277                                   | 0.018                            |
|        | 11/08/2017                       |                                           |                                  | 91800                      | 0.071                        | 115077                                  | 0.089                            |
|        | 18/08/2017                       |                                           |                                  | -4220                      | -0.003                       | 110857                                  | 0.086                            |
|        | 24/08/2017                       |                                           |                                  | 886                        | 0.001                        | 111743                                  | 0.087                            |
|        | 01/09/2017                       |                                           |                                  | -20000                     | -0.016                       | 91743                                   | 0.071                            |
|        | 08/09/2017                       |                                           |                                  | -28110                     | -0.022                       | 63633                                   | 0.049                            |
|        | 15/09/2017                       |                                           |                                  | 22508                      | 0.017                        | 86141                                   | 0.067                            |
|        | 22/09/2017                       |                                           |                                  | -15255                     | -0.012                       | 70886                                   | 0.055                            |
|        | 30/09/2017                       |                                           |                                  | -4254                      | -0.003                       | 66632                                   | 0.052                            |
|        | 06/10/2017                       |                                           |                                  | 8709                       | 0.007                        | 75341                                   | 0.058                            |
|        | 13/10/2017                       |                                           |                                  | -1350                      | -0.001                       | 73991                                   | 0.057                            |
|        | 20/10/2017                       |                                           |                                  | -7509                      | -0.006                       | 66482                                   | 0.052                            |
|        | 27/10/2017                       |                                           |                                  | -560                       | 0.000                        | 65922                                   | 0.051                            |
|        | 31/10/2017                       |                                           |                                  | -13240                     | -0.010                       | 52682                                   | 0.041                            |
|        | 10/11/2017                       |                                           |                                  | 4279                       | 0.003                        | 56961                                   | 0.044                            |
|        | 17/11/2017                       |                                           |                                  | -5560                      | -0.004                       | 51401                                   | 0.040                            |
|        | 24/11/2017                       |                                           |                                  | 6600                       | 0.005                        | 58001                                   | 0.045                            |
|        | 01/12/2017                       |                                           |                                  | -15919                     | -0.012                       | 42082                                   | 0.033                            |
|        | 08/12/2017                       |                                           |                                  | -450                       | 0.000                        | 41632                                   | 0.032                            |
|        | 22/12/2017                       |                                           |                                  | 8452                       | 0.007                        | 50084                                   | 0.039                            |
|        | 29/12/2017                       |                                           |                                  | -4895                      | -0.004                       | 45189                                   | 0.035                            |
|        | 05/01/2018                       |                                           |                                  | -6250                      | -0.005                       | 38939                                   | 0.030                            |
|        | 12/01/2018                       |                                           |                                  | 6990                       | 0.005                        | 45929                                   | 0.036                            |
|        | 19/01/2018                       |                                           |                                  | 17181                      | 0.013                        | 63110                                   | 0.049                            |
|        | 26/01/2018                       |                                           |                                  | 252                        | 0.000                        | 63362                                   | 0.049                            |
|        | 02/02/2018                       |                                           |                                  | -17383                     | -0.013                       | 45979                                   | 0.036                            |
|        | 09/02/2018                       |                                           |                                  | 9948                       | 0.008                        | 55927                                   | 0.043                            |
|        | 16/02/2018                       |                                           |                                  | -159                       | 0.000                        | 55768                                   | 0.043                            |
|        | 23/02/2018                       |                                           |                                  | -1512                      | -0.001                       | 54256                                   | 0.042                            |
|        | 02/03/2018                       |                                           |                                  | -23904                     | -0.019                       | 30352                                   | 0.024                            |
|        | 09/03/2018                       |                                           |                                  | 26352                      | 0.020                        | 56704                                   | 0.044                            |
|        | 16/03/2018                       |                                           |                                  | -1018                      | -0.001                       | 55686                                   | 0.043                            |
|        | 23/03/2018                       |                                           |                                  | 2970                       | 0.002                        | 58656                                   | 0.045                            |
|        | 30/03/2018                       |                                           |                                  | -25588                     | -0.020                       | 33068                                   | 0.026                            |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 33068                                   | 0.026                            |

| 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 |
| 18     | MUKUL AGRAWAL                    |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAPFP7724D                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 510000                                    | 0.396                            |                            |                              |                                         |                                  |
|        | 21/04/2017                       |                                           |                                  | -95486                     | -0.074                       | 414514                                  | 0.322                            |
|        | 28/04/2017                       |                                           |                                  | 44292                      | 0.034                        | 458806                                  | 0.356                            |
|        | 05/05/2017                       |                                           |                                  | -452788                    | -0.351                       | 6018                                    | 0.005                            |
|        | 19/05/2017                       |                                           |                                  | 503982                     | 0.391                        | 510000                                  | 0.396                            |
|        | 26/05/2017                       |                                           |                                  | -44803                     | -0.035                       | 465197                                  | 0.361                            |
|        | 02/06/2017                       |                                           |                                  | -35979                     | -0.028                       | 429218                                  | 0.333                            |
|        | 09/06/2017                       |                                           |                                  | 25744                      | 0.020                        | 454962                                  | 0.353                            |
|        | 16/06/2017                       |                                           |                                  | -2240                      | -0.002                       | 452722                                  | 0.351                            |
|        | 23/06/2017                       |                                           |                                  | -52722                     | -0.041                       | 400000                                  | 0.310                            |
|        | 30/06/2017                       |                                           |                                  | -416                       | 0.000                        | 399584                                  | 0.310                            |
|        | 07/07/2017                       |                                           |                                  | -99584                     | -0.077                       | 300000                                  | 0.233                            |
|        | 14/07/2017                       |                                           |                                  | -6500                      | -0.005                       | 293500                                  | 0.228                            |
|        | 21/07/2017                       |                                           |                                  | -98648                     | -0.077                       | 194852                                  | 0.151                            |
|        | 28/07/2017                       |                                           |                                  | -12721                     | -0.010                       | 182131                                  | 0.141                            |
|        | 04/08/2017                       |                                           |                                  | -2786                      | -0.002                       | 179345                                  | 0.139                            |
|        | 11/08/2017                       |                                           |                                  | -44438                     | -0.034                       | 134907                                  | 0.105                            |
|        | 18/08/2017                       |                                           |                                  | 14314                      | 0.011                        | 149221                                  | 0.116                            |
|        | 24/08/2017                       |                                           |                                  | -11431                     | -0.009                       | 137790                                  | 0.107                            |
|        | 01/09/2017                       |                                           |                                  | -45349                     | -0.035                       | 92441                                   | 0.072                            |
|        | 08/09/2017                       |                                           |                                  | -10381                     | -0.008                       | 82060                                   | 0.064                            |
|        | 15/09/2017                       |                                           |                                  | 12232                      | 0.009                        | 94292                                   | 0.073                            |
|        | 22/09/2017                       |                                           |                                  | 5708                       | 0.004                        | 100000                                  | 0.078                            |
|        | 24/11/2017                       |                                           |                                  | -100000                    | -0.078                       | 0                                       | 0.000                            |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 0                                       | 0.000                            |
| 19     | RANI S B                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :APXPS6609D                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 509060                                    | 0.395                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018 |                                           |                                  |                            |                              | 509060                                  | 0.395                            |
| 20     | Paulastya Sachdev                |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AQHPS8082R                  |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017 | 460000                                    | 0.357                            |                            |                              |                                         |                                  |
|        | 07/04/2017                       |                                           |                                  | -10000                     | -0.008                       | 450000                                  | 0.349                            |
|        | 14/04/2017                       |                                           |                                  | -10000                     | -0.008                       | 440000                                  | 0.341                            |
|        | 13/10/2017                       |                                           |                                  | -20000                     | -0.016                       | 420000                                  | 0.326                            |
|        | 27/10/2017                       |                                           |                                  | -12000                     | -0.009                       | 408000                                  | 0.316                            |

| 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 |
|        | 01/12/2017                                                                                              |                                           |                                  | -28000                     | -0.022                       | 380000                                  | 0.295                            |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 380000                                  | 0.295                            |
| 21     | MEKA THIRUPATHI VENKATA PATTABHI RAMA RAO HUF                                                           |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAIHM2460A                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 425622                                    | 0.330                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 425622                                  | 0.330                            |
| 22     | ANUMOLU BABA VARDHAN RAO                                                                                |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AESPA9191E                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 322933                                    | 0.250                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 322933                                  | 0.250                            |
| 23     | NITIN KAPIL TANDON                                                                                      |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAYPT0031C                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 321000                                    | 0.249                            |                            |                              |                                         |                                  |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 321000                                  | 0.249                            |
| 24     | KODALI SRINIVAS                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AJFPS8516B                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 312340                                    | 0.242                            |                            |                              |                                         |                                  |
|        | 21/04/2017                                                                                              |                                           |                                  | -200                       | 0.000                        | 312140                                  | 0.242                            |
|        | 28/04/2017                                                                                              |                                           |                                  | -1900                      | -0.001                       | 310240                                  | 0.241                            |
|        | 12/05/2017                                                                                              |                                           |                                  | -500                       | 0.000                        | 309740                                  | 0.240                            |
|        | 19/05/2017                                                                                              |                                           |                                  | -2000                      | -0.002                       | 307740                                  | 0.239                            |
|        | 22/09/2017                                                                                              |                                           |                                  | 500                        | 0.000                        | 308240                                  | 0.239                            |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 308240                                  | 0.239                            |
| 25     | Y LAKSHMI KANTAM                                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAKPY8705E                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 305684                                    | 0.237                            |                            |                              |                                         |                                  |
|        | 07/04/2017                                                                                              |                                           |                                  | -1700                      | -0.001                       | 303984                                  | 0.236                            |
|        | 19/05/2017                                                                                              |                                           |                                  | -500                       | 0.000                        | 303484                                  | 0.235                            |
|        | 20/10/2017                                                                                              |                                           |                                  | -1384                      | -0.001                       | 302100                                  | 0.234                            |
|        | Closing Balance as on 31/03/2018                                                                        |                                           |                                  |                            |                              | 302100                                  | 0.234                            |
| 26     | EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG) |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AACCD1644G                                                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                                        | 108899                                    | 0.084                            |                            |                              |                                         |                                  |
|        | 07/04/2017                                                                                              |                                           |                                  | 18266                      | 0.014                        | 127165                                  | 0.099                            |

| 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 |
|        | 21/04/2017                                        |                                           |                                  | 9866                       | 0.008                        | 137031                                  | 0.106                            |
|        | 28/04/2017                                        |                                           |                                  | 40998                      | 0.032                        | 178029                                  | 0.138                            |
|        | 12/05/2017                                        |                                           |                                  | 3386                       | 0.003                        | 181415                                  | 0.141                            |
|        | 19/05/2017                                        |                                           |                                  | 11276                      | 0.009                        | 192691                                  | 0.149                            |
|        | 26/05/2017                                        |                                           |                                  | 5202                       | 0.004                        | 197893                                  | 0.153                            |
|        | 23/06/2017                                        |                                           |                                  | 6996                       | 0.005                        | 204889                                  | 0.159                            |
|        | 30/06/2017                                        |                                           |                                  | 6953                       | 0.005                        | 211842                                  | 0.164                            |
|        | 14/07/2017                                        |                                           |                                  | 6215                       | 0.005                        | 218057                                  | 0.169                            |
|        | 21/07/2017                                        |                                           |                                  | 39112                      | 0.030                        | 257169                                  | 0.199                            |
|        | 28/07/2017                                        |                                           |                                  | 37869                      | 0.029                        | 295038                                  | 0.229                            |
|        | 11/08/2017                                        |                                           |                                  | 6957                       | 0.005                        | 301995                                  | 0.234                            |
|        | 18/08/2017                                        |                                           |                                  | 6534                       | 0.005                        | 308529                                  | 0.239                            |
|        | 30/09/2017                                        |                                           |                                  | 9258                       | 0.007                        | 317787                                  | 0.246                            |
|        | 06/10/2017                                        |                                           |                                  | 21099                      | 0.016                        | 338886                                  | 0.263                            |
|        | 13/10/2017                                        |                                           |                                  | 16243                      | 0.013                        | 355129                                  | 0.275                            |
|        | 29/12/2017                                        |                                           |                                  | 4829                       | 0.004                        | 359958                                  | 0.279                            |
|        | 12/01/2018                                        |                                           |                                  | 10189                      | 0.008                        | 370147                                  | 0.287                            |
|        | 19/01/2018                                        |                                           |                                  | 11523                      | 0.009                        | 381670                                  | 0.296                            |
|        | 26/01/2018                                        |                                           |                                  | 13505                      | 0.010                        | 395175                                  | 0.307                            |
|        | 02/02/2018                                        |                                           |                                  | 11723                      | 0.009                        | 406898                                  | 0.316                            |
|        | 09/02/2018                                        |                                           |                                  | 12784                      | 0.010                        | 419682                                  | 0.326                            |
|        | 16/02/2018                                        |                                           |                                  | 12289                      | 0.010                        | 431971                                  | 0.335                            |
|        | Closing Balance as on 31/03/2018                  |                                           |                                  |                            |                              | 431971                                  | 0.335                            |
| 27     | MOTILAL OSWAL SECURITIES LTD - COLLATERAL ACCOUNT |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAACD3654Q                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                  | 104380                                    | 0.081                            |                            |                              |                                         |                                  |
|        | 07/04/2017                                        |                                           |                                  | -1231                      | -0.001                       | 103149                                  | 0.080                            |
|        | 14/04/2017                                        |                                           |                                  | -16320                     | -0.013                       | 86829                                   | 0.067                            |
|        | 21/04/2017                                        |                                           |                                  | 5857                       | 0.005                        | 92686                                   | 0.072                            |
|        | 28/04/2017                                        |                                           |                                  | -35899                     | -0.028                       | 56787                                   | 0.044                            |
|        | 05/05/2017                                        |                                           |                                  | 244                        | 0.000                        | 57031                                   | 0.044                            |
|        | 12/05/2017                                        |                                           |                                  | -25002                     | -0.019                       | 32029                                   | 0.025                            |
|        | 19/05/2017                                        |                                           |                                  | 16104                      | 0.012                        | 48133                                   | 0.037                            |
|        | 26/05/2017                                        |                                           |                                  | 15942                      | 0.012                        | 64075                                   | 0.050                            |
|        | 02/06/2017                                        |                                           |                                  | -35510                     | -0.028                       | 28565                                   | 0.022                            |
|        | 09/06/2017                                        |                                           |                                  | -2992                      | -0.002                       | 25573                                   | 0.020                            |
|        | 16/06/2017                                        |                                           |                                  | 1169                       | 0.001                        | 26742                                   | 0.021                            |

| 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 |
|        | 23/06/2017 |                                           |                                  | 16441                      | 0.013                        | 43183                                   | 0.033                            |
|        | 30/06/2017 |                                           |                                  | -5465                      | -0.004                       | 37718                                   | 0.029                            |
|        | 07/07/2017 |                                           |                                  | -2238                      | -0.002                       | 35480                                   | 0.028                            |
|        | 14/07/2017 |                                           |                                  | -4246                      | -0.003                       | 31234                                   | 0.024                            |
|        | 21/07/2017 |                                           |                                  | 8015                       | 0.006                        | 39249                                   | 0.030                            |
|        | 28/07/2017 |                                           |                                  | -9542                      | -0.007                       | 29707                                   | 0.023                            |
|        | 04/08/2017 |                                           |                                  | 6583                       | 0.005                        | 36290                                   | 0.028                            |
|        | 11/08/2017 |                                           |                                  | 179747                     | 0.139                        | 216037                                  | 0.168                            |
|        | 18/08/2017 |                                           |                                  | 5023                       | 0.004                        | 221060                                  | 0.171                            |
|        | 24/08/2017 |                                           |                                  | -166192                    | -0.129                       | 54868                                   | 0.043                            |
|        | 01/09/2017 |                                           |                                  | 35242                      | 0.027                        | 90110                                   | 0.070                            |
|        | 08/09/2017 |                                           |                                  | -6674                      | -0.005                       | 83436                                   | 0.065                            |
|        | 15/09/2017 |                                           |                                  | -3625                      | -0.003                       | 79811                                   | 0.062                            |
|        | 22/09/2017 |                                           |                                  | -3085                      | -0.002                       | 76726                                   | 0.060                            |
|        | 30/09/2017 |                                           |                                  | 1850                       | 0.001                        | 78576                                   | 0.061                            |
|        | 06/10/2017 |                                           |                                  | 12240                      | 0.009                        | 90816                                   | 0.070                            |
|        | 13/10/2017 |                                           |                                  | -21426                     | -0.017                       | 69390                                   | 0.054                            |
|        | 20/10/2017 |                                           |                                  | 10698                      | 0.008                        | 80088                                   | 0.062                            |
|        | 27/10/2017 |                                           |                                  | -17812                     | -0.014                       | 62276                                   | 0.048                            |
|        | 31/10/2017 |                                           |                                  | 42675                      | 0.033                        | 104951                                  | 0.081                            |
|        | 03/11/2017 |                                           |                                  | -5419                      | -0.004                       | 99532                                   | 0.077                            |
|        | 10/11/2017 |                                           |                                  | -9260                      | -0.007                       | 90272                                   | 0.070                            |
|        | 17/11/2017 |                                           |                                  | 2840                       | 0.002                        | 93112                                   | 0.072                            |
|        | 24/11/2017 |                                           |                                  | 86504                      | 0.067                        | 179616                                  | 0.139                            |
|        | 01/12/2017 |                                           |                                  | 199933                     | 0.155                        | 379549                                  | 0.294                            |
|        | 08/12/2017 |                                           |                                  | -11307                     | -0.009                       | 368242                                  | 0.286                            |
|        | 15/12/2017 |                                           |                                  | 669                        | 0.001                        | 368911                                  | 0.286                            |
|        | 22/12/2017 |                                           |                                  | 3037                       | 0.002                        | 371948                                  | 0.289                            |
|        | 29/12/2017 |                                           |                                  | 18113                      | 0.014                        | 390061                                  | 0.303                            |
|        | 05/01/2018 |                                           |                                  | 12503                      | 0.010                        | 402564                                  | 0.312                            |
|        | 12/01/2018 |                                           |                                  | -23929                     | -0.019                       | 378635                                  | 0.294                            |
|        | 19/01/2018 |                                           |                                  | -63057                     | -0.049                       | 315578                                  | 0.245                            |
|        | 26/01/2018 |                                           |                                  | 91259                      | 0.071                        | 406837                                  | 0.316                            |
|        | 02/02/2018 |                                           |                                  | -3690                      | -0.003                       | 403147                                  | 0.313                            |
|        | 09/02/2018 |                                           |                                  | 11183                      | 0.009                        | 414330                                  | 0.321                            |
|        | 16/02/2018 |                                           |                                  | 6061                       | 0.005                        | 420391                                  | 0.326                            |
|        | 23/02/2018 |                                           |                                  | -6325                      | -0.005                       | 414066                                  | 0.321                            |
|        | 02/03/2018 |                                           |                                  | -25678                     | -0.020                       | 388388                                  | 0.301                            |

| 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 |
|        | 09/03/2018                                                                        |                                           |                                  | -94004                     | -0.073                       | 294384                                  | 0.228                            |
|        | 16/03/2018                                                                        |                                           |                                  | -3573                      | -0.003                       | 290811                                  | 0.226                            |
|        | 23/03/2018                                                                        |                                           |                                  | -2899                      | -0.002                       | 287912                                  | 0.223                            |
|        | 30/03/2018                                                                        |                                           |                                  | 97127                      | 0.075                        | 385039                                  | 0.299                            |
|        | Closing Balance as on 31/03/2018                                                  |                                           |                                  |                            |                              | 385039                                  | 0.299                            |
| 28     | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY<br>MINISTRY OF CORPORATE AFFAIRS |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :EXEMPTCATG                                                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                  | 0                                         | 0.000                            |                            |                              |                                         |                                  |
|        | 01/12/2017                                                                        |                                           |                                  | 881150                     | 0.068                        | 881150                                  | 0.683                            |
|        | 08/12/2017                                                                        |                                           |                                  | 3790                       | 0.000                        | 884940                                  | 0.686                            |
|        | 22/12/2017                                                                        |                                           |                                  | 24585                      | 0.002                        | 909525                                  | 0.705                            |
|        | 29/12/2017                                                                        |                                           |                                  | 18                         | 0.000                        | 909543                                  | 0.706                            |
|        | Closing Balance as on 31/03/2018                                                  |                                           |                                  |                            |                              | 909543                                  | 0.706                            |
|        |                                                                                   |                                           |                                  |                            |                              |                                         |                                  |
|        |                                                                                   |                                           |                                  |                            |                              |                                         |                                  |
| 29     | KALPRAJ DAMJI DHARAMSHI                                                           |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AABPD7704K                                                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                  | 0                                         | 0.000                            |                            |                              |                                         |                                  |
|        | 21/04/2017                                                                        |                                           |                                  | 200000                     | 0.155                        | 200000                                  | 0.155                            |
|        | 28/04/2017                                                                        |                                           |                                  | 210000                     | 0.163                        | 410000                                  | 0.318                            |
|        | 05/05/2017                                                                        |                                           |                                  | 70000                      | 0.054                        | 480000                                  | 0.372                            |
|        | 12/05/2017                                                                        |                                           |                                  | 20000                      | 0.016                        | 500000                                  | 0.388                            |
|        | 13/10/2017                                                                        |                                           |                                  | -150000                    | -0.116                       | 350000                                  | 0.271                            |
|        | 26/01/2018                                                                        |                                           |                                  | 25000                      | 0.019                        | 375000                                  | 0.291                            |
|        | Closing Balance as on 31/03/2018                                                  |                                           |                                  |                            |                              | 375000                                  | 0.291                            |
| 30     | HEMANG RAICHAND DHARAMSHI                                                         |                                           |                                  |                            |                              |                                         |                                  |
|        | PAN :AAEPD7168G                                                                   |                                           |                                  |                            |                              |                                         |                                  |
|        | Opening Balance as on 01/04/2017                                                  | 0                                         | 0.000                            |                            |                              |                                         |                                  |
|        | 28/04/2017                                                                        |                                           |                                  | 250000                     | 0.194                        | 250000                                  | 0.194                            |
|        | 12/05/2017                                                                        |                                           |                                  | 89588                      | 0.069                        | 339588                                  | 0.263                            |
|        | 19/05/2017                                                                        |                                           |                                  | -139588                    | -0.108                       | 200000                                  | 0.155                            |
|        | 01/09/2017                                                                        |                                           |                                  | -100000                    | -0.078                       | 100000                                  | 0.078                            |
|        | 16/03/2018                                                                        |                                           |                                  | 300000                     | 0.233                        | 400000                                  | 0.310                            |
|        | Closing Balance as on 31/03/2018                                                  |                                           |                                  |                            |                              | 400000                                  | 0.310                            |
|        |                                                                                   |                                           |                                  |                            |                              |                                         |                                  |

## 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       | <b>VELAGAPUDI LAKSHMANA DUTT</b>                                                       |                                           |                                  |                            |                              |                                         |                                  |
|         | PAN :AABPD7988F                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | Opening Balance as on 01/04/2017                                                       | 6005569                                   | 4.658                            |                            |                              |                                         |                                  |
|         | Closing Balance as on 31/03/2018                                                       |                                           |                                  |                            |                              | 6005569                                 | 4.658                            |
| 2       | <b>V L INDIRA DUTT</b>                                                                 |                                           |                                  |                            |                              |                                         |                                  |
|         | PAN :AAAPD6756A                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | Opening Balance as on 01/04/2017                                                       | 3364479                                   | 2.610                            |                            |                              |                                         |                                  |
|         | Closing Balance as on 31/03/2018                                                       |                                           |                                  |                            |                              | 3364479                                 | 2.610                            |
| 3       | <b>KAVITHA D CHITTURI</b>                                                              |                                           |                                  |                            |                              |                                         |                                  |
|         | PAN :AAAPD6737H                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | Opening Balance as on 01/04/2017                                                       | 1180000                                   | 0.915                            |                            |                              |                                         |                                  |
|         | Closing Balance as on 31/03/2018                                                       |                                           |                                  |                            |                              | 1180000                                 | 0.915                            |
| 4       | <b>SWAMINATHA REDDY ONTEDDU</b>                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | PAN :AACPO1809P                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | Opening Balance as on 01/04/2017                                                       | 20                                        | 0.000                            |                            |                              |                                         |                                  |
|         | Closing Balance as on 31/03/2018                                                       |                                           |                                  |                            |                              | 20                                      | 0.000                            |
| 5       | <b>GANDHI.V</b>                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | PAN: AAAPG6503C                                                                        |                                           |                                  |                            |                              |                                         |                                  |
|         | Opening Balance as on 01/04/2015                                                       | 2040                                      | 0.00                             |                            |                              |                                         |                                  |
|         | Closing Balance as on 31/03/2016                                                       |                                           |                                  |                            |                              | 2040                                    | 0.00                             |

## Attachment 'F'

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

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

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

Rs. Lakhs

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Public Deposits (Unsecured Loans) | Total              |
|------------------------------------------------------------|----------------------------------|-----------------|-----------------------------------|--------------------|
|                                                            | Secured Loans excluding deposits | Unsecured Loans | Deposits                          | Total Indebtedness |
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |                                   |                    |
| i) Principal Amount                                        | 23732.15                         | 2010.00         | 9231.02                           | 34973.17           |
| ii) Interest due but not paid                              |                                  |                 | 0.00                              | 0.00               |
| iii) Interest accrued but not due                          |                                  |                 | 361.64                            | 361.64             |
| <b>Total (i+ii+iii)</b>                                    | 23732.15                         | 2010.00         | 9592.66                           | 35334.81           |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |                                   |                    |
| * Addition - fresh deposits                                | 15,903.47                        | 510.00          | 149.75                            | 16,563.22          |
| * Addition - Renewals                                      |                                  |                 | 2,769.69                          | 2,769.69           |
| * Reduction- Repayments                                    | 6,341.68                         | 465.00          | 640.29                            | 7,446.97           |
| * Reduction- Renewals                                      |                                  |                 | 2,769.69                          | 2,769.69           |
| <b>Net Change</b>                                          | 9,561.79                         | 45.00           | -490.54                           | 9,116.25           |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |                                   |                    |
| i) Principal Amount                                        | 33,293.94                        | 2,055.00        | 8,740.48                          | 44,089.42          |
| ii) Interest due but not paid                              |                                  |                 | -                                 | -                  |
| iii) Interest accrued but not due                          |                                  |                 | 356.16                            | 356.16             |
| <b>Total (i+ii+iii)</b>                                    | 33,293.94                        | 2,055.00        | 9,096.64                          | 44,445.58          |

## 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   | <b>Gross salary</b>                                                                 |                        |                       |                            |               |              |
|     | (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                             | 0.21                   | 29.65                 | 70.77                      | 63.07         | 163.71       |
|     | (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                                                         | 426.43                 | 236.32                | 32.22                      | 39.92         | 734.89       |
| 5   | Others, please specify                                                              | -                      | -                     | -                          | -             | -            |
|     | <b>Total (A)</b>                                                                    | 498.64                 | 373.98                | 186.99                     | 186.99        | 1246.59      |
|     | Ceiling as per the Act (As % of Net Profits)                                        | 4%                     | 3%                    | 1.5%                       | 1.5%          | 10%          |

### 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 and committee meetings  | 2.10                     | 2.10                   | 1.70              | 2.30            | 1.50                 | 9.70         |
|     | Commission                                      | -                        | -                      | -                 | -               | -                    | -            |
|     | Others, please specify - Out of pocket expenses | 0.17                     | 0.17                   | -                 | 0.02            | 0.11                 | 0.47         |
|     | <b>Total (1)</b>                                | 2.27                     | 2.27                   | 1.70              | 2.32            | 1.61                 | 10.17        |
|     | Other Non-Executive Directors                   |                          |                        |                   |                 |                      |              |
|     | Fee for attending board committee meetings      | -                        | -                      | -                 | -               | -                    | -            |
|     | Commission                                      | -                        | -                      | -                 | -               | -                    | -            |
|     | Others, please specify                          | -                        | -                      | -                 | -               | -                    | -            |
|     | <b>Total (2)</b>                                | -                        | -                      | -                 | -               | -                    | -            |
|     | <b>Total (B)=(1+2)</b>                          | 2.27                     | 2.27                   | 1.70              | 2.32            | 1.61                 | 10.17        |

## Attachment 'J'

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

Rs. Lakhs

| SN | Particulars of Remuneration                                                         | Key Managerial Personnel |                       |              |
|----|-------------------------------------------------------------------------------------|--------------------------|-----------------------|--------------|
|    |                                                                                     | Sri. Y. Vijayakumar (CS) | Sri. G.N. Murty (CFO) | Total        |
| 1  | <b>Gross salary</b>                                                                 |                          |                       |              |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 21.25                    | 55.27                 | 76.52        |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          |                       |              |
|    | (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  | <b>Others, please specify</b>                                                       |                          |                       |              |
|    | <b>Total</b>                                                                        | <b>21.25</b>             | <b>55.27</b>          | <b>76.52</b> |

## 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) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   |                                                           |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   |                                                           |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| 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 = 350.27 VND as on 31.03.2018 |                  |
| 4  | Share Capital                                                                                           | 545,856,275                         | 8,331            |
| 5  | Reserves & Surplus                                                                                      | 950,053,688                         | 34,376           |
| 6  | Total Assets                                                                                            | 2,093,951,680                       | 59,876           |
| 7  | Total Liabilities                                                                                       | 598,041,717                         | 17,169           |
| 8  | Investments                                                                                             | -                                   | -                |
| 9  | Turnover                                                                                                | 1,602,094,859                       | 45,996           |
| 10 | Profit before taxation                                                                                  | 249,044,339                         | 6,945            |
| 11 | Provision for taxation                                                                                  | 46,778                              | 1                |
| 12 | Profit after taxation                                                                                   | 248,997,561                         | 6,944            |
| 13 | Proposed Dividend *                                                                                     | 204,891,674                         | 5,850            |
| 14 | % of shareholding                                                                                       | 66.667                              | 66.667           |

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

|   |                                                                                        |                                                                             |         |
|---|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------|
|   | Name of Joint Venture                                                                  | FIVES CAIL - KCP LIMITED                                                    |         |
| 1 | Latest Unaudited Balance Sheet Date                                                    | 31st March 2018                                                             |         |
| 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) |                                                                             | 975     |
| 6 | Profit/(Loss) for the year                                                             |                                                                             | 187     |
|   | (i) Considered in Consolidation (Rs.Lakhs)**                                           |                                                                             | 75      |
|   | (ii) Not Considered in Consolidation***                                                |                                                                             | 112     |

\* Dividend paid during the year

\*\* Relates to 40% interest in the Joint Venture

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

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

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

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

## ANNEXURE - 6

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

**FORM AOC-2**

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

| SL. No. | Name of the Relate Party             | Nature of relationship                                                                            | Nature of the transaction      | Value of the transaction |
|---------|--------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|--------------------------|
|         |                                      |                                                                                                   |                                | Rs. Lakhs                |
| 1       | KCP Vietnam Industries Limited       | Subsidiary                                                                                        | Sales and Services             | 1.14                     |
| 2       | Fives Cail KCP Limited               | Joint Venture                                                                                     | Leasing of Products & Services | 119.10                   |
| 3       | KCP Technologies Limited             | Associate Company                                                                                 | Services                       | 16.82                    |
| 4       | KCP Technologies Limited             | Associate Company                                                                                 | Leasing of property            | 1.63                     |
| 5       | V Ramakrishna & Sons Private Limited | Associate Company                                                                                 | Leasing of property            | 0.07                     |
| 6       | Dr.V.L.Indira Dutt                   | Managing Director (MD), Wife of Dr.V.L.Dutt and Mother of Kavitha D Chitturi, JMD of the Company. | Lease rentals                  | 79.53                    |
| 7       | Late. Smt. S R V Rajyalakshamma      | Mother of MD                                                                                      | Lease rentals                  | 9.62                     |
| 8       | Smt.Uma.S.Vallabhaneni               | Sister of MD                                                                                      | Lease rentals                  | 103.60                   |
| 9       | Smt.V.Rama Kumari                    | Sister of MD                                                                                      | . Lease rentals                | 75.50                    |
| 10      | Bala Tripurasundari Ammavaru Trust   | MD is Trustee                                                                                     | Lease rentals                  | 102.95                   |
| 11      | Sri.V.Chandra kumar                  | Brother of MD                                                                                     | Lease rentals                  | 44.67                    |
| 12      | Smt. Kavitha Dutt Chitturi           | Joint Managing Director                                                                           | Lease rentals                  | 4.83                     |

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

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

1. The transactions in Serial number 1 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 rendered by our Associate company M/s KCP Technologies Limited on Engineering business process services which includes documentation, analysis and reporting."
  3. The transactions in serial numbers 2, 4 and 5 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) at Rs.35 per sft per month which is the rate prevailing in that area.
  4. The transactions in serial numbers 6 to 12 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 limestone. The lease Rent payable to all parties both related and un related is 25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.
- (c) Duration of the contracts / arrangements/transactions – From 11 months to 53 years (remaining period)
- (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 section 188: 11/08/2014

**Place:** Chennai  
**Date:** 28th May, 2018

**(V.L. DUTT)**  
Executive Chairman

# Secretarial Audit Report

## Form No. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2018

[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, 2018 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by THE KCP LIMITED for the financial year ended on 31st March, 2018 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.
- 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.

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

Place: Chennai

Date: 28<sup>th</sup> May, 2018

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 an integral part of this report.**

**‘Annexure A’**

To,

The Members

The KCP Limited

Chennai

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

- 1 Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2 I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that 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: 28<sup>th</sup> May 2018

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, 2018, 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.

The Company's corporate governance practices emanate from its commitment towards disclosures, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices over the past 77 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, Executive Chairman, Dr. V.L. Indira Dutt, Managing Director, Smt. Kavitha Dutt Chitturi, Joint Managing 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 Board of Directors of the Company ("Board") consists of an optimum combination of Executive and Independent Directors with expertise in the fields of Management, finance, Technology and Banking.

The Company has a judicious Combination of Executive and Non- Executive Directors. As on March 31, 2018, the Board comprised of 9 Directors out of which four are Executive Directors and five Independent Directors.

All the independent Directors satisfy the criteria of independence specified in the Companies Act, 2013 ("Act"), Regulation 16 (1) (b) of the Listing Regulations and meet the criteria for appointment formulated by the Nomination & Remuneration Committee ("NRC") as approved by the Board..

### The Chairman of the Board is an Executive Director.

NRC has formulated a policy on criteria for Board Nominations. It ensures diversity of qualification, experience, expertise and gender in the composition of the Board. The board members are appointed through a transparent process and are issued appointment letters. The format of terms and conditions of appointment of Independent Directors is displayed on the website of the Company [http://www.kcp.co.in/about us/independent directors](http://www.kcp.co.in/about_us/independent_directors). Each independent director is familiarized with the Company, business, industry, roles and responsibilities, the details of which are available on the website of the Company. [www.kcp.co.in](http://www.kcp.co.in).

Independent Directors were appointed for a specific term as recommended by NRC and their appointments were approved by the Board and the members at their respective meetings.

Executive Directors were appointed as per the provisions of the law.

The Composition of Board is as under:

| Category                                            | Number of Directors |
|-----------------------------------------------------|---------------------|
| Executive Promoter Directors including the Chairman | 3                   |
| Executive Non Promoter Director                     | 1                   |
| Independent Directors                               | 5                   |
| <b>Total</b>                                        | <b>9</b>            |

#### b) Board Meetings

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

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

possible to enclose any document to the agenda, the same is tabled at the Meeting.

The Board periodically reviews compliance reports of laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman. The Board has no restriction to access any information and employees of the Company

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

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

In the Financial Year 2017-2018, the Board met five times.

The Meetings were held on 22nd May 2017, 31st August 2017, 30th November 2017, 5th January 2018 and 14th February 2018. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

The attendance of Directors at Board Meetings ("BM"), last Annual General Meetings ("AGM") was as under:-

| Name of the Director     | 22/05/2017 | 31/08/2017 | 30/11/2017 | 05/01/2018 | 14/02/2018 | No. of meetings attended | AGM 31/08/2017 |
|--------------------------|------------|------------|------------|------------|------------|--------------------------|----------------|
| Dr. V.L. Dutt            | P          | P          | P          | A          | P*         | 4                        | P              |
| Smt. V.L. Indira Dutt    | P          | P          | P          | P          | P          | 5                        | P              |
| Smt. Kavitha D. Chitturi | P          | P          | P          | P          | P          | 5                        | 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          | P          | P          | 5                        | P              |
| Sri. Vijay Sankar        | A          | P          | P          | A          | P          | 3                        | P              |
| Sri. P.S. Kumar          | P          | P          | P          | P          | P          | 5                        | P              |
| Sri. M. Narasimhappa     | P          | P          | P          | P          | A          | 4                        | P              |

\* Attended through video conference.

**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 |                                 |
| <b>Non-Executive Independent Directors:</b>      |                                                                                     |                                        |        |                                 |
| Sri O. Swaminatha Reddy                          | 8                                                                                   | 5                                      | 2      | 20                              |
| Sri V.H. Ramakrishnan                            | 3                                                                                   | -                                      | 4      | 0                               |
| Sri. Vijay Sankar                                | 6                                                                                   | 1                                      | 2      | 0                               |
| Sri. P.S. Kumar                                  | 2                                                                                   | -                                      | 2      | 0                               |
| Sri. M. Narasimhappa                             | 2                                                                                   | -                                      | 2      | 0                               |
| <b>Executive Promoter Directors:</b>             |                                                                                     |                                        |        |                                 |
| Dr. V.L. Dutt, Executive Chairman                | 2                                                                                   | -                                      | -      | 60,05,569                       |
| Smt. V.L. Indira Dutt Managing Director          | 2                                                                                   | -                                      | -      | 33,64,479                       |
| Smt. Kavitha D Chitturi, Joint Managing Director | 3                                                                                   | -                                      | 1      | 11,80,000                       |
| <b>Executive Non Promoter Director:</b>          |                                                                                     |                                        |        |                                 |
| Sri V. Gandhi, Technical Director                | 2                                                                                   | -                                      | -      | 2,040                           |

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

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.

### Meeting of Independent Directors

During the year, one meeting of the independent directors was held on February 14, 2018 as required under Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act inter alia, to:

- ❖ Evaluate performance of Non-Independent Directors and the Board of Directors as a whole; Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- ❖ Evaluate the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. to discuss the matters specified therein. All the Independent Directors except Sri. M. Narasimhappa attended the meeting.

### 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 also has one to one discussion with the newly appointed Directors to familiarize him with them Company's operations.

Further, as an ongoing basis as a part of Agenda of Board/ Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management 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](http://www.kcp.co.in)

## II. COMMITTEES OF THE BOARD

The Board has constituted different committees as required under the Act and Listing Regulations and .to have a more focused attention on various facets of business and for

better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, Innovation and Best Practices Committee and Finance committee.

Each of these Committees has been mandated to operate within a given framework.

The Board committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board.

The minutes of the committee meetings are placed before the Board for noting.

### a) Audit Committee - Mandatory committee

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

The 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 22/05/2017, 31/08/2017, 30/11/2017 and 14/02/2018.

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 |
|----------------------------------------------|-------------------------|-----------------------------|
| <b>Non-Executive Independent Directors :</b> |                         |                             |
| 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                       | 3                           |
| Sri. M. Narasimhappa- Member                 | 4                       | 3                           |
| <b>Executive Promoter Director :</b>         |                         |                             |
| Smt Kavitha D Chitturi- Member               | 4                       | 4                           |

The Company Secretary is the Secretary to the Committee.

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

### Role of the Audit Committee

The Role of the Audit Committee inter-alia includes:

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

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

The Chairman of the Audit Committee was present at the 76th Annual General Meeting held on 31st August 2017.

#### **b) Stakeholders Relationship Committee (SRCommittee) - Mandatory committee**

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

| 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                    | -                        |

The Stakeholders Relationship Committee met on 14/02/2018 during the year 2017-2018

Mr. Y. Vijaya kumar, Company Secretary, is the compliance officer.

The terms of reference of the committee are:

- ❖ Dealing with the investors complaints like delay in transfer of shares, non receipt of Balance Sheet, non-receipt of declared dividends / share certificates, dematerialization of shares, replacement of lost/ stolen/mutilated share certificates, etc.
- ❖ Reviewing of investors complaints and take necessary steps for redressal thereof.
- ❖ To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Act and the rules made there under, Listing Regulations and the guidelines issued by SEBI or any other regulatory authority.

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

The total number of complaints received and resolved during the year ended March 31, 2018 were 103. There were no complaints outstanding as on March 31, 2018.

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

The NRC 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 NRC met on 31/08/2017 during the year, 2017-2018 and the details of the composition of the Committee and attendance of the members are as follows:

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

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 76th 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:

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

and recommend to the Board, their appointment and removal.

### REMUNERATION OF DIRECTORS

#### Remuneration Policy

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

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

#### (i) Remuneration to Independent Directors:

The Independent Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committees 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 2017-2018 (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   | 2.10                             |
| Sri. Vijay Sankar       | 1.70                             |
| Sri. P.S. Kumar         | 2.30                             |
| Sri. M. Narasimhappa    | 1.50                             |

**(ii) Remuneration to Executive Directors**

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

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

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

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

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

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

Particulars of their remuneration for the year ended 31st March, 2018 are given below:

| Particulars of Executive Directors.              | Salary & Perquisites (Rs.in Lakhs) | Commission (Rs.in Lakhs) | Total (Rs.in Lakhs) |
|--------------------------------------------------|------------------------------------|--------------------------|---------------------|
| Dr. V.L. Dutt, Executive Chairman                | 72.21                              | 426.43                   | 498.64              |
| Dr. V.L. Indira Dutt Managing Director           | 137.66                             | 236.32                   | 373.98              |
| Smt. Kavitha D Chitturi, Joint Managing Director | 154.77                             | 32.22                    | 186.99              |
| Sri V. Gandhi, Technical Director                | 147.07                             | 39.92                    | 186.99              |

The Company does not have any stock options scheme.

The Remuneration Policy is displayed on the Company's website viz. [www.kcp.co.in](http://www.kcp.co.in)

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

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

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

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. [www.kcp.co.in](http://www.kcp.co.in)

The Corporate Social Responsibility Committee met on 30/11/2017 during the year 2017-18 and the details of the composition of the Committee and attendance of the members are as follows:

| Directors                         | No. of meetings held | No. of Meetings attended |
|-----------------------------------|----------------------|--------------------------|
| Dr. V.L. Indira Dutt-Chairperson  | 1                    | 1                        |
| Smt. 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                        |

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

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

#### e) Risk management Committee: Non- Mandatory committee

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

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

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

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

A meeting of the Risk Management Committee was held on 14/02/2018 during the year, 2017-2018. The details of the composition of the Committee and attendance of the members are as follows:

| Members                                                            | No. of meetings held | No. of Meetings attended |
|--------------------------------------------------------------------|----------------------|--------------------------|
| Smt. Kavitha D. Chitturi – Chairperson                             | 1                    | 1                        |
| Dr. 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                    | Nil                      |
| 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 didn't have an occasion to meet during the year, 2017-18

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

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

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

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

08/05/2017, 22/05/2017, 6/06/2017, 27/06/2017, 31/07/2017, 09/08/2017, 04/09/2017, 05/10/2017, 31/10/2017, 15/11/2017, 27/11/2017, 20/12/2017, 30/12/2017, 31/12/2017, 16/01/2018, 06/02/2018, 15/02/2018, 5/03/2018, 26/03/2018, 31/03/2018.

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. Y. Vijayakumar      | 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 did not have an occasion to meet.

The composition of the Committee as on March 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under:

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

#### i) Innovation and Best practices committee:

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

| Directors                         | No. of meetings held |
|-----------------------------------|----------------------|
| Sri. Narasimhappa – Chairman      | -                    |
| Smt. Kavitha D. Chitturi – Member | -                    |
| Sri. V.H. Ramakrishnan – Member   | -                    |
| Sri. Vijaysankar – Member         | -                    |
| Sri. V. Gandhi – Member           | -                    |
| Sri. P.S. Kumar – Member          | -                    |

During the year the committee didn't have an occasion to meet..

### III. SHAREHOLDERS' INFORMATION

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

|                           |                                                                                          |
|---------------------------|------------------------------------------------------------------------------------------|
| Date                      | July 30th, 2018                                                                          |
| Time                      | 10.15 a.m.                                                                               |
| Venue (Registered Office) | "Ramakrishna Buildings",<br>No.2, Dr. P.V. Cherian Crescent,<br>Egmore, Chennai 600 008. |

#### 2. Financial Calendar:

##### Key Financial Reporting Dates for the financial year 2018-19

|                                                        |                                                      |
|--------------------------------------------------------|------------------------------------------------------|
| First Quarter ending 30 <sup>th</sup> June, 2018       | Within Forty five Days from the end of the Quarter   |
| Second Quarter ending 30 <sup>th</sup> September, 2018 | Within Forty five Days from the end of the Quarter   |
| Third Quarter ending 31 <sup>st</sup> December, 2018   | Within Forty five Days from the end of the Quarter   |
| Fourth Quarter ending 31 <sup>st</sup> March, 2019     | Within Sixty Days from the end of the Financial year |

3. **Book Closure:** 24th July, 2018 to 30th July, 2018 (both days inclusive)

#### 4. Dividend:

The Board of Directors at their Meeting held on May 28, 2018, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 1/- per share, on equity share Capital of the Company for the Financial Year 2017-18.

The Dividend will be paid to the members whose names appear on Company's Register of Members on 24th July, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on 24th July, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after 10th August, 2018.

#### 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 2018-2019 to the National Stock Exchange of India Limited (NSE).

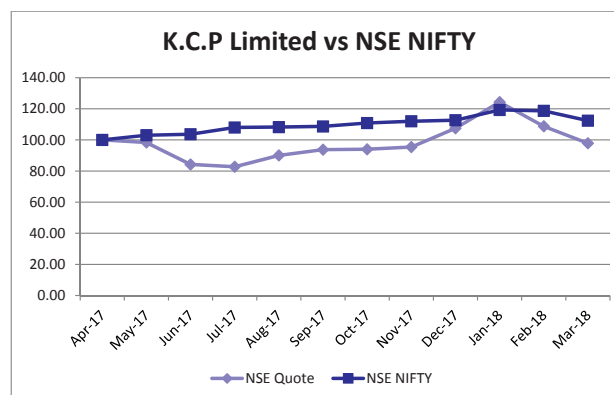
#### 6. Share Price Data:

NATIONAL STOCK EXCHANGE (NSE)

| Month          | High   | Low    |
|----------------|--------|--------|
| April 2017     | 137.70 | 104.55 |
| May 2017       | 135.40 | 97.80  |
| June 2017      | 116.00 | 98.50  |
| July 2017      | 113.95 | 102.9  |
| August 2017    | 124.00 | 92.30  |
| September 2017 | 129.10 | 107.60 |
| October 2017   | 129.40 | 112.50 |
| November 2017  | 131.40 | 118.00 |
| December 2017  | 148.00 | 118.00 |
| January 2018   | 171.20 | 136.75 |
| February 2018  | 149.75 | 116.00 |
| March 2018     | 134.75 | 109.00 |

#### 7. Relative Stock Performance Chart :

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



#### 8. Registrar & Share Transfer Agents

(For demat & physical shares:)

M/s. Integrated Registry Management Services (P) Limited  
 II Floor, "Kences Towers", No.1, Ramakrishna Street  
 North Usman Road, T. Nagar, Chennai 600 017.  
 Ph: 28140801/803, Email: corpserve@iepdindia.com  
 www.integratedindia.in  
 CIN: U74900TN2015PTC101466

#### 9. Share Transfer System

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

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

#### 10. Distribution of the Equity Shareholding as on 31st March, 2018 by number of shares:

| No. of Equity Shares held | No. of Share holders | % Share holders | No. of Shares | % Share holding |
|---------------------------|----------------------|-----------------|---------------|-----------------|
| Upto 5000                 | 23383                | 93.94           | 12517875      | 9.71            |
| 5001-10000                | 652                  | 2.62            | 4757386       | 3.69            |
| 10001-20000               | 375                  | 1.51            | 5310613       | 4.12            |

| No. of Equity Shares held | No. of Share holders | % Share holders | No. of Shares    | % Share holding |
|---------------------------|----------------------|-----------------|------------------|-----------------|
| 20001-30000               | 157                  | 0.63            | 3848505          | 2.99            |
| 30001-40000               | 80                   | 0.32            | 2796451          | 2.17            |
| 40001-50000               | 54                   | 0.22            | 2492126          | 1.93            |
| 50001-100001              | 92                   | 0.37            | 6462482          | 5.01            |
| Above 100001              | 99                   | 0.40            | 90735722         | 70.38           |
| <b>TOTAL</b>              | <b>20488</b>         | <b>100.00</b>   | <b>128921160</b> | <b>100.00</b>   |

#### 11. Equity Shareholding as on 31st March, 2018 by category

| Category                      | No. of Share holders | No. of Shares    | % Share holding |
|-------------------------------|----------------------|------------------|-----------------|
| Clearing Member               | 281                  | 1122721          | 0.8709          |
| Bank Foreign                  | 1                    | 500              | 0.0004          |
| IEPF                          | 1                    | 909543           | 0.7055          |
| Indian Financial Institutions | 7                    | 909543           | 1.1235          |
| Indian Promoters              | 19                   | 57135167         | 44.3179         |
| Mutual Funds & UTI            | 6                    | 5182171          | 4.0197          |
| NRI / OCBs                    | 658                  | 3005701          | 2.3314          |
| Private Corporate Bodies      | 298                  | 5944299          | 4.6108          |
| Indian Public                 | 23619                | 54108124         | 41.9698         |
| Trusts                        | 2                    | 64560            | 0.0501          |
| <b>TOTAL</b>                  | <b>24892</b>         | <b>128921160</b> | <b>100.00</b>   |

#### 12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2018

| SI no | Name of the share holder                                     | Number of shares | %    |
|-------|--------------------------------------------------------------|------------------|------|
| 1     | HDFC Trustee Co. Ltd A/c HDFC Housing Opportunities Fund     | 2719543          | 2.11 |
| 2     | Reliance Capital Trustee Co. Ltd A/c Reliance Small Cap Fund | 2348219          | 1.82 |
| 3     | Sandhya G Parikh                                             | 1654342          | 1.28 |
| 4     | The KCP Limited – Unclaimed Suspense Account                 | 1340930          | 1.04 |

| SI no | Name of the share holder                | Number of shares | %            |
|-------|-----------------------------------------|------------------|--------------|
| 5     | The New India Assurance Company Limited | 1302930          | 1.01         |
| 6     | G.V. Reddy (Dr)                         | 1287250          | 1.00         |
| 7     | Sakunthala Devi Boppana                 | 1052410          | 0.82         |
| 8     | Govindlala M Parikh                     | 1012215          | 0.79         |
| 9     | Hitesh SatishchandraDoshi               | 967755           | 0.75         |
| 10    | Boppana Vinay Kumar                     | 935250           | 0.73         |
|       | <b>Total</b>                            | <b>14620844</b>  | <b>11.34</b> |

#### 13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 12,89,21,160 Equity shares 12,26,78,419 Equity shares are held in dematerialized form with NSDL and CDSL and 69,91,084 shares are in physical form as on 31st March 2018.

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

#### 14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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

#### 15. Plant Locations:

**CEMENT** : 1) Macherla - 522426 Guntur District, Andhra Pradesh

: 2) Ramakrishnapuram Muktyala – 521457, Krishna District, Andhra Pradesh

|                           |                                                                                                                                |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>HEAVY ENGINEERING:</b> | 1) Tiruvottiyur, Chennai 600 019, Tamilnadu                                                                                    |
|                           | 2) Mosur Road Ekhunagar Arakonam 631 004, Tamilnadu                                                                            |
| <b>HYDEL UNIT:</b>        | B.No. AE-1, NSP Colony, Nekarikallu- 522 615, Guntur District, Andhra Pradesh                                                  |
| <b>WIND POWER :</b>       | Uthumalai Village, Tirunelveli District, Tamilnadu                                                                             |
| <b>THERMAL UNITS :</b>    | Macherla - 522426, Guntur District, Andhra Pradesh,<br>Ramakrishnapuram<br>Muktyala – 521457, Krishna District, Andhra Pradesh |
| <b>SOLAR POWER :</b>      | Ramakrishnapuram, Muktyala – 521175, Krishna District, Andhra Pradesh                                                          |
| <b>HOTEL :</b>            | Mercure KCP Hyderabad 6-3-552, Somajiguda, Hyderabad 500 082                                                                   |

#### 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, 2017, September 30, 2017, December 31, 2017 and March 31, 2018. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

#### 17. RISK MANAGEMENT:

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

#### 18. PERFORMANCE EVALUATION OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the

Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors.

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

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safe guarding the interest of the Company and its non-controlling share holders etc.

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

### IV. DISCLOSURES AND OTHER INFORMATION

#### 19. Disclosures

##### 1) Affirmations:

##### a) Code of Business Conduct & Ethics

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

The Code is displayed on the Company's website viz. [www.kcp.co.in](http://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](http://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.

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](http://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.co.in](http://www.kcp.co.in).

## 20. OTHER INFORMATION

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

### 1. Details of Annual General Meetings & Special Resolutions:

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

| Year | AGM              | Location                                                                           | Date       | Time       | Special Resolutions considered                                                                                                                                                                                                                                                        | Result |
|------|------------------|------------------------------------------------------------------------------------|------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 2015 | 74 <sup>th</sup> | "Ramakrishna Buildings"<br>2, Dr. P.V. Cherian Crescent<br>Egmore, Chennai 600 008 | 12/08/2015 | 10.25 AM   | -                                                                                                                                                                                                                                                                                     | -      |
| 2016 | 75 <sup>th</sup> | "Ramakrishna Buildings"<br>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.<br>2. Resolution for revision in remuneration payable to Executive Director of the Company<br>3. Resolution for revision in remuneration payable to Technical Director of the Company. | Passed |
| 2017 | 76 <sup>th</sup> | Ramakrishna Buildings"<br>2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008    | 31/08/2017 | 10.15 a.m. | 1. Resolution for revision in remuneration payable to Joint Managing Director. Of the Company.<br>2. Resolution for revision in remuneration payable to Executive Director of the Company<br>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 31st March 2018.

### 3. Postal Ballot:

No resolutions were passed by way of postal ballot during the financial year ended 31st March 2018

### 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 networth 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 forth with sent to the Stock Exchanges and are published in a national English news paper and in local language (Tamil) news paper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

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

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

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

(vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(vii) A separate dedicated section under "Investors" on the Company's website gives information on unclaimed

dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

## 6. For the information of Shareholders:

### Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s).

Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### Electronic Clearing Service

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

Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

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

### Green Initiative

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

### UNCLAIMED SUSPENSE ACCOUNT

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

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

| Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year | Number of shareholders who approached the Company for transfer of shares from suspense account during the year | Number of shareholders to whom shares were transferred from suspense account during the year | Number of shares were transferred to IEPF Authority from suspense account during the year | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 1619                                                                                                                   | 27                                                                                                             | 27                                                                                           | 851                                                                                       | 741                                                                                                              | 741                                                                                                                 |
| <b>2162150</b>                                                                                                         | <b>31660</b>                                                                                                   | <b>31660</b>                                                                                 | <b>789560</b>                                                                             | <b>1340930</b>                                                                                                   | <b>1340930</b>                                                                                                      |

#### SEBI Complaints Redress System (SCORES):

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

#### GENERAL

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

#### Designated Exclusive email-ids:

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

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

Place: Chennai  
Date: 28<sup>th</sup> May, 2018

(V.L. DUTT)  
Executive Chairman

## Independent Auditor's Certificate On Corporate Governance

The Members The K.C.P Limited

1. This certificate is issued in accordance with the terms of our engagement letter.

2. We have examined the compliance of conditions of corporate governance by The KCP Limited (the 'Company') for the year ended 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### Management's Responsibility

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

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2018.

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

### Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

FOR K.S. RAO & CO  
Chartered Accountants  
Firm Regn. No. 0031109S  
P. GOVARDHANA REDDY  
Partner  
(ICAI MEMB.NO.029193)

Place: Chennai

Date: 28<sup>th</sup> May 2018

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

I, V.L. Dutt, Executive Chairman of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended 31/03/2018.

Place: Chennai

Date: 28<sup>th</sup> May, 2018

**V.L. Dutt**  
Executive Chairman

## CEO / CFO CERTIFICATION

The Board of Directors,

The KCP Limited

We hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2018 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

**For The KCP Limited**

**For The KCP Limited**

Place: Chennai  
Date: 28<sup>th</sup> May, 2018

**V.L. Dutt**  
**Executive Chairman**

**G.N. Murty**  
**Chief Financial Officer**

# Independent Auditor's Report

To the members of The KCP Limited, Chennai

## Report on Standalone Ind-AS Financial Statements:

We have audited the accompanying standalone Ind AS financial statements of **The KCP Limited**, Chennai, which comprise the Balance sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

We have taken into account the provisions of the Companies Act, 2013 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31<sup>st</sup> March, 2018, its financial performance including other comprehensive

income, its cash flows and changes in equity 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 and changes in equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, read with relevant rules issued there under and other accounting principles generally accepted in India;
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 standalone Ind AS financial statements - Refer Note 35 to the standalone Ind AS financial statements;
    - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts and did not have derivative contracts - Refer Note 50 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.

Place: Chennai

Date: 28th May, 2018

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

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

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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 2018.

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, Goods and Service Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it; and  
  
according to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable;
- (b) according to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

| S No | Nature of dues                              | Name of the statute               | Period                   | Amount (Rs. Lakhs) | Paid under protest (Rs. Lakhs) | Forum where the dispute is pending     |
|------|---------------------------------------------|-----------------------------------|--------------------------|--------------------|--------------------------------|----------------------------------------|
| 1    | Excise duty and related demands             | Central Excise Act 1944           | 1996-2015                | 2027.45            | 89.20                          | At various Appellate forums            |
| 2    | Sales tax and related demands               | AP Sales Tax Act 1957             | 1996-2001 and 2011-12    | 237.77             | 103.23                         | AP High Court                          |
| 3    | Sales tax and related demands               | Tamilnadu Sales Tax Act           | 2007-08 & 2015-16        | 8.70               | 6.87                           | Addl. Commissioner of Commercial taxes |
| 4    | Forest Permit Charges                       | A.P. Forest Produce Rules 1970    | 2010-15 and 2016-17      | 301.38             | 96.06                          | Hon'ble High Court                     |
| 5    | Royalty                                     | MMDR Act, 1957                    | 1986-87                  | 0.93               | 0.00                           | ADMG – Guntur                          |
| 6    | Net Present Value of Safety Zone Area       | Forest Conservation Act, 1980     | 2014-15                  | 17.87              | 0.00                           | DFO - Guntur                           |
| 7    | Income Tax                                  | Income Tax Act 1961               | 2010-11 & 2012-13        | 8.03               | 0.00                           | CIT (Appeals)                          |
| 8    | Electricity Duty                            | AP Electricity Duty Act 1938      | July 2003 to May 2013    | 871.22             | 522.73                         | Hon'ble Supreme Court of India         |
| 9    | Contribution to District Mineral foundation | MMDR Act, 1957 as amended in 2015 | 12-01-2015 to 09-02-2016 | 35.87              | 0.00                           | AP High Court                          |

(viii) according to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks during the year under report;

(ix) in our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year;

(x) during the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the

year, nor we have been informed of any such case by the management;

(xi) according to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act 2013;

(xii) the company is not a chit fund or a nidhi/mutual benefit fund/society and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report;

(xiii) according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been

disclosed in the financial statements as required by the applicable accounting standards;

(xiv) according to the information and explanations given to us, and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;

(xv) according to the information and explanations given to us, and based on our examinations of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Therefore, the provision of clause 3(xv) of the Order is not applicable;

(xvi) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai

Date: 28th May, 2018

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

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

## ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' 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 Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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.

#### Auditors' 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 2018, 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.

**For K. S. RAO & Co**

Chartered Accountants

Firm Registration No: 003109S

**(P.GOVARDHANA REDDY)**

Partner

(ICAI Memb. No. 029193)

Place: Chennai

Date: 28th May, 2018

## BALANCE SHEET

|    | Particulars                               | Note No. | As At<br>31st March 2018<br>Rs. Lakhs | As At<br>31st March 2017<br>Rs. Lakhs | As At<br>1st April 2016<br>Rs. Lakhs |
|----|-------------------------------------------|----------|---------------------------------------|---------------------------------------|--------------------------------------|
| I  | <b>ASSETS</b>                             |          |                                       |                                       |                                      |
| 1  | <b>Non-current assets</b>                 |          |                                       |                                       |                                      |
|    | (a) Property, Plant and Equipment         | 2        | 65,220.50                             | 67,705.74                             | 70,614.09                            |
|    | (b) Capital work-in-progress              | 3        | 25,264.54                             | 4,341.43                              | 1,053.49                             |
|    | (c) Investment Property                   | 4        | 1.15                                  | 1.99                                  | 2.14                                 |
|    | (d) Other Intangible Assets               | 5        | 223.72                                | 173.82                                | 168.86                               |
|    | (e) Financial Assets                      |          |                                       |                                       |                                      |
|    | (i) Investments                           | 6        | 2,893.39                              | 2,892.98                              | 2,890.47                             |
|    | (ii) Trade Receivables                    | 7        | 257.53                                | 373.16                                | 139.34                               |
|    | (iii) Loans                               |          | -                                     | -                                     | -                                    |
|    | (iv) Others financial assets              | 8        | 20.87                                 | 24.38                                 | 11.08                                |
|    | (f) Deferred Tax Assets (Net)             |          |                                       |                                       |                                      |
|    | (g) Other Non-current Assets              | 9        | 3,789.06                              | 5,615.24                              | 1,835.84                             |
| 2  | <b>Current assets</b>                     |          |                                       |                                       |                                      |
|    | (a) Inventories                           | 10       | 12,708.30                             | 11,725.20                             | 10,869.29                            |
|    | (b) Financial Assets                      |          |                                       |                                       |                                      |
|    | (i) Investments                           |          | -                                     | -                                     | -                                    |
|    | (ii) Trade Receivables                    | 11       | 2,574.75                              | 3,205.49                              | 3,015.94                             |
|    | (iii) Cash and cash equivalents           | 12       | 1,350.25                              | 1,386.55                              | 981.01                               |
|    | (iv) Bank balances other than (iii) above | 12       | 1,385.39                              | 856.17                                | 906.88                               |
|    | (v) Loans                                 |          | -                                     | -                                     | -                                    |
|    | (vi) Other financial assets               | 13       | 97.89                                 | 161.40                                | 338.56                               |
|    | (c) Current Tax Assets (Net)              | 14       | 715.16                                | 1,077.55                              | -                                    |
|    | (d) Other Current assets                  | 15       | 5,797.76                              | 6,295.63                              | 4,667.81                             |
|    | <b>Total Assets</b>                       |          | <b>122,300.26</b>                     | <b>105,836.73</b>                     | <b>97,494.80</b>                     |
| II | <b>EQUITY AND LIABILITIES</b>             |          |                                       |                                       |                                      |
|    | <b>Equity</b>                             |          |                                       |                                       |                                      |
|    | (a) Equity Share Capital                  | 16       | 1,289.21                              | 1,289.21                              | 1,289.21                             |
|    | (b) Other Equity                          | 17       | 45,288.89                             | 39,767.56                             | 36,652.01                            |
|    | (c) Deferred Government Grant             |          | 34.40                                 | 36.39                                 | -                                    |
|    | <b>LIABILITIES</b>                        |          |                                       |                                       |                                      |
| 1  | <b>Non-current liabilities</b>            |          |                                       |                                       |                                      |
|    | (a) Financial Liabilities                 |          |                                       |                                       |                                      |
|    | (i) Borrowings                            | 18       | 33,588.42                             | 22,210.49                             | 25,399.00                            |
|    | (ii) Trade Payables                       | 19       | 271.26                                | 271.26                                | 271.26                               |
|    | (iii) Other financial liabilities         | 20       | 3,953.95                              | 3,585.24                              | 3,478.73                             |
|    | (b) Provisions                            | 21       | 1,225.63                              | 1,152.52                              | 731.58                               |
|    | (c) Deferred Tax Liabilities (Net)        | 22       | 5,762.18                              | 4,967.49                              | 2,767.08                             |
|    | (d) Other non-current liabilities         |          | -                                     | -                                     | -                                    |
| 2  | <b>Current liabilities</b>                |          |                                       |                                       |                                      |
|    | (a) Financial Liabilities                 |          |                                       |                                       |                                      |
|    | (i) Borrowings                            | 23       | 5,928.78                              | 8,391.55                              | 4,679.12                             |
|    | (ii) Trade payables                       | 24       | 5,202.33                              | 3,806.90                              | 2,819.84                             |
|    | (iii) Other financial liabilities         | 25       | 18,683.79                             | 18,398.31                             | 17,252.93                            |
|    | (b) Other current liabilities             | 26       | 698.28                                | 1,897.83                              | 1,507.62                             |
|    | (c) Provisions                            | 27       | 373.14                                | 61.98                                 | 145.11                               |
|    | (d) Current tax Liabilities (Net)         | 14       | -                                     | -                                     | 501.31                               |
|    | <b>Total Equity and Liabilities</b>       |          | <b>122,300.26</b>                     | <b>105,836.73</b>                     | <b>97,494.80</b>                     |

The accompanying notes form an integral part of the Standalone financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

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

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

Rs in Lakhs, except no. of equity shares and per equity share data

## STATEMENT OF PROFIT AND LOSS

| PARTICULARS                                                                             | Note No | Year ended 31-Mar-2018 | Year ended 31-Mar-2017 |
|-----------------------------------------------------------------------------------------|---------|------------------------|------------------------|
| <b>Income</b>                                                                           |         |                        |                        |
| Revenue from Operations                                                                 | 28      | 105,998.83             | 94,899.47              |
| Other Income                                                                            | 29      | 4,710.56               | 577.05                 |
| <b>Total Revenue</b>                                                                    |         | <b>110,709.39</b>      | <b>95,476.52</b>       |
| <b>Expenses</b>                                                                         |         |                        |                        |
| Cost of Raw Materials and Components consumed                                           | 30      | 16,912.96              | 17,240.26              |
| (Increase)/Decrease in Inventories of finished goods, work-in-progress and traded goods | 31      | 118.30                 | 685.53                 |
| Employee Benefits expense                                                               | 32      | 9,344.58               | 7,848.46               |
| Power and fuel                                                                          |         | 26,922.57              | 18,468.07              |
| Freight and Forwarding expense                                                          |         | 19,014.02              | 10,506.55              |
| Finance Costs                                                                           | 33      | 3,528.99               | 4,725.23               |
| Depreciation and amortization expense                                                   | 2       | 4,902.63               | 4,860.51               |
| Excise duty                                                                             |         | 3,659.12               | 13,099.09              |
| Other expenses                                                                          | 34      | 14,198.05              | 12,757.55              |
| <b>Total Expenses</b>                                                                   |         | <b>98,601.22</b>       | <b>90,191.25</b>       |
| <b>Profit/(Loss) before Exceptional items and tax</b>                                   |         | <b>12,108.17</b>       | <b>5,285.27</b>        |
| <b>Less : Exceptional Items</b>                                                         | 53      | 871.22                 | -                      |
| <b>Profit/(Loss) before tax</b>                                                         |         | <b>11,236.95</b>       | <b>5,285.27</b>        |
| <b>Add : Income Tax Refund</b>                                                          |         | -                      | -                      |
| <b>Less : Tax expenses</b>                                                              | 35      |                        |                        |
| Short /(Excess) provision of Income Tax of Eariler Years                                |         | (60.86)                | -                      |
| Current tax (including Rs. 866.7 lakhs (previous year - Nil) of MAT credit utilised)    |         | 3,210.00               | 1,025.95               |
| MAT credit utilised / (entitlement)                                                     |         | -                      | (649.44)               |
| Deferred tax                                                                            |         | (38.88)                | 1,499.02               |
| <b>Total tax expense</b>                                                                |         | <b>3,110.26</b>        | <b>1,875.53</b>        |
| <b>Profit/(Loss) for the year from continuing operations - after tax (A)</b>            |         | <b>8,126.69</b>        | <b>3,409.74</b>        |
| <b>Profit / (Loss) from discontinued operations</b>                                     |         | -                      | (36.00)                |
| <b>Less : Tax expense of discontinued operations</b>                                    |         | -                      | (7.68)                 |
| <b>Profit / (Loss) from discontinued operations - after tax (B)</b>                     |         | -                      | (28.32)                |
| <b>Profit / (Loss) for the year (A) + (B)</b>                                           |         | <b>8,126.69</b>        | <b>3,381.42</b>        |
| Other Comprehensive Income- OCI                                                         | 36      |                        |                        |
| a) Items that will not be reclassified subsequently to Profit or loss                   |         | (60.13)                | (308.62)               |
| b) Items that will be reclassified subsequently to Profit or loss                       |         | -                      | -                      |
| c) Impact of income tax on above (a) and (b)                                            |         | 33.23                  | 42.75                  |
| <b>Total Other Comprehensive Income- OCI</b>                                            |         | <b>(26.90)</b>         | <b>(265.87)</b>        |
| <b>Total Comprehensive Income for the period (Comprising P&amp;L + OCI)</b>             |         | <b>8,099.79</b>        | <b>3,115.55</b>        |
| <b>Earnings per share (for Continuing Operations) Basic and diluted</b>                 | 46      | 6.30                   | 2.64                   |
| <b>Earnings per share (for Discontinued Operations) Basic and diluted</b>               |         | -                      | (0.02)                 |
| <b>Total Earnings per share - Basic and Diluted</b>                                     |         | <b>6.30</b>            | <b>2.62</b>            |
| (Face value of share is Re.1)                                                           |         |                        |                        |

The accompanying notes form an integral part of the Standalone financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing 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  
**P. GOVARDHANA REDDY**  
Partner  
(ICAI Memb. No.029193)  
**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

(Rs in Lakhs, except equity share)

### A. Equity share capital

| Particulars                                    | No of Shares | Amount are in lakhs |
|------------------------------------------------|--------------|---------------------|
| Balance as at 1st April, 2016                  | 128921160    | 1289.21             |
| Changes in equity share capital during 2016-17 | -            | -                   |
| Balance as at 31st March, 2017                 | 128921160    | 1289.21             |
| Changes in equity share capital during 2017-18 | -            | -                   |
| Balance as at 31st March, 2018                 | 128921160    | 1289.21             |

## B. Other Equity

|                                                           | Reserves and Surplus       |                                   |                                 |                                  |                   | Other Comprehensive Income                            |                                |           |
|-----------------------------------------------------------|----------------------------|-----------------------------------|---------------------------------|----------------------------------|-------------------|-------------------------------------------------------|--------------------------------|-----------|
| Particulars                                               | Capital Redemption Reserve | Capital Reserve on reorganisation | Capital Reserve on Amalgamation | Other Reserves (General reserve) | Retained Earnings | Equity instruments through Other Comprehensive Income | Actuarial Gains/losses reserve | Total     |
| Balance at the beginning of reporting period - 01-04-2016 | 2,000.00                   | 279.91                            | 103.83                          | 26,763.58                        | 7,570.68          | (0.56)                                                | (65.43)                        | 36,652.01 |
| Profit for the period                                     | -                          | -                                 | -                               | -                                | 3,381.43          | -                                                     | -                              | 3,381.43  |
| Other Comprehensive Income (refer note no. 36)            | -                          | -                                 | -                               | -                                | -                 | 1.83                                                  | (267.70)                       | (265.87)  |
| Total Comprehensive Income for the year                   | -                          | -                                 | -                               | -                                | 3,381.43          | 1.83                                                  | (267.70)                       | 3,115.56  |
| Transfer from/to General Reserve                          | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -         |
| Final Dividend                                            | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -         |
| Interim Dividend                                          | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -         |
| Dividend Distribution tax                                 | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -         |

(Rs in Lakhs, except equity share)

| Particulars                                                | Reserves and Surplus       |                                   |                                 |                                  |                   | Other Comprehensive Income                            |                                |                  |
|------------------------------------------------------------|----------------------------|-----------------------------------|---------------------------------|----------------------------------|-------------------|-------------------------------------------------------|--------------------------------|------------------|
|                                                            | Capital Redemption Reserve | Capital Reserve on reorganisation | Capital Reserve on Amalgamation | Other Reserves (General reserve) | Retained Earnings | Equity instruments through Other Comprehensive Income | Actuarial Gains/losses reserve | Total            |
| <b>Balance at the end of reporting period - 31-03-2017</b> | <b>2,000.00</b>            | <b>279.91</b>                     | <b>103.83</b>                   | <b>26,763.58</b>                 | <b>10,952.11</b>  | <b>1.27</b>                                           | <b>(333.13)</b>                | <b>39,767.57</b> |
| Profit for the period                                      | -                          | -                                 | -                               | -                                | 8,126.67          | -                                                     | -                              | 8,126.67         |
| Other Comprehensive Income (refer note no. 36)             | -                          | -                                 | -                               | -                                | -                 | (0.71)                                                | (26.18)                        | (26.89)          |
| Total Comprehensive Income for the year                    | -                          | -                                 | -                               | -                                | 8,126.67          | (0.71)                                                | (26.18)                        | 8,099.78         |
| Transfer from/to General Reserve                           | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -                |
| Final Dividend                                             | -                          | -                                 | -                               | -                                | (2,578.44)        | -                                                     | -                              | (2,578.44)       |
| Dividend Distribution tax                                  | -                          | -                                 | -                               | -                                | -                 | -                                                     | -                              | -                |
| <b>Balance at the end of reporting period - 31-03-2018</b> | <b>2,000.00</b>            | <b>279.91</b>                     | <b>103.83</b>                   | <b>26,763.58</b>                 | <b>16,500.34</b>  | <b>0.56</b>                                           | <b>(359.31)</b>                | <b>45,288.91</b> |

The accompanying notes form an integral part of the Standalone financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

**O. SWAMINATHA REDDY**  
Director

Place: Chennai  
Date: 28th May, 2018

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

**V. GANDHI**  
Technical Director

**KAVITHA D CHITTURI**  
Joint Managing Director

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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

## STATEMENT OF CASH FLOWS

| PARTICULARS                                                      | Note. No | Current Year<br>Rs. Lakhs | Previous Year<br>Rs. Lakhs |
|------------------------------------------------------------------|----------|---------------------------|----------------------------|
| <b>(A) Cash flow from operating activities</b>                   |          |                           |                            |
| Profit before tax from continuing operations                     |          | 12,108.17                 | 5,285.27                   |
| Less: Exceptional Items                                          | 53       | 871.22                    |                            |
| Profit before tax from discontinued operations                   |          | -                         | (36.00)                    |
| <b>Profit before tax</b>                                         |          | <b>11,236.95</b>          | <b>5,249.27</b>            |
| Adjustments for :                                                |          |                           |                            |
| Depreciation on tangible fixed assets                            | 2 & 4    | 4,882.82                  | 4,826.14                   |
| Amortization on intangible fixed assets                          | 5        | 19.81                     | 34.36                      |
| Loss/[profit] on sale of fixed assets                            |          | 11.46                     | 28.68                      |
| Assets written off                                               |          | 55.21                     | 12.40                      |
| Expected Credit loss                                             | 29       | (2.82)                    | 3.83                       |
| Discounting of trade receivables                                 | 29       | (17.22)                   | -                          |
| Amortisation of government grant                                 |          | (1.99)                    | (0.82)                     |
| Unrealised foreign exchange gain                                 | 37       | (37.73)                   | (8.01)                     |
| Actuarial gain on defined benefit plan-gratuity                  |          | 35.68                     | (186.93)                   |
| Actuarial loss on defined benefit plan-leave                     |          | (95.09)                   | (123.52)                   |
| Interest expense                                                 | 33       | 3,528.99                  | 4,725.23                   |
| Interest income                                                  |          | (259.32)                  | (179.11)                   |
| Dividend income                                                  | 29       | (3,923.53)                | (53.83)                    |
| <b>Operating profit before working capital changes</b>           |          | <b>15,433.22</b>          | <b>14,327.69</b>           |
| <b>Movements in working capital:</b>                             |          |                           |                            |
| Adjustments for Increase / (Decrease) in operating liabilities : |          |                           |                            |
| Increase/[decrease] in trade payables                            |          | 1,395.43                  | 987.06                     |
| Increase/[decrease] in non current- other financial liabilities  |          | 368.71                    | 106.51                     |
| Increase/[decrease] in long term provisions                      |          | 73.11                     | 420.94                     |
| Increase/[decrease] in current- other financial liabilities      |          | 285.48                    | 1,145.38                   |
| Increase/[decrease] in other current liabilities                 |          | (1,199.55)                | 390.21                     |
| Increase/[decrease] in current provisions                        |          | 311.16                    | (83.13)                    |
| Adjustments for Decrease / (Increase) in operating assets :      |          |                           |                            |
| Decrease/[increase] in non current trade receivables             |          | 132.85                    | (233.82)                   |
| Decrease/[increase] in non current other financial assets        |          | 3.51                      | (13.30)                    |
| Decrease/[increase] in other non-current assets                  |          | 1,826.18                  | (3,779.40)                 |
| Decrease/[increase] in inventories                               |          | (983.10)                  | (855.91)                   |
| Decrease/[increase] in current trade receivables                 |          | 671.29                    | (185.37)                   |
| Decrease/[increase] in other bank deposits                       |          | (529.22)                  | 50.71                      |
| Decrease/[increase] in current other financial assets            |          | 41.44                     | 171.85                     |
| Decrease/[increase] in other current assets                      |          | 497.87                    | (1,627.82)                 |
| <b>Cash generated from/[used in] operations</b>                  |          | <b>18,328.38</b>          | <b>10,821.58</b>           |
| Direct taxes paid [net of refunds]                               |          | (1,919.96)                | (1,203.56)                 |
| <b>Net cash flow from/[used in] operating activities (A)</b>     |          | <b>16,408.42</b>          | <b>9,618.04</b>            |
| <b>(B) Cash flows from investing activities</b>                  |          |                           |                            |
| Purchase of Fixed assets, including intangible assets, CWIP      | 2,3 & 5  | (23,555.73)               | (5,347.05)                 |
| Proceeds from sale of fixed assets                               |          | 99.49                     | 98.29                      |
| Interest received                                                |          | 281.39                    | 184.42                     |
| Dividends received                                               | 29       | 3,922.41                  | 53.15                      |
| <b>Net cash flow from/[used in] investing activities (B)</b>     |          | <b>(19,252.44)</b>        | <b>(5,011.19)</b>          |
| <b>C. Cash flows from financing activities</b>                   |          |                           |                            |
| Proceeds from long term Borrowings (net)                         | 18       | 11,377.93                 | (3,188.51)                 |
| Repayment of short term borrowings                               |          | (2,462.77)                | 3,712.43                   |
| Interest paid                                                    | 33       | (3,528.99)                | (4,725.23)                 |
| Dividends paid                                                   |          | (2,578.44)                |                            |
| <b>Net cash flow from/[used in] in financing activities (C)</b>  |          | <b>2,807.73</b>           | <b>(4,201.31)</b>          |
| Net increase/[decrease] in cash and Bank Balances (A+B+C)        |          | (36.29)                   | 405.54                     |
| Cash and Bank Balances at the beginning of the year              |          | 1,386.55                  | 981.01                     |
| <b>Cash and Bank Balances at the end of the year</b>             |          | <b>1,350.26</b>           | <b>1,386.55</b>            |
| Components of cash and Bank Balances                             | 12       |                           |                            |
| Cash on hand                                                     |          | 7.48                      | 11.21                      |
| Cheques/drafts on hand                                           |          | 161.44                    | 184.17                     |
| Balance in current account                                       |          | 227.00                    | 226.02                     |
| On deposit account                                               |          | 862.92                    | 934.62                     |
| Current account balance for repayment of Public Deposits         |          | 91.41                     | 30.53                      |
| <b>Total Cash and Bank Balances</b>                              |          | <b>1,350.25</b>           | <b>1,386.55</b>            |

The accompanying notes form an integral part of the Standalone financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

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

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

## NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT 31<sup>st</sup> MARCH, 2018

### 1. Company overview and significant accounting policies

#### 1.1. Company overview

The KCP Limited ("the company") a public limited company incorporated and domiciled in India and has its registered office at Chennai. The securities of the company were listed in National Stock Exchange of India Limited.

The Company is engaged in the business of manufacture and sale of cement, heavy engineering, power generation for captive use and hospitality. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors for issue on 28 th May, 2018.

#### 1.2. Basis for preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI).

Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006, the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. These are the Company's first Ind AS financial statements. The Date of transition to Ind AS is April 1, 2016. The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from Indian Accounting principles generally accepted in India, as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized.

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### I. USE OF ESTIMATES

The preparation of financial statements in conformity with the IND AS requires the management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

- ❖ Estimation of fair value of unlisted securities.
- ❖ Defined benefit obligation.
- ❖ Estimation of useful life of Property, Plant and Equipment.
- ❖ Estimation and evaluation of provisions and contingencies relating to tax litigations.
- ❖ Expected Credit Losses.

### II. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It includes Excise Duty but excludes Value Added Tax, Sales Tax, and Goods and Services Tax (GST).

- 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) Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

g) Other Income: Revenue in respect of other income are recognised when there is a reasonable certainty as to its realisation.

### III. BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to revenue in the period in which they are incurred.

### IV. GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

## V. EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

### a) Defined Contribution Plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### b) Defined Benefit Plans:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ❖ Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ❖ Net interest expense or income in Profit and Loss Statement and
- ❖ Re-measurement in other comprehensive income.

### c) Provident fund and Employees' state insurance scheme:

Eligible employees of The KCP Limited receive benefits from a provident fund and employees' state insurance scheme which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund and employees' state insurance equal to a specified percentage of the covered employee's salary.

**d) Superannuation:**

Certain employees of The KCP Limited are participants in a defined contribution plan. The company has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

**e) Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**f) Other long term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields of Government Bond at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

## **VI. PROPERTY, PLANT AND EQUIPMENT**

### **TANGIBLE FIXED ASSETS**

a) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate of cost of decommissioning, dismantling and removing the item & restoring the site on which it is located. Freehold land is not depreciated.

b) Construction Period Expenses on Projects : All identifiable revenue expenses including interest on term loans incurred in respect of various projects/ expansions are allocated to capital cost of respective assets/ capital work in progress.

b) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

d) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e) The company follows the process of componentization for property, plant and equipment. Accordingly, the company has identified a part of an asset as a separate component in whole asset value and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

f) 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.

g) 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".

h) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance

Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

i) Stripping Costs:

### Developmental stripping costs

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of stripping costs ends when commercial production of mineral reserves begins.

## INTANGIBLE ASSETS

Intangible assets are initially recorded at the consideration paid for acquisition and stated net of amortized value and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortisation methods and useful lives are reviewed periodically in each financial year end.

## INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts. It also includes borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

## DEPRECIATION

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

- ❖ In respect of assets existing as on 30-6-1988, under the written down value method; and

- ❖ In respect of assets acquired on or after 1-7-1988, under the straight line method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having significant cost, has been assessed based on technical estimate which is different from the life given under the Schedule II to the Companies Act, 2013 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               |

## VII. IMPAIRMENT

### a. Financial assets:

The company recognizes loss allowances using Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

### b. Non-financial assets i.e. Intangible assets and Property, plant & equipment:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount in the statement of Profit and loss. The recoverable amount is the higher of

an asset's fair value less costs of disposal and value in use. An impairment loss is reversed in the Statement of Profit and loss if there has been a change in the estimates used to determine the recoverable amount. Non-Financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

## VIII. FINANCIAL INSTRUMENTS

### a. Initial Recognition:

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### b. Subsequent Recognition:

#### Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

#### Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and

loss. For trade and other payables measuring within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### c. De-recognition of financial assets and liabilities:

#### Financial assets:

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfer the financial asset and the transfer qualifies for de-recognition.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

#### Financial Liabilities:

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid should be recognised in profit or loss.

## IX. INVENTORIES

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares and traded goods is determined on moving weighted average basis.

#### Stock of Scrap - Engineering Unit

- ❖ Purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.
- ❖ In respect of other scrap, the stock of scrap is not valued and adjusted. As and when sales are made stocks are adjusted.

## X. CURRENT AND NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- ❖ expected to be realized or intended to be sold or consumed in the normal operating cycle held primarily for the purpose of trading and
  - ❖ expected to be realized within twelve months after the reporting period.
- b) All other assets are classified as non-current.
- c) A liability is treated as current when:
- ❖ it is expected to be settled in the normal operating cycle it is held primarily for the purpose of trading
  - ❖ it is due to be settled within twelve months after the reporting period, or
  - ❖ there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

d) All other liabilities are classified as non-current.

e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## XI. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and Bank overdrafts.

## XII. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals

of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

## XIII. FOREIGN EXCHANGE TRANSACTIONS

Functional Currency of the company is Indian Rupee. These financial statements are presented in Indian Rupees, rounded off to Lakhs.

### Transactions and translations:

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year in determining net profit for the period.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities – are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

## XIV. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

## XV. TAXES ON INCOME

Tax expense comprises of current and deferred taxes. The income tax expense (income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted

by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

a) The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

b) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Where the Company's entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

## XVI. EARNING PER SHARE

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

## XVII. PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS

### Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

### Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

### Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain

future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

### **XVIII) SEGMENT REPORTING:**

Operating segments are defined as components of the entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance, the company's chief operating decision maker is the Executive Chairman.

The company has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Power Generation unit and 4) Hotel.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

### **1.3 FIRST-TIME ADOPTION OF IND-AS**

These standalone financial statements of The KCP Limited for the year ended 31st March 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing standalone financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement

of Profit and Loss, is set out in note 1.5 and Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 1.4.

### **1.4 EXEMPTION AVAILED ON FIRST TIME ADOPTION OF IND AS 101**

#### **a. Deemed Cost:**

For transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment, Investment property and intangible assets are recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date, as there is no change in its functional currency.

#### **b. Lease:**

For transition to Ind AS, the company has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

#### **c. Investments in Subsidiaries and Joint Ventures:**

The company has elected to measure its investments in subsidiary and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition, i.e., April 1, 2016.

#### **d. Designation of previously recognised financial instruments:**

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrecoverable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

#### **e. Fair value measurement of financial assets or financial liabilities at initial recognition**

Company has applied the requirements in Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

**Reconciliation of Equity (as per para 24 (a) of IND AS 101)**

| Particulars |                                           | As on 31st March 2017 |                    |                   | As on 1st April 2016 |                    |                  |
|-------------|-------------------------------------------|-----------------------|--------------------|-------------------|----------------------|--------------------|------------------|
|             |                                           | As per IGAAP          | Ind AS Adjustments | As per IND AS     | As per IGAAP         | Ind AS Adjustments | As per IND AS    |
| I           | <b>ASSETS</b>                             |                       |                    |                   |                      |                    |                  |
| (1)         | <b>Non-current assets</b>                 |                       |                    |                   |                      |                    |                  |
|             | (a) Property, Plant and Equipment         | 68,643.73             | (937.99)           | 67,705.74         | 70,388.88            | 225.21             | 70,614.09        |
|             | (b) Capital Work-in-progress              | 4,388.56              | (47.13)            | 4,341.43          | 1,053.49             | -                  | 1,053.49         |
|             | (c) Investment Property                   | 1.93                  | 0.06               | 1.99              | 2.14                 | -                  | 2.14             |
|             | (d) Other Intangible Assets               | 145.60                | 28.22              | 173.82            | 168.86               | -                  | 168.86           |
|             | (e) Financial Assets                      |                       |                    |                   |                      |                    | -                |
|             | (i) Investments                           | 2,891.70              | 1.27               | 2,892.98          | 2,891.02             | (0.56)             | 2,890.47         |
|             | (ii) Trade Receivables                    | 438.60                | (65.44)            | 373.16            | 158.44               | (19.10)            | 139.34           |
|             | (iii) Loans                               | -                     | -                  | -                 | -                    | -                  | -                |
|             | (iv) Other financial assets               | 24.38                 | -                  | 24.38             | 11.08                | -                  | 11.08            |
|             | (f) Deferred Tax Assets (Net)             |                       |                    |                   |                      |                    | -                |
|             | (g) Other Non-current Assets              | 10,399.98             | (4,784.75)         | 5,615.24          | 7,364.72             | (5,528.88)         | 1,835.84         |
| (2)         | <b>Current assets</b>                     |                       |                    |                   |                      |                    | -                |
|             | (a) Inventories                           | 11,725.20             | -                  | 11,725.20         | 12,092.43            | (1,223.14)         | 10,869.29        |
|             | (b) Financial Assets                      |                       |                    |                   |                      |                    | -                |
|             | (i) Investments                           |                       |                    |                   |                      |                    | -                |
|             | (ii) Trade Receivables                    | 3,214.71              | (9.22)             | 3,205.49          | 3,021.33             | (5.39)             | 3,015.94         |
|             | (iii) Cash and cash equivalents           | 1,386.56              | -                  | 1,386.56          | 366.26               | -                  | 366.26           |
|             | (iv) Bank balances other than (iii) above | 856.16                | -                  | 856.16            | 1,521.63             | -                  | 1,521.63         |
|             | (v) Loans                                 |                       |                    |                   |                      |                    | -                |
|             | (vi) Other financial assets               | 161.40                | -                  | 161.40            | 338.56               | -                  | 338.56           |
|             | (c) Current Tax Assets (Net)              | 2,182.28              | (1,104.73)         | 1,077.55          | 978.72               | (978.72)           | -                |
|             | (d) Other Current assets                  | 6,312.00              | (16.38)            | 6,295.63          | 4,667.81             | -                  | 4,667.81         |
|             | <b>Total Assets</b>                       | <b>112,772.79</b>     | <b>(6,936.09)</b>  | <b>105,836.73</b> | <b>105,025.37</b>    | <b>(7,530.58)</b>  | <b>97,494.80</b> |
| II          | <b>EQUITY AND LIABILITIES</b>             |                       |                    |                   |                      |                    | -                |
|             | <b>Equity</b>                             |                       |                    |                   |                      |                    | -                |
|             | (a) Equity Share Capital                  | 1,289.21              | -                  | 1,289.21          | 1,289.21             | -                  | 1,289.21         |
|             | (b) Other Equity                          | 40,414.56             | (647.00)           | 39,767.56         | 37,454.41            | (802.41)           | 36,652.00        |
|             | Deferred Government Grant                 | -                     | 36.39              | 36.39             | -                    | -                  | -                |
|             | <b>LIABILITIES</b>                        |                       |                    |                   |                      |                    | -                |
| (1)         | <b>Non-current liabilities</b>            |                       |                    |                   |                      |                    | -                |
|             | (a) Financial Liabilities                 |                       |                    |                   |                      |                    | -                |
|             | (i) Borrowings                            | 22,257.65             | (47.16)            | 22,210.49         | 25,399.00            | -                  | 25,399.00        |
|             | (ii) Trade Payables                       | 271.26                | -                  | 271.26            | 271.26               | -                  | 271.26           |
|             | (iii) Other financial liabilities         | 3,620.42              | (35.18)            | 3,585.24          | 3,562.46             | (83.74)            | 3,478.72         |
|             | (b) Provisions                            | 1,086.26              | 66.25              | 1,152.51          | 444.05               | 287.55             | 731.60           |
|             | (c) Deferred Tax Liabilities (Net)        | 10,105.90             | (5,138.41)         | 4,967.49          | 8,720.34             | (5,953.25)         | 2,767.09         |
|             | (d) Other non-current liabilities         |                       |                    |                   | -                    |                    | -                |
| (2)         | <b>Current liabilities</b>                |                       |                    |                   |                      |                    | -                |
|             | (a) Financial Liabilities                 |                       |                    |                   |                      |                    | -                |
|             | (i) Borrowings                            | 8,391.55              | -                  | 8,391.55          | 4,679.12             | -                  | 4,679.12         |
|             | (ii) Trade payables                       | 3,806.89              | -                  | 3,806.89          | 2,819.84             | -                  | 2,819.84         |
|             | (iii) Other financial liabilities         | 18,395.73             | 2.57               | 18,398.31         | 17,252.93            | -                  | 17,252.93        |
|             | (b) Other current liabilities             | 1,897.83              | -                  | 1,897.83          | 1,507.62             | -                  | 1,507.62         |
|             | (c) Provisions                            | 130.80                | (68.82)            | 61.98             | 145.11               | -                  | 145.11           |
|             | (d) Current tax Liabilities (Net)         | 1,104.73              | (1,104.73)         | -                 | 1,480.03             | (978.72)           | 501.31           |
|             | <b>Total Equity and Liabilities</b>       | <b>112,772.79</b>     | <b>(6,936.09)</b>  | <b>105,836.73</b> | <b>105,025.37</b>    | <b>(7,530.58)</b>  | <b>97,494.80</b> |

Rs in Lakhs

**Reconciliation of Profit or loss for the period ending 31-03-2017 (As per para 24 (b) of IND AS 101 )**

| PARTICULARS                                                                             | Balances as per IGAAP | Ind AS Adjustments | Balance as per 'IND AS |
|-----------------------------------------------------------------------------------------|-----------------------|--------------------|------------------------|
| <b>Income</b>                                                                           |                       |                    |                        |
| Revenue from Operations                                                                 | 94,898.65             | 0.82               | 94,899.47              |
| Other Income                                                                            | 556.66                | 20.39              | 577.05                 |
| <b>Total Revenue</b>                                                                    | <b>95,455.31</b>      | <b>21.21</b>       | <b>95,476.52</b>       |
| <b>Expenses</b>                                                                         |                       |                    |                        |
| Cost of Raw Materials and Components consumed                                           | 21,880.68             | (4,640.42)         | 17,240.26              |
| [Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods | 685.53                |                    | 685.53                 |
| Employee Benefits expense                                                               | 7,794.38              | 54.08              | 7,848.46               |
| Power and fuel                                                                          | 14,894.29             | 3,573.78           | 18,468.07              |
| Freight and forwarding charges                                                          | 10,506.55             |                    | 10,506.55              |
| Finance Costs                                                                           | 4,630.33              | 94.90              | 4,725.23               |
| Depreciation and amortization expense                                                   | 5,053.07              | (192.57)           | 4,860.51               |
| Excise duty                                                                             | 13,069.22             | 29.87              | 13,099.09              |
| Other expenses                                                                          | 12,190.72             | 566.82             | 12,757.55              |
| <b>Total Expenses</b>                                                                   | <b>90,704.77</b>      | <b>(513.52)</b>    | <b>90,191.25</b>       |
| <b>Profit/(Loss) before Exceptional items</b>                                           | <b>4,750.54</b>       | <b>534.73</b>      | <b>5,285.27</b>        |
| <b>Add : Exceptional Items</b>                                                          |                       |                    |                        |
| <b>Profit/(Loss) before tax</b>                                                         | <b>4,750.54</b>       | <b>534.73</b>      | <b>5,285.27</b>        |
| <b>Add : Income Tax Refund</b>                                                          | -                     |                    |                        |
| <b>Less : Tax expenses</b>                                                              |                       |                    |                        |
| Short /Excess provision of Income Tax of Eariler Years                                  | -                     |                    |                        |
| Current tax                                                                             | 1,025.95              |                    | 1,025.95               |
| Deferred tax                                                                            | 1,385.56              | 113.46             | 1,499.02               |
| Add: MAT credit entitlement                                                             | (649.44)              |                    | (649.44)               |
| <b>Total tax expense</b>                                                                | <b>1,762.07</b>       | <b>113.46</b>      | <b>1,875.53</b>        |
| <b>Profit/(Loss) for the year from continuing operations (A)</b>                        | <b>2,988.47</b>       | <b>421.27</b>      | <b>3,409.74</b>        |
| <b>Profit / (Loss) from discontinued operations</b>                                     | <b>(36.00)</b>        |                    | <b>(36.00)</b>         |
| Less : Tax expense of discontinued operations                                           | (7.68)                |                    | (7.68)                 |
| <b>Profit / (Loss) from discontinued operations (after tax) (B)</b>                     | <b>(28.32)</b>        | <b>-</b>           | <b>(28.32)</b>         |
| <b>Profit / (Loss) for the year (A) + (B)</b>                                           | <b>2,960.15</b>       | <b>421.27</b>      | <b>3,381.42</b>        |
| <b>Other Comprehensive Income</b>                                                       |                       |                    |                        |
| a) Items that will not be reclassified subsequently to Profit or loss                   |                       | (308.62)           | (308.62)               |
| b) Items that will be reclassified subsequently to Profit or loss                       |                       | -                  | -                      |
| c) Impact of income tax on above (a) and (b)                                            |                       | 42.75              | 42.75                  |
| <b>Total Other Comprehensive Income- OCI</b>                                            |                       | <b>(265.87)</b>    | <b>(265.87)</b>        |
| <b>Total Comprehensive Income for the period (Comprising P&amp;L + OCI)</b>             | <b>2,960.15</b>       | <b>155.40</b>      | <b>3,115.55</b>        |
| <b>Earnings per share (for Continuing Operations) Basic and Diluted</b>                 | <b>2.32</b>           | <b>0.78</b>        | <b>2.62</b>            |
| <b>Earnings per share (for Discontinued Operations) Basic and Diluted</b>               | <b>(0.02)</b>         |                    | <b>(0.02)</b>          |
| <b>Total earnings as per share (Basic and Diluted)</b>                                  | <b>2.30</b>           |                    | <b>2.60</b>            |
| Face value of share - Re.1                                                              |                       |                    |                        |

## 1.5) Notes to Reconciliation

### (a) Property, Plant and equipment

Adjustments includes impact of spares capitalisation, life expired assets and mines decommissioning costs as per Ind AS.

### (b) Investments

Investments in Equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

### (c) Inventories

Adjustments that reflect spares capitalised to Property, Plant and Equipment and Capital work-in-progress.

### (d) Trade Receivables

Adjustments that include loss allowance provided on financial asset i.e., Trade receivables.

### (e) Other Equity

Adjustments to retained earnings and other comprehensive income has been made with Ind AS, for the above-mentioned items. In addition, as per Ind AS-19 actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

### (f) Deferred Tax Liabilities

The adjustments include recognition of Deferred Tax on investments under Ind AS and due to Deferred Tax impact on Ind AS adjustments.

### (g) Other Non-Current Liabilities

Adjustment include the impact of discounting of Liabilities based on their expected date of settlement.

### (h) Other Income

Adjustments include Amortization of Government Grant recognized in accordance with Ind AS-20- Government Grants.

### (i) Employee benefit expenses

As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period.

### (j) Finance Cost

Adjustments include discounting impact of Liabilities measured at Fair value.

### (k) Depreciation and Amortization expenses

Adjustments are due to Ind AS impacts made to Property, Plant and Equipment, i.e., Depreciation on Spares Capitalized, Change in Depreciation due to application of Component Accounting as per Ind AS.

### (l) Other Expenses

Adjustment is due to change in provision for Loss allowance on Financial Assets (trade receivables).

### (m) Deferred Tax

Adjustment include Deferred Tax changes due to above mentioned adjustments.

Rs in Lakhs

| NOTE: 2 TANGIBLE ASSETS                 | GROSS BLOCK           |                           |                            |                       | DEPRECIATION                        |                              |                            |                                     | NET BLOCK        |                  |
|-----------------------------------------|-----------------------|---------------------------|----------------------------|-----------------------|-------------------------------------|------------------------------|----------------------------|-------------------------------------|------------------|------------------|
|                                         | COST AS ON 01-04-2017 | ADDITIONS DURING THE YEAR | DEDUCTIONS DURING THE YEAR | COST UP TO 31-03-2018 | TOTAL DEPRECIATION UP TO 31-03-2017 | DEPRECIATION DURING THE YEAR | DEPRECIATION ON DEDUCTIONS | TOTAL DEPRECIATION UP TO 31-03-2018 | AS AT 31-03-2018 | AS AT 31-03-2017 |
|                                         | Rs. Lakhs             | Rs. Lakhs                 | Rs. Lakhs                  | Rs. Lakhs             | Rs. Lakhs                           | Rs. Lakhs                    | Rs. Lakhs                  | Rs. Lakhs                           | Rs. Lakhs        | Rs. Lakhs        |
| 1. Lands                                | 2,944.68              | 667.12                    | -                          | 3,611.80              | -                                   | -                            | -                          | -                                   | 3,611.79         | 2,944.67         |
| 2. (i) Buildings                        | 13,887.64             | 247.28                    | 1.56                       | 14,133.36             | 464.88                              | 487.25                       | 0.11                       | 952.02                              | 13,181.34        | 13,422.77        |
| (ii) Leasehold Buildings                | 8.93                  | -                         | -                          | 8.93                  | 0.24                                | 0.24                         | -                          | 0.48                                | 8.45             | 8.69             |
| 3. Roads                                | 176.36                | 9.82                      | -                          | 186.18                | 48.69                               | 41.06                        | -                          | 89.75                               | 96.43            | 127.66           |
| 4. Plant and Machinery                  | 50,129.61             | 670.60                    | 69.35                      | 50,730.86             | 3,447.16                            | 3,467.91                     | 17.00                      | 6,898.07                            | 43,832.79        | 46,682.45        |
| 5. Furniture, Fixtures                  | 1,781.04              | 47.67                     | 0.38                       | 1,828.33              | 244.87                              | 245.70                       | 0.11                       | 490.46                              | 1,337.87         | 1,548.02         |
| 6. Motor Vehicles                       | 766.80                | 165.01                    | 77.18                      | 854.63                | 189.47                              | 176.99                       | 34.24                      | 332.22                              | 522.41           | 577.32           |
| 7. Railway Siding, Locomotives          | 32.53                 | -                         | -                          | 32.53                 | 3.15                                | 3.15                         | -                          | 6.3                                 | 26.23            | 29.38            |
| 8. Ropeway Structures                   | 7.32                  | 108.61                    | -                          | 115.93                | 2.33                                | 39.91                        | -                          | 42.24                               | 73.69            | 4.99             |
| 9. Office Equipment                     | 104.23                | 12.41                     | 0.38                       | 116.27                | 20.32                               | 21.81                        | 0.18                       | 41.95                               | 74.32            | 83.92            |
| 10. Computer & Data Processing Units    | 155.86                | 139.14                    | 6.28                       | 288.72                | 60.83                               | 73.26                        | 4.39                       | 129.7                               | 159.02           | 95.03            |
| 11. Laboratory Equipment                | 29.12                 | 1.44                      | 0.02                       | 30.54                 | 8.83                                | 4.94                         | -                          | 13.77                               | 16.77            | 20.29            |
| 12. Electrical Installation & Equipment | 2,252.79              | 148.09                    | 16.98                      | 2,383.90              | 322.34                              | 309.56                       | 16.60                      | 615.30                              | 1,768.60         | 1,930.46         |
| 13. Hydraulic Works, Pipeline & Sluices | 82.41                 | -                         | -                          | 82.41                 | 5.69                                | 5.69                         | -                          | 11.38                               | 71.03            | 76.72            |
| 14. Leased Lands (Decommissioning)      | 171.11                | 289.39                    | -                          | 460.50                | 5.89                                | 14.88                        | -                          | 20.77                               | 439.75           | 165.22           |
| <b>Total</b>                            | <b>72,530.44</b>      | <b>2,506.58</b>           | <b>172.13</b>              | <b>74,864.89</b>      | <b>4,824.70</b>                     | <b>4,892.35</b>              | <b>72.63</b>               | <b>9,644.41</b>                     | <b>65,220.50</b> | <b>67,705.74</b> |

| Note.4<br>INVESTMENT<br>PROPERTY | GROSS BLOCK                 |                                 |                                  |                             | DEPRECIATION                                     |                                         |                                    |                                          | NET BLOCK           |                     |
|----------------------------------|-----------------------------|---------------------------------|----------------------------------|-----------------------------|--------------------------------------------------|-----------------------------------------|------------------------------------|------------------------------------------|---------------------|---------------------|
|                                  | COST<br>AS ON<br>01-04-2017 | ADDITIONS<br>DURING<br>THE YEAR | DEDUCTIONS<br>DURING THE<br>YEAR | COST<br>UP TO<br>31-03-2018 | TOTAL<br>DEPRE-<br>CIATION<br>UPTO<br>31-03-2017 | DEPRE-<br>CIATION<br>DURING<br>THE YEAR | DEPRE-<br>CIATION ON<br>DEDUCTIONS | TOTAL<br>DEPRECIATION<br>UPTO 31-03-2018 | AS AT<br>31-03-2018 | AS AT<br>31-03-2017 |
| 1 LANDS                          | 0.47                        | -                               | -                                | 0.47                        | -                                                | -                                       | -                                  | -                                        | 0.47                | 0.47                |
| 2 BUILDINGS                      | 1.67                        | -                               | -                                | 1.67                        | 0.15                                             | 0.84                                    | -                                  | 0.99                                     | 0.68                | 1.52                |
| <b>TOTAL</b>                     | <b>2.14</b>                 | <b>-</b>                        | <b>-</b>                         | <b>2.14</b>                 | <b>0.15</b>                                      | <b>0.84</b>                             | <b>-</b>                           | <b>0.99</b>                              | <b>1.15</b>         | <b>1.99</b>         |

| Note. 5<br>INTANGIBLE<br>ASSETS | GROSS BLOCK                 |                                 |                                  |                             | AMORTISATION                               |                                         |                                    |                                                  | NET BLOCK           |                     |
|---------------------------------|-----------------------------|---------------------------------|----------------------------------|-----------------------------|--------------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------------------|---------------------|---------------------|
|                                 | COST<br>AS ON<br>01-04-2017 | ADDITIONS<br>DURING<br>THE YEAR | DEDUCTIONS<br>DURING THE<br>YEAR | COST<br>UP TO<br>31-03-2018 | TOTAL AMORTI-<br>SATION UPTO<br>31-03-2017 | AMORTI-<br>SATION<br>DURING<br>THE YEAR | AMORTI-<br>SATION ON<br>DEDUCTIONS | TOTAL<br>AMORTI-<br>SATION<br>UPTO<br>31-03-2018 | AS AT<br>31-03-2018 | AS AT<br>31-03-2017 |
| 1 COMPUTER<br>SOFTWARE          | 208.18                      | 69.71                           | -                                | 277.89                      | 34.36                                      | 19.81                                   | -                                  | 54.17                                            | 223.72              | 173.82              |
| <b>TOTAL</b>                    | <b>208.18</b>               | <b>69.71</b>                    | <b>-</b>                         | <b>277.89</b>               | <b>34.36</b>                               | <b>19.81</b>                            | <b>-</b>                           | <b>54.17</b>                                     | <b>223.72</b>       | <b>173.82</b>       |

|                                       |                  |                 |               |                  |                 |                 |              |                 |                  |                  |
|---------------------------------------|------------------|-----------------|---------------|------------------|-----------------|-----------------|--------------|-----------------|------------------|------------------|
| <b>GRAND TOTAL<br/>FOR FY 2017-18</b> | <b>72,740.76</b> | <b>2,576.29</b> | <b>172.13</b> | <b>75,144.92</b> | <b>4,859.21</b> | <b>4,913.00</b> | <b>77.11</b> | <b>9,699.57</b> | <b>65,445.37</b> | <b>67,881.55</b> |
| <b>TOTAL FOR FY<br/>2016-17</b>       | <b>70,785.09</b> | <b>2,047.44</b> | <b>91.77</b>  | <b>72,740.76</b> |                 | <b>4,863.69</b> | <b>4.48</b>  | <b>4,859.21</b> | <b>67,881.55</b> | <b>70,785.09</b> |

\* Depreciation for the year includes an amount of Rs. 10.36 lakhs capitalised during the year. (Rs. 3.18 Lakhs capitalised during previous year).

Rs in Lakhs

| Note. 2 TANGIBLE ASSETS                 | GROSS BLOCK           |                            |                             | DEPRECIATION          |                                     |                               |                             | NET BLOCK                           |                  |                  |
|-----------------------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|-------------------------------------|-------------------------------|-----------------------------|-------------------------------------|------------------|------------------|
|                                         | COST AS ON 01-04-2016 | ADDI TIONS DURING THE YEAR | DEDUC TIONS DURING THE YEAR | COST UP TO 31-03-2017 | TOTAL DEPRE CIATION UPTO 31-03-2016 | DEPRE CIATION DURING THE YEAR | DEPRE CIATION ON DEDUCTIONS | TOTAL DEPRE CIATION UPTO 31-03-2017 | AS AT 31-03-2017 | AS AT 31-03-2016 |
| 1. Lands                                | 2682.23               | 262.45                     | -                           | 2944.68               | -                                   | 0.00                          | -                           | -                                   | 2944.68          | 2682.23          |
| 2. (i) Buildings                        | 13032.46              | 868.18                     | 13.00                       | 13887.64              | -                                   | 464.88                        | -                           | 464.88                              | 13422.76         | 13032.46         |
| (ii) Leasehold Buildings                | 8.93                  | -                          | -                           | 8.93                  | -                                   | 0.24                          | -                           | 0.24                                | 8.69             | 8.93             |
| 3. Roads                                | 141.33                | 35.03                      | -                           | 176.36                | -                                   | 48.69                         | -                           | 48.69                               | 127.66           | 141.33           |
| 4. Plant and Machinery                  | 49827.39              | 330.61                     | 28.39                       | 50129.61              | -                                   | 3447.77                       | 0.61                        | 3447.16                             | 46682.45         | 49827.39         |
| 5. Furniture,Fixtures                   | 1714.96               | 66.63                      | 0.55                        | 1781.04               | -                                   | 244.87                        | -                           | 244.87                              | 1536.17          | 1714.96          |
| 6. Motor Vehicles                       | 771.57                | 37.48                      | 42.26                       | 766.80                | -                                   | 193.34                        | 3.87                        | 189.47                              | 577.33           | 771.57           |
| 7. Railway Siding, Locomotives          | 32.53                 | -                          | -                           | 32.53                 | -                                   | 3.15                          | -                           | 3.15                                | 29.38            | 32.53            |
| 8. Ropeway Structures                   | 0.19                  | 7.13                       | -                           | 7.32                  | -                                   | 2.33                          | -                           | 2.33                                | 4.99             | 0.19             |
| 9. Office Equipment                     | 68.03                 | 37.09                      | 0.88                        | 104.24                | -                                   | 20.32                         | -                           | 20.32                               | 83.92            | 68.03            |
| 10. Computer & Data Processing Units    | 119.82                | 38.60                      | 2.55                        | 155.86                | -                                   | 60.83                         | -                           | 60.83                               | 95.03            | 119.82           |
| 11. Laboratory Equipment                | 26.50                 | 3.42                       | 0.80                        | 29.12                 | -                                   | 8.83                          | -                           | 8.83                                | 20.29            | 26.50            |
| 12. Electrical Installation & Equipment | 2089.83               | 166.31                     | 3.34                        | 2252.79               | -                                   | 322.34                        | -                           | 322.34                              | 1930.45          | 2089.83          |
| 13. Hydraulic Works, Pipeline & Sluices | 82.41                 | -                          | -                           | 82.41                 | -                                   | 5.69                          | -                           | 5.69                                | 76.72            | 82.41            |
| 14. Leased Lands (Decommissioning)      | 15.91                 | 155.21                     | -                           | 171.12                | -                                   | 5.89                          | -                           | 5.89                                | 165.22           | 15.91            |
| Total                                   | 70614.09              | 2008.12                    | 91.77                       | 72530.43              | 0.00                                | 4829.18                       | 4.48                        | 4824.70                             | 67705.74         | 70614.09         |

Rs in Lakhs

| Note.4 INVESTMENT PROPERTY | GROSS BLOCK           |                            |                             |                       | DEPRECIATION                        |                               |                             |                                     | NET BLOCK        |                  |
|----------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|-------------------------------------|-------------------------------|-----------------------------|-------------------------------------|------------------|------------------|
|                            | COST AS ON 01-04-2016 | ADDI TIONS DURING THE YEAR | DEDUC TIONS DURING THE YEAR | COST UP TO 31-03-2017 | TOTAL DEPRE CIATION UPTO 31-03-2016 | DEPRE CIATION DURING THE YEAR | DEPRE CIATION ON DEDUCTIONS | TOTAL DEPRE CIATION UPTO 31-03-2017 | AS AT 31-03-2017 | AS AT 31-03-2016 |
| 1 LANDS                    | 0.47                  | -                          | -                           | 0.47                  | -                                   | -                             | -                           | -                                   | 0.47             | 0.47             |
| 2 BUILDINGS                | 1.67                  | -                          | -                           | 1.67                  | -                                   | 0.15                          | -                           | 0.15                                | 1.52             | 1.67             |
| <b>TOTAL</b>               | <b>2.14</b>           | <b>-</b>                   | <b>-</b>                    | <b>2.14</b>           | <b>-</b>                            | <b>0.15</b>                   | <b>-</b>                    | <b>0.15</b>                         | <b>1.99</b>      | <b>2.14</b>      |

| Note. 5 INTANGIBLE ASSETS | GROSS BLOCK           |                            |                             |                       | AMORTISATION                        |                               |                             |                                     | NET BLOCK        |                  |
|---------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|-------------------------------------|-------------------------------|-----------------------------|-------------------------------------|------------------|------------------|
|                           | COST AS ON 01-04-2016 | ADDI TIONS DURING THE YEAR | DEDUC TIONS DURING THE YEAR | COST UP TO 31-03-2017 | TOTAL AMORTI SATION UPTO 31-03-2016 | AMORTI SATION DURING THE YEAR | AMORTI SATION ON DEDUCTIONS | TOTAL AMORTI SATION UPTO 31-03-2017 | AS AT 31-03-2017 | AS AT 31-03-2016 |
| 1 COMPUTER SOFTWARE       | 168.86                | 39.32                      | -                           | 208.18                | -                                   | 34.36                         | -                           | 34.36                               | 173.82           | 168.86           |
| <b>TOTAL</b>              | <b>168.86</b>         | <b>39.32</b>               | <b>-</b>                    | <b>208.18</b>         | <b>-</b>                            | <b>34.36</b>                  | <b>-</b>                    | <b>34.36</b>                        | <b>173.82</b>    | <b>168.86</b>    |

|                                   |                 |                |              |                 |             |                |             |                |                 |                 |
|-----------------------------------|-----------------|----------------|--------------|-----------------|-------------|----------------|-------------|----------------|-----------------|-----------------|
| <b>GRAND TOTAL FOR FY 2016-17</b> | <b>70785.09</b> | <b>2047.44</b> | <b>91.77</b> | <b>72740.75</b> | <b>0.00</b> | <b>4863.69</b> | <b>4.48</b> | <b>4859.21</b> | <b>67881.55</b> | <b>70785.09</b> |
|-----------------------------------|-----------------|----------------|--------------|-----------------|-------------|----------------|-------------|----------------|-----------------|-----------------|

\* Depreciation for the year includes an amount of Rs. 3.18 Lakhs capitalised during the year.

Rs in Lakhs, except no. of equity shares

| <b>Note. 3 Capital Work-in-Progress</b>            | <b>As at<br/>31-03-2018</b> | <b>As at<br/>31-03-2017</b> | <b>As at<br/>01-04-2016</b> |
|----------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>1. BUILDING UNDER CONSTRUCTION</b>              |                             |                             |                             |
| Opening Balance                                    | 76.39                       | 241.06                      | 6,666.63                    |
| Additions during the year                          | 297.54                      | 716.63                      | 2,911.74                    |
| Less : Capitalisation during the year              | (253.04)                    | (881.30)                    | (9,337.31)                  |
| Closing Balance                                    | 120.89                      | 76.39                       | 241.06                      |
| <b>2. PLANT &amp; MACHINERY UNDER INSTALLATION</b> |                             |                             |                             |
| Opening Balance                                    | 4,265.04                    | 812.43                      | 3,582.08                    |
| Additions during the year                          | 21,985.74                   | 3,934.34                    | 1,710.86                    |
| Less : Capitalisation during the year              | (1,107.13)                  | (481.73)                    | (4,480.52)                  |
| Closing Balance                                    | 25,143.65                   | 4,265.04                    | 812.42                      |
| <b>Total</b>                                       | <b>25,264.54</b>            | <b>4,341.43</b>             | <b>1,053.48</b>             |

| <b>Note. 6 Non current Financial Assets- Investments</b>                                                                  | <b>As at<br/>31-03-2018</b> | <b>As at<br/>31-03-2017</b> | <b>As at<br/>01-04-2016</b> |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Unquoted Equity instruments- Investments measured at Cost</b>                                                          |                             |                             |                             |
| <b>Investment in Subsidiary:</b>                                                                                          |                             |                             |                             |
| 20323332 (31 March 2017: 20323332) Equity shares of US \$1/- each fully paid up in K.C.P.Vietnam Industries Ltd, Vietnam. | 2,371.44                    | 2,371.44                    | 2,371.44                    |
| <b>Investment in Joint Venture:</b>                                                                                       |                             |                             |                             |
| 400000 (31 March 2017: 400000) equity shares of Rs.10/- each fully paid up in Fives Cail KCP Ltd.                         | 40.00                       | 40.00                       | 40.00                       |
| <b>Common Stock (unquoted):</b>                                                                                           |                             |                             |                             |
| 1640 Non-Voting common stock of BGE Global Inc., par value \$0.01 per share.                                              | 77.00                       | 77.00                       | 77.00                       |
| <b>Preference Shares (unquoted):</b>                                                                                      |                             |                             |                             |
| 750 Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.                                            | 385.00                      | 385.00                      | 385.00                      |
| <b>Sub Total</b>                                                                                                          | <b>2,873.44</b>             | <b>2,873.44</b>             | <b>2,873.44</b>             |
| <b>Investments measured at fairvalue through Other Comprehensive Income</b>                                               |                             |                             |                             |
| <b>Investment in equity instruments (quoted):</b>                                                                         |                             |                             |                             |
| 100 (31st March 2017: 100 ) equity shares of Rs.10/- each fully paid up in IFCI Ltd.                                      | 0.02                        | 0.03                        | 0.02                        |
| 14240 (31st March 2017: 14240 ) equity shares of Rs.10/- each fully paid up in IDBI Bank.                                 | 10.28                       | 10.69                       | 9.88                        |

Rs in Lakhs, except no. of equity shares

| Note. 6 Non current Financial Assets- Investments                                                                       | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Equity instruments (unquoted):</b>                                                                                   |                     |                     |                     |
| 30 (31st March 2017: 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/-)                                                                                |                     |                     |                     |
| 100000 (31st March 2017: 100000 ) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd.     | -                   | -                   | -                   |
| Written off to the extent of Rs. 9.99 lakhs)                                                                            |                     |                     |                     |
| (The Shares are not traded in the Stock Exchange though listed)                                                         |                     |                     |                     |
| <b>Other Investments - Unit Trust of India - Quoted:</b>                                                                |                     |                     |                     |
| 32936.861 (31st March 2017 : 29278.082) UTI Balanced Fund Units of Rs.10/- each.                                        | 9.65                | 8.82                | 7.13                |
|                                                                                                                         | <b>19.95</b>        | <b>19.54</b>        | <b>17.03</b>        |
| <b>Total</b>                                                                                                            | <b>2,893.39</b>     | <b>2,892.98</b>     | <b>2,890.47</b>     |

|                                                            |          |          |          |
|------------------------------------------------------------|----------|----------|----------|
| Aggregate amount of quoted Investments - Market Value      | 19.95    | 19.54    | 17.03    |
| Aggregate amount of quoted Investments - Book value (Cost) | 19.40    | 18.27    | 17.59    |
| Aggregate amount of unquoted Investments                   | 2,873.44 | 2,873.44 | 2,873.44 |
| Aggregate amount of impairment in value of investments     | Nil      | Nil      | Nil      |

| Note. 6.1 Category wise Investment- as per IND AS 109 classification  | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Financial assets carried at cost                                      |                     |                     |                     |
| Equity Instruments                                                    | 2,873.44            | 2,873.44            | 2,873.44            |
| Financial assets carried at amortised cost                            |                     |                     |                     |
| Equity Instruments                                                    | -                   | -                   | -                   |
| Financial assets carried at fair value through Profit or loss (FVTPL) |                     |                     |                     |
| Equity Instruments                                                    | -                   | -                   | -                   |
| Financial assets carried at fair value through OCI                    |                     |                     |                     |
| Equity Instruments                                                    | 19.95               | 19.54               | 17.03               |
| <b>TOTAL</b>                                                          | <b>2,893.39</b>     | <b>2,892.98</b>     | <b>2,890.47</b>     |

Rs in Lakhs

**Reasons for classification of Financial assets as per IND AS-107:**

The company has elected an irrevocable option of classifying equity instrument that are not held primarily for trading at fair value through Other Comprehensive income (OCI)

Accounting for investments in Subsidiaries and joint venture are mentioned in accounting policy XIV of note 1.2

**Note 6.2 Details of Subsidiary and Joint venture**

| Name of the Company Principal Activity & Place of domicile                                                        | Proportion of ownership interest / voting rights |                  |                  |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------|------------------|
|                                                                                                                   | As at 31-03-2018                                 | As at 31-03-2017 | As at 01-04-2016 |
| KCP Vietnam Industries Ltd,<br>Manufacturers of Sugar and generation of power,<br>Socialistic Republic of Vietnam | 66.67%                                           | 66.67%           | 66.67%           |
| Fives Cail KCP Ltd,<br>Manufacturer of machinery, India                                                           | 40.00%                                           | 40.00%           | 40.00%           |

The company has right to cast 66.67% of voting rights in the case of KCP Vietnam industries Ltd and 40% of Fives Cail KCP Ltd.

**Note. 7 Non Current Financial Assets- Trade Receivables**

| Particulars                        | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|------------------------------------|------------------|------------------|------------------|
| Secured, considered good           | -                | -                | -                |
| Unsecured, considered good         | 257.53           | 373.16           | 139.34           |
| Doubtful                           | 48.23            | 65.44            | 19.10            |
| Less-                              |                  |                  |                  |
| Discounting of Trade receivables   | 48.23            | 65.44            | 19.10            |
| Sub total                          | 257.53           | 373.16           | 139.34           |
| <b>Other receivables</b>           |                  |                  |                  |
| Secured, considered good           | -                | -                | -                |
| Unsecured, considered good         | -                | -                | -                |
| Doubtful                           | -                | -                | -                |
| Provision for doubtful receivables | -                | -                | -                |
| Sub total                          | -                | -                | -                |
| <b>Total</b>                       | <b>257.53</b>    | <b>373.16</b>    | <b>139.34</b>    |

**Note. 8 Non current- Other Financial Assets**

| Particulars           | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|-----------------------|------------------|------------------|------------------|
| Earnest money deposit | 20.87            | 24.38            | 11.08            |
| <b>TOTAL</b>          | <b>20.87</b>     | <b>24.38</b>     | <b>11.08</b>     |

**Note. 9 Non current- Other asset**

| Particulars                                   | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------|---------------------|---------------------|---------------------|
| Capital Advances                              | 2,402.84            | 4,816.73            | 791.06              |
| <b>Sub-total</b>                              | <b>2,402.84</b>     | <b>4,816.73</b>     | <b>791.06</b>       |
| <b>Advances other than Capital Advances</b>   |                     |                     |                     |
| Security Deposits                             | 736.39              | 304.54              | 869.86              |
| <b>Sub-total</b>                              | <b>736.39</b>       | <b>304.54</b>       | <b>869.86</b>       |
| <b>Other Advances</b>                         |                     |                     |                     |
| Prepaid expenses                              | 103.23              | 39.42               | 28.92               |
| Balance with Statutory/government Authorities | 501.68              | 454.13              | 146.00              |
| Others                                        | 44.92               | 0.42                | -                   |
| <b>Sub-total</b>                              | <b>649.83</b>       | <b>493.97</b>       | <b>174.92</b>       |
| <b>TOTAL</b>                                  | <b>3,789.06</b>     | <b>5,615.24</b>     | <b>1,835.84</b>     |

**Note.10 Inventories**

| Particulars                                                                                                               | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Raw materials and components at Cost<br>(includes those in transit Rs. 79.74 lakhs) ( As on<br>31-03-2017-Rs. 5.77 lakhs) | 743.38              | 720.43              | 569.40              |
| Work-in-progress                                                                                                          |                     |                     |                     |
| : At Cost                                                                                                                 | 4,342.23            | 4,538.83            | 4,342.98            |
| : At Estimated Realisable Value                                                                                           | 785.09              | 442.93              | 1,267.71            |
| Finished goods                                                                                                            |                     |                     |                     |
| : At Cost                                                                                                                 | 439.67              | 703.53              | 760.13              |
| : At Estimated Realisable Value                                                                                           | -                   | -                   | -                   |
| Stores, Spares and Coal at Cost (includes in transit<br>Rs. 1042.94 lakhs )                                               | 6,397.93            | 5,319.48            | 3,929.07            |
| (As on 31-03-2017 Rs. 1524.45 lakhs)                                                                                      |                     |                     |                     |
| <b>TOTAL</b>                                                                                                              | <b>12,708.30</b>    | <b>11,725.20</b>    | <b>10,869.29</b>    |

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.338.07 lakhs for year ended 31-03-2018 (Rs. 86.24 lakhs for the year ended 31-03-2017).

The mode of valuation of Inventories has been stated in accounting policy IX of Note1.2

The amount of goods in transit is Rs. 1042.94 lakhs (Rs. 1524.45 lakhs for previous year)

Rs in Lakhs

**Note.11 Current- Trade receivables**

| Particulars                            | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------------------------------|---------------------|---------------------|---------------------|
| Secured, considered good               | 473.17              | 315.06              | 210.42              |
| Unsecured, considered good             | 0.52                | -                   | 202.76              |
| Doubtful                               | 6.40                | 9.22                | 5.39                |
|                                        |                     |                     |                     |
| (-) Allowance for doubtful receivables | -                   | -                   | -                   |
| (-) Provision for Loss allowance       | 6.40                | 9.22                | 5.39                |
| Sub-Total                              | <b>473.69</b>       | <b>315.06</b>       | <b>413.18</b>       |
| <b>Other receivables</b>               |                     |                     |                     |
| Secured, considered good               | 1,828.08            | 2,740.37            | 359.81              |
| Unsecured, considered good             | 272.98              | 150.06              | 2,242.95            |
| Doubtful                               | -                   | -                   | -                   |
|                                        |                     |                     |                     |
| (-) Allowance for doubtful receivables | -                   | -                   | -                   |
| Sub-Total                              | <b>2,101.06</b>     | <b>2,890.43</b>     | <b>2,602.76</b>     |
| <b>TOTAL</b>                           | <b>2,574.75</b>     | <b>3,205.49</b>     | <b>3,015.94</b>     |

**Expected Credit Loss % Provided**

| Ageing                     | Expected<br>Credit Loss % |
|----------------------------|---------------------------|
| Within the credit period   | Nil                       |
| Upto 60 days past due      | 0.25                      |
| 60-90 days past due        | 0.50                      |
| More than 90 days past due | 1.00                      |

**Age of Receivables**

| Particulars                                         | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------------|---------------------|---------------------|---------------------|
| Less than 6 months                                  | 2,101.06            | 2,890.43            | 2,602.76            |
| More than 6 months but less than 12 months- Current | 473.69              | 315.06              | 413.18              |
| More than 12 months- Non current                    | 257.53              | 373.16              | 139.34              |

**Note 12. Cash and cash equivalents**

| Particulars                                               | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|
| Balances with Banks:                                      |                     |                     |                     |
| Current accounts                                          | 227.00              | 226.02              | 234.91              |
| Deposits with original maturity of less than 3 months     | 862.92              | 934.62              | 602.44              |
| Current account balances for repayment of Public Deposits | 91.41               | 30.53               | 25.12               |

| Particulars                                    | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|------------------------------------------------|---------------------|---------------------|---------------------|
| Cheques/drafts on hand                         | 161.44              | 184.17              | 106.35              |
| Cash on hand                                   | 7.48                | 11.21               | 12.19               |
| Sub-Total                                      | <b>1,350.25</b>     | <b>1,386.55</b>     | <b>981.01</b>       |
| <b>Other Bank Balances :</b>                   |                     |                     |                     |
| For more than 3 months but less than 12 months | 674.83              | 166.02              | 166.70              |
| For Unpaid dividend account                    | 162.96              | 135.19              | 230.51              |
| Margin money deposit                           | 547.60              | 554.96              | 509.67              |
| Sub-Total                                      | <b>1,385.39</b>     | <b>856.17</b>       | <b>906.88</b>       |
| <b>TOTAL</b>                                   | <b>2,735.64</b>     | <b>2,242.72</b>     | <b>1,887.89</b>     |

### Note 13. Current- Other Financial Assets

| Particulars                           | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Interest accrued on fixed Deposits    | 37.44               | 37.04               | 31.42               |
| Interest accrued on other Deposits    | 7.45                | 29.92               | 40.85               |
| Loans to employees                    | 29.05               | 35.18               | 33.09               |
| Due from Gratuity Trusts              | 5.74                | 43.14               | 142.80              |
| Gratuity Planned Assets (Net)         | -                   | -                   | 82.79               |
| Non trade receivables from            |                     |                     |                     |
| Joint Venture- Fives Cail KCP Limited | 17.29               | 11.74               | 1.07                |
| Others                                | -                   | -                   | -                   |
| Others -Earnest Money Deposit         | -                   | -                   | -                   |
| Claims receivable                     | -                   | -                   | -                   |
| Others                                | 0.92                | 4.38                | 6.54                |
| <b>TOTAL</b>                          | <b>97.89</b>        | <b>161.40</b>       | <b>338.56</b>       |

### Note 14. Current Tax Assets (Net)

| Particulars                                | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|--------------------------------------------|---------------------|---------------------|---------------------|
| <b>Advance tax</b>                         |                     |                     |                     |
| Advance payment of Direct Taxes/TDS Credit | 3,961.20            | 2,182.28            | 978.72              |
| Income Tax Refund Receivable               | -                   | -                   | -                   |
| <b>TOTAL</b>                               | <b>3,961.20</b>     | <b>2,182.28</b>     | <b>978.72</b>       |
| <b>Provision for tax</b>                   |                     |                     |                     |
| Provision for Wealth tax                   | 12.59               | 12.59               | 12.59               |
| Provision for Income tax                   | 3,233.45            | 1,092.14            | 1,467.44            |
|                                            | <b>3,246.04</b>     | <b>1,104.73</b>     | <b>1,480.03</b>     |
| <b>TOTAL - NET</b>                         | <b>715.16</b>       | <b>1,077.55</b>     | <b>(501.31)</b>     |

Rs in Lakhs, except no. of equity shares

**Note 15. Other Current Assets**

| Particulars                                   | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------|---------------------|---------------------|---------------------|
| <b>Advances other than Capital Advances</b>   |                     |                     |                     |
| Trade Deposit                                 | -                   | -                   | -                   |
| Security Deposits                             | -                   | -                   | -                   |
| <b>Sub-Total</b>                              | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Other Advances</b>                         |                     |                     |                     |
| Advances recoverable in cash or kind          |                     |                     |                     |
| Secured, considered good                      | -                   | -                   | -                   |
| Unsecured, considered good                    | 52.94               | 36.42               | 44.77               |
| Doubtful                                      | -                   | -                   | -                   |
| Provision for doubtful debts                  | -                   | -                   | -                   |
| Advances to Trade payables                    | 1,664.41            | 1,279.07            | 804.47              |
| Prepaid expenses                              | 371.54              | 244.09              | 172.62              |
| Balance with Statutory/government Authorities | 3,708.87            | 4,736.05            | 3,645.95            |
| <b>Sub-Total</b>                              | <b>5,797.76</b>     | <b>6,295.63</b>     | <b>4,667.81</b>     |
| <b>TOTAL</b>                                  | <b>5,797.76</b>     | <b>6,295.63</b>     | <b>4,667.81</b>     |

**Note.16 Share Capital**

| Particulars                                                                                                      | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Authorised Share Capital:</b>                                                                                 |                     |                     |                     |
| 350000000 (31 March 2017 : 350000000) Equity shares of Rs.1/- each                                               | 3,500.00            | 3,500.00            | 3,500.00            |
| 200000000(31 March 2017 : 200000000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each | 2,000.00            | 2,000.00            | 2,000.00            |
|                                                                                                                  | <b>5,500.00</b>     | <b>5,500.00</b>     | <b>5,500.00</b>     |
| <b>Issued Share Capital:</b>                                                                                     |                     |                     |                     |
| 128977480 (31 March 2017 : 128977480) Equity shares of Rs.1/- each                                               | 1,289.77            | 1,289.77            | 1,289.77            |
| 200000000 (31 March 2017 :200000000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each | 2,000.00            | 2,000.00            | 2,000.00            |
|                                                                                                                  | <b>3,289.77</b>     | <b>3,289.77</b>     | <b>3,289.77</b>     |
| <b>Subscribed and fully paid-up :</b>                                                                            |                     |                     |                     |
| 128921160 (31 March 2017 :128921160) Equity shares of Rs.1/- each                                                | 1,289.21            | 1,289.21            | 1,289.21            |
| <b>Total issued, subscribed and fully paid-up capital</b>                                                        | <b>1,289.21</b>     | <b>1,289.21</b>     | <b>1,289.21</b>     |

**Note 16.1) Details of shareholders holding more than 5% share in the company:-**

1. M/s. V. Ramakrishna Sons Pvt Ltd - 38956326 (38956326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)

**Note 16.2)** The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity shares of the company is set out below:-

| Particulars                                       | For FY<br>2017-18 | For FY<br>2016-17 | For FY<br>2015-16 |
|---------------------------------------------------|-------------------|-------------------|-------------------|
| Equity Share Capital at the beginning of the Year | 1,289.21          | 1,289.21          | 1,289.21          |
| Add/Less : Changes during during the year         | -                 | -                 | -                 |
| Equity Share Capital at the end of the Year       | <b>1,289.21</b>   | <b>1,289.21</b>   | <b>1,289.21</b>   |

The Company has only one class of equity shares referred to equity shares having a par value of Rs.1. Each holder of equity share is entitled to one vote per each share. In the event of liquidation of company, the holder of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

**Note 17. Other Equity**

| Particulars                                                               | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|---------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Capital Reserve</b>                                                    |                     |                     |                     |
| Capital Redemption Reserve                                                |                     |                     |                     |
| Balance as per the last Financial Statements                              | 2,000.00            | 2,000.00            | 2,000.00            |
| Add : Amount transferred from Surplus in the Statement of Profit and Loss |                     |                     |                     |
|                                                                           | 2,000.00            | 2,000.00            | 2,000.00            |
| Capital Reserve on Reorganisation                                         | 279.91              | 279.91              | 279.91              |
| Capital Subsidy                                                           | -                   | -                   | -                   |
| On Amalgamation Reserve                                                   | 103.83              | 103.83              | 103.83              |
| <b>Total Capital Reserve</b>                                              | <b>2,383.74</b>     | <b>2,383.74</b>     | <b>2,383.74</b>     |
| <b>Investment Revaluation Reserve</b>                                     | 1.27                | (0.56)              | -                   |
| Add: Current year revaluation gain/loss from OCI- Net of deferred tax     | (0.71)              | 1.83                | (0.56)              |
|                                                                           | <b>0.56</b>         | <b>1.27</b>         | <b>(0.56)</b>       |
| <b>Actuarial Gain/Loss</b>                                                | (333.14)            | (65.43)             | -                   |
| Add: Current year revaluation gain/loss from OCI- Net of deferred tax     | (26.18)             | (267.70)            | (65.43)             |
|                                                                           | <b>(359.32)</b>     | <b>(333.13)</b>     | <b>(65.43)</b>      |
| <b>General Reserve</b>                                                    |                     |                     |                     |
| Balance as per the last Financial Statements                              | 26,763.58           | 26,763.58           | 27,450.00           |
| Add/(Less): Ind AS Adjustments                                            | -                   | -                   | (686.42)            |
| <b>Closing Balance</b>                                                    | <b>26,763.58</b>    | <b>26,763.58</b>    | <b>26,763.58</b>    |
| <b>Surplus/(Deficit) in the Statement of Profit and Loss</b>              |                     |                     |                     |
| Balance as per the last Financial Statements                              | 10,952.10           | 7,570.68            | 4,708.75            |

Rs in Lakhs

| Particulars                                              | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------------------------------------------------|---------------------|---------------------|---------------------|
| Profit for the year                                      | 8,126.67            | 3,381.42            | 4,286.02            |
|                                                          | <b>19,078.77</b>    | <b>10,952.10</b>    | <b>8,994.77</b>     |
| Less : Appropriations                                    |                     |                     |                     |
| Interim Dividend Paid @ Re.1/- per Share                 | -                   | -                   | 1,289.21            |
| Final Equity Dividend Paid (Amount per share Rs.2)       | 2,578.44            | -                   | -                   |
| Tax on Distributed Profits                               | -                   | -                   | 134.88              |
| <b>Total Appropriations</b>                              | <b>2,578.44</b>     | <b>-</b>            | <b>1,424.09</b>     |
| <b>Net Surplus in Statement of Profit and Loss</b>       | <b>16,500.33</b>    | <b>10,952.10</b>    | <b>7,570.68</b>     |
| <b>Total Reserves and Surplus taken to Balance Sheet</b> | <b>45,288.89</b>    | <b>39,767.56</b>    | <b>36,652.01</b>    |

General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.

Other Comprehensive income: This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value and cumulative actuarial gains or losses arising due to defined benefit plans.

Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued.

Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years.

#### Note 18. Borrowings (Non-Current)

| Particulars                                  | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------------------------------------|---------------------|---------------------|---------------------|
| <b>Rupee Term Loans from Banks - Secured</b> |                     |                     |                     |
| Cement Plant Muktyala                        | -                   | -                   | 2,442.30            |
| Hotel Project                                | 2,555.28            | 3,409.71            | 4,264.14            |
| Cement Plant- Macherla                       | 81.33               | 381.33              | 681.33              |
| Captive Power Plant- Muktyala                | 2,983.93            | 3,979.43            | 4,974.93            |
| Cement Plant Muktyala Expansion (Line-2)     | 18,724.70           | 4,012.84            | -                   |
| Corporate                                    | 3,640.00            | 5,560.00            | 7,520.00            |
| Sub-Total                                    | <b>27,985.24</b>    | <b>17,343.31</b>    | <b>19,882.70</b>    |
| <b>Other Loans and advances:</b>             |                     |                     |                     |
| <b>Deposits (unsecured)</b>                  |                     |                     |                     |
| From Directors                               | 1,045.03            | 1,005.00            | 45.03               |
| From Others                                  | 4,558.15            | 3,862.18            | 5,471.27            |
| Sub-Total                                    | <b>5,603.18</b>     | <b>4,867.18</b>     | <b>5,516.30</b>     |
| <b>TOTAL</b>                                 | <b>33,588.42</b>    | <b>22,210.49</b>    | <b>25,399.00</b>    |
| <b>The above amount includes</b>             |                     |                     |                     |
| Secured borrowings                           | 27,985.24           | 17,343.31           | 19,882.70           |
| Unsecured borrowings                         | 5,603.18            | 4,867.18            | 5,516.30            |

Rs in Lakhs

Term Loans

| Particulars                         | Muktyala Cement                                                   |                      |                      | Macherla Cement                                        | Muktyala Cement Expansion                                                     | Captive Power Plant                                  | Hotel                                  | Corporate                                                          | Corporate                            |
|-------------------------------------|-------------------------------------------------------------------|----------------------|----------------------|--------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------|--------------------------------------|
| Lending Bank                        | Bank of Baroda                                                    | Bank of India        | Canara Bank          | Bank of Baroda                                         | State Bank of India                                                           | Canara Bank                                          | Indian Overseas Bank                   | Bank of Baroda                                                     | Bank of India                        |
| Loan Amount Sanctioned              | 6500.00                                                           | 9000.00              | 4800.00              | 1500.00                                                | 35400.00                                                                      | 7964.00                                              | 5973.00                                | 4000.00                                                            | 5600.00                              |
| Loan Amount Availed                 | 6092.26                                                           | 8999.45              | 4774.59              | 1431.33                                                | 19963.50                                                                      | 7214.81                                              | 5973.00                                | 4000.00                                                            | 5600.00                              |
| Outstanding Amount as on 31-03-2018 | 0.00                                                              | 0.00                 | 0.00                 | 381.00                                                 | 19964.00                                                                      | 3979.00                                              | 3410.00                                | 2200.00                                                            | 3360.00                              |
| No of Installments (Quarterly)      | 28                                                                | 28                   | 28                   | 28                                                     | 32                                                                            | 32                                                   | 28                                     | 20                                                                 | 20                                   |
| Installments Commencement           | June, 2011                                                        | June, 2011           | June, 2011           | Nov, 2014                                              | Dec, 2018                                                                     | Mar, 2015                                            | May, 2015                              | Jan, 2017                                                          | June, 2016                           |
| Rate of Interest                    | 1.20% over 1 Yr MCLR plus SP                                      | 0.85% over Base Rate | 1 Yr MCLR plus 1.30% | 1.20% over 1 Yr MCLR plus SP                           | 1 Yr MCLR plus 0.65%                                                          | 1 Yr MCLR plus 1.30%                                 | 1 Yr MCLR plus 0.20% plus 0.80%        | 1.20% over 1 Yr MCLR plus SP                                       | 0.85% over Base Rate                 |
| Installment Amount                  | 232                                                               | 322                  | 172                  | 75                                                     | Varying installment amounts*                                                  | 249                                                  | 314                                    | 200                                                                | 280                                  |
| Security                            | Pari-passu First Charge on Fixed Assets of Muktyala Cement Plant. |                      |                      | First Charge on Fixed Assets of Macherla Cement Plant. | Pari-passu charge on Land at Muktyala and First Charge on the Project Assets. | First Charge on Fixed Assets of Captive Power Plant. | First Charge on Fixed Assets of Hotel. | Exclusive Charge on Hydel Division Assets and Property at Chennai. | Exclusive Charge on land in Chennai. |

Rs in Lakhs

## Carrying value of assets Pledged

| Particulars          | Muktyala Plant Fixed Assets |               |               | Macherla Plant Fixed Assets |             |             | Hotel Fixed Assets |             |             | Hydel Unit Fixed Assets |             |             |
|----------------------|-----------------------------|---------------|---------------|-----------------------------|-------------|-------------|--------------------|-------------|-------------|-------------------------|-------------|-------------|
|                      | 2018                        | 2017          | 2016          | 2018                        | 2017        | 2016        | 2018               | 2017        | 2016        | 2018                    | 2017        | 2016        |
| Plant & Machinery    | 24,909                      | 26,429        | 28,079        | 3531                        | 3619        | 3579        | 2367               | 2678        | 2856        | 929                     | 1036        | 1188        |
| Lands & Buildings    | 6,198                       | 5,602         | 5,265         | 1264                        | 1280        | 1102        | 5270               | 5459        | 5559        | 124                     | 134         | 144         |
| Furniture & fixtures | 53                          | 65            | 73            | 34                          | 38          | 16          | 1154               | 1366        | 1558        | 0                       | 0           | 0           |
| <b>Total</b>         | <b>31,159</b>               | <b>32,096</b> | <b>33,417</b> | <b>4829</b>                 | <b>4937</b> | <b>4697</b> | <b>8791</b>        | <b>9502</b> | <b>9973</b> | <b>1053</b>             | <b>1170</b> | <b>1333</b> |

\* December 2018 & March 2019- Rs.6.00 crores each, June 2019 & September 2019 at Rs3.00 Crores each, December 2019 & March 2020 at 14.75 crores and thereafter Rs. 11.75 crores per quarter.

## Cash Credit

| Particulars                         | Muktyala                                                         |                               |                      | Macherla                                                         | Macherla             | CPP                                                              | Engineering Unit                                             | Engineering Unit - WCCL                                      |
|-------------------------------------|------------------------------------------------------------------|-------------------------------|----------------------|------------------------------------------------------------------|----------------------|------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Lending Bank                        | Bank of Baroda                                                   | Bank of India                 | Canara Bank          | Bank of Baroda                                                   | HDFC Bank            | Canara Bank                                                      | Canara Bank                                                  | Canara Bank                                                  |
| Outstanding Amount as on 31-03-2018 | 752.00                                                           | 346.00                        | 203.00               | 617.00                                                           | 333.00               | 405.00                                                           | 225.00                                                       | 1000.00                                                      |
| Rate of Interest                    | 0.95% over 1 Yr MCLR plus SP                                     | 0.85% over 1 Yr MCLR plus BSS | 1 Yr MCLR plus 1.80% | 0.95% over 1 Yr MCLR plus SP                                     | 1 Yr MCLR plus 1.10% | 1 Yr MCLR plus 1.80%                                             | 1 Yr MCLR plus 1.80%                                         | 1 Month MCLR                                                 |
| Security                            | Paripassu First Charge on Current Assets of Muktyala Cement Unit |                               |                      | Paripassu First Charge on Current Assets of Macherla Cement Unit |                      | Paripassu First Charge on Current Assets of Captive Powere Plant | Paripassu First Charge on Current Assets of Engineering Unit | Paripassu First Charge on Current Assets of Engineering Unit |

## Details of deposits held by Directors of the company and their Relatives

|                                |          |          |        |
|--------------------------------|----------|----------|--------|
| a) Dr. V. L. Dutt              | 1,033.50 | 1,000.00 | 33.50  |
| b) Smt. Kavitha D. Chitturi    | 11.53    | -        | 11.53  |
| c) Sri O. Swaminatha Reddy     | -        | 5.00     | -      |
| d) Sri Dr. V.L Dutt (HUF)      | 800.00   | 200.00   | 600.00 |
| e) Miss. Shivani Dutt Chitturi | 312.00   | 73.00    | 210.00 |
| f) Smt. S.R.V Rajyalakshamma   | 25.00    | 25.00    | 37.50  |

**Note 19. Non current- Trade payables**

| Particulars                        | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|------------------------------------|---------------------|---------------------|---------------------|
| <b>Trade payables</b>              |                     |                     |                     |
| Due to Micro and Small Enterprises | -                   | -                   | -                   |
| Due to Others                      | 271.26              | 271.26              | 271.26              |

**Note 20. Non current Other Financial Liabilities**

| Particulars                          | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Trade Deposits                       | 2,726.32            | 2,402.17            | 2,190.82            |
| Retention Money Payable - Projects   | -                   | -                   | 9.40                |
| Deposits Payable-Contractors         | 261.90              | 235.90              | 189.90              |
| Interest accrued but not due         | 139.77              | 152.70              | 129.37              |
| Outstanding Liabilities for Expenses | 825.96              | 794.47              | 959.24              |
| <b>TOTAL</b>                         | <b>3,953.95</b>     | <b>3,585.24</b>     | <b>3,478.73</b>     |

**Note 21. Non current - Provisions**

| Particulars                            | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------------------------------|---------------------|---------------------|---------------------|
| Provision for gratuity                 | 22.35               | 66.25               | -                   |
| Provision for leave benefits           | 842.58              | 764.21              | 444.05              |
| Provision for Decommissioning expenses | 360.70              | 322.06              | 287.53              |
| <b>TOTAL</b>                           | <b>1,225.63</b>     | <b>1,152.52</b>     | <b>731.58</b>       |

**Note 22. Deferred Tax Asset (Net)**

| Particulars                                                                                                                 | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Deferred Tax Liability</b>                                                                                               |                     |                     |                     |
| Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting & Other | 10,664.82           | 10,589.00           | 10,466.01           |
| Discounting of legal cases                                                                                                  | 12.29               | 12.17               | 28.98               |

Rs in Lakhs

| Particulars                                                                                                                         | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Unamortised transaction cost                                                                                                        | 13.55               | 16.32               | -                   |
| <b>Gross Deferred Tax Liability</b>                                                                                                 | <b>10,690.66</b>    | <b>10,617.49</b>    | <b>10,494.99</b>    |
| <b>Deferred Tax Asset</b>                                                                                                           |                     |                     |                     |
| MAT Credit                                                                                                                          | 3,917.96            | 4,784.75            | 5,528.88            |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 865.39              | 727.95              | 760.24              |
| Expected Credit loss                                                                                                                | 2.24                | 3.19                | 1.87                |
| Discounting of trade receivables                                                                                                    | 16.85               | 22.65               | 6.61                |
| Unabsorbed Losses                                                                                                                   | -                   | -                   | 1,330.79            |
| Decommissioning cost                                                                                                                | 126.04              | 111.46              | 99.52               |
| <b>Gross Deferred tax asset</b>                                                                                                     | <b>4,928.48</b>     | <b>5,650.00</b>     | <b>7,727.91</b>     |
| <b>Net Deferred Tax Asset</b>                                                                                                       | <b>5,762.18</b>     | <b>4,967.49</b>     | <b>2,767.08</b>     |

**Note.23 Borrowings (Current)**

| Particulars                                                                 | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Cash credit from Banks                                                      |                     |                     |                     |
| : Secured                                                                   | 2,881.46            | 6,379.75            | 2,179.12            |
| : Unsecured                                                                 | -                   | -                   | -                   |
| Other Short Term Borrowings-Working Capital Demand Loan                     | 1,000.00            | -                   | -                   |
| Loan Repayable on Demand (Unsecured)                                        |                     |                     |                     |
| :from Directors                                                             | 1,427.32            | 1,336.80            | 2,000.00            |
| Inter-corporate deposit repayable on demand from V Ramakrishna Sons pvt ltd | 620.00              | 675.00              | 500.00              |
| <b>Total</b>                                                                | <b>5,928.78</b>     | <b>8,391.55</b>     | <b>4,679.12</b>     |
| <b>The above amount includes</b>                                            |                     |                     |                     |
| Secured borrowings                                                          | 3,881.46            | 6,379.75            | 2,179.12            |
| Unsecured borrowings                                                        | 2,047.32            | 2,011.80            | 2,500.00            |

|                                                      |                 |                 |                 |
|------------------------------------------------------|-----------------|-----------------|-----------------|
| Details of Loan Repayable on Demand from Directors:- |                 |                 |                 |
| a) Sri Dr V.L. Dutt                                  | 792.32          | 800.00          | 1,300.00        |
| b) Dr. V.L Indira Dutt                               | 400.00          | 355.00          | 420.00          |
| c) Smt Kavitha Dutt Chitturi                         | 235.00          | 181.80          | 280.00          |
| <b>Total</b>                                         | <b>1,427.32</b> | <b>1,336.80</b> | <b>2,000.00</b> |

**Note.24 Trade payables (Current)**

| Particulars                        | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|------------------------------------|---------------------|---------------------|---------------------|
| <b>Trade payables</b>              |                     |                     |                     |
| Due to Micro and Small Enterprises | 42.64               | 7.69                | 16.67               |
| Due to Others                      | 5,159.69            | 3,799.21            | 2,803.17            |
| <b>TOTAL</b>                       | <b>5,202.33</b>     | <b>3,806.90</b>     | <b>2,819.84</b>     |

**Note 25. Current Other Financial Liabilities**

| Particulars                                                   | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Others</b>                                                 |                     |                     |                     |
| Current Maturities of Long Term Borrowings (Refer Note below) | 8,407.23            | 10,705.52           | 9,293.50            |
| Interest Accrued but not due on borrowings                    | 216.64              | 209.15              | 238.38              |
| Interest Accrued and due on borrowings                        | 79.83               | 88.10               | 96.97               |
| Advance from customers                                        | 6,446.67            | 3,472.02            | 4,289.19            |
| Unpaid Dividend                                               | 162.96              | 135.19              | 230.51              |
| Accrued Salaries and Benefits                                 | 720.73              | 642.34              | 638.28              |
| Directors Remuneration Payable (Refer Note No. 48)            | 734.89              | 144.17              | 442.52              |
| Project related payables                                      | 1,426.55            | 1,748.08            | 944.57              |
| Outstanding Liabilities for Others                            | 488.29              | 1,253.74            | 1,079.01            |
| <b>TOTAL</b>                                                  | <b>18,683.79</b>    | <b>18,398.31</b>    | <b>17,252.93</b>    |

| Current maturities of long term borrowings   | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------------------------------------|---------------------|---------------------|---------------------|
| <b>Rupee Term Loans from Banks - Secured</b> |                     |                     |                     |
| for Cement Plant Muktyala                    | -                   | 2,271.75            | 2,904.00            |
| for Hotel Project                            | 854.43              | 854.43              | 854.43              |
| for Cement Plant- Macherla                   | 300.00              | 300.00              | 300.00              |
| for Captive Power Plant- Muktyala            | 995.50              | 995.50              | 995.50              |
| for Cement Plant Muktyala Expansion (Line-2) | 1,200.00            | -                   | -                   |
| for Corporate                                | 1,920.00            | 1,920.00            | 1,380.00            |
| Sub Total                                    | <b>5,269.93</b>     | <b>6,341.68</b>     | <b>6,433.93</b>     |
| <b>Deposits (unsecured)</b>                  |                     |                     |                     |
| From Directors                               | 5.00                | 45.03               | -                   |
| From Others                                  | 3,132.30            | 4,318.81            | 2,859.57            |
| Sub Total                                    | 3,137.30            | 4,363.84            | 2,859.57            |
| <b>TOTAL</b>                                 | <b>8,407.23</b>     | <b>10,705.52</b>    | <b>9,293.50</b>     |

Rs in Lakhs

**Note 26. Other Current Liabilities**

| Particulars    | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|----------------|---------------------|---------------------|---------------------|
| Statutory Dues | 698.28              | 1,897.83            | 1,507.62            |
| Others         | -                   | -                   | -                   |
| <b>TOTAL</b>   | <b>698.28</b>       | <b>1,897.83</b>     | <b>1,507.62</b>     |

**Note 27. Current- Provisions**

| Particulars                             | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|-----------------------------------------|---------------------|---------------------|---------------------|
| <b>Provision for employee benefits:</b> |                     |                     |                     |
| Provision for gratuity                  | 3.01                | 9.19                | -                   |
| Provision for leave benefits            | 370.13              | 52.79               | 145.11              |
| <b>TOTAL</b>                            | <b>373.14</b>       | <b>61.98</b>        | <b>145.11</b>       |

**Note No 28. Revenue from operations**

| Particulars                                      | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|--------------------------------------------------|-------------------------|--------------------------|
| <b>Revenue from operations</b>                   |                         |                          |
| Sale of products                                 | 103,289.06              | 91,816.12                |
| Sale of services                                 | 1,777.80                | 1,915.13                 |
| <b>Other operating revenue</b>                   |                         |                          |
| Scrap sales                                      | 233.99                  | 17.77                    |
| Packing and Forwarding                           | 9.59                    | 7.06                     |
| VAT Incentives                                   | -                       | 674.50                   |
| Interest Income on                               |                         |                          |
| - Bank deposits                                  | 109.16                  | 120.92                   |
| - Interest from customers on overdue             | -                       | 2.56                     |
| - Others                                         | 150.16                  | 55.63                    |
| Rent Recovery                                    | 130.38                  | 95.01                    |
| Amortisation of Government Grant (VAT Incentive) | 1.99                    | 0.82                     |
| Insurance Claims Received                        | 296.70                  | 193.94                   |
| <b>Revenue from operations (Gross)</b>           | <b>105,998.83</b>       | <b>94,899.46</b>         |

**Note No 29. Other Income**

| Particulars                                                     | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-----------------------------------------------------------------|-------------------------|--------------------------|
| <b>Dividend income on</b>                                       |                         |                          |
| Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam | 3,869.25                | -                        |
| Investment in joint venture - Fives Cail KCP Ltd.,              | 40.00                   | 40.00                    |
| Non current investments                                         | 13.16                   | 13.15                    |
| <b>Other non-operating income (See note below)</b>              | <b>788.15</b>           | <b>523.90</b>            |
| <b>TOTAL</b>                                                    | <b>4,710.56</b>         | <b>577.05</b>            |

### Other Non-Operating Income

| Particulars                                                | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|------------------------------------------------------------|-------------------------|--------------------------|
| Unclaimed balance Credited Back                            | 23.38                   | 4.53                     |
| Bad Debts Written Off Recovered                            | -                       | 2.97                     |
| Excess Provision In Earlier Years Credited Back            | 580.54                  | 407.46                   |
| Claims Received                                            | 2.80                    | -                        |
| Duty Drawback                                              | -                       | 23.40                    |
| Difference In Exchange                                     | 37.73                   | 8.01                     |
| Reversal of loss allowance                                 | 2.81                    | -                        |
| Reversal of Provision for Discounting of Trade receivables | 17.22                   | -                        |
| LD Recovered From Suppliers                                | 10.15                   | 1.33                     |
| Miscellaneous Receipts                                     | 26.62                   | 50.70                    |
| Misc.Scrap Sales                                           | 86.90                   | 25.50                    |
| <b>TOTAL</b>                                               | <b>788.15</b>           | <b>523.90</b>            |

### Note No.30- Cost of raw material and components consumed

| Particulars                                  | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|----------------------------------------------|-------------------------|--------------------------|
| Inventory at the beginning of the year       | 720.43                  | 569.40                   |
| Add: Purchases                               | 5,947.41                | 4,645.47                 |
| Add: Cost of raw materials produced          | 10,988.51               | 12,745.81                |
|                                              | 17,656.35               | 17,960.68                |
| Less: Inventory at the end of the year       | 743.38                  | 720.43                   |
| Cost of raw material and components consumed | 16,912.97               | 17,240.25                |

| Details of raw material and components consumed       | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-------------------------------------------------------|-------------------------|--------------------------|
| i) Cement Unit                                        |                         |                          |
| Limestone                                             | 10,882.92               | 12,609.30                |
| Laterite                                              | 993.70                  | 728.38                   |
| Fly Ash                                               | 1,219.26                | 968.54                   |
| Gypsum                                                | 2,256.86                | 1,669.54                 |
| Clinker                                               | 76.56                   | -                        |
| Sub total                                             | 15,429.30               | 15,975.76                |
| ii) Engineering Unit                                  |                         |                          |
| Iron and Steel, Nickel, Scrap and Equipments          | 1,268.07                | 1,009.46                 |
| iii) Bricks Unit / Others                             |                         |                          |
| Sand, Stoner Dust, Metal / Admixture Stock and Others | 27.38                   | 114.97                   |
| iv) Hotel                                             |                         |                          |
| Provisions                                            | 188.20                  | 140.08                   |
| <b>TOTAL</b>                                          | <b>16,912.95</b>        | <b>17,240.27</b>         |

Rs in Lakhs

| Details of Inventory                                      | Year ended<br>31st March<br>2018 | Year ended<br>31st March<br>2017 |
|-----------------------------------------------------------|----------------------------------|----------------------------------|
| Raw materials and components                              |                                  |                                  |
| Limestone                                                 | 328.51                           | 543.32                           |
| Laterite                                                  | 74.72                            | 54.96                            |
| Fly Ash                                                   | 4.75                             | 3.90                             |
| Gypsum                                                    | 303.15                           | 108.45                           |
| Iron and Steel, Nickel, Scrap and Equipments - In Transit | 29.47                            | 3.88                             |
| Others-                                                   | 2.78                             | 5.92                             |
| Sand                                                      | 1.93                             | 3.19                             |
| Stone Crusher Dust                                        | 0.85                             | 2.73                             |
| <b>TOTAL</b>                                              | <b>743.38</b>                    | <b>720.43</b>                    |

**Note No 31. (INCREASE)/ DECREASE IN INVENTORY**

| Particulars                                     | Year ended<br>31st March<br>2018 | Year ended<br>31st March<br>2017 |
|-------------------------------------------------|----------------------------------|----------------------------------|
| <b>Inventories at the end of the year</b>       |                                  |                                  |
| Traded goods                                    | -                                | -                                |
| Work in progress                                | 5,127.32                         | 4,981.76                         |
| Finished goods                                  | 439.67                           | 703.53                           |
| Sub Total                                       | <b>5,566.99</b>                  | <b>5,685.29</b>                  |
| <b>Inventories at the beginning of the year</b> |                                  |                                  |
| Traded goods                                    | -                                | -                                |
| Work in progress                                | 4,981.76                         | 5,610.69                         |
| Finished goods                                  | 703.53                           | 760.13                           |
| Sub Total                                       | <b>5,685.29</b>                  | <b>6,370.82</b>                  |
| (Increase)/ Decrease                            | <b>118.30</b>                    | <b>685.53</b>                    |

**Note No 32. Employee benefits expense**

| Particulars                               | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-------------------------------------------|-------------------------|--------------------------|
| Salaries, Wages and bonus                 | 7,843.57                | 6,274.27                 |
| Contribution to Provident and other funds | 579.18                  | 590.73                   |
| Gratuity expenses                         | 139.06                  | 52.55                    |
| Staff welfare expenses                    | 782.77                  | 930.90                   |
| <b>TOTAL</b>                              | <b>9,344.58</b>         | <b>7,848.45</b>          |

**Note No 33. Finance Costs**

| Particulars           | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-----------------------|-------------------------|--------------------------|
| Interest              | 3,439.43                | 4,563.98                 |
| Other Borrowing costs | 89.56                   | 161.26                   |
| <b>TOTAL</b>          | <b>3,528.99</b>         | <b>4,725.24</b>          |

| Depreciation and amortization expense | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|---------------------------------------|-------------------------|--------------------------|
| Depreciation of tangible assets       | 4,882.82                | 4,826.14                 |
| Amortization of intangible assets     | 19.81                   | 34.36                    |
| <b>TOTAL</b>                          | <b>4,902.63</b>         | <b>4,860.50</b>          |

**Note No 34. Other expenses**

| Particulars                               | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-------------------------------------------|-------------------------|--------------------------|
| Consumption of stores and spares          | 5,639.13                | 4,587.25                 |
| Consumption of loose tools                | 145.13                  | 179.61                   |
| Sub-contracting expenses                  | 1,744.65                | 1,355.72                 |
| Insurance                                 | 127.70                  | 98.18                    |
| Rent                                      | 141.46                  | 143.09                   |
| Rates and taxes                           | 455.05                  | 546.71                   |
| Repairs and maintenance                   |                         |                          |
| To Plant&Machinery                        | 922.47                  | 1,143.14                 |
| Buildings                                 | 542.88                  | 556.42                   |
| Other Assets                              | 225.49                  | 254.02                   |
| Wheeling/Banking Charges                  | 22.77                   | 29.87                    |
| Advertising and sales promotion           | 1,047.64                | 735.71                   |
| Sales commission                          | 131.37                  | 135.97                   |
| Travelling and conveyance                 | 255.29                  | 276.43                   |
| Communication costs                       | 113.39                  | 134.54                   |
| Printing & Stationery                     | 76.07                   | 79.74                    |
| Corporate Social Responsibility           | 54.00                   | 62.24                    |
| Professional, Consultancy and Legal fees  | 470.30                  | 494.11                   |
| Directors' sitting fees                   | 9.70                    | 12.30                    |
| Payment to auditors (Refer details below) | 39.15                   | 50.53                    |
| Exchange Difference -Loss /(Gain)         | -                       | 20.39                    |
| Bad debts/advances written off            | 5.04                    | 1.36                     |
| Bank Charges                              | 78.67                   | 43.72                    |
| Assets Written Off                        | 55.21                   | 12.40                    |

Rs in Lakhs

| Particulars                               | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|-------------------------------------------|-------------------------|--------------------------|
| Loss on sale of fixed assets (net)        | 11.46                   | 28.68                    |
| Performance and Delivery Guarantee Claims | 212.32                  | 420.76                   |
| Increase in loss allowance                | -                       | 3.83                     |
| Miscellaneous expenses                    | 1,671.70                | 1,350.82                 |
| <b>TOTAL</b>                              | <b>14,198.04</b>        | <b>12,757.54</b>         |

| Payment to Auditors        | Current Year<br>2017-18 | Previous Year<br>2016-17 |
|----------------------------|-------------------------|--------------------------|
| <b>As Auditor:</b>         |                         |                          |
| Audit Fee                  | 16.00                   | 16.00                    |
| Tax Audit Fee              | -                       | 4.75                     |
| Certification & Other fees | 15.94                   | 22.16                    |
| <b>In other capacity:</b>  |                         |                          |
| Fees for Cost Auditor      | 5.10                    | 5.19                     |
| Reimbursement of expenses  | 2.11                    | 2.43                     |
| <b>TOTAL</b>               | <b>39.15</b>            | <b>50.53</b>             |

### Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2018 & 31-03-2017 are:

| S No | Income tax expense:-                   | 2017-18         | 2016-17         |
|------|----------------------------------------|-----------------|-----------------|
| a)   | Current tax                            | 2,343.21        | 1,018.26        |
| b)   | Deferred tax                           | (38.88)         | 1,499.02        |
| c)   | MAT credit Utilised/ (Entitlement)     | 866.79          | (649.44)        |
| d)   | Short/(Excess) provision of income tax | (60.86)         | -               |
|      | <b>Total tax expense for the year</b>  | <b>3,110.26</b> | <b>1,867.84</b> |

### Reconciliation of effective tax rate

Tax on the company's profit before tax differs from the the theoretical amount that would arise on using the standard rate of corporate tax in india (34.608%) as follows:

| S.no | Particulars                                           | 2017-18   | 2016-17  |
|------|-------------------------------------------------------|-----------|----------|
| (a)  | Net Profit / (Loss) before taxes                      | 11,236.95 | 5,249.27 |
| (b)  | Corporate Tax as per Income Tax Act, 1961             | 34.608%   | 34.608%  |
| (c)  | Tax on Accounting Profit (c) = (a) X (b)              | 3,888.88  | 1,816.67 |
| (d)  | Increase/Decrease in tax expense on account of:-      |           |          |
| i)   | Non taxable income/Exempt income                      | (14.23)   | (18.46)  |
| ii)  | Reduction in Depreciation/ (Accelerated Depreciation) | 107.71    | (191.21) |
| iii) | Expenses not allowed under Income Tax                 | 459.07    | 198.40   |
| iv)  | Expenses that are allowed under payment basis         | (310.07)  | (145.94) |

| S.no  | Particulars                                              | 2017-18         | 2016-17         |
|-------|----------------------------------------------------------|-----------------|-----------------|
| v)    | Expected Credit Loss(income) as per Ind AS               | (0.97)          | 1.33            |
| vi)   | Amortization of Government Grant as per Ind AS           | (0.69)          | (0.28)          |
| vii)  | Finance Cost as per Ind AS                               | (6.09)          | 32.84           |
| viii) | Stripping Cost Capitalized as per Ind AS                 | (100.15)        | (44.07)         |
| ix)   | Difference in tax rate for foreign dividend              | (671.62)        | -               |
| x)    | Deduction under Sec 80-IA                                | (127.58)        | -               |
| xi)   | Unabsorbed Depreciation                                  | -               | (1,272.88)      |
| xii)  | Other adjustments                                        | (14.25)         | (7.57)          |
|       | <b>Tax Expense recognised in Statement of P &amp; L</b>  | <b>3,210.01</b> | <b>368.83</b>   |
| (e)   | Tax as per Normal Provision under Income Tax             | 3,210.01        | 368.83          |
| (f)   | Tax rate applicable to the company as per MAT Provisions | 21.34%          | 21.34%          |
| (g)   | MAT Tax expense on Net Profits                           | 2,398.14        | 1,120.28        |
| (h)   | Increase/Decrease in tax expense on account of:-         |                 |                 |
| i)    | Items that will not be reclassified to Profit & Loss     | (12.68)         | -               |
| ii)   | Exempt Income                                            | (8.78)          | (11.34)         |
| iii)  | 1/5th of transition amount u/s 115JB(2C)                 | (42.34)         | -               |
| iv)   | Expected Credit Loss                                     | (0.60)          | 0.82            |
| v)    | Expenses that are not allowed                            | 9.50            | 22.42           |
| vi)   | Depreciation difference - Ind AS                         | -               | (40.85)         |
| vii)  | Amortization of Government Grant as per Ind AS           | -               | (0.18)          |
| viii) | Finance Cost as per Ind AS                               | -               | 20.54           |
| ix)   | Stripping Cost Capitalized as per Ind AS                 | -               | (27.18)         |
| x)    | Actural Gain/loss as per Ind AS                          | -               | (66.26)         |
| (i)   | MAT tax provision under 115JB (g+h)                      | <b>2,343.24</b> | <b>1,018.25</b> |

**Deferred Taxes:-**

| S.no | Particulars                                        | 2017-18 | 2016-17 |
|------|----------------------------------------------------|---------|---------|
|      | <b>As on reporting date</b>                        |         |         |
|      | Deffered tax arising due to                        |         |         |
| a)   | <b>On OCI component</b>                            |         |         |
|      | -Actural Gain/Loss                                 | (33.23) | (42.75) |
| b)   | <b>Other than OCI component</b>                    |         |         |
|      | -Difference in W.D.V of Property Plant & Equipment | 77.24   | 108.70  |
|      | -Life expired assets- Property Plant & Equipment   | -       | 6.61    |
|      | -Discounting of trade receivables                  | 5.80    | (25.84) |
|      | -Provision for Loss allowance                      | 0.95    | 1.87    |
|      | -Discounting of Legal cases                        | 0.12    | (16.81) |

Rs in Lakhs

| S.no                                                   | Particulars                                                               | 2017-18        | 2016-17         |
|--------------------------------------------------------|---------------------------------------------------------------------------|----------------|-----------------|
|                                                        | -Decommissioning cost                                                     | (1.42)         | 14.28           |
|                                                        | -Unamortized transaction cost                                             | (2.77)         | 16.32           |
|                                                        | -Provision for Decommissioning cost                                       | (14.59)        | (11.94)         |
|                                                        | -Other disallowances                                                      | (104.21)       | 75.04           |
|                                                        | -Unabsorbed Losses                                                        | -              | 1,330.79        |
| c)                                                     | <b>Total for the year (a+b)</b>                                           | <b>(72.11)</b> | <b>1,456.27</b> |
| <b>Expense/(income) recognised for the year ended:</b> |                                                                           |                |                 |
|                                                        | Deferred tax liability/(asset) recognised in statement of profit and loss | (38.88)        | 1,499.02        |
|                                                        | Deferred tax recognised in other comprehensive income                     | (33.23)        | (42.75)         |
|                                                        | Deferred tax recognised in Total comprehensive income                     | <b>(72.11)</b> | <b>1,456.27</b> |

**Details of Deferred tax liability/ (asset) arised during FY 2016-17:-**

| S. NO | Particulars                                                                                                                         | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|------------------------------------------|---------------------|-----------------|
| 1)    | Property Plant & Equipment                                                                                                          | 10,466.01       | 122.98                                     | -                                        | -                   | 10,589.00       |
| 2)    | Discounting of legal cases                                                                                                          | 28.98           | (16.81)                                    | -                                        | -                   | 12.17           |
| 3)    | Unamortised transaction cost                                                                                                        | -               | 16.32                                      | -                                        | -                   | 16.32           |
| 4)    | Deferred Tax Asset on Expected Credit Loss                                                                                          | (1.87)          | (1.33)                                     | -                                        | -                   | (3.20)          |
| 5)    | Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | (760.24)        | 75.04                                      | (42.75)                                  | -                   | (727.95)        |
| 6)    | Provision for Discounting of Trade receivable                                                                                       | (6.61)          | (16.04)                                    | -                                        | -                   | (22.65)         |
| 7)    | Unabsorbed Losses                                                                                                                   | (1,330.79)      | 1,330.79                                   | -                                        | -                   | -               |
| 8)    | Provision for decommissioning cost                                                                                                  | (99.52)         | (11.94)                                    | -                                        | -                   | (111.46)        |
| 9)    | MAT Credit                                                                                                                          | (5,528.88)      | 649.44                                     | -                                        | 94.69               | (4,784.75)      |
|       | <b>Total</b>                                                                                                                        | <b>2,767.08</b> | <b>2,148.46</b>                            | <b>(42.75)</b>                           | <b>94.69</b>        | <b>4,967.49</b> |

**Details of Deferred tax liability/ (asset) arisen during FY 2017-18:-**

| S. NO | Particulars                                                                                                          | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-------|----------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|------------------------------------------|---------------------|-----------------|
|       | Temporarty Timing difference arisen in relation to                                                                   |                 |                                            |                                          |                     |                 |
| 1)    | Fixed Assets                                                                                                         |                 |                                            |                                          |                     |                 |
|       | - Depreciation charged as per income tax act and Companies Act                                                       | 10,589.00       | 75.82                                      | -                                        | -                   | 10,664.82       |
|       | - Decommissioning Cost- Mines                                                                                        | -               |                                            | -                                        | -                   | -               |
| 2)    | Bank Processing Charges                                                                                              |                 | 0.00                                       |                                          |                     |                 |
|       | - Amortization                                                                                                       | 16.32           | (2.77)                                     | -                                        | -                   | 13.55           |
| 3)    | Discounting of Legal Cases                                                                                           | 12.17           | 0.12                                       | -                                        | -                   | 12.29           |
| 4)    | Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis | (727.95)        | (104.21)                                   | (33.23)                                  | -                   | (865.39)        |
| 5)    | Provision for Discounting of Trade receivables                                                                       | (22.65)         | 5.80                                       |                                          |                     | (16.85)         |
| 6)    | Deferred Tax Asset on Expected Credit Loss                                                                           | (3.19)          | 0.95                                       | -                                        | -                   | (2.24)          |
| 7)    | Provision for Decommissioning Cost                                                                                   | (111.46)        | (14.59)                                    | -                                        | -                   | (126.05)        |
| 8)    | MAT Credit                                                                                                           | (4,784.75)      | 0.00                                       | -                                        | 866.79              | (3,917.96)      |
|       | <b>TOTAL</b>                                                                                                         | <b>4,967.49</b> | <b>(38.88)</b>                             | <b>(33.23)</b>                           | <b>866.79</b>       | <b>5,762.18</b> |

**Note 36. Other Comprehensive Income**

| Particulars                                                           | Current Year 2017-18 | Previous Year 2016-17 |
|-----------------------------------------------------------------------|----------------------|-----------------------|
| a) Items that will not be reclassified subsequently to Profit or loss |                      |                       |
| - Remeasurement of Defined Benefit Plan (Loss)/Gain                   |                      |                       |
| Gratuity                                                              | 35.68                | (186.93)              |
| Leave Encashment                                                      | (95.09)              | (123.52)              |
| - Increase/Decrease in Fair Value of Investments                      | (0.71)               | 1.83                  |
| b) Items that will be reclassified subsequently to Profit or loss     | 0.00                 | 0.00                  |
| c) Impact of income tax on above (a) and (b)                          | 33.23                | 42.75                 |

Rs in Lakhs

## Statement showing additions, write off and payments made to provisions as per IND AS 37 Para 84

| S.No | Provisions                                         | Leave Benefits | Gratuity | Income Tax | Wealth Tax | Decommissioning cost in respect of mines |
|------|----------------------------------------------------|----------------|----------|------------|------------|------------------------------------------|
| 1    | Balance as at 1st April, 2017                      | 816.99         | 75.44    | 1,092.14   | 12.59      | 322.06                                   |
| 2    | Provision recognised during the year               | -              | -        | -          | -          | -                                        |
|      | - In Statement of Profit & Loss                    | 582.90         | 139.06   | 3,210.00   | -          | 38.65                                    |
|      | - In Statement of Other Comprehensive Income       | 95.09          | (35.68)  | -          | -          | -                                        |
| 3    | Amounts incurred and charged against the provision | (282.27)       | (153.45) | (1,068.69) | -          | -                                        |
| 4    | Balance as at 31st March, 2018                     | 1,212.71       | 25.36    | 3,233.45   | 12.59      | 360.70                                   |

## Note. No. 37. CONTINGENT LIABILITIES

|   | Particulars                                                 | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|-------------------------------------------------------------|------------------------|------------------------|-----------------------|
| A | Claims against the company not acknowledged as debt         |                        |                        |                       |
|   | A.1) In respect of Statutory levies                         | 3381.99                | 4116.42                | 5300.87               |
|   | A.2) In respect of Contractual levies                       | 127.11                 | 127.11                 | 127.11                |
|   | A.3) In respect of Others                                   | 571.78                 | 429.45                 | 325.67                |
| B | Guarantees issued by the Bankers on behalf of the Company   |                        |                        |                       |
|   | B.1) Against Advances obtained                              | 4207.26                | 2999.29                | 1836.66               |
|   | B.2) Towards Performance Guarantees                         | 689.68                 | 506.80                 | 480.78                |
| C | Others                                                      |                        |                        |                       |
|   | - Foreign Currency Exposure not hedged by forward contracts |                        |                        |                       |
|   | (i) Export Receivables                                      | 38.86                  | 431.32                 | 42.59                 |
|   | (ii) Import Creditors Payables                              | -                      | -                      | -                     |

## Note. 38. COMMITMENTS

|   | Particulars                                                                                    | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------|
| A | Estimated amount of contracts remaining to be executed on capital account and not provided for | 9402.73                | 19349.92               | 214.88                |
| B | Uncalled liability on Shares and Other Investments Partly paid                                 | -                      | -                      | -                     |
| C | Other commitments - Sale contracts                                                             | 10680.82               | 8237.28                | 9196.99               |
|   | - Export Obligation under EPCG Scheme                                                          | 716.31                 | 716.31                 | 716.31                |
|   | - Derivative Commitments                                                                       | -                      | -                      | -                     |

**Note. 39. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

| Particulars                                      | FY 2017-18 | FY 2016-17 |
|--------------------------------------------------|------------|------------|
| a) Raw Materials and Stock-in-Trade              | 1322.21    | 799.68     |
| b) Components, Spares parts , Consumables & Coal | 13497.15   | 11600.48   |
| c) Tools                                         | 0.75       | 5.04       |
| d) Capital goods                                 | 2720.84    | 76.95      |
|                                                  | 17540.95   | 12482.15   |

**Note. 40. Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:**

| Particulars                                                                   | FY 2017-18 |         | FY 2016-17 |         |
|-------------------------------------------------------------------------------|------------|---------|------------|---------|
|                                                                               | Rs         | %       | Rs.        | %       |
| a Raw materials                                                               |            |         |            |         |
| (i) Imported                                                                  | 2318.00    | 13.71%  | 1614.84    | 9.37%   |
| (ii) Indigenous                                                               | 14594.96   | 86.29%  | 15625.42   | 90.63%  |
|                                                                               | 16912.96   | 100.00% | 17240.26   | 100.00% |
| b Components ,Spares parts , Consumables & Coal (debited to respective heads) |            |         |            |         |
| (i) Imported                                                                  | 17964.59   | 58.68%  | 14826.96   | 71.47%  |
| (ii) Indigenous                                                               | 12647.34   | 41.32%  | 5917.33    | 28.53%  |
|                                                                               | 30611.92   | 100.00% | 20744.29   | 100.00% |

**Note 41. EXPENDITURE IN FOREIGN CURRENCY**

| Particulars            | FY 2017-18 | FY 2016-17 |
|------------------------|------------|------------|
| a) Travelling expenses | 6.94       | 5.02       |
| b) Membership          | 4.13       | 3.65       |
| c) Others              | 9.74       | 4.97       |
| d) Commission          | -          | 2.12       |
| Total                  | 20.81      | 15.76      |

**Note 42. EARNINGS IN FOREIGN EXCHANGE**

| Particulars                                      | FY 2017-18 | FY 2016-17 |
|--------------------------------------------------|------------|------------|
| a) F.O.B value of goods exported during the year | 374.67     | 1300.29    |
| b) Interest and Consultancy                      | -          | -          |
| c) Income from Service charge                    | 191.88     | 162.95     |
| d) Dividend from Investments                     | 3881.29    | 12.47      |
| Total                                            | 4447.84    | 1475.70    |

Rs in Lakhs

**Noe 43. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

| Particulars                                                  | FY 2017-18 | FY 2016-17 |
|--------------------------------------------------------------|------------|------------|
| a) Number of Non Resident Shareholders                       | 660        | 320        |
| b) Number of Equity Shares held by them                      | 3,244,751  | 2,966,557  |
| 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.

**Note 44. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR**

| Particulars                                | FY 2017-18 | FY 2016-17 |
|--------------------------------------------|------------|------------|
| a) Opening unallocated capital expenditure | 592.94     | 374.80     |
| <b>Add:</b>                                |            |            |
| Salaries,wages, Bonus, PF & FPS            | 180.32     | 97.27      |
| Staff welfare Expenses                     | 0.64       | 4.50       |
| Stores and Spares Consumed                 | 3.03       | -          |
| Power                                      | 57.27      | 0.60       |
| Insurance                                  | 12.90      | 2.08       |
| Repairs to Building                        | 0.85       | 0.57       |
| Repairs to Machinery                       | 0.42       | 0.45       |
| Repairs to Other Assets                    | 0.32       | 0.66       |
| Payment to auditors                        | 0.23       | 0.10       |
| Rent                                       | 1.33       | -          |
| Professional Fees                          | 103.06     | 45.56      |
| Travelling Expenses                        | 13.69      | 2.21       |
| Security Charges                           | 8.86       | 0.96       |
| Rates & taxes                              | 2.03       | 0.86       |
| Interest on Term Loan                      | 893.47     | 48.07      |
| Depreciation                               | 10.36      | 3.16       |
| Miscellaneous expenses                     | 74.38      | 28.02      |
| Net expenditure during trial run period    | -          | -          |
|                                            | 1956.10    | 609.88     |
| <b>Less:</b>                               |            |            |
| Interest Received                          | 15.80      | 0.07       |
| Miscellaneous Income                       | -          | 16.87      |
|                                            | 1940.29    | 592.94     |
| <b>Less:</b>                               |            |            |
| Capitalised/Allocated to fixed assets      | -          | -          |
| Written off during the year                | 403.48     | -          |
| Closing unallocated Capital Expenditure    | 1536.81    | 592.94     |
|                                            | 1940.29    | 592.94     |

**Note 45. SALES**

| Particulars                                                | FY 2017-18       | FY 2016-17      |
|------------------------------------------------------------|------------------|-----------------|
| Finished goods sold (inclusive of Excise duty/Service tax) |                  |                 |
| Cement                                                     | 95106.05         | 83915.12        |
| Heavy Engineering products                                 | 7378.63          | 6859.23         |
| Electrical energy                                          | 710.40           | 703.56          |
| Service Receipts                                           | 1777.80          | 1915.13         |
| Others                                                     | 1025.95          | 1506.42         |
| <b>Total</b>                                               | <b>105998.83</b> | <b>94899.47</b> |

**Note 46. EARNINGS PER SHARE (EPS)**

| Particulars                                                                           | FY 2017-18 | FY 2016-17 |
|---------------------------------------------------------------------------------------|------------|------------|
| i) Net Profit after tax as per Profit and Loss Statement                              | 8126.69    | 3381.42    |
| ii) Net Profit attributable to Equity Shareholders                                    | 8126.69    | 3381.42    |
| iii) Weighted Average number of equity shares used as denominator for calculating EPS | 128921160  | 128921160  |
| iv) Basic and Diluted Earnings per share                                              | 6.30       | 2.62       |
| v) Nominal value per each Equity share                                                | 1.00       | 1.00       |

**Note 47. Disclosures required by Indian Accounting Standard 19- Employee Benefits**

| Particulars                                               | FY 2017-18 |                | FY 2016-17 |                |
|-----------------------------------------------------------|------------|----------------|------------|----------------|
|                                                           | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| <b>a) Reconciliation for present value of obligations</b> |            |                |            |                |
| Present value of obligations as at beginning of the year  | 1,215.56   | 831.81         | 1,022.16   | 589.16         |
| Interest cost                                             | 85.18      | 51.11          | 75.58      | 44.72          |
| Current service cost                                      | 85.29      | 77.21          | 69.17      | 120.49         |
| Past service cost                                         | 53.87      | -              | -          | -              |
| Benefits paid                                             | (128.99)   | (282.27)       | (130.98)   | (46.09)        |
| Actuarial loss/(gain) on obligation                       | (31.65)    | 534.85         | 179.63     | 123.52         |
| Present value of obligations as at end of the year        | 1,279.26   | 1,212.71       | 1,215.56   | 831.81         |
| <b>b) Reconciliation for fair value of plan assets</b>    |            |                |            |                |
| Fair Value of Plan Assets at the beginning of the year    | 1,140.12   | -              | 1,104.94   | -              |
| Add : Increase In Value By LIC                            | -          | -              | -          | -              |
| Less: Decrease In Value                                   | -          | -              | -          | -              |
| Expected Return on Plan Assets                            | 85.27      | -              | 85.37      | -              |
| Contributions                                             | 153.45     | 282.27         | 82.40      | 46.09          |

Rs in Lakhs

| Particulars                                                                      | FY 2017-18 |                | FY 2016-17 |                |
|----------------------------------------------------------------------------------|------------|----------------|------------|----------------|
|                                                                                  | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| Benefits Paid                                                                    | (128.99)   | (282.27)       | (130.98)   | (46.09)        |
| Actuarial Gain On Plan Assets                                                    | 4.03       |                | (1.62)     |                |
| Fair value of Plan Assets at the end of the year                                 | 1,253.90   | -              | 1,140.12   | -              |
| <b>c) Net Liability recognised in the Balance Sheet</b>                          |            |                |            |                |
| Present value of obligations as at the end of the year                           | 1,279.26   | 1,212.71       | 1,215.56   | 831.81         |
| Fair value of plan Assets as at the end of the year                              | 1,253.90   | -              | 1,140.12   | -              |
| Amount determined under para 63 of IND AS 19                                     | 25.36      | 1,212.71       | 75.44      | 831.81         |
| Net defined benefit liability recognised in the Balance sheet                    | 25.36      | 1,212.71       | 75.44      | 831.81         |
| Present value of future reduction in contribution under para 65 of IND AS 19     | -          | -              | -          | -              |
| Net Defined benefit asset recognised under para 64 of IND AS 19                  | -          | -              | -          | -              |
| <b>d) Expenses recognised in statement of Profit &amp; Loss</b>                  |            |                |            |                |
| Current service cost                                                             | 85.29      | 77.21          | 69.17      | 120.49         |
| Net interest on net Defined benefit obligations                                  | (0.10)     | -              | (9.80)     |                |
| Interest cost                                                                    | -          | 51.11          | -          | 44.72          |
| Net actuarial (gain)/loss recognised in the year                                 | -          | 534.85         | -          | -              |
| Past service Cost                                                                | 53.87      |                | -          | -              |
| Expense to be recognised in the Profit & Loss a/c                                | 139.06     | 663.17         | 59.38      | 165.21         |
| <b>e) Amount recognised in the statement of OCI</b>                              |            |                |            |                |
| Actuarial (gain)/loss on Plan obligation                                         | (31.65)    | 95.09          | 179.63     | 123.52         |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | (4.03)     | -              | 1.62       |                |
| Effect of Balance Sheet asset limit                                              | -          | -              |            |                |
| Amount recognized in OCI for the current period                                  | (35.68)    | 95.09          | 181.25     | 123.52         |
| <b>f) Actuarial Assumptions</b>                                                  |            |                |            |                |
| Assumptions as at 31 March                                                       |            |                |            |                |
| Discount rate                                                                    | 7.67%      | 7.67%          | 7.40%      | 7.40%          |
| Salary escalation                                                                | 6.00%      | 6.00%          | 6.00%      | 6.00%          |
| Attrition rate                                                                   | 4.00%      | 4.00%          | 4.00%      | 4.00%          |

| Particulars                                                | FY 2017-18       |                | FY 2016-17       |                |
|------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                            | Gratuity         | Leave Benefits | Gratuity         | Leave Benefits |
| Expected return on Plan Assets                             | 7.67%            | 0.00%          | 7.40%            | 0.00%          |
| Mortality                                                  | <b>LIC 94-96</b> |                | <b>LIC 94-96</b> |                |
| g) Date of Valuation                                       | 31-03-2018       | 31-03-2018     | 31-03-2017       | 31-03-2017     |
| h) Average Duration of Defined Benefit Obligation (in Yrs) | 6.5              | 6.9            | 6.6              | 6.2            |
| <b>i) Sensitivity Analysis</b>                             |                  |                |                  |                |

Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. the following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase (+) or decrease(-) in the reported assumption by 50 basis points.

| Particulars                      | FY 2017-18 |                | FY 2016-17 |                |
|----------------------------------|------------|----------------|------------|----------------|
|                                  | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| Discount Rate + 50 BP            | 8.17%      | 8.17%          | 7.90%      | 7.90%          |
| Defined Benefit Obligation (PVO) | 1,243.34   | 1,151.68       | 1,180.15   | 809.13         |
| Current Service Cost             | 85.06      | 97.89          | 81.81      | 74.57          |
| Discount Rate - 50 BP            | 7.17%      | 7.17%          | 6.90%      | 6.90%          |
| Defined Benefit Obligation (PVO) | 1,317.22   | 1,225.75       | 1,253.05   | 855.90         |
| Current Service Cost             | 92.37      | 105.62         | 89.04      | 80.04          |
| Salary Escalation Rate + 50 BP   | 6.50%      | 6.50%          | 6.50%      | 6.50%          |
| Defined Benefit Obligation (PVO) | 1,317.06   | 1,226.19       | 1,252.72   | 856.11         |
| Current Service Cost             | 92.50      | 109.67         | 88.85      | 80.07          |
| Salary Escalation Rate - 50 BP   | 5.50%      | 5.50%          | 5.50%      | 5.50%          |
| Defined Benefit Obligation (PVO) | 1,243.22   | 1,150.96       | 1,180.12   | 808.74         |
| Current Service Cost             | 84.91      | 97.82          | 81.87      | 74.53          |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date.

#### Projected plan Cash flows:

|                                                                   |               |        |               |        |
|-------------------------------------------------------------------|---------------|--------|---------------|--------|
| j) Expected Contribution in following Years [mid-year cash flows] |               |        |               |        |
| Year 1                                                            | Not Available | 104.18 | Not Available | 145.04 |
| Year 2                                                            | Not Available | 241.83 | Not Available | 147.03 |
| Year 3                                                            | Not Available | 89.07  | Not Available | 67.03  |
| Year 4                                                            | Not Available | 126.82 | Not Available | 55.25  |
| Year 5                                                            | Not Available | 136.42 | Not Available | 66.38  |
| next 5 years                                                      | Not Available | 445.83 | Not Available | 267.95 |

Rs in Lakhs

| Particulars                                                            | FY 2017-18 |                | FY 2016-17 |                |
|------------------------------------------------------------------------|------------|----------------|------------|----------------|
|                                                                        | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| k) Expected Benefit payments in following Years [mid- year cash flows] |            |                |            |                |
| Year 1                                                                 | 104.33     | 104.18         | 127.57     | 145.04         |
| Year 2                                                                 | 339.14     | 241.83         | 243.59     | 147.03         |
| Year 3                                                                 | 134.26     | 89.07          | 171.67     | 67.03          |
| Year 4                                                                 | 169.42     | 126.82         | 112.37     | 55.25          |
| Year 5                                                                 | 149.54     | 136.42         | 144.89     | 66.38          |
| next 5 years                                                           | 551.70     | 445.83         | 533.62     | 267.95         |

**Note 48. RELATED PARTY DISCLOSURE**

(Given in Annexure - I)

**Note 49. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES (MSMED ACT,2006)**

|                                                                                                                                                                                                                                                                     | Particulars                                                                                                                                                                                                                                                                            | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------|
| a                                                                                                                                                                                                                                                                   | The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year                                                                                                                                                                                 |                        |                        |                       |
|                                                                                                                                                                                                                                                                     | - Principal amount of bills to be paid                                                                                                                                                                                                                                                 | 42.64                  | 7.69                   | 16.67                 |
|                                                                                                                                                                                                                                                                     | - Interest due thereon                                                                                                                                                                                                                                                                 | -                      | -                      | -                     |
| 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. |                                                                                                                                                                                                                                                                                        |                        |                        |                       |

**Note 50. CASH AND BANK BALANCES - includes**

| Particulars                                                                                                         | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-----------------------|
| Fixed Deposit Receipts lodged with Bankers for BG & LC's                                                            | 547.60                 | 554.96                 | 509.67                |
| Deposits maintained as per the provisions of Section 73(2)(C) of the Companies Act, 2013 and Rules made thereunder. | 1,461.00               | 1,025.00               | 705.00                |
| Balances held at banks towards Unclaimed Dividends                                                                  | 162.96                 | 135.19                 | 230.51                |
| <b>Total</b>                                                                                                        | <b>2,171.55</b>        | <b>1,715.15</b>        | <b>1,445.18</b>       |

**Note 51. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

| Particulars                                                      | FY 2017-18 | FY 2016-17 |
|------------------------------------------------------------------|------------|------------|
| Gross amount required to be spent by the company during the year | 90.87      | 59.88      |
| (-) Amount spent by the company during the year towards CSR      | 54.00      | 62.24      |
| Amount yet to be spent by the company                            | 36.87      | -          |

**Note 52. PROVISION FOR ONEROUS CONTRACTS- IND AS 37**

As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision for an amount of Rs.30.00 Lakhs (Previous Year : Rs.51.02 Lakhs)

**Note 53. EXCEPTIONAL ITEM**

Consequent to the orders from the Honourable Supreme Court of India on the Electricity Duty charges levied by the State on captive consumption, the Company had provided Rs. 871.22 lakhs as liability as on 31.03.2018 and the same has been reported as Exceptional Item in the Profit & Loss Statement.

**Note 54. DIVIDENDS**

In respect of the year ended March 31, 2018 the Directors proposed a dividend of Re. 1/- per equity share. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.1289.21 lakhs excluding Dividend Distribution Tax.

**Note 55. Financial instruments - Fair values and risk management**

(GIVEN IN ANNEXURE II)

**Note 56**

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

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

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

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

**ANNEXURE - I TO STANDALONE NOTES- RELATED PARTY DISCLOSURE**
**Note 48. Related party Disclosure**
**A). List of Related parties**

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

Rs in Lakhs

| Transactions during the year    | Subsidiary Company | Joint Venture | KMP        | Related parties other relations | Companies Controlled by KMP |
|---------------------------------|--------------------|---------------|------------|---------------------------------|-----------------------------|
| <b>Sale of Goods</b>            |                    |               |            |                                 |                             |
| Fives Cail KCP Limited          |                    | 1.14          |            |                                 |                             |
|                                 |                    | (551.74)      |            |                                 |                             |
| <b>Services -Rendered</b>       |                    |               |            |                                 |                             |
| Fives Cail KCP Limited          |                    | 119.10        |            |                                 |                             |
|                                 |                    | (80.80)       |            |                                 |                             |
| V. Ramakrishna Sons Pvt Limited |                    |               |            |                                 | 0.07                        |
|                                 |                    |               |            |                                 | (0.16)                      |
| KCP Technologies Limited        |                    |               |            |                                 | 1.63                        |
|                                 |                    |               |            |                                 | (1.59)                      |
| V. Ramakrishna Charitable Trust |                    |               |            |                                 | 0.15                        |
|                                 |                    |               |            |                                 | (0.15)                      |
| <b>Services -Received</b>       |                    |               |            |                                 |                             |
| KCP Technologies Limited        |                    |               |            |                                 | 15.80                       |
|                                 |                    |               |            |                                 | (18.97)                     |
| <b>Dividend Income</b>          |                    |               |            |                                 |                             |
| KCP Vietnam Industries Limited  | 3869.25            |               |            |                                 |                             |
|                                 | -                  |               |            |                                 |                             |
| Fives Cail KCP Limited          |                    | 40.00         |            |                                 |                             |
|                                 |                    | (40.00)       |            |                                 |                             |
| Bridgecap Engineering           |                    |               |            |                                 | 12.04                       |
|                                 |                    |               |            |                                 | -                           |
| <b>Loans/Deposits received</b>  |                    |               |            |                                 |                             |
| Dr V L Dutt                     |                    |               | 33.50      |                                 |                             |
|                                 |                    |               | (1,500.00) |                                 |                             |
| Smt V L Indira Dutt             |                    |               | 455.00     |                                 |                             |
|                                 |                    |               | (135.00)   |                                 |                             |
| Smt Kavitha D Chitturi          |                    |               | 66.53      |                                 |                             |
|                                 |                    |               | (101.80)   |                                 |                             |
| V. Ramakrishna Sons Pvt Limited |                    |               |            |                                 | -                           |
|                                 |                    |               |            |                                 | (175.00)                    |
| VL Dutt (HUF)                   |                    |               |            | 600.00                          |                             |
|                                 |                    |               |            | (200.00)                        |                             |

| Transactions during the year                               | Subsidiary Company | Joint Venture | KMP      | Related parties other relations | Companies Controlled by KMP |
|------------------------------------------------------------|--------------------|---------------|----------|---------------------------------|-----------------------------|
| Kum.Shivani Dutt Chitturi                                  |                    |               |          | 252.00                          |                             |
|                                                            |                    |               |          | (60.00)                         |                             |
| Late Smt. S. R.V. Rajyalakshamma                           |                    |               |          | -                               |                             |
|                                                            |                    |               |          | (25.00)                         |                             |
| <b>Purchase of Goods</b>                                   |                    |               |          |                                 |                             |
| KCP Technologies Limited                                   |                    |               |          |                                 | 1.02                        |
|                                                            |                    |               |          |                                 | (1.47)                      |
| Tyco Sanmar Limited                                        |                    |               |          |                                 | 2.16                        |
|                                                            |                    |               |          |                                 | -                           |
| <b>Remuneration paid</b>                                   |                    |               |          |                                 |                             |
| Dr V L Dutt                                                |                    |               | 498.64   |                                 |                             |
|                                                            |                    |               | (216.95) |                                 |                             |
| Smt V L Indira Dutt                                        |                    |               | 373.98   |                                 |                             |
|                                                            |                    |               | (166.05) |                                 |                             |
| Smt Kavitha D Chitturi                                     |                    |               | 186.99   |                                 |                             |
|                                                            |                    |               | (165.60) |                                 |                             |
| Sri V .Gandhi                                              |                    |               | 186.99   |                                 |                             |
|                                                            |                    |               | (160.73) |                                 |                             |
| Sri G.N. Murty                                             |                    |               | 55.27    |                                 |                             |
|                                                            |                    |               | (50.42)  |                                 |                             |
| Sri Y. Vijayakumar                                         |                    |               | 21.25    |                                 |                             |
|                                                            |                    |               | (15.72)  |                                 |                             |
| <b>Directors out of pocket Expenses &amp; Sitting fees</b> |                    |               |          |                                 |                             |
|                                                            |                    |               |          |                                 |                             |
| Sri O. Swaminatha Reddy                                    |                    |               | 2.27     |                                 |                             |
|                                                            |                    |               | (2.30)   |                                 |                             |
| Sri V. H Ramakrishnan                                      |                    |               | 2.27     |                                 |                             |
|                                                            |                    |               | (2.63)   |                                 |                             |
| Sri Vijay Sankar                                           |                    |               | 1.70     |                                 |                             |
|                                                            |                    |               | (2.70)   |                                 |                             |
| Sri P. S. Kumar                                            |                    |               | 2.32     |                                 |                             |
|                                                            |                    |               | (2.70)   |                                 |                             |
| Sri M. Narasimhappa                                        |                    |               | 1.61     |                                 |                             |
|                                                            |                    |               | (2.63)   |                                 |                             |

Rs in Lakhs

| Transactions during the year     | Subsidiary Company | Joint Venture | KMP      | Related parties other relations | Companies Controlled by KMP |
|----------------------------------|--------------------|---------------|----------|---------------------------------|-----------------------------|
| <b>Interest paid</b>             |                    |               |          |                                 |                             |
| Dr V L Dutt                      |                    |               | 171.01   |                                 |                             |
|                                  |                    |               | (158.05) |                                 |                             |
| Smt V L Indira Dutt              |                    |               | 27.82    |                                 |                             |
|                                  |                    |               | (39.24)  |                                 |                             |
| Smt Kavitha D Chitturi           |                    |               | 18.82    |                                 |                             |
|                                  |                    |               | (24.16)  |                                 |                             |
| <b>Other Relations</b>           |                    |               |          |                                 |                             |
| Kum. Shivani D. Chitturi         |                    |               |          | 32.61                           |                             |
|                                  |                    |               |          | (27.57)                         |                             |
| VL Dutt (HUF)                    |                    |               |          | 86.50                           |                             |
|                                  |                    |               |          | (81.90)                         |                             |
| Late Smt S. R. V. Rajyalakshamma |                    |               |          | 6.61                            |                             |
|                                  |                    |               |          | (4.29)                          |                             |
| V. Ramakrishna Sons Pvt Limited  |                    |               |          |                                 | 56.18                       |
|                                  |                    |               |          |                                 | (54.81)                     |
| Sri O. Swaminatha Reddy          |                    |               | 0.54     |                                 |                             |
|                                  |                    |               | -        |                                 |                             |
| <b>Dividend paid</b>             |                    |               |          |                                 |                             |
| Dr V L Dutt                      |                    |               | 120.11   |                                 |                             |
|                                  |                    |               | -        |                                 |                             |
| Smt V L Indira Dutt              |                    |               | 67.29    |                                 |                             |
|                                  |                    |               | -        |                                 |                             |
| Smt Kavitha D Chitturi           |                    |               | 23.60    |                                 |                             |
|                                  |                    |               | -        |                                 |                             |
| Sri V .Gandhi                    |                    |               | 0.04     |                                 |                             |
|                                  |                    |               | -        |                                 |                             |
| <b>Other Relations</b>           |                    |               |          |                                 |                             |
| Kum.Shivani Dutt Chitturi        |                    |               |          | 26.00                           |                             |
|                                  |                    |               |          | -                               |                             |
| Late Smt.S R V Rajyalakshamma    |                    |               |          | 0.01                            |                             |
|                                  |                    |               |          | -                               |                             |
| Smt.Uma S Vallabhaneni           |                    |               |          | 3.26                            |                             |
|                                  |                    |               |          | -                               |                             |

| Transactions during the year               | Subsidiary Company | Joint Venture | KMP        | Related parties other relations | Companies Controlled by KMP |
|--------------------------------------------|--------------------|---------------|------------|---------------------------------|-----------------------------|
| Smt.Rajeswary Ramakrishnan                 |                    |               |            | 4.68                            |                             |
|                                            |                    |               |            | -                               |                             |
| Smt.Kamala Devi Valluri                    |                    |               |            | 0.10                            |                             |
|                                            |                    |               |            | -                               |                             |
| Smt.Anupama                                |                    |               |            | 0.05                            |                             |
|                                            |                    |               |            | -                               |                             |
| V. Ramakrishna Sons Pvt Limited            |                    |               |            |                                 | 779.13                      |
|                                            |                    |               |            |                                 | -                           |
| The Jeypore Sugar Company Ltd.             |                    |               |            |                                 | 5.57                        |
|                                            |                    |               |            |                                 | -                           |
| VRK Grandsons Investment (Private) Limited |                    |               |            |                                 | 110.33                      |
|                                            |                    |               |            |                                 | -                           |
| Dr V L Dutt (HUF)                          |                    |               |            | 2.27                            |                             |
|                                            |                    |               |            | -                               |                             |
|                                            |                    |               |            |                                 |                             |
| <b>Loans/Deposit Repaid</b>                |                    |               |            |                                 |                             |
| Dr V L Dutt                                |                    |               | 41.18      |                                 |                             |
|                                            |                    |               | (1,000.00) |                                 |                             |
| Smt. VL Indira Dutt                        |                    |               | 410.00     |                                 |                             |
|                                            |                    |               | (200.00)   |                                 |                             |
| Smt Kavitha D Chitturi                     |                    |               | 13.33      |                                 |                             |
|                                            |                    |               | (200.00)   |                                 |                             |
| V. Ramakrishna Sons Pvt Limited            |                    |               |            |                                 | 55.00                       |
|                                            |                    |               |            |                                 | -                           |
| <b>Rent Paid</b>                           |                    |               |            |                                 |                             |
| Smt V L Indira Dutt                        |                    |               | 79.53      |                                 |                             |
|                                            |                    |               | (61.85)    |                                 |                             |
| Smt Kavitha D Chitturi                     |                    |               | 4.83       |                                 |                             |
|                                            |                    |               | (4.29)     |                                 |                             |
|                                            |                    |               |            |                                 |                             |
| <b>Other Relations</b>                     |                    |               |            |                                 |                             |
| Smt.Uma.S.Vallabhaneni                     |                    |               |            | 103.60                          |                             |
|                                            |                    |               |            | (80.88)                         |                             |

Rs in Lakhs

| Transactions during the year           | Subsidiary Company | Joint Venture | KMP     | Related parties other relations | Companies Controlled by KMP |
|----------------------------------------|--------------------|---------------|---------|---------------------------------|-----------------------------|
| Late Smt. S R V Rajyalakshamma         |                    |               |         | 9.62                            |                             |
|                                        |                    |               |         | (10.92)                         |                             |
| Smt.V.Rama Kumari                      |                    |               |         | 75.50                           |                             |
|                                        |                    |               |         | (58.65)                         |                             |
| Bala Tripurasundari Ammavaru Temple    |                    |               |         |                                 | 102.95                      |
|                                        |                    |               |         |                                 | (81.38)                     |
| Sri.V.Chandra kumar                    |                    |               |         | 44.67                           |                             |
|                                        |                    |               |         | (35.72)                         |                             |
|                                        |                    |               |         |                                 |                             |
| <b>Balances as at 31.03.2018</b>       |                    |               |         |                                 |                             |
|                                        |                    |               |         |                                 |                             |
| <b>Share Capital held by KCP in</b>    |                    |               |         |                                 |                             |
| KCP Vietnam Industries Limited         | 2371.44            |               |         |                                 |                             |
|                                        | (2,371.44)         |               |         |                                 |                             |
| Fives Cail KCP Limited                 |                    | 40.00         |         |                                 |                             |
|                                        |                    | (40.00)       |         |                                 |                             |
|                                        |                    |               |         |                                 |                             |
| <b>Receivable - Trade dues/ others</b> |                    |               |         |                                 |                             |
| Fives Cail KCP Limited                 |                    | 17.29         |         |                                 |                             |
|                                        |                    | (11.40)       |         |                                 |                             |
| KCP Technologies Limited               |                    |               |         |                                 | -                           |
|                                        |                    |               |         |                                 | (3.90)                      |
| <b>Receivable - Rent</b>               |                    |               |         |                                 |                             |
| Fives Cail KCP Limited                 |                    | -             |         |                                 |                             |
|                                        |                    | (0.34)        |         |                                 |                             |
| <b>Share capital in KCP held by</b>    |                    |               |         |                                 |                             |
| Dr. VL Dutt                            |                    |               | 60.06   |                                 |                             |
|                                        |                    |               | (60.06) |                                 |                             |
| Smt. VL Indira Dutt                    |                    |               | 33.64   |                                 |                             |
|                                        |                    |               | (33.64) |                                 |                             |
| Smt. Kavitha D Chitturi                |                    |               | 11.80   |                                 |                             |
|                                        |                    |               | (11.80) |                                 |                             |

| Transactions during the year               | Subsidiary Company | Joint Venture | KMP      | Related parties other relations | Companies Controlled by KMP |
|--------------------------------------------|--------------------|---------------|----------|---------------------------------|-----------------------------|
| Sri V. Gandhi                              |                    |               | 0.02     |                                 |                             |
|                                            |                    |               | (0.02)   |                                 |                             |
| <b>Other Relations</b>                     |                    |               |          |                                 |                             |
| Kum.Shivani Dutt Chitturi                  |                    |               |          | 13.00                           |                             |
|                                            |                    |               |          | (13.00)                         |                             |
| Smt.Rajeswary Ramakrishnan                 |                    |               |          | 0.07                            |                             |
|                                            |                    |               |          | (2.34)                          |                             |
| Late 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)                          |                             |
| V. Ramakrishna Sons Pvt Limited            |                    |               |          |                                 | 389.56                      |
|                                            |                    |               |          |                                 | (389.56)                    |
| The Jeypore Sugar Company Ltd.             |                    |               |          |                                 | 2.78                        |
|                                            |                    |               |          |                                 | (2.78)                      |
| VRK Grandsons Investment (Private) Limited |                    |               |          |                                 | 53.06                       |
|                                            |                    |               |          |                                 | (63.78)                     |
| Dr. VL Dutt (HUF)                          |                    |               |          | 1.14                            |                             |
|                                            |                    |               |          | (1.14)                          |                             |
| <b>Loans/Advances held</b>                 |                    |               |          |                                 |                             |
| Dr V L Dutt                                |                    |               | 792.32   |                                 |                             |
|                                            |                    |               | (800.00) |                                 |                             |
| Smt V L Indira Dutt                        |                    |               | 400.00   |                                 |                             |
|                                            |                    |               | (355.00) |                                 |                             |
| Smt Kavitha D Chitturi                     |                    |               | 235.00   |                                 |                             |
|                                            |                    |               | (181.80) |                                 |                             |

Rs in Lakhs

| Transactions during the year             | Subsidiary Company | Joint Venture | KMP        | Related parties other relations | Companies Controlled by KMP |
|------------------------------------------|--------------------|---------------|------------|---------------------------------|-----------------------------|
| V. Ramakrishna Sons Pvt Limited          |                    |               |            |                                 | 620.00                      |
|                                          |                    |               |            |                                 | (675.00)                    |
| <b>Deposits held with the company</b>    |                    |               |            |                                 |                             |
| Dr V L Dutt                              |                    |               | 1033.50    |                                 |                             |
|                                          |                    |               | (1,033.50) |                                 |                             |
| Smt Kavitha D Chitturi                   |                    |               | 11.53      |                                 |                             |
|                                          |                    |               | (11.53)    |                                 |                             |
| <b>Other Relations</b>                   |                    |               |            |                                 |                             |
| VL Dutt[HUF]                             |                    |               |            | 800.00                          |                             |
|                                          |                    |               |            | (800.00)                        |                             |
| Kum.Shivani Dutt Chitturi                |                    |               |            | 325.00                          |                             |
|                                          |                    |               |            | (270.00)                        |                             |
| Late Smt.S R V Rajyalakshamma            |                    |               |            | 62.50                           |                             |
|                                          |                    |               |            | (62.50)                         |                             |
| Sri O. Swaminatha Reddy                  |                    |               | 5.00       |                                 |                             |
|                                          |                    |               | (5.00)     |                                 |                             |
| <b>Remuneration / Commission Payable</b> |                    |               |            |                                 |                             |
| Sri. V L Dutt                            |                    |               | 426.43     |                                 |                             |
|                                          |                    |               | (144.17)   |                                 |                             |
| Smt. V. L. Indira Dutt                   |                    |               | 236.32     |                                 |                             |
|                                          |                    |               | 0.00       |                                 |                             |
| Smt Kavitha D Chitturi                   |                    |               | 32.22      |                                 |                             |
|                                          |                    |               | 0.00       |                                 |                             |
| Sri V .Gandhi                            |                    |               | 39.92      |                                 |                             |
|                                          |                    |               | 0.00       |                                 |                             |
| <b>Payable-Trade Dues</b>                |                    |               |            |                                 |                             |
| Smt. VL Indira Dutt                      |                    |               | 21.03      |                                 |                             |
|                                          |                    |               | (17.41)    |                                 |                             |
| Smt Kavitha D Chitturi                   |                    |               | 1.16       |                                 |                             |
|                                          |                    |               | (0.96)     |                                 |                             |
| <b>Other Relations</b>                   |                    |               |            |                                 |                             |

| Transactions during the year        | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|-------------------------------------|--------------------|---------------|-----|---------------------------------|-----------------------------|
| Late Smt.S R V Rajyalakshamma       |                    |               |     | -                               |                             |
|                                     |                    |               |     | (3.08)                          |                             |
| Smt.V.Rama Kumari                   |                    |               |     | 20.01                           |                             |
|                                     |                    |               |     | (16.51)                         |                             |
| Sri.V.Chandra kumar                 |                    |               |     | 8.31                            |                             |
|                                     |                    |               |     | (7.27)                          |                             |
| Smt.Uma.S.Vallabhaneni              |                    |               |     | 21.17                           |                             |
|                                     |                    |               |     | (14.98)                         |                             |
| Bala Tripurasundari Ammavaru Temple |                    |               |     |                                 | 26.13                       |
|                                     |                    |               |     |                                 | -                           |

Rs in Lakhs

## Annexure - II to Standalone Notes

### 55A. Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs, other than quoted prices which are included in Level 1, that are observable for the asset or liability, either **directly** (i.e as prices) or indirectly (i.e derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**As at 31st March, 2018**

| Particulars                                         | Note | Carrying amount                |                         |                                  |                                       |          | Fair value |          |         |
|-----------------------------------------------------|------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|----------|------------|----------|---------|
|                                                     |      | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total    | Level 1    | Level 2  | Level 3 |
| <b>Financial instruments measured at fair value</b> |      |                                |                         |                                  |                                       |          |            |          |         |
| Investments                                         | 6    | -                              | 19.95                   | 2,873.43                         | -                                     | 2,893.38 | 19.95      | -        | -       |
|                                                     |      |                                |                         |                                  |                                       |          |            |          | 19.95   |
| <b>Financial assets not measured at fair value</b>  |      |                                |                         |                                  |                                       |          |            |          |         |
| Trade receivables                                   | 7&11 | -                              | 2,574.74                | 257.53                           | -                                     | 2,832.27 | -          | 2,574.74 | -       |
| Cash and Cash Equivalents                           | 12   | -                              | -                       | 1,350.25                         | -                                     | 1,350.25 | -          | -        | -       |
| Bank balances other than above                      | 12   | -                              | -                       | 1,385.38                         | -                                     | 1,385.38 | -          | -        | -       |
| Loans                                               |      |                                |                         |                                  |                                       |          |            |          |         |
| Loans and advances to employees                     | 13   | -                              | -                       | 29.05                            | -                                     | 29.05    | -          | -        | -       |
| Other Financial assets                              |      |                                |                         |                                  |                                       |          |            |          |         |
| EMD                                                 | 8    | -                              | -                       | 20.87                            | -                                     | 20.87    | -          | -        | -       |
| Interest accrued on other deposits                  | 13   | -                              | -                       | 7.45                             | -                                     | 7.45     | -          | -        | -       |
| Interest accrued on fixed deposits                  | 13   | -                              | -                       | 37.44                            | -                                     | 37.44    | -          | -        | -       |
| Due from Gratuity Trust                             | 13   | -                              | -                       | 5.74                             | -                                     | 5.74     | -          | -        | -       |
| Gratuity plan assets (Net)                          | 13   | -                              | -                       | -                                | -                                     | -        | -          | -        | -       |

| Particulars                                             | Note  | Carrying amount                      |                               |                                           |                                                |                  | Fair value   |                 |         |                 |
|---------------------------------------------------------|-------|--------------------------------------|-------------------------------|-------------------------------------------|------------------------------------------------|------------------|--------------|-----------------|---------|-----------------|
|                                                         |       | Fair value<br>hedging<br>instruments | Financial<br>assets<br>-FVTPL | Financial<br>assets-<br>Amortised<br>cost | Financial<br>liabilities-<br>amortised<br>cost | Total            | Level 1      | Level 2         | Level 3 | Total           |
| Non trade receivables from JV                           | 13    | -                                    | -                             | 17.29                                     | -                                              | 17.29            |              |                 |         |                 |
| Others                                                  | 13    | -                                    | -                             | 0.92                                      | -                                              | 0.92             |              |                 |         |                 |
| <b>TOTAL</b>                                            |       | -                                    | <b>2,594.69</b>               | <b>5,985.35</b>                           | -                                              | <b>8,580.04</b>  | <b>19.95</b> | <b>2,574.74</b> | -       | <b>2,594.69</b> |
| <b>Financial liabilities not measured at fair value</b> |       |                                      |                               |                                           |                                                |                  |              |                 |         |                 |
| Borrowings                                              | 18&23 | -                                    | -                             | -                                         | 47,924.43                                      | 47,924.43        | -            | -               | -       | -               |
| Trade payables                                          | 19&24 | -                                    | -                             | -                                         | 5,473.59                                       | 5,473.59         | -            | -               | -       | -               |
| Other financial liabilities ( Non Current)              | 20    | -                                    | -                             | -                                         | 3,953.95                                       | 3,953.95         | -            | -               | -       | -               |
| Other financial liabilities                             |       |                                      |                               |                                           |                                                |                  |              |                 |         |                 |
| Accrued salaries and benefits                           | 25    | -                                    | -                             | -                                         | 720.73                                         | 720.73           | -            | -               | -       | -               |
| Payable to director                                     | 25    | -                                    | -                             | -                                         | 734.89                                         | 734.89           | -            | -               | -       | -               |
| Outstanding liabilities for expenses                    | 25    | -                                    | -                             | -                                         | -                                              | -                | -            | -               | -       | -               |
| Others                                                  | 25    | -                                    | -                             | -                                         | 8,820.94                                       | 8,820.94         | -            | -               | -       | -               |
|                                                         |       | -                                    | -                             | -                                         | <b>67,628.53</b>                               | <b>67,628.53</b> | -            | -               | -       | -               |

**As at 31st March,2017**

| Particulars                                         | Note | Carrying amount                      |                               |                                           |                                                |          | Fair value |          |         |          |
|-----------------------------------------------------|------|--------------------------------------|-------------------------------|-------------------------------------------|------------------------------------------------|----------|------------|----------|---------|----------|
|                                                     |      | Fair value<br>hedging<br>instruments | Financial<br>assets<br>-FVTPL | Financial<br>assets-<br>Amortised<br>cost | Financial<br>liabilities-<br>amortised<br>cost | Total    | Level 1    | Level 2  | Level 3 | Total    |
| <b>Financial instruments measured at fair value</b> |      |                                      |                               |                                           |                                                |          |            |          |         |          |
| Investments                                         | 6    | -                                    | 19.54                         | 2,873.43                                  | -                                              | 2,892.97 | 19.54      | -        | -       | 19.54    |
| <b>Financial assets not measured at fair value</b>  |      |                                      |                               |                                           |                                                |          |            |          |         |          |
| Trade receivables                                   | 7&11 | -                                    | 3,205.49                      | 373.16                                    | -                                              | 3,578.65 | -          | 3,205.49 | -       | 3,205.49 |

Rs in Lakhs

| Particulars                                             | Note  | Carrying amount                |                         |                                  |                                       |                  | Fair value   |                 |         |                 |
|---------------------------------------------------------|-------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|------------------|--------------|-----------------|---------|-----------------|
|                                                         |       | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total            | Level 1      | Level 2         | Level 3 | Total           |
| Cash and Cash Equivalents                               | 12    | -                              | -                       | 1,386.56                         | -                                     | 1,386.56         | -            | -               | -       | -               |
| Bank balances other than above                          | 12    | -                              | -                       | 856.16                           | -                                     | 856.16           | -            | -               | -       | -               |
| Loans                                                   |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Loans and advances to employees                         | 13    | -                              | -                       | 35.18                            | -                                     | 35.18            | -            | -               | -       | -               |
| Other Financial assets                                  |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| EMD                                                     | 8     | -                              | -                       | 24.38                            | -                                     | 24.38            | -            | -               | -       | -               |
| Interest accrued on other deposits                      | 13    | -                              | -                       | 29.92                            | -                                     | 29.92            | -            | -               | -       | -               |
| Interest accrued on fixed deposits                      | 13    | -                              | -                       | 37.04                            | -                                     | 37.04            | -            | -               | -       | -               |
| Due from Gratuity Trust                                 | 13    | -                              | -                       | 43.14                            | -                                     | 43.14            | -            | -               | -       | -               |
| Gratuity plan assets (Net)                              | 13    | -                              | -                       | -                                | -                                     | -                | -            | -               | -       | -               |
| Non trade receivables from JV                           | 13    | -                              | -                       | 11.74                            | -                                     | 11.74            | -            | -               | -       | -               |
| Others                                                  | 13    | -                              | -                       | 4.38                             | -                                     | 4.38             | -            | -               | -       | -               |
| <b>TOTAL</b>                                            |       | -                              | <b>3,225.03</b>         | <b>5,675.09</b>                  | -                                     | <b>8,900.12</b>  | <b>19.54</b> | <b>3,205.49</b> | -       | <b>3,225.03</b> |
| <b>Financial liabilities not measured at fair value</b> |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Borrowings                                              | 18&23 | -                              | -                       | -                                | 30,602.05                             | 30,602.05        | -            | -               | -       | -               |
| Trade payables                                          | 19&24 | -                              | -                       | -                                | 4,078.15                              | 4,078.15         | -            | -               | -       | -               |
| Other financial liabilities ( Non Current)              | 20    | -                              | -                       | -                                | 3,585.24                              | 3,585.24         | -            | -               | -       | -               |
| Other financial liabilities                             |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Accrued salaries and benefits                           | 25    | -                              | -                       | -                                | 642.34                                | 642.34           | -            | -               | -       | -               |
| Payable to director                                     | 25    | -                              | -                       | -                                | 144.17                                | 144.17           | -            | -               | -       | -               |
| Outstanding liabilities for expenses                    | 25    | -                              | -                       | -                                | -                                     | -                | -            | -               | -       | -               |
| Others                                                  | 25    | -                              | -                       | -                                | 17,611.79                             | 17,611.79        | -            | -               | -       | -               |
| <b>TOTAL</b>                                            |       | -                              | -                       | -                                | <b>56,663.74</b>                      | <b>56,663.74</b> | -            | -               | -       | -               |

As at 1st April 2016

| Particulars                                             | Note  | Carrying amount                |                         |                                  |                                       |                  | Fair value   |                 |         |                 |
|---------------------------------------------------------|-------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|------------------|--------------|-----------------|---------|-----------------|
|                                                         |       | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total            | Level 1      | Level 2         | Level 3 | Total           |
| <b>Financial instruments measured at fair value</b>     |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Investments                                             |       | -                              | 17.03                   | 2,873.43                         | -                                     | 2,890.46         | 17.03        | -               | -       | 17.03           |
| <b>Financial assets not measured at fair value</b>      |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Trade receivables                                       | 7&11  | -                              | 3,015.94                | 139.34                           | -                                     | 3,155.28         | -            | 3,015.94        | -       | 3,015.94        |
| Cash and Cash Equivalents                               | 12    | -                              | -                       | 981.00                           | -                                     | 981.00           | -            | -               | -       | -               |
| Bank balances other than above                          | 12    | -                              | -                       | 906.88                           | -                                     | 906.88           | -            | -               | -       | -               |
| Loans and advances to employees                         | 13    | -                              | -                       | 33.09                            | -                                     | 33.09            | -            | -               | -       | -               |
| EMD                                                     | 8     | -                              | -                       | 11.08                            | -                                     | 11.08            | -            | -               | -       | -               |
| Interest accrued on other deposits                      | 13    | -                              | -                       | 40.85                            | -                                     | 40.85            | -            | -               | -       | -               |
| Interest accrued on fixed deposits                      | 13    | -                              | -                       | 31.42                            | -                                     | 31.42            | -            | -               | -       | -               |
| Due from Gratuity Trust                                 | 13    | -                              | -                       | 142.80                           | -                                     | 142.80           | -            | -               | -       | -               |
| Gratuity plan assets (Net)                              | 13    | -                              | -                       | 82.79                            | -                                     | 82.79            | -            | -               | -       | -               |
| Non trade receivables from JV                           | 13    | -                              | -                       | 1.07                             | -                                     | 1.07             | -            | -               | -       | -               |
| Others                                                  | 13    | -                              | -                       | 6.54                             | -                                     | 6.54             | -            | -               | -       | -               |
| <b>TOTAL</b>                                            |       | -                              | <b>3,032.97</b>         | <b>5,250.29</b>                  | -                                     | <b>8,283.26</b>  | <b>17.03</b> | <b>3,015.94</b> | -       | <b>3,032.97</b> |
| <b>Financial liabilities not measured at fair value</b> |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Borrowings                                              | 18&23 | -                              | -                       | -                                | 30,078.12                             | 30,078.12        | -            | -               | -       | -               |
| Trade payables                                          | 19&24 | -                              | -                       | -                                | 3,091.10                              | 3,091.10         | -            | -               | -       | -               |
| Other financial liabilities (Non Current)               | 20    | -                              | -                       | -                                | 3,478.72                              | 3,478.72         | -            | -               | -       | -               |
| Other financial liabilities                             |       |                                |                         |                                  |                                       |                  |              |                 |         |                 |
| Accrued salaries and benefits                           | 25    | -                              | -                       | -                                | 638.28                                | 638.28           | -            | -               | -       | -               |
| Payable to director                                     | 25    | -                              | -                       | -                                | 442.52                                | 442.52           | -            | -               | -       | -               |
| Outstanding liabilities for expenses                    | 25    | -                              | -                       | -                                | -                                     | -                | -            | -               | -       | -               |
| Others                                                  | 25    | -                              | -                       | -                                | 16,172.13                             | 16,172.13        | -            | -               | -       | -               |
| <b>TOTAL</b>                                            |       | -                              | -                       | -                                | <b>53,900.87</b>                      | <b>53,900.87</b> | -            | -               | -       | -               |

**55.B Financial instruments - Fair values and risk management****Financial risk management objectives and policies:-**

The Company's activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**b) Interest rate risk**

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

The interest rate profile of the Company's interest-bearing instruments is as follows.

| Particulars                        | 31-03-2018      | 31-03-2017      | 01-04-2016     |
|------------------------------------|-----------------|-----------------|----------------|
| <b>Fixed rate instruments</b>      |                 |                 |                |
| Financial liabilities              | 10787.80        | 11242.82        | 10875.87       |
| Financial assets                   | 20.87           | 24.38           | 11.08          |
| <b>Variable rate instruments</b>   |                 |                 |                |
| Financial liabilities              | 37136.63        | 30064.74        | 28495.75       |
| <b>Total financial liabilities</b> | <b>47945.30</b> | <b>41331.94</b> | <b>39382.7</b> |

**i) Sensitivity analysis**

| Particulars              | Impact on profit or loss |            | Impact on other components of equity |            |
|--------------------------|--------------------------|------------|--------------------------------------|------------|
|                          | 31-03-2018               | 31-03-2017 | 31-03-2018                           | 31-03-2017 |
| 1% increase in MCLR rate | 371.37                   | 300.65     | 371.37                               | 300.65     |
| 1% decrease in MCLR rate | (371.37)                 | (300.65)   | (371.37)                             | (300.65)   |

**ii) Fair value**

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value.

**iii) Credit Risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The company's credit risk for trade receivables is as follows:

| Particulars       | 31-03-2018 | 31-03-2017 | 01-04-2016 |
|-------------------|------------|------------|------------|
| Trade receivables | 2832.27    | 3578.65    | 3155.28    |

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

| Allowance for credit loss  | 31-03-2018  | 31-03-2017  | 31-03-2016  |
|----------------------------|-------------|-------------|-------------|
| Balance at the beginning   | 9.22        | 5.39        | -           |
| Impairment loss recognised | (2.81)      | 3.83        | 5.39        |
| <b>Balance at the end</b>  | <b>6.41</b> | <b>9.22</b> | <b>5.39</b> |

No single customer accounted for more than 10% of the revenue as of 31-03-2018, 31-03-2017 and 31-03-2016. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

**55C. Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting period.

**As at 31st March 2018**

| Particulars                                | Carrying value | Contractual cash flows |           |           |                   |           |
|--------------------------------------------|----------------|------------------------|-----------|-----------|-------------------|-----------|
|                                            |                | Less than 1 year       | 1-2 years | 2-5 years | More than 5 years | Total     |
| Borrowings (Non current)                   | 33,588.42      | -                      | 10,596.59 | 21,917.14 | 1,074.70          | 33,588.42 |
| Current maturities of long term borrowings | 8,407.23       | 8,407.23               | -         | -         | -                 | 8,407.23  |
| Financial liabilities (Non current)        | 3,953.95       | -                      | 3,953.95  | -         | -                 | 3,953.95  |
| Cash credit and demand loans               | 5,928.78       | 5,928.78               | -         | -         | -                 | 5,928.78  |
| Trade payables ( current)                  | 5,202.33       | 5,202.33               | -         | -         | -                 | 5,202.33  |
| Trade payables ( non -current)             | 271.26         | -                      | 271.26    | -         | -                 | 271.26    |

Rs in Lakhs

| Particulars                           | Carrying value   | Contractual cash flows |                  |                  |                   |                  |
|---------------------------------------|------------------|------------------------|------------------|------------------|-------------------|------------------|
|                                       |                  | Less than 1 year       | 1-2 years        | 2-5 years        | More than 5 years | Total            |
| Other financial liabilities (Current) | 10,276.56        | 10,276.56              | -                | -                | -                 | 10,276.56        |
|                                       | <b>67,628.53</b> | <b>29,814.90</b>       | <b>14,821.80</b> | <b>21,917.14</b> | <b>1,074.70</b>   | <b>67,628.53</b> |

As at 31st March 2017

| Particulars                                | Carrying value   | Contractual cash flows |                 |                  |                   |                  |
|--------------------------------------------|------------------|------------------------|-----------------|------------------|-------------------|------------------|
|                                            |                  | Less than 1 year       | 1-2 years       | 2-5 years        | More than 5 years | Total            |
| Borrowings (Non current)                   | 22,210.49        | -                      | 6,015.88        | 12,182.85        | 4,011.77          | 22,210.49        |
| Current maturities of long term borrowings | 10,705.52        | 10,705.52              | -               | -                | -                 | 10,705.52        |
| Financial liabilities (Non current)        | 3,585.24         | -                      | 3,585.24        | -                | -                 | 3,585.24         |
| Cash credit and demand loans               | 8,391.55         | 8,391.55               | -               | -                | -                 | 8,391.55         |
| Trade payables ( current)                  | 3,806.89         | 3,806.89               | -               | -                | -                 | 3,806.89         |
| Trade payables ( non -current)             | 271.26           | -                      | 271.26          | -                | -                 | 271.26           |
| Other financial liabilities (Current)      | 7,692.79         | 7,692.79               | -               | -                | -                 | 7,692.79         |
|                                            | <b>56,663.74</b> | <b>30,596.75</b>       | <b>9,872.38</b> | <b>12,182.85</b> | <b>4,011.77</b>   | <b>56,663.74</b> |

As at 1st April 2016

| Particulars                                | Carrying value   | Contractual cash flows |                  |                  |                   |                  |
|--------------------------------------------|------------------|------------------------|------------------|------------------|-------------------|------------------|
|                                            |                  | Less than 1 year       | 1-2 years        | 2-5 years        | More than 5 years | Total            |
| Borrowings (Non current)                   | 25,399.00        | -                      | 10,384.32        | 13,134.97        | 1,879.70          | 25,399.00        |
| Current maturities of long term borrowings | 9,293.50         | 9,293.50               | -                | -                | -                 | 9,293.50         |
| Financial liabilities (Non current)        | 3,478.72         | -                      | 3,478.72         | -                | -                 | 3,478.72         |
| Cash credit and demand loans               | 4,679.12         | 4,679.12               | -                | -                | -                 | 4,679.12         |
| Trade payables ( current)                  | 2,819.84         | 2,819.84               | -                | -                | -                 | 2,819.84         |
| Trade payables ( non -current)             | 271.26           | -                      | 271.26           | -                | -                 | 271.26           |
| Other financial liabilities(Current)       | 7,959.43         | 7,959.43               | -                | -                | -                 | 7,959.43         |
|                                            | <b>53,900.87</b> | <b>24,751.89</b>       | <b>14,134.30</b> | <b>13,134.97</b> | <b>1,879.70</b>   | <b>53,900.87</b> |

**55 D. Foreign exchange risk**

The Company imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation on its segments performance is as follows

| Particulars                       | Impact on profit |          |
|-----------------------------------|------------------|----------|
|                                   | 2017-18          | 2016-17  |
| Increase in Exchange Rate by Re.1 |                  |          |
| Cement                            | (193.85)         | (132.48) |
| Captive Power Plant               | (21.51)          | (35.38)  |
| Engineering                       | 2.08             | 33.80    |
| Decrease in Exchange Rate by Re.1 |                  |          |
| Cement                            | 193.85           | 132.48   |
| Captive Power Plant               | 21.51            | 35.38    |
| Engineering                       | (2.08)           | (33.80)  |

**55 E. Commercial risk**
**Sale price risk**

| Particulars                  | Impact on profit |            |
|------------------------------|------------------|------------|
|                              | 2017-18          | 2016-17    |
| Selling price increase by 5% |                  |            |
| Cement                       | 4,755.30         | 4,195.76   |
| Power                        | 37.17            | 35.18      |
| Engineering                  | 382.21           | 382.12     |
| Hospitality & other Services | 78.65            | 73.51      |
|                              | 5,253.34         | 4,686.56   |
| Selling price decrease by 5% |                  |            |
| Cement                       | (4,755.30)       | (4,195.76) |
| Power                        | (37.17)          | (35.18)    |
| Engineering                  | (382.21)         | (382.12)   |
| Hospitality & other Services | (78.65)          | (73.51)    |
|                              | (5,253.34)       | (4,686.56) |

**Raw material price risk**

| Particulars                       | Impact on profit |          |
|-----------------------------------|------------------|----------|
|                                   | 2017-18          | 2016-17  |
| Raw material price increase by 5% |                  |          |
| Cement                            | (771.47)         | (798.79) |
| Power                             | -                | -        |
| Engineering                       | (63.40)          | (50.47)  |
| Hospitality & other Services      | (10.78)          | (12.75)  |
|                                   | (845.65)         | (862.01) |
| Raw material price decrease by 5% |                  |          |
| Cement                            | 771.47           | 798.79   |
| Power                             | -                | -        |
| Engineering                       | 63.40            | 50.47    |
| Hospitality & other Services      | 10.78            | 12.75    |
|                                   | 845.65           | 862.01   |



# KCP

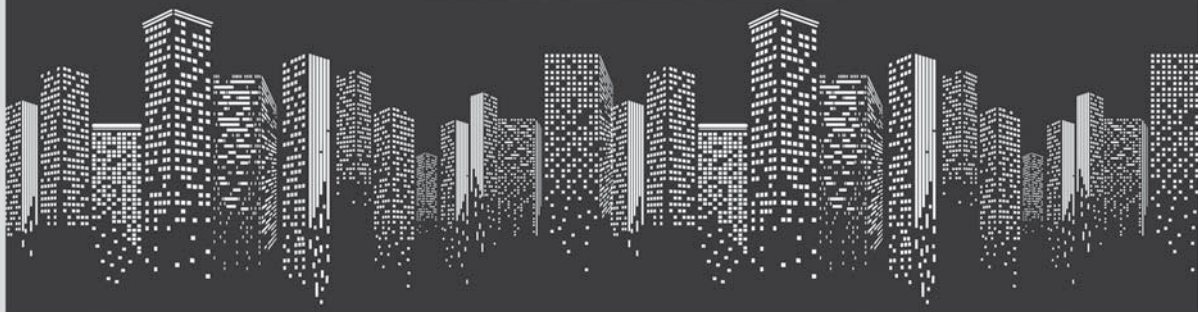
## CEMENT

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

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## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of The KCP Limited, Chennai

### Report on Consolidated Financial Statements:

We have audited the accompanying consolidated Ind AS financial statements of The KCP Limited (the "Holding Company"), its subsidiary and its joint venture as at 31st March, 2018, (collectively referred to as "the Group"), comprising the Consolidated Balance sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of Cash Flow and the consolidated Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

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

The Holding 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 Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 Ind AS 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 Ind AS 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, 2018, and their consolidated Profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity 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.59876.31 Lakhs as at 31st March 2018, total revenues of Rs. 46152.29 Lakhs and net cash flows amounting to Rs. 4975.25 Lakhs for the year ended on that date, as considered in the consolidated Ind

AS financial statements. The consolidated Ind AS financial statements include the share of net profit of Rs. 4629.27 Lakhs for the year ended 31st March 2018, as considered in the consolidated Ind AS financial statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

- (b) We did not audit the Ind AS financial statements /financial information of Fives Cail KCP Limited (Joint Venture), and the Consolidated Ind AS financial statements also includes the Group's share of Net profit of Rs. 104.84 lakhs for the year ended 31st March 2018, as considered in the consolidated Ind AS financial statements, in respect of Fives Cail KCP Limited (Joint Venture), whose financial statements have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors 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 Ind AS financial statements;

- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act read with relevant rules issued there under and other accounting principles generally accepted in India,

e) on the basis of written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its joint venture company, none of the directors of the Group Companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2018 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 Ind AS 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 Ind AS 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 Ind AS financial statements;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

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

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

Place: Chennai  
Date: 28<sup>th</sup> May, 2018

## 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 2018, in conjunction with our audit of the consolidated Ind AS financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its 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. 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or

disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls 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, 2018, 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 the jointly controlled entity, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

Place: Chennai

Date: 28<sup>th</sup> May, 2018

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

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

Rs in Lakhs

**CONSOLIDATED BALANCE SHEET**

|     | Particulars                               | Note No. | As at 31-03-2018  | As at 31-03-2017  | As at 01-04-2016  |
|-----|-------------------------------------------|----------|-------------------|-------------------|-------------------|
| I   | <b>ASSETS</b>                             |          |                   |                   |                   |
| (1) | <b>Non-current assets</b>                 |          |                   |                   |                   |
|     | (a) Property, Plant and Equipment         | 2        | 90,609.13         | 86,968.85         | 85,253.15         |
|     | (b) Capital Work-in-progress              | 3        | 25,574.17         | 10,932.90         | 12,087.97         |
|     | (c) Investment Property                   | 4        | 1.15              | 1.99              | 2.14              |
|     | (d) Other Intangible Assets               | 5        | 223.72            | 173.82            | 168.86            |
|     | (e) Financial Assets                      |          |                   |                   |                   |
|     | (i) Investments                           | 6        | 1,457.42          | 1,430.41          | 1,371.06          |
|     | (ii) Trade Receivables                    | 7        | 257.53            | 373.15            | 139.34            |
|     | (iii) Loans                               |          | -                 | -                 | -                 |
|     | (iv) Other financial assets               | 8        | 20.87             | 24.38             | 11.08             |
|     | (f) Deferred Tax Assets (Net)             |          |                   |                   |                   |
|     | (g) Other Non-current Assets              | 9        | 3,789.07          | 5,615.23          | 1,898.46          |
| (2) | <b>Current assets</b>                     |          |                   |                   |                   |
|     | (a) Inventories                           | 10       | 35,950.15         | 27,480.51         | 20,517.50         |
|     | (b) Financial Assets                      |          |                   |                   |                   |
|     | (i) Investments                           |          |                   |                   |                   |
|     | (ii) Trade Receivables                    | 11       | 7,314.02          | 8,369.46          | 11,898.83         |
|     | (iii) Cash and cash equivalents           | 12       | 1,777.37          | 7,358.65          | 3,211.89          |
|     | (iv) Bank balances other than (iii) above | 12       | 1,385.38          | 856.16            | 906.88            |
|     | (v) Loans                                 |          |                   |                   |                   |
|     | (vi) Other financial assets               | 13       | 101.34            | 165.63            | 340.28            |
|     | (c) Current Tax Assets (Net)              | 14       | 715.15            | 1,077.55          | -                 |
|     | (d) Other Current assets                  | 15       | 11,564.12         | 13,788.79         | 11,346.21         |
|     | <b>Total Assets</b>                       |          | <b>180,740.59</b> | <b>164,617.48</b> | <b>149,153.65</b> |
| II  | <b>EQUITY AND LIABILITIES</b>             |          |                   |                   |                   |
|     | <b>Equity</b>                             |          |                   |                   |                   |
|     | (a) Equity Share Capital                  | 16       | 1,289.21          | 1,289.21          | 1,289.21          |
|     | (b) Other Equity                          | 17       | 72,324.48         | 66,250.64         | 59,472.98         |
|     | Non Controlling Interest                  | 17A      | 14,235.78         | 13,972.82         | 12,170.20         |
|     | Deferred Government Grant                 |          | 34.40             | 36.39             | -                 |
|     | <b>LIABILITIES</b>                        |          |                   |                   |                   |
| (1) | <b>Non-current liabilities</b>            |          |                   |                   |                   |
|     | (a) Financial Liabilities                 |          |                   |                   |                   |
|     | (i) Borrowings                            | 18       | 37,230.06         | 27,285.35         | 32,032.94         |
|     | (ii) Trade Payables                       | 19       | 271.26            | 271.26            | 271.26            |
|     | (iii) Other financial liabilities         | 20       | 6,879.15          | 6,727.44          | 6,215.63          |
|     | (b) Provisions                            | 21       | 1,225.63          | 1,152.50          | 731.60            |
|     | (c) Deferred Tax Liabilities (Net)        | 22       | 5,762.18          | 4,967.49          | 2,767.09          |
|     | (d) Other non-current liabilities         |          |                   |                   |                   |
| (2) | <b>Current liabilities</b>                |          |                   |                   |                   |
|     | (a) Financial Liabilities                 |          |                   |                   |                   |
|     | (i) Borrowings                            | 23       | 8,587.05          | 12,303.00         | 4,679.12          |
|     | (ii) Trade payables                       | 24       | 10,277.19         | 8,149.82          | 7,753.57          |
|     | (iii) Other financial liabilities         | 25       | 21,347.34         | 20,249.69         | 19,411.56         |
|     | (b) Other current liabilities             | 26       | 903.72            | 1,899.89          | 1,712.06          |
|     | (c) Provisions                            | 27       | 373.14            | 61.98             | 145.11            |
|     | (d) Current tax Liabilities (Net)         | 14       | -                 | -                 | 501.31            |
|     | <b>Total Equity and Liabilities</b>       |          | <b>180,740.59</b> | <b>164,617.48</b> | <b>149,153.65</b> |

The accompanying notes form an integral part of the Consolidated financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing 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  
**P. GOVARDHANA REDDY**  
Partner  
(ICAI Memb. No.029193)  
**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

Rs in Lakhs, except no. of equity shares and per equity share data)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

| PARTICULARS                                                                             | Note No. | Year ended 31-Mar-2018 | Year ended 31-Mar-2017 |
|-----------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>Income</b>                                                                           |          |                        |                        |
| Revenue from Operations                                                                 | 28       | 151,995.06             | 136,171.04             |
| Other Income                                                                            | 29       | 957.36                 | 947.41                 |
| <b>Total Revenue (I)</b>                                                                |          | <b>152,952.42</b>      | <b>137,118.45</b>      |
| <b>Expenses</b>                                                                         |          |                        |                        |
| Cost of Raw Materials and Components consumed                                           | 30       | 56,740.89              | 50,994.01              |
| [Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods | 31       | (8,853.00)             | (4,978.61)             |
| Employee Benefits expense                                                               | 32       | 11,442.13              | 9,720.91               |
| Power and fuel                                                                          |          | 26,985.33              | 18,575.40              |
| Freight and forwarding charges                                                          |          | 20,574.76              | 11,572.29              |
| Finance Costs                                                                           | 33       | 4,233.70               | 4,993.36               |
| Depreciation and amortization expense                                                   | 2        | 7,050.94               | 6,259.28               |
| Excise duty                                                                             |          | 3,659.12               | 13,099.09              |
| Other expenses                                                                          | 34       | 15,974.40              | 15,244.59              |
| <b>Total Expenses (II)</b>                                                              |          | <b>137,808.26</b>      | <b>125,480.33</b>      |
| <b>Profit/(Loss) before Exceptional items and tax</b>                                   |          | <b>15,144.16</b>       | <b>11,638.12</b>       |
| <b>Add : Exceptional Items</b>                                                          | 48       | 871.22                 |                        |
| <b>Profit/(Loss) before tax</b>                                                         |          | <b>14,272.94</b>       | <b>11,638.12</b>       |
| <b>Add : Income Tax Refund</b>                                                          |          |                        |                        |
| <b>Less : Tax expenses</b>                                                              | 35       |                        |                        |
| Short /Excess provision of Income Tax                                                   |          | (60.86)                | -                      |
| Current tax (including Rs.866.79 lakhs (Previous year - Nil) of MAT credit utilised)    |          | 3,211.34               | 1,098.48               |
| Deferred tax                                                                            |          | (38.88)                | 1,499.02               |
| <b>Add: MAT credit (entitlement)</b>                                                    |          | -                      | (649.44)               |
| <b>Total tax expense</b>                                                                |          | <b>3,111.61</b>        | <b>1,948.06</b>        |
| <b>Profit/(Loss) for the year from continuing operations (A)</b>                        |          | <b>11,161.34</b>       | <b>9,690.06</b>        |
| Profit / (Loss) from discontinued operations                                            |          | -                      | (36.00)                |
| Less : Tax expense of discontinued operations                                           |          | -                      | (7.68)                 |
| Profit / (Loss) from discontinued operations (after tax) (B)                            |          | -                      | (28.32)                |
| <b>Profit / (Loss) for the year (A) + (B)</b>                                           |          | <b>11,161.34</b>       | <b>9,661.74</b>        |
| Share of profit from joint venture                                                      |          | 104.85                 | 100.09                 |
| Less: Non Controlling share of Profit                                                   | 17A      | 2,314.64               | 2,106.77               |
| <b>Profit / (Loss) after Non controlling interest</b>                                   |          | <b>8,951.55</b>        | <b>7,655.07</b>        |
| <b>Other Comprehensive Income- OCI</b>                                                  | 36       |                        |                        |
| Items that will not be reclassified to P&L                                              |          | (396.07)               | (1,221.05)             |
| Income tax relating to items that will not be reclassified to profit or loss            |          | 33.23                  | 42.75                  |
| Share of OCI from joint venture                                                         |          | (30.11)                | 4.89                   |
| Less: Non controlling share of OCI                                                      | 17A      | (101.83)               | (304.14)               |
| <b>OCI after Non controlling share</b>                                                  |          | <b>(291.12)</b>        | <b>(869.27)</b>        |
| Total Comprehensive Income for the period (Comprising P&L + OCI)                        |          | 10,873.23              | 8,588.42               |
| Less: Minority share of Total Comprehensive income                                      | 17A      | 2,212.80               | 1,802.63               |
| <b>Total Comprehensive income after non-controlling interest</b>                        |          | <b>8,660.42</b>        | <b>6,785.80</b>        |
| <b>Earnings per share (for Continuing Operations) Basic and diluted</b>                 | 41       | 6.94                   | 5.96                   |
| <b>Earnings per share (for Discontinued Operations) Basic and diluted</b>               |          | -                      | (0.02)                 |
| <b>Total Earnings per share - Basic and diluted</b>                                     |          | <b>6.94</b>            | <b>5.94</b>            |
| (Face value of share is Re.1)                                                           |          |                        |                        |

The accompanying notes form an integral part of the Consolidated financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

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

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

Rs in Lakhs

## Statement of Changes in Equity for the year ended 31st March 2018

## A. Equity share capital

| Particulars                                    | No of Shares | Amount (Rs.) |
|------------------------------------------------|--------------|--------------|
| As at 1st April, 2016                          | 128921160    | 1,289.21     |
| Changes in equity share capital during 2016-17 | -            | -            |
| As at 31st March, 2017                         | 128921160    | 1,289.21     |
| Changes in equity share capital during 2017-18 | -            | -            |
| As at 31st March, 2018                         | 128921160    | 1,289.21     |

## B. Other Equity

| Particulars                                                  | Reserves & Surplus         |                                   |                                 |                               |                     |                                  |                   | Other Comprehensive Income                            |                                 | Total     |
|--------------------------------------------------------------|----------------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|----------------------------------|-------------------|-------------------------------------------------------|---------------------------------|-----------|
|                                                              | Capital Redemption Reserve | Capital Reserve on reorganization | Capital Reserve on Amalgamation | Capital Reserve of Subsidiary | Translation Reserve | Other Reserves (General reserve) | Retained Earnings | Equity instruments through Other Comprehensive Income | Actuarial Gains/ losses reserve |           |
| Balance at the beginning of reporting period - 01-04-2016    | 2,000.00                   | 279.91                            | 103.83                          | 9,548.48                      | 1,217.69            | 27,248.40                        | 19,145.38         | (0.56)                                                | (70.15)                         | 59,472.98 |
| Profit for the period                                        | -                          | -                                 | -                               | -                             | -                   | -                                | 7,554.97          | -                                                     | -                               | 7,554.97  |
| Share of profit of joint venture                             | -                          | -                                 | -                               | -                             | -                   | -                                | 100.09            | -                                                     | -                               | 100.09    |
| Additions/(Deletions) during the year to translation reserve | -                          | -                                 | -                               | -                             | (608.29)            | -                                | -                 | -                                                     | -                               | (608.29)  |
| Other Comprehensive Income (Note no. 36)                     | -                          | -                                 | -                               | -                             | -                   | -                                | -                 | 1.83                                                  | (262.81)                        | (260.98)  |
| Total Comprehensive Income for the year                      | -                          | -                                 | -                               | -                             | (608.29)            | -                                | 7655.06           | 1.83                                                  | 262.81                          | 6785.70   |
| Transfer from/to General Reserve                             | -                          | -                                 | -                               | -                             | -                   | -                                | -                 | -                                                     | -                               | -         |
| Final Dividend                                               | -                          | -                                 | -                               | -                             | -                   | -                                | -                 | -                                                     | -                               | -         |
| Dividend Distribution tax                                    | -                          | -                                 | -                               | -                             | -                   | -                                | (8.14)            | -                                                     | -                               | (8.14)    |

Rs in Lakhs

| Particulars                                                  | Reserves & Surplus         |                                    |                                  |                                |                     |                                  | Other Comprehensive Income |                                                        | Total    |                                 |
|--------------------------------------------------------------|----------------------------|------------------------------------|----------------------------------|--------------------------------|---------------------|----------------------------------|----------------------------|--------------------------------------------------------|----------|---------------------------------|
|                                                              | Capital Redemption Reserve | Capital Reserve on reorgani sation | Capital Reserve on Amalga mation | Capital Reserve of Sub sidiary | Translation Reserve | Other Reserves (General reserve) | Retained Earnings          | Equity instruments through Other Compre hensive Income |          | Actuarial Gains/ losses reserve |
| Balance at the end of reporting period - 31-03- 2017         | 2,000.00                   | 279.91                             | 103.83                           | 9,548.48                       | 609.40              | 27,248.40                        | 26,792.30                  | 1.27                                                   | (332.96) | 66,250.64                       |
| Profit for the period                                        |                            |                                    |                                  |                                |                     |                                  | 8,846.70                   |                                                        |          | 8,846.70                        |
| Share of profit of joint venture                             |                            |                                    |                                  |                                |                     |                                  | 104.85                     |                                                        |          | 104.85                          |
| Additions/(Deletions) during the year to translation reserve |                            |                                    |                                  |                                | (234.11)            |                                  |                            |                                                        |          | (234.11)                        |
| Other Comprehensive Income (Note no. 36)                     |                            |                                    |                                  |                                |                     |                                  |                            | (0.71)                                                 | (56.30)  | (57.01)                         |
| Total Comprehensive Income for the year                      |                            |                                    |                                  |                                | 234.11              |                                  | 8951.55                    | (0.71)                                                 | (56.30)  | 8660.43                         |
| Final Dividend                                               |                            |                                    |                                  |                                |                     |                                  | (2,578.44)                 |                                                        |          | (2,578.44)                      |
| Dividend Distribution tax                                    |                            |                                    |                                  |                                |                     |                                  | (8.14)                     |                                                        |          | (8.14)                          |
| Balance at the end of reporting period - 31-03-2018          | 2,000.00                   | 279.91                             | 103.83                           | 9,548.48                       | 375.29              | 27,248.40                        | 33,157.27                  | 0.56                                                   | (389.26) | 72,324.48                       |

The accompanying notes form an integral part of the Consolidated financial statements 1

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

**O. SWAMINATHA REDDY**  
Director

Place: Chennai  
Date: 28th May, 2018

**KAVITHA D CHITTURI**  
Joint Managing Director

**G.N.MURTY**  
Chief Financial Officer

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

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

**Y. VIJAYAKUMAR**  
Company Secretary

Rs in Lakhs

**CONSOLIDATED CASH FLOW STATEMENT**

| PARTICULARS                                                      | Note  | For FY 2017-18     | For FY 2016-17    |
|------------------------------------------------------------------|-------|--------------------|-------------------|
| <b>(A) Cash flow from operating activities</b>                   |       |                    |                   |
| Profit before tax from continuing operations                     |       | 18,182.19          | 11,678.12         |
| Profit before tax from discontinuing operations                  |       | -                  | (36.00)           |
| Share of profits from joint venture                              |       | 104.85             | 100.09            |
| <b>Profit before tax</b>                                         |       | <b>18,287.04</b>   | <b>11,742.21</b>  |
| Adjustments for :                                                |       |                    |                   |
| Depreciation on tangible assets                                  | 2&4   | 7,031.13           | 6,224.92          |
| Amortization on intangible assets                                | 5     | 19.81              | 34.36             |
| Loss/[profit] on sale of fixed assets                            |       | 11.46              | 28.68             |
| Assets written off                                               |       | 55.21              | 12.40             |
| Expected Credit loss                                             |       | (2.81)             | 3.83              |
| Discounting of trade receivables                                 |       | (17.22)            | -                 |
| Amortisation of government grant                                 |       | (1.99)             | (0.82)            |
| Unrealised foreign exchange gain                                 |       | (57.76)            | -                 |
| Actuarial loss on defined benefit plan-gratuity                  |       | 35.68              | (186.93)          |
| Actuarial loss on defined benefit plan-leave                     |       | (95.09)            | (123.52)          |
| Translation gain/loss during the year                            |       | (305.50)           | (912.43)          |
| Interest expense                                                 |       | 3,528.99           | 4,725.23          |
| Share of OCI of Associate                                        |       | (30.11)            | 4.89              |
| Interest income                                                  |       | (267.00)           | (186.60)          |
| Dividend income                                                  |       | (3,923.54)         | (53.83)           |
| <b>Operating profit before working capital changes</b>           |       | <b>24,268.29</b>   | <b>21,312.41</b>  |
| <b>Movements in working capital:</b>                             |       |                    |                   |
| Adjustments for Increase / (Decrease) in operating liabilities : |       |                    |                   |
| Increase/[decrease] in trade payables                            |       | 2,127.37           | 395.44            |
| Increase/[decrease] in non- current other financial liabilities  |       | 151.71             | 511.81            |
| Increase/[decrease] in long term provisions                      |       | 73.13              | 420.91            |
| Increase/[decrease] in current other financial liabilities       |       | 1,097.64           | 838.13            |
| Increase/[decrease] in other current liabilities                 |       | (996.17)           | 187.83            |
| Increase/[decrease] in short-term provisions                     |       | 311.16             | (83.13)           |
| Adjustments for Decrease / (Increase) in operating assets :      |       |                    |                   |
| Decrease/[increase] in non-current trade receivables             |       | 132.85             | (233.82)          |
| Decrease/[increase] in non-current other financial assets        |       | 3.51               | (13.30)           |
| Decrease/[increase] in other non-current assets                  |       | 1,826.16           | (3,716.78)        |
| Decrease/[increase] in inventories                               |       | (8,469.64)         | (6,963.00)        |
| Decrease/[increase] in current trade receivables                 |       | 1,116.01           | 3,526.35          |
| Decrease/[increase] in other bank deposits                       |       | (529.22)           | 50.72             |
| Decrease/[increase] in current other financial assets            |       | 42.21              | 169.34            |
| Decrease/[increase] in other current assets                      |       | 2,224.67           | (2,442.58)        |
| <b>Cash generated from/[used in] operations</b>                  |       | <b>23,379.69</b>   | <b>13,960.32</b>  |
| Direct taxes paid [net of refunds]                               |       | (1,921.30)         | (1,276.09)        |
| <b>Net cash flow from/[used in] operating activities [A]</b>     |       | <b>21,458.39</b>   | <b>12,684.24</b>  |
| <b>(B) Cash flows from investing activities</b>                  |       |                    |                   |
| Purchase of fixed assets, including intangible assets, CWIP      | 2,3&5 | (25,547.72)        | (6,926.87)        |
| Proceeds from sale of fixed assets                               |       | 99.49              | 98.28             |
| Purchase of non-current investments                              |       | -                  | -                 |
| (Increase)/Decrease in value of investments in joint venture     |       | (74.73)            | (104.98)          |
| Interest received                                                |       | 289.08             | 191.91            |
| Dividends received                                               |       | 22.72              | 53.15             |
| <b>Net cash flow from/[used in] investing activities [B]</b>     |       | <b>(25,211.16)</b> | <b>(6,688.53)</b> |

Rs in Lakhs

| PARTICULARS                                                     | Note | For FY 2017-18    | For FY 2016-17    |
|-----------------------------------------------------------------|------|-------------------|-------------------|
| <b>C. Cash flows from financing activities</b>                  |      |                   |                   |
| Proceeds from long term Borrowings (net)                        |      | 9,944.72          | (4,747.59)        |
| Repayment of short term borrowings                              |      | (3,715.95)        | 7,623.88          |
| Interest paid                                                   |      | (3,528.99)        | (4,725.23)        |
| Dividends paid                                                  |      | (4,528.29)        | -                 |
| <b>Net cash flow from/[used in] in financing activities [C]</b> |      | <b>(1,828.51)</b> | <b>(1,848.95)</b> |
| Net increase/[decrease] in cash and Bank Balances (A+B+C)       |      | (5,581.28)        | 4,146.76          |
| Cash and Bank Balances at the beginning of the year             |      | 7,358.65          | 3,211.89          |
| <b>Cash and Bank Balances at the end of the year</b>            |      | <b>1,777.37</b>   | <b>7,358.65</b>   |
| <b>Components of cash and Bank Balances</b>                     |      |                   |                   |
| Cash on hand                                                    |      | 230.81            | 20.18             |
| Cheques/drafts on hand                                          |      | 862.92            | 184.17            |
| With banks on current account                                   |      | 514.72            | 6,189.15          |
| On deposit account                                              |      | 161.44            | 934.62            |
| Current account balances for repayment of Public Deposits       |      | 7.48              | 30.53             |
| <b>Total Cash and Bank Balances</b>                             |      | <b>1,777.37</b>   | <b>7,358.65</b>   |

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

As per our report annexed  
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Technical Director

**G.N.MURTY**  
Chief Financial Officer

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 28th May, 2018

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Group overview and Significant Accounting Policies

#### 1.1. Group overview

The KCP Limited ("the group") a Public Limited Company incorporated and domiciled in India and has its registered office at Chennai. The securities of the Company were listed in National Stock Exchange of India Limited. The Group is engaged in the business of manufacture and sale of cement, sugar, heavy engineering, power generation for captive use and hospitality. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors for issue on 28 th May, 2018.

The KCP Limited has a subsidiary by name KCP Vietnam Industries Ltd (KCP VIL), a company incorporated in Socialist Republic of Vietnam, in which it holds 2/3 rd of the share capital. KCP VIL owns and operates sugar business and also runs cogen power plant in Vietnam.

The KCP Limited has a joint venture by name Fives Cail KCP Ltd (FC KCP), a company incorporated in India. In Fives Cail KCP Ltd, it holds 40% interest in equity capital. Fives cail KCP Ltd manufactures sugar machinery and boilers and steam generating plants.

#### 1.2. SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The KCP Limited (the 'Group') and its subsidiary and the Joint Venture.

##### i. Basis of preparation

The KCP Limited (Parent) has prepared the group consolidated financial statements by consolidating its accounts and those of its subsidiary KCP VIL and Joint venture FIVES CAIL KCP.

##### KCP VIL:

The subsidiary accounts have been consolidated on line-by-line basis by adding items of assets and liabilities & income and expenses after eliminating material intra group balances and transactions.

Non-controlling interest share of net profit for the year is identified and adjusted against the profit after tax of the group to the extent of the share of minorities in the equity.

##### Fives Cail KCP:

The accounts of Fives Cail KCP have been consolidated based on equity method. As per the equity method, only share of The KCP Limited in the profits and reserves of FIVES CAIL KCP which is 40%, have been added to the profits and equity respectively in the consolidated accounts.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its Joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(vii) below.

##### Changes in ownership interests:

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests

and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## ii. COMPLIANCE WITH IND AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended by Companies (Indian Accounting Standards) Rules 2016 and other relevant provisions of the Act.

The Financial Statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first financial statements of the group under Ind AS. Refer note XX for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

## iii. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It includes Excise Duty but excludes Value Added Tax, Sales Tax and Goods and Services Tax (GST).

## iv. GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

## v. EMPLOYEE BENEFITS:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

### a) Defined Contribution Plans of the eligible employees of the group:

The Group contribution on account of eligible employees as per requirements of the law of the land to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### b) Defined Benefit Plans of the eligible employees of the group:

For defined retirement benefit plans of the employee, cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable)

and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income in Profit and Loss statement and
- Re-measurements in Other Comprehensive Income.

**c) Provident fund and Employees' state insurance scheme of the eligible employees of the group:**

Eligible employees of the Group receive benefits from a provident fund and employees' state insurance scheme which is a defined Contribution plan. Both the eligible employee and the group make monthly contributions to the provident fund and employees' state insurance equal to a specified percentage of the covered employee's salary.

**d) Superannuation of the eligible employees of the group:**

Certain employees of the group are participants in a defined contribution plan. The group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with Life Insurance Corporation of India for the group companies in India.

**e) Short-term employee benefits of the eligible employees of the group:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**f) Other long term employee benefits of the eligible employees of the group:**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

**vi. PROPERTY, PLANT AND EQUIPMENT**

**Tangible assets:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate of cost of decommissioning, dismantling and removing the item & restoring the site on which it is located. Freehold land is not depreciated.

**Construction Period Expenses on Projects :**

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

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".

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

#### Stripping Costs:

Developmental stripping costs

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of stripping costs ends when commercial production of mineral reserves begins.

#### Intangible Assets:

Intangible assets are initially recorded at the consideration paid for acquisition and stated net of amortized value and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortisation methods and useful lives are reviewed periodically in each financial year end.

#### Investment Property:

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated Impairment loss, if any.

The cost includes the cost of replacing parts. It also includes borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

#### Depreciation

Depreciation in respect of parent company is provided in accordance with the useful life as prescribed.

In respect of assets existing as on 30-6-1988, under the written down value method; and in respect of assets acquired on or after 1-7-1988, under the straight line method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

Useful life for parts of Assets having significant cost, has been assessed based on technical estimate which is different from the life given under the Schedule II to the Companies Act, 2013 as given below:

| S. No. | Description of the Asset                                                                                                      | Estimated useful life |
|--------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1.     | Transformers                                                                                                                  | 30 years              |
| 2.     | Economisers in Boilers in the Captive Power Plant; Turbines, Generators, Sluice Gates, Switchgears and Cables in Hydel Plant. | 25 years              |
| 3.     | Electrical Components like Panels, Motors, Insulators which are components of Plant and Machinery                             | 10 years              |
| 4.     | Economisers in Boilers and Water pre-heater in Waste Heat Recovery Plant; Evaporators in the Captive thermal Power Plant      | 5 years               |

Deprecation in respect of subsidiary company is provided in accordance with the useful life as prescribed in applicable laws of its country.

vii. **IMPAIRMENT:**

a. Financial assets :

The group recognizes loss allowances using Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets i.e. Intangible assets and Property, plant & equipment:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount in the statement of Profit and loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An impairment loss is reversed in the Statement of Profit and loss if there has been a change in the estimates used to determine the recoverable amount. Non-Financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

viii. **FINANCIAL INSTRUMENTS: -**

a. **Initial Recognition:**

The group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

b. **Subsequent Recognition:**

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables measuring within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c. **De-recognition of financial assets and liabilities:**

Financial assets:

A financial asset shall be derecognised when, and only when

- ❖ the contractual rights to the cash flows from the financial asset expire, or
- ❖ it transfer the financial asset and the transfer qualifies for de-recognition.
- ❖ On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

### Financial Liabilities:

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid should be recognised in profit or loss.

### ix. INVENTORIES

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares and traded goods is determined on moving weighted average basis.

#### Stock of Scrap- Engineering Unit

- ❖ Purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.
- ❖ In respect of other scrap, the stock of scrap is not valued and adjusted. As and when sales are made stocks are adjusted.

### x. CURRENT AND NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- ❖ expected to be realized or intended to be sold or consumed in the normal operating cycle held primarily for the purpose of trading and
- ❖ expected to be realized within twelve months after the reporting period.

b) All other assets are classified as non-current.

c) A liability is treated as current when:

- ❖ it is expected to be settled in the normal operating cycle it is held primarily for the purpose of trading
- ❖ it is due to be settled within twelve months after the reporting period, or
- ❖ there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

d) All other liabilities are classified as non-current.

e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### xi. CASH AND CASH EQUIVALENTS:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### xii. Cash flow Statement:

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

### xiii. FOREIGN EXCHANGE TRANSACTIONS:

Functional Currency of the group is Indian Rupee. These financial statements are presented in Indian Rupees, rounded off to Lakhs.

### Transactions and translations:

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year in determining net profit for the period.

- Foreign currency denominated monetary assets/liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

#### xiv. **INCOME TAX:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### xv. **EARNINGS PER SHARE**

The Group Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

#### xvi. **PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS**

Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties

is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

#### Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

#### Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

#### xvii. Segment reporting:

Operating segments are defined as components of the entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The group has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Power Generation unit 4) Hotel and 5) Sugar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or

allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

#### xviii. First-Time Adoption of IND-AS:

These Consolidated financial statements of the Group for the year ended 31st March 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the group has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing consolidated financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, Statement of Profit and Loss, is set out and Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out below.

#### xix. Exemption Availed on First Time Adoption of Ind As 101

##### a. Business combinations:

Ind AS-103 relating to business combination has not been applied to acquisition of subsidiary and interest in joint venture that occurred before 01-04-2016. The carrying amount of assets and liabilities in accordance with IGAAP is considered as their deemed cost at the date of acquisition. From 01-04-2016 which is the date of transition, measurement is in accordance with IND AS.

##### b. Deemed Cost:

For transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment, Investment property and intangible assets are recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date, as there is no change in its functional currency.

c. **Lease:**

For transition to Ind AS, the group has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

d. **Investments in Subsidiaries and Joint Ventures:**

The group has elected to measure its investments in subsidiary and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition on Ind AS i.e April 1, 2016.

e. **Designation of previously recognised financial instruments:**

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrecoverable election to present subsequent changes in the fair value of an investment in an

equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the group has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

f. **Fair value measurement of financial assets or financial liabilities at initial recognition**

Group has applied the requirements in Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

**Reconciliation of Equity (as per para 24 (a) of IND AS 101)**

|     | Particulars                               | As on 01.04.2016      |                    |                        | As on 31.03.2017      |                    |                        |
|-----|-------------------------------------------|-----------------------|--------------------|------------------------|-----------------------|--------------------|------------------------|
|     |                                           | Balances as per IGAAP | IND AS Adjustments | Balances as per Ind AS | Balances as per IGAAP | IND AS Adjustments | Balances as per Ind AS |
|     | <b>ASSETS</b>                             |                       |                    |                        |                       |                    |                        |
|     | <b>Non-current assets</b>                 |                       |                    |                        |                       |                    |                        |
| (a) | Property, Plant and Equipment             | 87924.37              | (955.52)           | 86,968.85              | 85,059.16             | 193.99             | 85,253.15              |
| (b) | Capital Work-in-progress                  | 10,980.03             | (47.13)            | 10,932.90              | 12,087.97             | 0.00               | 12,087.97              |
| (c) | Investment Property                       | 1.93                  | 0.06               | 1.99                   | 2.14                  | -                  | 2.14                   |
| (d) | Other Intangible Assets                   | 177.94                | (4.21)             | 173.82                 | 170.71                | (1.85)             | 168.86                 |
| (e) | Financial Assets                          | -                     |                    |                        | -                     |                    | -                      |
|     | (i) Investments                           | 480.27                | 950.15             | 1,430.41               | 479.59                | 891.48             | 1,371.06               |
|     | (ii) Trade Receivables                    | 438.60                | (65.45)            | 373.15                 | 158.44                | (19.10)            | 139.34                 |
|     | (iii) Loans                               | -                     |                    | -                      | -                     |                    | -                      |
|     | (iv) Others financial assets              | 24.38                 | -                  | 24.38                  | 11.08                 | (0.00)             | 11.08                  |
| (f) | Deferred Tax Assets (Net)                 | -                     | -                  |                        | 0.00                  |                    | -                      |
| (g) | Other Non-current Assets                  | 10,482.38             | (4,867.15)         | 5,615.23               | 7,532.54              | (5,634.08)         | 1,898.46               |
|     | <b>Current assets</b>                     |                       |                    |                        |                       |                    |                        |
| (a) | Inventories                               | 27,995.67             | (515.16)           | 27,480.51              | 21,990.20             | (1,472.70)         | 20,517.50              |
| (b) | Financial Assets                          |                       |                    |                        |                       |                    |                        |
|     | (i) Investments                           | -                     |                    |                        | -                     |                    | -                      |
|     | (ii) Trade Receivables                    | 10,346.91             | (1,977.45)         | 8,369.46               | 14,126.54             | (2,227.71)         | 11,898.83              |
|     | (iii) Cash and cash equivalents           | 7,361.77              | (3.11)             | 7,358.65               | 3,233.75              | (21.86)            | 3,211.89               |
|     | (iv) Bank balances other than (iii) above | 1,176.16              | (319.99)           | 856.16                 | 1,266.07              | (359.19)           | 906.88                 |
|     | (v) Loans                                 | 696.91                | (696.91)           |                        | 241.18                | (241.18)           | -                      |
|     | (vi) Other financial assets               | 192.16                | (26.53)            | 165.63                 | 744.65                | (404.37)           | 340.28                 |
| (c) | Current Tax Assets (Net)                  | 2,267.47              | (1,189.92)         | 1,077.55               | 1,096.52              | (1,096.52)         | -                      |
| (d) | Other Current assets                      | 14,121.44             | (332.66)           | 13,788.79              | 11,320.21             | 25.99              | 11,346.21              |
|     | <b>Total Assets</b>                       | <b>174,668.39</b>     | <b>(10,050.90)</b> | <b>164,617.48</b>      | <b>159,520.74</b>     | <b>(10,367.09)</b> | <b>149,153.65</b>      |

Rs in Lakhs

|     | Particulars                         | As on 01.04.2016      |                    |                        | As on 31.03.2017      |                    |                        |
|-----|-------------------------------------|-----------------------|--------------------|------------------------|-----------------------|--------------------|------------------------|
|     |                                     | Balances as per IGAAP | IND AS Adjustments | Balances as per Ind AS | Balances as per IGAAP | IND AS Adjustments | Balances as per Ind AS |
|     | <b>EQUITY AND LIABILITIES</b>       |                       |                    |                        |                       |                    |                        |
|     | <b>Equity</b>                       |                       |                    |                        |                       |                    |                        |
| (a) | Equity Share Capital                | 1,289.21              | -                  | 1,289.21               | 1,289.21              | -                  | 1,289.21               |
| (b) | Other Equity                        | 66,894.84             | (644.20)           | 66,250.64              | 60,226.50             | (753.51)           | 59,472.98              |
|     |                                     |                       |                    |                        | -                     |                    |                        |
|     | Minority Interest                   | 13,972.82             | -                  | 13,972.82              | 12,170.20             | -                  | 12,170.20              |
|     | Deferred Govt Grant                 |                       | 36.39              | 36.39                  |                       |                    |                        |
|     | <b>LIABILITIES</b>                  |                       |                    |                        |                       |                    |                        |
|     | <b>Non-current liabilities</b>      |                       |                    |                        |                       |                    |                        |
| (a) | Financial Liabilities               |                       |                    |                        |                       |                    |                        |
|     | (i) Borrowings                      | 27,332.51             | (47.16)            | 27,285.35              | 32,032.94             | -                  | 32,032.94              |
|     | (ii) Trade Payables                 | 271.26                | -                  | 271.26                 | 271.26                | -                  | 271.26                 |
|     | (iii) Other financial liabilities   | 6,882.26              | (154.82)           | 6,727.44               | 6,364.59              | (148.96)           | 6,215.63               |
| (b) | Provisions                          | 1,189.71              | (37.20)            | 1,152.51               | 476.09                | 255.50             | 731.60                 |
| (c) | Deferred Tax Liabilities (Net)      | 10,051.99             | (5,084.50)         | 4,967.49               | 8,668.65              | (5,901.56)         | 2,767.09               |
| (d) | Other non-current liabilities       |                       |                    |                        |                       |                    |                        |
|     | <b>Current liabilities</b>          |                       |                    |                        |                       |                    |                        |
| (a) | Financial Liabilities               |                       |                    |                        |                       |                    |                        |
|     | (i) Borrowings                      | 12,549.60             | (246.60)           | 12,303.00              | 5,199.98              | (520.86)           | 4,679.12               |
|     | (ii) Trade payables                 | 8,977.51              | (827.68)           | 8,149.82               | 8,592.21              | (838.64)           | 7,753.57               |
|     | (iii) Other financial liabilities   | 20,532.72             | (283.03)           | 20,249.69              | 19,772.87             | (361.31)           | 19,411.56              |
| (b) | Other current liabilities           | 3,488.85              | (1,588.96)         | 1,899.89               | 2,736.75              | (1,024.69)         | 1,712.06               |
| (c) | Provisions                          | 70.39                 | (8.41)             | 61.98                  | 200.97                | (55.85)            | 145.11                 |
| (d) | Current tax Liabilities (Net)       | 1,164.73              | (1,164.73)         | -                      | 1,518.52              | (1,017.21)         | 501.31                 |
|     | <b>Total Equity and Liabilities</b> | <b>174,668.39</b>     | <b>(10,050.90)</b> | <b>164,617.49</b>      | <b>159,520.74</b>     | <b>(10,367.09)</b> | <b>149,153.65</b>      |
|     |                                     |                       |                    |                        |                       |                    |                        |

**Reconciliation of Profit or loss for the period ending 31-03-2017 (As per para 24 (b) of IND AS 101 )**

| PARTICULARS                                                                             | Notes | Balances as per IGAAP | Ind AS Adjustments | Balance as per 'IND AS |
|-----------------------------------------------------------------------------------------|-------|-----------------------|--------------------|------------------------|
| <b>Income</b>                                                                           |       |                       |                    |                        |
| Revenue from Operations                                                                 |       | 141,365.05            | (5,194.01)         | <b>136,171.04</b>      |
| Other Income                                                                            |       | 1,066.39              | (118.98)           | <b>947.41</b>          |
| <b>Total Revenue</b>                                                                    |       | <b>142,431.44</b>     | <b>(5,313.00)</b>  | <b>137,118.45</b>      |
| <b>Expenses</b>                                                                         |       |                       |                    |                        |
| Cost of Raw Materials and Components consumed                                           |       | 59,610.80             | (8,616.79)         | <b>50,994.01</b>       |
| [Increase]/Decrease in Inventories of finished goods, work-in-progress and traded goods |       | (5,261.61)            | 283.00             | <b>(4,978.61)</b>      |
| Employee Benefits expense                                                               |       | 10,055.83             | (334.92)           | <b>9,720.91</b>        |
| Power and fuel                                                                          |       | 15,001.62             | 3,573.78           | <b>18,575.40</b>       |
| Freight and forwarding charges                                                          |       | 11,572.29             | (0.00)             | <b>11,572.29</b>       |
| Finance Costs                                                                           |       | 4,967.26              | 26.11              | <b>4,993.36</b>        |
| Depreciation and amortization expense                                                   |       | 6,468.79              | (209.50)           | <b>6,259.28</b>        |
| Excise duty                                                                             |       | 13,144.43             | (45.34)            | <b>13,099.09</b>       |
| Other expenses                                                                          |       | 15,556.68             | (312.09)           | <b>15,244.59</b>       |
| <b>Total Expenses</b>                                                                   |       | <b>131,116.08</b>     | <b>(5,635.76)</b>  | <b>125,480.33</b>      |
| <b>Profit/(Loss) before Exceptional Items</b>                                           |       | <b>11,315.36</b>      | <b>322.76</b>      | <b>11,638.12</b>       |
| <b>Add : Exceptional Items</b>                                                          |       |                       |                    |                        |
| <b>Profit/(Loss) before tax</b>                                                         |       | <b>11,315.36</b>      | <b>322.76</b>      | <b>11,638.12</b>       |
| <b>Add : Income Tax Refund</b>                                                          |       | -                     |                    |                        |
| <b>Less : Tax expenses</b>                                                              |       |                       |                    |                        |
| Short /Excess provision of Income Tax of Eariler Years                                  |       | 11.26                 | (11.26)            |                        |
| Current tax                                                                             |       | 1,098.48              | 0.00               | <b>1,098.48</b>        |
| Deferred tax                                                                            |       | 1,383.35              | 115.68             | <b>1,499.02</b>        |
| <b>Add: MAT credit entitlement</b>                                                      |       | <b>589.44</b>         | <b>60.00</b>       | <b>649.44</b>          |
| <b>Total tax expense</b>                                                                |       | <b>1,903.64</b>       | <b>44.42</b>       | <b>1,948.06</b>        |
| <b>Profit/(Loss) for the year from continuing operations (A)</b>                        |       | <b>9,411.72</b>       | <b>278.34</b>      | <b>9,690.06</b>        |
| Profit / (Loss) from discontinuing operations                                           |       | (36.00)               |                    | <b>(36.00)</b>         |
| Less : Tax expense of discontinuing operations                                          |       | (7.68)                |                    | <b>(7.68)</b>          |
| Profit / (Loss) from discontinuing operations (after tax) (B)                           |       | (28.32)               | 0.00               | <b>(28.32)</b>         |
| <b>Profit / (Loss) for the year (A) + (B)</b>                                           |       | <b>9,383.40</b>       | <b>278.34</b>      | <b>9,661.74</b>        |

Rs in Lakhs

| PARTICULARS                                                                  | Notes | Balances as per IGAAP | Ind AS Adjustments | Balance as per 'IND AS |
|------------------------------------------------------------------------------|-------|-----------------------|--------------------|------------------------|
| Share of profit from joint venture                                           |       |                       | 100.09             | <b>100.09</b>          |
| Less: Minority share of Profit                                               |       | 2,106.77              | 0.00               | <b>2,106.77</b>        |
| <b>Profit / (Loss) after non-controlling interest</b>                        |       | <b>7,276.63</b>       | <b>378.44</b>      | <b>7,655.07</b>        |
| <b>Other Comprehensive Income</b>                                            |       |                       |                    |                        |
| Items that will not be reclassified to P&L                                   |       |                       | (1,221.05)         | <b>(1,221.05)</b>      |
| Income tax relating to items that will not be reclassified to profit or loss |       |                       | 42.75              | <b>42.75</b>           |
| Share of OCI from joint venture                                              |       |                       | 4.89               | <b>4.89</b>            |
| Less: Minority share of OCI                                                  |       |                       |                    | <b>(304.14)</b>        |
| <b>OCI after non-controlling interest</b>                                    |       |                       | <b>(1,173.41)</b>  | <b>(869.27)</b>        |
| Total Comprehensive Income for the period                                    |       | 9,383.40              | (794.98)           | <b>8,588.42</b>        |
| Less: Minority share of Total Comprehensive income                           |       | 2,106.77              | (304.14)           | <b>1,802.63</b>        |
| <b>Total Comprehensive income after non-controlling interest</b>             |       | <b>7,276.63</b>       | <b>(490.84)</b>    | <b>6,785.80</b>        |
| <b>Earnings per equity share [nominal value of share Re.1 /-</b>             |       | <b>5.64</b>           | <b>0.29</b>        | <b>5.94</b>            |
| [31 March 2016 : Re. 1/-] Basic and Diluted                                  |       |                       |                    |                        |

## xx. Notes to Reconciliation:

### (a) Property, Plant and equipment

Adjustments includes impact of spares capitalisation, life expired assets and mines decommissioning costs as per Ind AS.

### (b) Investments

Investments in Equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

### (c) Inventories

Adjustments that reflect spares capitalised to Property, Plant and Equipment and Capital work-in-progress.

### (d) Trade Receivables

Adjustments that include loss allowance provided on financial asset i.e., Trade receivables.

### (f) Other Equity

Adjustments to retained earnings and other comprehensive income has been made with Ind AS, for the above-mentioned items. In addition, as per Ind AS-19 actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

### (g) Deferred Tax Liabilities

The adjustments include recognition of Deferred Tax on investments under Ind AS and due to Deferred Tax impact on Ind AS adjustments.

### (h) Other Non-Current Liabilities

Adjustment include the impact of discounting of Liabilities based on their expected date of settlement.

### (i) Other Income

Adjustments include Amortization of Government Grant recognized in accordance with Ind AS-20- Government Grants.

### (j) Employee benefit expenses

As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period.

### (k) Finance Cost

Adjustments include discounting impact of Liabilities measured at Fair value.

### (l) Depreciation and Amortization expenses

Adjustments are due to Ind AS impacts made to Property, Plant and Equipment, i.e., Depreciation on Spares Capitalized, Change in Depreciation due to application of Component Accounting as per Ind AS.

### (m) Other Expenses

Adjustment is due to change in provision for Loss allowance on Financial Assets (trade receivables).

**(n) Deferred Tax:** Adjustment include Deferred Tax changes due to above mentioned adjustments.

Rs in Lakhs

|                                        | GROSS BLOCK           |                          |                           |                                                             |                      | DEPRECIATION                               |                              |                              |                            |                                    | NET BLOCK        |                  |
|----------------------------------------|-----------------------|--------------------------|---------------------------|-------------------------------------------------------------|----------------------|--------------------------------------------|------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
|                                        | COST AS ON 01-04-2017 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY | COST UPTO 31-03-2018 | EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY | DEPRECIATION UPTO 31-03-2017 | DEPRECIATION DURING THE YEAR | DEPRECIATION ON DEDUCTIONS | TOTAL DEPRECIATION UPTO 31-03-2018 | AS AT 31-03-2018 | AS AT 31-03-2017 |
| 1 Lands                                | 2,944.67              | 667.12                   | -                         | -                                                           | 3,611.79             | -                                          | -                            | -                            | -                          | -                                  | 3,611.79         | 2,942.61         |
| 2. (a) Buildings                       | 19,044.91             | 383.27                   | 1.56                      | (57.86)                                                     | 19,368.76            | (3.79)                                     | 680.65                       | 732.00                       | 0.11                       | 1,408.74                           | 17,960.02        | 18,364.26        |
| (b) Leasehold Buildings                | 8.93                  | -                        | -                         | -                                                           | 8.93                 | -                                          | 0.24                         | 0.24                         | -                          | 0.48                               | 8.45             | 8.69             |
| 3 Roads                                | 176.36                | 9.82                     | -                         | -                                                           | 186.17               | -                                          | 48.69                        | 41.06                        | -                          | 89.75                              | 96.42            | 127.66           |
| 4 Plant & Machinery                    | 65,754.59             | 9,436.04                 | 355.73                    | (175.31)                                                    | 74,659.58            | (27.14)                                    | 4,803.05                     | 5,598.84                     | 126.47                     | 10,248.28                          | 64,411.30        | 60,950.53        |
| 5 Furniture,Fixtures                   | 1,784.88              | 47.67                    | 0.38                      | (0.04)                                                      | 1,832.13             | (0.04)                                     | 248.71                       | 245.70                       | 0.11                       | 494.25                             | 1,337.87         | 1,536.17         |
| 6 Motor Vehicles                       | 810.30                | 165.01                   | 77.18                     | (0.49)                                                      | 897.65               | (0.22)                                     | 203.14                       | 188.17                       | 34.24                      | 356.85                             | 540.80           | 599.42           |
| 7 Railway Siding, Locomotives          | 32.53                 | -                        | -                         | -                                                           | 32.53                | -                                          | 3.15                         | 3.15                         | -                          | 6.30                               | 26.23            | 29.38            |
| 8 Ropeway Structures                   | 7.32                  | 108.61                   | -                         | -                                                           | 115.93               | -                                          | 2.33                         | 39.91                        | -                          | 42.24                              | 73.69            | 4.99             |
| 9 Office Equipment                     | 141.53                | 12.41                    | 0.38                      | (0.42)                                                      | 153.15               | (0.22)                                     | 34.93                        | 31.23                        | 0.18                       | 65.77                              | 87.38            | 106.60           |
| 10 Computer & Data Processing Units    | 155.86                | 139.14                   | 6.28                      | -                                                           | 288.73               | -                                          | 60.83                        | 73.26                        | 4.39                       | 129.70                             | 159.03           | 95.03            |
| 11 Laboratory Equipment                | 29.12                 | 1.44                     | 0.02                      | -                                                           | 30.54                | -                                          | 8.83                         | 4.94                         | -                          | 13.77                              | 16.78            | 20.29            |
| 12 Electrical Installation & Equipment | 2,252.79              | 148.09                   | 16.98                     | -                                                           | 2,383.90             | -                                          | 322.34                       | 309.56                       | 16.60                      | 615.30                             | 1,768.60         | 1,941.26         |
| 13 Hydraulic Works, Pipeline & Sluices | 82.41                 | -                        | -                         | -                                                           | 82.41                | -                                          | 5.69                         | 5.69                         | -                          | 11.38                              | 71.03            | 76.72            |
| 15 Leased Lands (Decommissioning)      | 171.11                | 289.39                   | -                         | -                                                           | 460.51               | -                                          | 5.89                         | 14.88                        | -                          | 20.78                              | 439.73           | 165.22           |
| Total                                  | 93,397.32             | 11,408.03                | 458.51                    | (234.12)                                                    | 104,112.71           | (31.40)                                    | 6,428.48                     | 7,288.62                     | 182.11                     | 13,503.58                          | 90,609.13        | 86,968.85        |

\* Depreciation for the year includes an amount of Rs. 10.36 lakhs capitalised during the year. (Rs. 3.18 lakhs capitalised during previous year).

| NOTE 4.<br>INVESTMENT<br>PROPERTY | GROSS BLOCK                 |                                   |                                        |                                                                                |                         | DEPRECIATION                                                |                                            |                                           |                                          |                                                 | NET BLOCK           |                     |
|-----------------------------------|-----------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------------|---------------------|---------------------|
|                                   | COST<br>AS ON<br>01-04-2017 | ADDITION<br>DURING<br>THE<br>YEAR | DEDUC<br>TION<br>DURING<br>THE<br>YEAR | EXCHANGE<br>FLUCTU<br>ATION ON<br>OPENING<br>BLOCK OF<br>FOREIGN<br>SUBSIDIARY | COST UPTO<br>31-03-2018 | EXCHANGE<br>FLUCTU<br>ATION OF<br>FOREIGN<br>SUBSI<br>DIARY | DEPRE<br>CIATION<br>UPTO<br>31-03-<br>2017 | DEPRE<br>CIATION<br>DURING<br>THE<br>YEAR | DEPRE<br>CIATION<br>ON<br>DEDUC<br>TIONS | TOTAL<br>DEPRE<br>CIATION<br>UPTO<br>31-03-2018 | AS AT<br>31-03-2018 | AS AT<br>31-03-2017 |
| 1 Lands                           | 0.47                        | -                                 | -                                      | -                                                                              | 0.47                    | -                                                           | -                                          | -                                         | -                                        | -                                               | 0.47                | 0.47                |
| 2. Buildings                      | 1.67                        | -                                 | -                                      | -                                                                              | 1.67                    | -                                                           | 0.15                                       | 0.84                                      | -                                        | 0.99                                            | 0.68                | 1.52                |
| TOTAL                             | 2.14                        | -                                 | -                                      | -                                                                              | 2.14                    | -                                                           | 0.15                                       | 0.84                                      | -                                        | 0.99                                            | 1.15                | 1.99                |

| NOTE 5.<br>INTANGIBLE<br>ASSETS | GROSS BLOCK                 |                                   |                                        |                                                                                |                         | AMORTISATION                                                |                                            |                                           |                                          |                                                 | NET BLOCK           |                     |
|---------------------------------|-----------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------------|---------------------|---------------------|
|                                 | COST<br>AS ON<br>01-04-2017 | ADDITION<br>DURING<br>THE<br>YEAR | DEDUC<br>TION<br>DURING<br>THE<br>YEAR | EXCHANGE<br>FLUCTU<br>ATION ON<br>OPENING<br>BLOCK OF<br>FOREIGN<br>SUBSIDIARY | COST UPTO<br>31-03-2018 | EXCHANGE<br>FLUCTU<br>ATION OF<br>FOREIGN<br>SUBSI<br>DIARY | AMORTI<br>SATION<br>UPTO<br>31-03-<br>2017 | AMORTI<br>SATION<br>DURING<br>THE<br>YEAR | AMORTI<br>SATION<br>ON<br>DEDUC<br>TIONS | TOTAL<br>AMORTI<br>SATION<br>UPTO<br>31-03-2018 | AS AT<br>31-03-2018 | AS AT<br>31-03-2017 |
| 1 Intangible Asset              | 208.18                      | 69.71                             | 0.00                                   | 0.00                                                                           | 277.89                  | 0.00                                                        | 34.36                                      | 19.81                                     |                                          | 54.17                                           | 223.72              | 173.82              |

Rs in Lakhs

| NOTE 2. TANGIBLE ASSETS                | GROSS BLOCK           |                          |                           |                                                             |                      | DEPRECIATION                               |                              |                              |                            |                                    | NET BLOCK        |                  |
|----------------------------------------|-----------------------|--------------------------|---------------------------|-------------------------------------------------------------|----------------------|--------------------------------------------|------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
|                                        | COST AS ON 01-04-2016 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY | COST UPTO 31-03-2017 | EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY | DEPRECIATION UPTO 31-03-2016 | DEPRECIATION DURING THE YEAR | DEPRECIATION ON DEDUCTIONS | TOTAL DEPRECIATION UPTO 31-03-2017 | AS AT 31-03-2017 | AS AT 31-03-2016 |
| 1 Lands                                | 2,682.23              | 262.45                   | -                         | -                                                           | 2,944.67             | -                                          | -                            | -                            | -                          | -                                  | 2,944.67         | 2,682.23         |
| 2. (a) Buildings                       | 16,171.88             | 2,986.91                 | 13.00                     | (100.89)                                                    | 19,044.91            | (3.52)                                     | -                            | 684.17                       | -                          | 680.65                             | 18,364.26        | 16,171.88        |
| (b) Leasehold Buildings                | 8.93                  | -                        | -                         | -                                                           | 8.93                 | -                                          | -                            | 0.24                         | -                          | 0.24                               | 8.69             | 8.93             |
| 3 Roads                                | 141.33                | 35.03                    | -                         | -                                                           | 176.36               | -                                          | -                            | 48.69                        | -                          | 48.69                              | 127.66           | 141.33           |
| 4 Plant & Machinery                    | 61,259.72             | 5,244.55                 | 382.29                    | (367.39)                                                    | 65,754.59            | (22.12)                                    | -                            | 4,825.79                     | 0.61                       | 4,803.05                           | 60,951.54        | 61,259.72        |
| 5 Furniture, Fixtures                  | 1,718.93              | 66.63                    | 0.55                      | (0.13)                                                      | 1,784.88             | (0.06)                                     | -                            | 248.77                       | -                          | 248.71                             | 1,536.17         | 1,718.93         |
| 6 Motor Vehicles                       | 816.52                | 38.72                    | 43.50                     | (1.44)                                                      | 810.30               | (0.22)                                     | -                            | 207.23                       | 3.87                       | 203.14                             | 607.16           | 816.52           |
| 7 Railway Siding, Locomotives          | 32.53                 | -                        | -                         | -                                                           | 32.53                | -                                          | -                            | 3.15                         | -                          | 3.15                               | 29.38            | 32.53            |
| 8 Ropeway Structures                   | 0.19                  | 7.13                     | -                         | -                                                           | 7.32                 | -                                          | -                            | 2.33                         | -                          | 2.33                               | 4.99             | 0.19             |
| 9 Office Equipment                     | 86.42                 | 56.58                    | 0.88                      | (0.59)                                                      | 141.53               | (0.24)                                     | -                            | 35.17                        | -                          | 34.93                              | 106.60           | 86.42            |
| 10 Computer & Data Processing Units    | 119.82                | 38.60                    | 2.55                      | -                                                           | 155.86               | -                                          | -                            | 60.83                        | -                          | 60.83                              | 95.03            | 119.82           |
| 11 Laboratory Equipment                | 26.50                 | 3.42                     | 0.80                      | -                                                           | 29.12                | -                                          | -                            | 8.83                         | -                          | 8.83                               | 20.29            | 26.50            |
| 12 Electrical Installation & Equipment | 2,089.83              | 166.31                   | 3.34                      | -                                                           | 2,252.79             | -                                          | -                            | 322.34                       | -                          | 322.34                             | 1,930.44         | 2,089.83         |
| 13 Hydraulic Works, Pipeline & Sluices | 82.41                 | -                        | -                         | -                                                           | 82.41                | -                                          | -                            | 5.69                         | -                          | 5.69                               | 76.72            | 82.41            |
| 15 Leased Lands (Decommissioning)      | 15.91                 | 155.21                   | -                         | -                                                           | 171.11               | -                                          | -                            | 5.89                         | -                          | 5.89                               | 165.22           | 15.91            |
| Total                                  | 85,253.15             | 9,061.53                 | 446.91                    | (470.44)                                                    | 93,397.32            | (26.17)                                    | -                            | 6,459.12                     | 4.48                       | 6,428.48                           | 86,968.85        | 85,253.15        |

\* Total Depreciation for the year includes a) Rs 3.18 capitalised during the year and b) Rs.232.32 lakhs adjusted against Science & Technology Development Fund.

| NOTE 4.<br>INVESTMENT<br>PROPERTY | GROSS BLOCK                 |                                   |                                        |                                                                                |                         | DEPRECIATION                                                |                                            |                                           |                                          |                                                | NET BLOCK           |                     |
|-----------------------------------|-----------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------|------------------------------------------------|---------------------|---------------------|
|                                   | COST<br>AS ON<br>01-04-2016 | ADDITION<br>DURING<br>THE<br>YEAR | DEDUC<br>TION<br>DURING<br>THE<br>YEAR | EXCHANGE<br>FLUCTU<br>ATION ON<br>OPENING<br>BLOCK OF<br>FOREIGN<br>SUBSIDIARY | COST UPTO<br>31-03-2017 | EXCHANGE<br>FLUCTU<br>ATION OF<br>FOREIGN<br>SUBSI<br>DIARY | DEPRE<br>CIATION<br>UPTO<br>31-03-<br>2016 | DEPRE<br>CIATION<br>DURING<br>THE<br>YEAR | DEPRE<br>CIATION<br>ON<br>DEDUC<br>TIONS | TOTAL<br>DEPRE<br>CATION<br>UPTO<br>31-03-2017 | AS AT<br>31-03-2017 | AS AT<br>31-03-2016 |
| 1 Lands                           | 0.47                        | -                                 | -                                      | -                                                                              | 0.47                    | -                                                           | -                                          | -                                         | -                                        | 0.00                                           | 0.47                | 0.47                |
| 2. Buildings                      | 1.67                        | -                                 | -                                      | -                                                                              | 1.67                    | -                                                           | -                                          | 0.15                                      | -                                        | 0.15                                           | 1.52                | 1.67                |
| TOTAL                             | 2.14                        |                                   |                                        |                                                                                | 2.14                    |                                                             |                                            | 0.15                                      |                                          | 0.15                                           | 1.99                | 2.14                |

| NOTE 5.<br>INTANGIBLE<br>ASSETS | GROSS BLOCK                 |                                   |                                        |                                                                                | AMORTISATION            |                                                             |                                            |                                           | NET BLOCK                                |                                                 |                     |                     |
|---------------------------------|-----------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------|--------------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------------|---------------------|---------------------|
|                                 | COST<br>AS ON<br>01-04-2016 | ADDITION<br>DURING<br>THE<br>YEAR | DEDUC<br>TION<br>DURING<br>THE<br>YEAR | EXCHANGE<br>FLUCTU<br>ATION ON<br>OPENING<br>BLOCK OF<br>FOREIGN<br>SUBSIDIARY | COST UPTO<br>31-03-2017 | EXCHANGE<br>FLUCTU<br>ATION OF<br>FOREIGN<br>SUBSI<br>DIARY | AMORTI<br>SATION<br>UPTO<br>31-03-<br>2016 | AMORTI<br>SATION<br>DURING<br>THE<br>YEAR | AMORTI<br>SATION<br>ON<br>DEDUC<br>TIONS | TOTAL<br>AMORTI<br>SATION<br>UPTO<br>31-03-2017 | AS AT<br>31-03-2017 | AS AT<br>31-03-2016 |
| 1. Computer Software            | 168.86                      | 39.32                             | -                                      | -                                                                              | 208.18                  | -                                                           | -                                          | 34.36                                     | -                                        | 34.36                                           | 173.82              | 168.86              |

Rs in Lakhs

**Note 3. Capital Work-in-Progress**

| Particulars                                       | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>1 BUILDING UNDER CONSTRUCTION</b>              |                       |                       |                      |
| Opening Balance                                   | 76.39                 | 241.06                | 7,105.91             |
| Additions during the year                         | 297.54                | 716.63                | 4,193.30             |
| Less : Capitalisation during the year             | (253.04)              | (881.30)              | (11,058.14)          |
| Closing Balance                                   | 120.89                | 76.39                 | 241.06               |
| <b>2 PLANT &amp; MACHINERY UNDER INSTALLATION</b> |                       |                       |                      |
| Opening Balance                                   | 10,856.51             | 11,846.91             | 5,035.33             |
| Additions during the year                         | 24,469.34             | 4,405.28              | 19,934.49            |
| Less : Capitalisation during the year             | (9,872.57)            | (5,395.68)            | (13,122.91)          |
| Closing Balance                                   | 25,453.28             | 10,856.51             | 11,846.91            |
| <b>TOTAL</b>                                      | <b>25,574.17</b>      | <b>10,932.90</b>      | <b>12,087.97</b>     |

**Note 6. Non-current Investments**

| Particulars                                                                                       | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Unquoted Equity instruments-Investments measured at cost</b>                                   |                       |                       |                      |
| <b>Investment in Joint Venture:</b>                                                               |                       |                       |                      |
| 400000 (31 March 2017: 400000) equity shares of Rs.10/- each fully paid up in Fivescail KCP Ltd., | 975.46                | 948.87                | 892.03               |
| <b>Common Stock (unquoted):</b>                                                                   |                       |                       |                      |
| 1640 Non-Voting common stock of BGE Global Inc., par value \$0.01 per share                       | 77.00                 | 77.00                 | 77.00                |
| <b>Preferred Shares (unquoted):</b>                                                               |                       |                       |                      |
| 750 Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.                    | 385.00                | 385.00                | 385.00               |
| <b>Subtotal</b>                                                                                   | <b>1,437.46</b>       | <b>1,410.87</b>       | <b>1,354.03</b>      |
| <b>Investments at fair value through other comprehensive income</b>                               |                       |                       |                      |
| <b>Investment in equity instruments(quoted):</b>                                                  |                       |                       |                      |
| 100 (31st March 2017: 100 ) equity shares of Rs.10/- each fully paid up in IFCI Ltd.              | 0.02                  | 0.03                  | 0.02                 |
| 14240 (31st March 2017: 14240 ) equity shares of Rs.10/- each fully paid up in IDBI Bank          | 10.28                 | 10.69                 | 9.88                 |

| Particulars                                                                                                                                                        | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Equity shares (unquoted):</b>                                                                                                                                   |                       |                       |                      |
| 30 (31st March 2017: 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                  | 0.00                 |
| 100000 (31st March 2017: 100000 ) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9.99 lakhs) | 0.00                  | 0.00                  | 0.00                 |
| (The Shares are not traded in the Stock Exchange though listed).                                                                                                   |                       |                       |                      |
| <b>Other Investments - Unit Trust of India - Quoted:</b>                                                                                                           |                       |                       |                      |
| 32936.861 (31st March 2017 : 29278.082) UTI Balanced Fund Units of Rs.10/- each                                                                                    | 9.65                  | 8.82                  | 7.13                 |
| <b>Subtotal</b>                                                                                                                                                    | <b>19.95</b>          | <b>19.54</b>          | <b>17.03</b>         |
| <b>TOTAL</b>                                                                                                                                                       | <b>1,457.42</b>       | <b>1,430.41</b>       | <b>1,371.06</b>      |

|                                                            |          |          |          |
|------------------------------------------------------------|----------|----------|----------|
| Aggregate amount of quoted Investments - Market Value      | 19.95    | 19.54    | 17.03    |
| Aggregate amount of quoted Investments - Book Value (cost) | 19.40    | 18.27    | 17.59    |
| Aggregate amount of unquoted Investments                   | 1,437.46 | 1,410.87 | 1,354.03 |
| Aggregate amount of impairment in value of investments     | Nil      | Nil      | Nil      |

#### Note 7. Non current- Trade receivables

| Particulars                        | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------------|-----------------------|-----------------------|----------------------|
| Secured, considered good           |                       |                       |                      |
| Unsecured, considered good         | 257.53                | 373.15                | 139.34               |
| Doubtful                           | 48.23                 | 65.44                 | 19.10                |
| Provision for doubtful receivables | 48.23                 | 65.44                 | 19.10                |
| (A)                                | 257.53                | 373.15                | 139.34               |
| <b>Other receivables</b>           |                       |                       |                      |
| Secured, considered good           | -                     | -                     | -                    |
| Unsecured, considered good         | -                     | -                     | -                    |
| Doubtful                           | -                     | -                     | -                    |
| Provision for doubtful receivables | -                     | -                     | -                    |
| (B)                                | -                     | -                     | -                    |
| <b>TOTAL [A+B]</b>                 | <b>257.53</b>         | <b>373.15</b>         | <b>139.34</b>        |

Rs in Lakhs

**Note 8. Non current - Other Financial Assets**

| Particulars                                     | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------------------------|-----------------------|-----------------------|----------------------|
| Earnest money deposit                           | 20.87                 | 24.38                 | 11.08                |
| Bank deposits with more than 12 months maturity | -                     | -                     | -                    |
| <b>TOTAL</b>                                    | <b>20.87</b>          | <b>24.38</b>          | <b>11.08</b>         |

**Note 9. Other Non-current Assets**

| Particulars                                   | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------------------------------|-----------------------|-----------------------|----------------------|
| Capital Advances                              | 2,402.84              | 4,816.73              | 791.06               |
| <b>[A]</b>                                    | <b>2,402.84</b>       | <b>4,816.73</b>       | <b>791.06</b>        |
| <b>Advances other than Capital Advances</b>   | -                     | -                     | -                    |
| Security Deposits                             | 736.39                | 404.83                | 869.86               |
| <b>(B)</b>                                    | <b>736.39</b>         | <b>404.83</b>         | <b>869.86</b>        |
| <b>Other Advances</b>                         |                       |                       |                      |
| Prepaid expenses                              | 103.23                | 39.42                 | 91.53                |
| Balance with Statutory/government Authorities | 501.68                | 342.45                | 146.00               |
| Others                                        | 44.92                 | 11.81                 | -                    |
| <b>(C)</b>                                    | <b>649.83</b>         | <b>393.68</b>         | <b>237.53</b>        |
| <b>TOTAL [A+B+C]</b>                          | <b>3,789.07</b>       | <b>5,615.23</b>       | <b>1,898.46</b>      |

**Note 10. Inventories**

| Particulars                                                                                                           | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| Raw materials and components at Cost<br>(includes those in transit Rs. 79.74 lakhs) (As on 31-03-2017-Rs. 5.77 lakhs) | 743.38                | 720.43                | 569.40               |
| Work-in-progress                                                                                                      |                       | -                     | -                    |
| : At Cost                                                                                                             | 4,342.23              | 4,538.83              | 4,505.61             |
| : At Estimated Realisable Value                                                                                       | 785.09                | 442.93                | 1,267.71             |
| Finished goods                                                                                                        |                       | -                     | -                    |
| : At Cost                                                                                                             | 23,520.75             | 14,813.31             | 9,043.13             |
| : At Estimated Realisable Value                                                                                       | -                     | -                     | -                    |
| Stores, Spares and coal at Cost (includes in transit Rs. 1042.94 lakhs) (As on 31-03-2017 Rs. 1524.45 lakhs)          | 6,558.69              | 6,965.01              | 5,131.64             |
| <b>TOTAL</b>                                                                                                          | <b>35,950.15</b>      | <b>27,480.51</b>      | <b>20,517.50</b>     |

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.338.07 lakhs for year ended 31-03-2018 (Rs. 86.24 lakhs for the year ended 31-03-2017).

The mode of valuation of Inventories has been stated in accounting policy IX of Note1.2

**Note 11. Current- Trade receivables**

| Particulars                              | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------------------|-----------------------|-----------------------|----------------------|
| Secured, considered good                 | 473.17                | 320.06                | 210.42               |
| Unsecured, considered good               | 4,739.80              | 5,163.97              | 9,085.65             |
| Doubtful                                 | 6.40                  | 9.22                  | 5.39                 |
| Less: Provision for doubtful receivables | -                     | -                     | -                    |
| Less: Provision for loss allowance       | 6.40                  | 9.22                  | 5.39                 |
| (A)                                      | <b>5,212.96</b>       | <b>5,484.03</b>       | <b>9,296.07</b>      |
| <b>Other receivables</b>                 |                       |                       |                      |
| Secured, considered good                 | 1,828.08              | 390.28                | 359.81               |
| Unsecured, considered good               | 272.98                | 2,495.15              | 2,242.95             |
| Doubtful                                 | -                     | -                     | -                    |
| Provision for doubtful receivables       | -                     | -                     | -                    |
| (B)                                      | <b>2,101.06</b>       | <b>2,885.44</b>       | <b>2,602.76</b>      |
| Total [A+B]                              | <b>7,314.02</b>       | <b>8,369.46</b>       | <b>11,898.83</b>     |

**Expected Credit Loss % Provided**

| Ageing                     | Expected Credit Loss % | Expected Credit Loss % | Expected Credit Loss % |
|----------------------------|------------------------|------------------------|------------------------|
| Within the credit period   | Nil                    | Nil                    | Nil                    |
| Upto 60 days past due      | 0.25                   | 0.25                   | 0.25                   |
| 60-90 days past due        | 0.50                   | 0.50                   | 0.50                   |
| More than 90 days past due | 1.00                   | 1.00                   | 1.00                   |

| Age of Receivables                                  | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|-----------------------------------------------------|------------------|------------------|------------------|
| Less than 6 months                                  | 2,101.06         | 2,885.44         | 2,602.76         |
| More than 6 months but less than 12 months- current | 5,212.96         | 5,484.03         | 9,296.07         |
| More than 12 months- Non current                    | 257.53           | 373.15           | 139.34           |

Rs in Lakhs

**Note 12. Cash and cash equivalents**

| Particulars                                               | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 1st<br>April 2016 |
|-----------------------------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>Cash and Cash Equivalents :</b>                        |                          |                          |                         |
| Balances with Banks:                                      |                          |                          |                         |
| On current accounts                                       | 650.32                   | 6,189.15                 | 2,454.78                |
| Deposits with original maturity of less than 3 months     | 862.92                   | 934.62                   | 602.44                  |
| Current account balances for repayment of Public Deposits | 91.41                    | 30.53                    | 25.12                   |
| Cheques/drafts on hand                                    | 161.44                   | 184.17                   | 106.35                  |
| Cash on hand                                              | 11.28                    | 20.18                    | 23.20                   |
| (A)                                                       | <b>1,777.37</b>          | <b>7,358.65</b>          | <b>3,211.89</b>         |
| <b>Other Bank Balances :</b>                              |                          |                          |                         |
| For more than 3 months but less than 12 months            | 674.83                   | 166.02                   | 166.70                  |
| On Unpaid dividend account                                | 162.96                   | 135.19                   | 230.51                  |
| Margin money deposit                                      | 547.60                   | 554.96                   | 509.67                  |
| (B)                                                       | <b>1,385.38</b>          | <b>856.16</b>            | <b>906.88</b>           |
| <b>TOTAL (A+B)</b>                                        | <b>3,162.75</b>          | <b>8,214.81</b>          | <b>4,118.77</b>         |

**Note 13. Current-Other Financial Assets**

| Particulars                              | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 1st<br>April 2016 |
|------------------------------------------|--------------------------|--------------------------|-------------------------|
| Interest accrued on fixed Deposits       | 37.44                    | 37.04                    | 31.42                   |
| Interest accrued on other Deposits       | 7.45                     | 29.92                    | 40.85                   |
| Loans to employees                       | 32.50                    | 39.41                    | 34.80                   |
| Due from Gratuity Trusts                 | 5.74                     | 43.14                    | 142.80                  |
| Gratuity Planned Assets (Net)            | -                        | -                        | 82.79                   |
| Non trade receivables                    | -                        | -                        | -                       |
| From - Joint Venture- Fives Cail KCP Ltd | 17.29                    | 11.74                    | 1.07                    |
| - Others                                 | -                        | -                        | -                       |
| Others                                   | 0.92                     | 4.38                     | 6.54                    |
| <b>TOTAL</b>                             | <b>101.34</b>            | <b>165.63</b>            | <b>340.28</b>           |

**Note 14. Current Tax Assets (Net)**

| Particulars                         | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 1st<br>April 2016 |
|-------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>Advance tax</b>                  |                          |                          |                         |
| Advance payment of Direct Taxes/TDS | 3,961.20                 | 2,182.28                 | 978.72                  |
| Income Tax Refund Receivable        |                          |                          |                         |

| Particulars              | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------|-----------------------|-----------------------|----------------------|
|                          | 3,961.20              | 2,182.28              | 978.72               |
| <b>Provision for Tax</b> |                       |                       |                      |
| Provision for Wealth tax | 12.59                 | 12.59                 | 12.59                |
| Provision for Income tax | 3,233.45              | 1,092.14              | 1,467.44             |
|                          | 3,246.04              | 1,104.73              | 1,480.03             |
| <b>TOTAL - NET</b>       | <b>715.15</b>         | <b>1,077.55</b>       | <b>(501.31)</b>      |

#### Note 15. Current-Other Assets

| Particulars                                   | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Advances other than Capital Advances</b>   |                       |                       |                      |
| Trade Deposit                                 |                       |                       |                      |
| Security Deposits                             |                       |                       |                      |
| <b>(A)</b>                                    | <b>-</b>              | <b>-</b>              | <b>-</b>             |
| <b>Other Advances</b>                         |                       |                       |                      |
| Advances recoverable in cash or kind          |                       |                       |                      |
| Secured, considered good                      |                       |                       |                      |
| Unsecured, considered good                    | 5,068.65              | 8,472.61              | 7,513.76             |
| Doubtful                                      | -                     | -                     | -                    |
| Provision for doubtful debts                  | -                     | -                     | -                    |
| Advances to Trade payables                    | 1,664.41              | -                     | -                    |
| Prepaid expenses                              | 390.33                | 258.37                | 183.19               |
| Balance with Statutory/government Authorities | 4,440.73              | 5,057.81              | 3,649.26             |
| <b>(B)</b>                                    | <b>11,564.12</b>      | <b>13,788.79</b>      | <b>11,346.21</b>     |
| <b>TOTAL [A+B]</b>                            | <b>11,564.12</b>      | <b>13,788.79</b>      | <b>11,346.21</b>     |

#### Note 16. Share Capital

| Particulars                                                                                                     | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Authorised Share Capital:</b>                                                                                |                       |                       |                      |
| 350000000 (31 March 2017 : 350000000) Equity shares of Rs.1/- each                                              | 3,500.00              | 3,500.00              | 3,500.00             |
| 20000000 (31 March 2017 : 20000000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each | 2,000.00              | 2,000.00              | 2,000.00             |
|                                                                                                                 | <b>5,500.00</b>       | <b>5,500.00</b>       | <b>5,500.00</b>      |

Rs in Lakhs

| Particulars                                                                                                    | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Issued Share Capital:</b>                                                                                   |                       |                       |                      |
| 128977480 (31 March 2017 : 128977480) Equity shares of Rs.1/- each                                             | 1,289.77              | 1,289.77              | 1,289.77             |
| 20000000 (31 March 2017 :20000000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each | 2,000.00              | 2,000.00              | 2,000.00             |
|                                                                                                                | <b>3,289.77</b>       | <b>3,289.77</b>       | <b>3,289.77</b>      |
| <b>Subscribed and fully paid-up :</b>                                                                          |                       |                       |                      |
| 128921160 (31 March 2017 :128921160) Equity shares of Rs.1/- each                                              | 1,289.21              | 1,289.21              | 1,289.21             |
| <b>Total issued, subscribed and fully paid-up capital</b>                                                      | <b>1,289.21</b>       | <b>1,289.21</b>       | <b>1,289.21</b>      |

**Note 16.1) Details of shareholders holding more than 5% share in the company:**

1. M/s. V. Ramakrishna Sons Pvt Ltd - 38956326 (38956326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)

**Note16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity Shares of the company is set out below:**

| Particulars                                       | For FY 2017-18  | For FY 2016-17  | For FY 2015-16  |
|---------------------------------------------------|-----------------|-----------------|-----------------|
| Equity Share Capital at the beginning of the Year | 1,289.21        | 1,289.21        | 1,289.21        |
| Add/ Less;- Changes during the year               | -               | -               | -               |
| Equity Share Capital at the end of the Year       | <b>1,289.21</b> | <b>1,289.21</b> | <b>1,289.21</b> |

The Company has only one class of equity shares referred to equity shares having a par value of Rs.1/- Each holder of equity is entitled to vote per share. In the event of liquidation of company, the holder of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

**Note 17. Other Equity**

| Particulars                                                                       | As at 31st March 2018 | As at 31st March 2017 | As at 31st March 2016 |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Capital Reserve</b>                                                            |                       |                       |                       |
| Capital Redemption Reserve                                                        |                       |                       |                       |
| Balance as per the last Financial Statements                                      | 2,000.00              | 2,000.00              | 2,000.00              |
| Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss | -                     | -                     | -                     |
|                                                                                   | <b>2,000.00</b>       | <b>2,000.00</b>       | <b>2,000.00</b>       |
| Capital Reserve On Reorganisation                                                 | 279.91                | 279.91                | 279.91                |
| Translation Reserve                                                               |                       |                       |                       |
| Balance as per the last Financial Statements                                      | 609.40                | 1,217.69              | 750.57                |

| Particulars                                                                       | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 31st<br>March 2016 |
|-----------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Additions/(Deletions) during the year                                             | (234.11)                 | (608.29)                 | 467.12                   |
|                                                                                   | 375.29                   | 609.40                   | 1,217.69                 |
| Capital Reserve                                                                   | 9,548.48                 | 9,548.48                 | 9,548.48                 |
| On Amalgamation Reserve                                                           | 103.83                   | 103.83                   | 103.83                   |
| <b>Total Capital Reserve</b>                                                      | <b>12,307.52</b>         | <b>12,541.63</b>         | <b>13,149.91</b>         |
| <b>Investment Revaluation Reserve</b>                                             | 1.27                     | (0.56)                   | -                        |
| Add: Current year revaluation gain/loss from OCI-Net of Deferred tax              | (0.71)                   | 1.83                     | (0.56)                   |
|                                                                                   | <b>0.56</b>              | <b>1.27</b>              | <b>(0.56)</b>            |
| <b>Actuarial Gain/Loss</b>                                                        | (332.96)                 | (70.15)                  | -                        |
| Add: Current year actuarial gain/loss from OCI-Net of Deferred tax                | (26.18)                  | (267.70)                 | (70.15)                  |
| Add : Share of Other Comprehensive income of joint venture                        | (30.11)                  | 4.89                     | -                        |
|                                                                                   | <b>(389.26)</b>          | <b>(332.96)</b>          | <b>(70.15)</b>           |
| <b>General Reserve</b>                                                            |                          |                          |                          |
| Balance as per the last Financial Statements                                      | 27,248.40                | 27,248.40                | 27,934.82                |
| Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss | -                        | -                        | -                        |
| Add/(Less): Ind AS Adjustments                                                    | -                        | -                        | (686.42)                 |
| <b>Closing Balance</b>                                                            | <b>27,248.40</b>         | <b>27,248.40</b>         | <b>27,248.40</b>         |
| <b>Surplus/(Deficit) in the Statement of Profit and Loss</b>                      |                          |                          |                          |
| Balance as per the last Financial Statements                                      | 26,792.30                | 19,145.38                | 11,234.06                |
| Profit for the year                                                               | 8,846.70                 | 7,554.97                 | 9,106.39                 |
| Share of profit of joint venture                                                  | 104.85                   | 100.09                   | 229.02                   |
|                                                                                   | <b>35,743.85</b>         | <b>26,800.45</b>         | <b>20,569.47</b>         |
| Less : Appropriations                                                             |                          |                          |                          |
| Interim Dividend paid @ Re. 1 per share                                           |                          |                          | 1,289.21                 |
| Final Equity Dividend Paid (Amount per share Rs. 2 & Re.1 during PY)              | 2,578.44                 | -                        | -                        |
| Tax on Distributed Profits                                                        | 8.14                     | 8.14                     | 134.88                   |
| <b>Total Appropriations</b>                                                       | <b>2,586.58</b>          | <b>8.14</b>              | <b>1,424.09</b>          |
| <b>Net Surplus in Statement of Profit and Loss</b>                                | <b>33,157.26</b>         | <b>26,792.30</b>         | <b>19,145.38</b>         |
| <b>Total Reserves and Surplus taken to Balance Sheet</b>                          | <b>72,324.48</b>         | <b>66,250.64</b>         | <b>59,472.98</b>         |

Rs in Lakhs

General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.

Other Comprehensive income: This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value and cumulative actuarial gains or losses arising due to defined benefit plans.

Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued.

Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years.

**Note No. 17A: Financial information of Subsidiary having Non-Controlling interest is given below:**

| Name                           | Country of Incorporation   | Non Controlling interest % As on 31-03-2018 | Profits allocated to non-controlling interest | Other Comprehensive income allocated to non-allocated interest | Accumulated non-Controlling interest |
|--------------------------------|----------------------------|---------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|--------------------------------------|
| KCP Vietnam Industries Limited | Socialist Republic Vietnam | 66.67%                                      | 2314.64                                       | (101.83)                                                       | 14235.78                             |

The summarised financial information of subsidiary is provided below. This information is based on amounts before inter-company eliminations.

**The summarised Statement of Profit and Loss of subsidiary is provided below:-**

| Particulars                                   | Year ended 31-03-2018 |
|-----------------------------------------------|-----------------------|
| Income                                        | 46152.29              |
| Expenses                                      | 39207.03              |
| Profit before tax                             | 6945.26               |
| Tax expense                                   | 1.34                  |
| Profit for the year                           | 6943.91               |
| -Attributable to the owners of the company    | 4629.28               |
| -Attributable to the non-controlling interest | <b>2314.64</b>        |
| Other comprehensive Income                    | (305.50)              |
| -Attributable to the owners of the company    | (203.67)              |
| -Attributable to the non-controlling interest | <b>(101.83)</b>       |
| Total comprehensive Income                    | 6638.41               |
| -Attributable to the owners of the company    | 4425.61               |
| -Attributable to the non-controlling interest | 2212.80               |

## Summarised Balance Sheet as on 31-03-2018

| Pariculars                                    | Year ended 31-03-2018 |
|-----------------------------------------------|-----------------------|
| Non-Current Assets                            | 25698.26              |
| Current Assets                                | 34178.06              |
| Non-Current Liabilities                       | 6566.84               |
| Current Liabilities                           | 10602.13              |
| Total Equity                                  | 42707.34              |
| -Attributable to the owners of the company    | 28471.56              |
| -Attributable to the non-controlling interest | 14235.78              |

## Summarised Cash flow Statements for the year ended

| Pariculars                                | Year ended 31-03-2018 |
|-------------------------------------------|-----------------------|
| Net cash inflow in operating activities   | 4975.25               |
| Net cash inflow from investing activities | (1,984.31)            |
| Net cash inflow in financing activities   | (8,535.91)            |
| Net decrease in Cash and Cash equivalent  | 427.12                |

**NOTE 17A. NON CONTROLLING INTEREST**

| Pariculars                                                                                                                          | As at<br>31.03.2016 | Additions | Deductions | As at<br>31.03.2017 |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------|------------|---------------------|
| Share Capital of KCP Vietnam Industries Limited<br>10161668 Equity shares (10161668 shares) held<br>by non controlling shareholders | 5959.96             | -         | -          | <b>5959.96</b>      |
| Profit & Loss account                                                                                                               | 5601.39             | 2106.77   | -          | <b>7708.16</b>      |
| Translation Reserve                                                                                                                 | 608.84              | (304.14)  | -          | <b>304.70</b>       |
| Total                                                                                                                               | 12170.19            | 1802.62   | -          | <b>1,3972.82</b>    |

| Pariculars                                                                                                                             | As at<br>31.03.2017 | Additions | Deductions<br>(Dividend<br>Paid) | As at<br>31.03.2018 |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------|----------------------------------|---------------------|
| Share Capital of KCP Vietnam Industries<br>Limited 10161668 Equity shares (10161668<br>shares)<br>held by non-controlling shareholders | 5959.96             | -         | -                                | <b>5959.96</b>      |
| Profit & Loss account                                                                                                                  | 7708.16             | 2314.64   | (1949.84)                        | <b>8072.95</b>      |
| Translation Reserve                                                                                                                    | 304.70              | (101.83)  | -                                | <b>202.87</b>       |
| Total                                                                                                                                  | 13972.82            | 2212.80   | (1949.84)                        | <b>14235.78</b>     |
| Total Dividend declared by KCP VIL                                                                                                     | 5849.53             |           |                                  |                     |
| Less: The KCP Ltd- share @ 2/3 rd                                                                                                      | 3899.69             |           |                                  |                     |
| Non Controlling Share in Dividends                                                                                                     | 1949.84             |           |                                  |                     |

Rs in Lakhs

**Note 18. Borrowings (Non-Current)**

| Particulars                                  | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Rupee Term Loans from Banks - Secured</b> |                       |                       |                      |
| for Cement Plant Muktyala                    |                       |                       | 2,442.30             |
| for Hotel Project                            | 2,555.28              | 3,409.71              | 4,264.14             |
| for Cement Plant- Macherla                   | 81.33                 | 381.33                | 681.33               |
| for Captive Power Plant- Muktyala            | 2,983.93              | 3,979.43              | 4,974.93             |
| for Cement Plant Muktyala Expansion (Line-2) | 18,724.70             | 4,012.84              | -                    |
| for Corporate                                | 3,640.00              | 5,560.00              | 7,520.00             |
| for Sugar project                            | 3,641.64              | 5,074.86              | 6,633.94             |
| Subtotal                                     | <b>31,626.88</b>      | <b>22,418.17</b>      | <b>26,516.64</b>     |
| <b>Other Loans and advances:</b>             |                       |                       |                      |
| <b>Deposits (unsecured)</b>                  |                       |                       |                      |
| From Directors                               | 1,045.03              | 1,005.00              | 45.03                |
| From Others                                  | 4,558.15              | 3,862.18              | 5,471.27             |
| Subtotal                                     | 5,603.18              | 4,867.18              | 5,516.30             |
| <b>TOTAL</b>                                 | <b>37,230.06</b>      | <b>27,285.35</b>      | <b>32,032.94</b>     |
| <b>The above amount includes</b>             |                       |                       |                      |
| Secured borrowings                           | 31,626.88             | 17,343.31             | 19,882.70            |
| Unsecured borrowings                         | 5,603.18              | 4,867.18              | 5,516.30             |

Details of deposits held by Directors and their relatives of the company:-

|                                   |          |        |        |
|-----------------------------------|----------|--------|--------|
| a) Dr. V. L. Dutt                 | 1,033.50 | 100.00 | 33.50  |
| b) Smt. Kavitha D. Chitturi       | 11.53    | -      | 11.53  |
| c) Sri O. Swaminatha Reddy        | -        | 5.00   | -      |
| d) V.L Dutt (HUF)                 | 800.00   | 200.00 | 600.00 |
| e) Kum. Shivani Dutt Chitturi     | 312.00   | 73.00  | 210.00 |
| f) Late Smt. S.R.V Rajyalakshamma | 25.00    | 25.00  | 37.50  |

## Term Loans

| Particulars                         | Muktyala Cement                                                   |                      |                      | Macherla Cement                                        | Muktyala Cement Expansion                                                     | Captive Power Plant                                  | Hotel                                  | Corporate                                                          | Corporate                            | Vietnam Industries Ltd.  |
|-------------------------------------|-------------------------------------------------------------------|----------------------|----------------------|--------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------|--------------------------------------|--------------------------|
| Lending Bank                        | Bank of Baroda                                                    | Bank of India        | Canara Bank          | Bank of Baroda                                         | State Bank of India                                                           | Canara Bank                                          | Indian Overseas Bank                   | Bank of Baroda                                                     | Bank of India                        | Vietnam Development Bank |
| Loan Amount Sanctioned              | 6500.00                                                           | 9000.00              | 4800.00              | 1500.00                                                | 35400.00                                                                      | 7964.00                                              | 5973.00                                | 4000.00                                                            | 5600.00                              | 330000 Million VND       |
| Loan Amount Availed                 | 6092.26                                                           | 8999.45              | 4774.59              | 1431.33                                                | 19963.50                                                                      | 7214.81                                              | 5973.00                                | 4000.00                                                            | 5600.00                              | 281300 Million VND       |
| Outstanding Amount as on 31-03-2018 | 0.00                                                              | 0.00                 | 0.00                 | 381.00                                                 | 19964.00                                                                      | 3979.00                                              | 3410.00                                | 2200.00                                                            | 3360.00                              | 175234 Million VND       |
| No of Installments (Quarterly)      | 28                                                                | 28                   | 28                   | 28                                                     | 32                                                                            | 32                                                   | 28                                     | 20                                                                 | 20                                   | 28                       |
| Installments Commencement           | June, 2011                                                        | June, 2011           | June, 2011           | Nov, 2014                                              | Dec, 2018                                                                     | Mar, 2015                                            | May, 2015                              | Jan, 2017                                                          | June, 2016                           | March, 2016              |
| Rate of Interest                    | 1.20% over 1 Yr MCLR plus SP                                      | 0.85% over Base Rate | 1 Yr MCLR plus 1.30% | 1.20% over 1 Yr MCLR plus SP                           | 1 Yr MCLR plus 0.65%                                                          | 1 Yr MCLR plus 1.30%                                 | 1 Yr MCLR plus 0.20 plus 0.80%         | 1.20% over 1 Yr MCLR plus SP                                       | 0.85% over Base Rate                 | 8.55%                    |
| Installment Amount                  | 232.00                                                            | 322.00               | 172.00               | 75.00                                                  | * Varying installment amounts.                                                | 249.00                                               | 314.00                                 | 200.00                                                             | 280.00                               | 11785 Million VND        |
| Security                            | Pari-passu First Charge on Fixed Assets of Muktyala Cement Plant. |                      |                      | First Charge on Fixed Assets of Macherla Cement Plant. | Pari-passu charge on Land at Muktyala and First Charge on the Project Assets. | First Charge on Fixed Assets of Captive Power Plant. | First Charge on Fixed Assets of Hotel. | Exclusive Charge on Hydel Division Assets and Property at Chennai. | Exclusive Charge on land in Chennai. | Pledge of Project Assets |

Rs in Lakhs

## Carrying value of assets pledged

| Particulars          | Muktyala Plant Fixed Assets |                  |                  | Macherla Plant Fixed Assets |                 |                 | Hotel Fixed Assets |                 |                 | Hydel Unit Fixed Assets |                 |                 |
|----------------------|-----------------------------|------------------|------------------|-----------------------------|-----------------|-----------------|--------------------|-----------------|-----------------|-------------------------|-----------------|-----------------|
| FY                   | 2018                        | 2017             | 2016             | 2018                        | 2017            | 2016            | 2018               | 2017            | 2016            | 2018                    | 2017            | 2016            |
| Plant & Machinery    | 24,908.84                   | 26,429.35        | 28,078.70        | 3,530.74                    | 3,619.05        | 3,579.03        | 2,367.36           | 2,677.55        | 2,855.76        | 928.68                  | 1,035.66        | 1,187.95        |
| Lands & Buildings    | 6,197.79                    | 5,601.82         | 5,264.57         | 1,264.32                    | 1,279.83        | 1,101.56        | 5,269.58           | 5,459.17        | 5,558.84        | 124.35                  | 134.38          | 144.42          |
| Furniture & fixtures | 52.68                       | 64.92            | 73.28            | 33.77                       | 38.12           | 15.95           | 1,153.98           | 1,365.74        | 1,558.22        | 0.29                    | 0.11            | 0.20            |
| <b>Total</b>         | <b>1,159.31</b>             | <b>32,096.09</b> | <b>33,416.55</b> | <b>4,828.83</b>             | <b>4,937.00</b> | <b>4,696.54</b> | <b>8,790.92</b>    | <b>9,502.45</b> | <b>9,972.81</b> | <b>1,053.32</b>         | <b>1,170.16</b> | <b>1,332.56</b> |

## Cash Credit

| Particulars                         | Muktyala                                                         |                               |                              | Macherla                                                         | Macherla             | CPP                                                              | Engineering Unit                                             | Engineering Unit - WCDL                                      |
|-------------------------------------|------------------------------------------------------------------|-------------------------------|------------------------------|------------------------------------------------------------------|----------------------|------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Lending Bank                        | Bank of Baroda                                                   | Canara Bank                   | Bank of Baroda               | HDFC Bank                                                        | Canara Bank          | Canara Bank                                                      | Canara Bank                                                  | Canara Bank                                                  |
| Outstanding Amount as on 31-03-2018 | 752.00                                                           | 346.00                        | 617.00                       | 333.00                                                           | 405.00               | 225.00                                                           | 1000.00                                                      |                                                              |
| Rate of Interest                    | 0.95% over 1 Yr MCLR plus SP                                     | 0.85% over 1 Yr MCLR plus BSS | 0.95% over 1 Yr MCLR plus SP | 1 Yr MCLR plus 1.10%                                             | 1 Yr MCLR plus 1.80% | 1 Yr MCLR plus 1.80%                                             | 1 Month MCLR                                                 |                                                              |
| Security                            | Paripassu First Charge on Current Assets of Muktyala Cement Unit |                               |                              | Paripassu First Charge on Current Assets of Macherla Cement Unit |                      | Paripassu First Charge on Current Assets of Captive Powere Plant | Paripassu First Charge on Current Assets of Engineering Unit | Paripassu First Charge on Current Assets of Engineering Unit |

**Note 19. Trade payables**

| Particulars                        | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Trade payables</b>              |                       |                       |                      |
| Due to Micro and Small Enterprises | -                     | -                     | -                    |
| Due to Others                      | 271.26                | 271.26                | 271.26               |

**Note 20. Non current -Other Financial Liabilities**

| Particulars                           | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---------------------------------------|-----------------------|-----------------------|----------------------|
| Trade Deposits                        | 2,726.32              | 2,402.17              | 2,190.82             |
| Science & Technology development fund | 2,925.20              | 3,142.20              | 2,736.91             |
| Retention Money Payable - Projects    | -                     | -                     | 9.40                 |
| Deposits Payable-Contractors          | 261.90                | 235.90                | 189.90               |
| Interest accrued but not due          | 139.77                | 152.70                | 129.37               |
| Outstanding Liabilities for Expenses  | 825.96                | 794.47                | 959.24               |
| <b>TOTAL</b>                          | <b>6,879.15</b>       | <b>6,727.44</b>       | <b>6,215.63</b>      |

**Note 21. Non current - Provisions**

| Particulars                            | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------------|-----------------------|-----------------------|----------------------|
| Provision for gratuity                 | 22.35                 | 66.25                 | -                    |
| Provision for leave benefits           | 842.58                | 764.21                | 444.05               |
| Provision for Decommissioning expenses | 360.70                | 322.06                | 287.55               |
| <b>TOTAL</b>                           | <b>1,225.63</b>       | <b>1,152.51</b>       | <b>731.60</b>        |

**NOTE 22. Deferred Tax Liability (Net)**

| Particulars                                                                                                                  | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Deferred Tax Liability</b>                                                                                                |                       |                       |                      |
| Fixed assets: Difference between Tax depreciation and depreciation/amortisation charged for the financial reporting & Others | 10,664.82             | 10,589.00             | 10,466.01            |
| Discounting of legal cases                                                                                                   | 12.29                 | 12.17                 | 28.98                |
| Unamortised transaction cost                                                                                                 | 13.55                 | 16.32                 | -                    |
| <b>Gross Deferred Tax Liability</b>                                                                                          | <b>10,690.66</b>      | <b>10,617.49</b>      | <b>10,494.99</b>     |
| <b>Deferred Tax Asset</b>                                                                                                    |                       |                       |                      |
| MAT Credit                                                                                                                   | 3,917.96              | 4,784.75              | 5,528.88             |
| Expected Credit loss                                                                                                         | 2.24                  | 3.19                  | 1.87                 |

Rs in Lakhs

| Particulars                                                                                                                           | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| Discounting of trade receivables                                                                                                      | 16.85                 | 22.65                 | 6.61                 |
| Impact of expenditure charged to the statement of profit and loss - in the current year but allowed for tax purposes on payment basis | 865.39                | 727.95                | 760.24               |
| Unabsorbed Losses                                                                                                                     | -                     | -                     | 1,330.79             |
| Decommissioning cost                                                                                                                  | 126.04                | 111.46                | 99.52                |
| <b>Gross Deferred tax asset</b>                                                                                                       | <b>4,928.48</b>       | <b>5,650.00</b>       | <b>7,727.91</b>      |
| <b>Net Deferred Tax Liability</b>                                                                                                     | <b>5,762.18</b>       | <b>4,967.49</b>       | <b>2,767.09</b>      |

**Note 23. Borrowings (Current)**

| Particulars                                                                 | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-----------------------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| Cash credit from Banks                                                      |                       |                       |                      |
| Secured                                                                     | 2,881.46              | 6,379.75              | 2,179.12             |
| Unsecured                                                                   | -                     | -                     | -                    |
| Other Short Term Borrowings-Working Capital Demand Loan                     | 3,658.28              | 3,911.45              | -                    |
| Loan Repayable on Demand (Unsecured)                                        | -                     | -                     | -                    |
| from Directors                                                              | 1,427.32              | 1,336.80              | 2,000.00             |
| Inter-corporate deposit repayable on demand from V Ramakrishan Sons (P) Ltd | 620.00                | 675.00                | 500.00               |
| <b>Total</b>                                                                | <b>8,587.05</b>       | <b>12,303.00</b>      | <b>4,679.12</b>      |
| <b>The above amount includes</b>                                            |                       |                       |                      |
| Secured borrowings                                                          | 6,539.74              | 10,291.19             | 2,179.12             |
| Unsecured borrowings                                                        | 2,047.32              | 2,011.80              | 2,500.00             |

**Note 24. Trade payables (Current)**

| Particulars                        | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Trade payables</b>              |                       |                       |                      |
| Due to Micro and Small Enterprises | 42.64                 | 7.69                  | 16.67                |
| Due to Others                      | 10,234.55             | 8,142.14              | 7,736.90             |
| <b>TOTAL</b>                       | <b>10,277.19</b>      | <b>8,149.82</b>       | <b>7,753.57</b>      |

**Note 25. Current Other Financial Liabilities**

| Particulars                                              | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------------------------------|-----------------------|-----------------------|----------------------|
| Current Maturities of Long Term Borrowings (Refer below) | 9,768.40              | 12,051.41             | 10,699.86            |
| Interest Accrued but not due on borrowings               | 216.64                | 209.15                | 238.38               |
| Interest Accrued and due on borrowings                   | 79.83                 | 88.10                 | 96.97                |
| Advance from customers                                   | 7,490.47              | 3,665.93              | 4,755.29             |
| Unpaid Dividend                                          | 162.96                | 135.19                | 230.51               |
| Accrued Salaries and Benefits                            | 898.31                | 823.48                | 862.46               |
| Directors Remuneration Payable (Refer Note. 43)          | 734.89                | 144.17                | 442.52               |
| Project related payables                                 | 1,426.55              | 1,748.08              | 944.57               |
| Outstanding Liabilities for Others                       | 569.29                | 1,384.19              | 1,140.99             |
| <b>Total</b>                                             | <b>21,347.34</b>      | <b>20,249.69</b>      | <b>19,411.56</b>     |

**Current maturities of long term borrowings**

| Particulars                                  | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Rupee Term Loans from Banks - Secured</b> |                       |                       |                      |
| for Cement Plant Muktyala                    | -                     | 2,271.75              | 2,904.00             |
| for Hotel Project                            | 854.43                | 854.43                | 854.43               |
| for Cement Plant- Macherla                   | 300.00                | 300.00                | 300.00               |
| for Captive Power Plant- Muktyala            | 995.50                | 995.50                | 995.50               |
| for Cement Plant Muktyala Expansion (Line-2) | 1,200.00              | -                     | -                    |
| for Corporate                                | 1,920.00              | 1,920.00              | 1,380.00             |
| for Sugar Project                            | 1,361.17              | 1,345.90              | 1,406.37             |
| <b>Sub Total</b>                             | <b>6,631.10</b>       | <b>7,687.57</b>       | <b>7,840.29</b>      |
| <b>Other Loans and advances:</b>             |                       |                       |                      |
| <b>Deposits (unsecured)</b>                  |                       |                       |                      |
| From Directors                               | 5.00                  | 45.03                 | -                    |
| From Others                                  | 3,132.30              | 4,318.81              | 2,859.57             |
| <b>Sub Total</b>                             | <b>3,137.30</b>       | <b>4,363.84</b>       | <b>2,859.57</b>      |
| <b>TOTAL</b>                                 | <b>9,768.40</b>       | <b>12,051.41</b>      | <b>10,699.86</b>     |

**Note 26. Other Current Liabilities**

| Particulars    | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------|-----------------------|-----------------------|----------------------|
| Statutory Dues | 902.66                | 1,898.28              | 1,690.53             |
| Others         | 1.06                  | 1.61                  | 21.53                |
| <b>TOTAL</b>   | <b>903.72</b>         | <b>1,899.89</b>       | <b>1,712.06</b>      |

Rs in Lakhs

**Note 27. Current- Provisions**

| Particulars                             | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 1st April<br>2016 |
|-----------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>Provision for employee benefits:</b> |                          |                          |                         |
| Provision for gratuity                  | 3.01                     | 9.19                     | -                       |
| Provision for leave benefits            | 370.13                   | 52.79                    | 145.11                  |
| <b>TOTAL</b>                            | <b>373.14</b>            | <b>61.98</b>             | <b>145.11</b>           |

**Note 28. Revenue from operations**

| Particulars                                 | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|---------------------------------------------|-------------------------|--------------------------|
| <b>Revenue from operations</b>              |                         |                          |
| Sale of products                            | 149,277.62              | 133,043.63               |
| Sale of services                            | 1,777.80                | 1,915.13                 |
| <b>Other operating revenue</b>              |                         |                          |
| Scrap sales                                 | 233.99                  | 17.77                    |
| Packing & Forwarding                        | 9.59                    | 7.06                     |
| VAT Incentives                              | -                       | 674.50                   |
| Interest Income on -                        |                         |                          |
| Bank deposits                               | 109.16                  | 157.50                   |
| Interest from customers on overdue          | -                       | 2.56                     |
| Others                                      | 157.84                  | 63.11                    |
| Rent Recovery                               | 130.38                  | 95.01                    |
| Amortisation of govt. grant (VAT Incentive) | 1.99                    | 0.82                     |
| Insurance Claims Received                   | 296.70                  | 193.94                   |
| <b>Revenue from operations (Gross)</b>      | <b>151,995.06</b>       | <b>136,171.04</b>        |

**Note 29. Other Income**

| Particulars                | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|----------------------------|-------------------------|--------------------------|
| Long-term investments      | 13.16                   | 13.15                    |
| Net gain on sale of Assets | 7.58                    | 362.48                   |
| Other non-operating income | 936.61                  | 571.78                   |
| <b>TOTAL</b>               | <b>957.36</b>           | <b>947.41</b>            |

**Note 30. Cost of raw material and components consumed**

| Particulars                                  | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|----------------------------------------------|-------------------------|--------------------------|
| Inventory at the beginning of the year       | 720.43                  | 569.40                   |
| Add: Purchases                               | 5,947.41                | 15,632.58                |
| Add: Cost of raw materials produced          | 50,816.43               | 35,512.46                |
|                                              | <b>57,484.27</b>        | <b>51,714.44</b>         |
| Less: Inventory at the end of the year       | 743.38                  | 720.43                   |
| Cost of raw material and components consumed | <b>56,740.89</b>        | <b>50,994.01</b>         |

**Details of raw material and components consumed**

| Particulars                                           | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-------------------------------------------------------|-------------------------|--------------------------|
| i) Cement Unit                                        |                         |                          |
| Limestone                                             | 10,882.92               | 12,609.30                |
| Laterite                                              | 993.70                  | 728.38                   |
| Fly Ash                                               | 1,219.26                | 968.54                   |
| Gypsum                                                | 2,256.86                | 1,669.54                 |
| Sugar                                                 | 39,827.93               | 33,753.75                |
| Clinker                                               | 76.56                   | -                        |
| Sub Total                                             | <b>55,257.23</b>        | <b>49,729.50</b>         |
| ii) Engineering Unit                                  |                         |                          |
| Iron and Steel,Nickel,Scrap and Equipments            | 1,268.07                | 1,009.46                 |
| iii) Bricks Unit / Others                             |                         |                          |
| Sand, Stoner Dust, Metal / Admixture Stock and Others | 27.38                   | 114.97                   |
| iv) Hotel                                             |                         |                          |
| Provisions                                            | 188.20                  | 140.08                   |
| <b>TOTAL</b>                                          | <b>56,740.89</b>        | <b>50,994.01</b>         |

**Details of Inventory**

| Particulars                                             | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|---------------------------------------------------------|-------------------------|--------------------------|
| <b>Raw materials and components</b>                     |                         |                          |
| Limestone                                               | 328.51                  | 543.32                   |
| Laterite                                                | 74.72                   | 54.96                    |
| Fly Ash                                                 | 4.75                    | 3.90                     |
| Gypsum                                                  | 303.15                  | 108.45                   |
| Sugar                                                   |                         |                          |
| Iron and Steel,Nickel,Scrap and Equipments - In Transit | 29.47                   | 3.88                     |
| Others-                                                 | 2.78                    | 5.92                     |
| Sand                                                    | 1.93                    | 3.19                     |
| Stone Crusher Dust                                      | 0.85                    | 2.73                     |
| <b>TOTAL</b>                                            | <b>743.38</b>           | <b>720.43</b>            |

Rs in Lakhs

**Note 31. (Increase)/decrease in inventories**

| Particulars                                     | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-------------------------------------------------|-------------------------|--------------------------|
| <b>Inventories at the end of the year</b>       |                         |                          |
| Traded goods                                    |                         |                          |
| Work in progress                                | 5,127.32                | 4,981.76                 |
| Finished goods                                  | 23,520.75               | 14,813.31                |
| Sub Total                                       | <b>28,648.07</b>        | <b>19,795.07</b>         |
| <b>Inventories at the beginning of the year</b> |                         |                          |
| Traded goods                                    | -                       | -                        |
| Work in progress                                | 4,981.76                | 5,773.33                 |
| Finished goods                                  | 14,813.31               | 9,043.13                 |
| Sub Total                                       | <b>19,795.07</b>        | <b>14,816.46</b>         |
| (Increase)/ Decrease                            | <b>(8,853.00)</b>       | <b>(4,978.61)</b>        |

**Note 32. Employee benefit expenses**

| Particulars                               | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-------------------------------------------|-------------------------|--------------------------|
| Salaries, Wages and bonus                 | 9,573.58                | 7,887.88                 |
| Contribution to Provident and other funds | 717.83                  | 763.10                   |
| Gratuity expenses                         | 139.06                  | 52.55                    |
| Staff welfare expenses                    | 1,011.65                | 1,017.38                 |
| <b>TOTAL</b>                              | <b>11,442.13</b>        | <b>9,720.91</b>          |

**Note 33. Finance Costs**

| Particulars           | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-----------------------|-------------------------|--------------------------|
| Interest              | 4,144.14                | 4,832.11                 |
| Other Borrowing costs | 89.56                   | 161.26                   |
| <b>TOTAL</b>          | <b>4,233.70</b>         | <b>4,993.36</b>          |

**Depreciation and amortization expense**

| Particulars                       | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-----------------------------------|-------------------------|--------------------------|
| Depreciation of tangible assets   | 7,031.13                | 6,224.92                 |
| Amortization of intangible assets | 19.81                   | 34.36                    |
| <b>TOTAL</b>                      | <b>7,050.94</b>         | <b>6,259.28</b>          |

**Note 34. Other expenses**

| Particulars                               | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|-------------------------------------------|-------------------------|--------------------------|
| Consumption of stores and spares          | 6,469.25                | 5,366.53                 |
| Consumption of loose tools                | 145.13                  | 179.61                   |
| Sub-contracting expenses                  | 1,744.65                | 1,355.72                 |
| Insurance                                 | 192.56                  | 126.33                   |
| Rent                                      | 147.66                  | 146.18                   |
| Rates and taxes                           | 482.48                  | 554.55                   |
| Repairs and maintenance                   |                         |                          |
| To Plant&Machinery                        | 1,175.55                | 1,651.66                 |
| Buildings                                 | 661.24                  | 604.09                   |
| Other Assets                              | 335.26                  | 363.15                   |
| Wheeling/Banking Charges                  | 22.77                   | 29.87                    |
| Advertising and sales promotion           | 1,048.92                | 736.98                   |
| Sales commission                          | 131.37                  | 135.97                   |
| Travelling and conveyance                 | 285.61                  | 342.26                   |
| Communication costs                       | 126.43                  | 145.25                   |
| Printing & Stationery                     | 90.85                   | 96.93                    |
| Corporate Social Responsibility           | 54.00                   | 62.24                    |
| Professional, Consultancy and Legal fees  | 473.49                  | 494.18                   |
| Directors' sitting fees                   | 9.70                    | 12.30                    |
| Payment to auditors (Refer details below) | 43.10                   | 52.21                    |
| Exchange Difference - Net Loss /(Gain)    | 69.60                   | 20.39                    |
| Bad debts/advances written off            | 5.04                    | 7.93                     |
| Bank Charges                              | 91.85                   | 55.71                    |
| Assets Written Off                        | 55.21                   | 12.40                    |
| Loss on sale of fixed assets (net)        | 11.46                   | 28.68                    |
| Performance and Delivery Guarantee Claims | 212.32                  | 420.76                   |
| Increase in loss allowance                | -                       | 3.83                     |
| Miscellaneous expenses                    | 1,888.89                | 2,238.87                 |
| <b>TOTAL</b>                              | <b>15,974.40</b>        | <b>15,244.59</b>         |

Rs in Lakhs

**Payment to Auditors**

| Particulars                | Current Year<br>2017-18 | Previous<br>Year 2016-17 |
|----------------------------|-------------------------|--------------------------|
| <b>As Auditor:</b>         |                         |                          |
| Audit Fee                  | 19.94                   | 17.69                    |
| Tax Audit Fee              | -                       | 4.75                     |
| Certification & Other fees | 15.94                   | 22.16                    |
| <b>In other capacity:</b>  |                         |                          |
| Fees for Cost Auditor      | 5.10                    | 5.19                     |
| Reimbursement of expenses  | 2.11                    | 2.43                     |
| <b>TOTAL</b>               | <b>43.10</b>            | <b>52.21</b>             |

**Note No. 35 - Income Tax Reconciliation**

The Major components of income tax expense for the year ended 31-03-2018 & 31-03-2017 are:

| S No | Income tax expense:-                  | 2017-18         | 2016-17         |
|------|---------------------------------------|-----------------|-----------------|
| a)   | Current tax                           | 2,344.55        | 1,090.79        |
| b)   | Deferred tax                          | (38.88)         | 1,499.02        |
| c)   | MAT credit Utilized/ (Entitlement)    | 866.79          | (649.44)        |
| d)   | Short/Excess provision of income tax  | (60.86)         | -               |
|      | <b>Total tax expense for the year</b> | <b>3,111.61</b> | <b>1,940.38</b> |

**Reconciliation of effective tax rate**

Tax on the company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporate tax in India (34.608%) as follows:

| S.No  | Particulars                                           | 2017-18    | 2016-17    |
|-------|-------------------------------------------------------|------------|------------|
| (a)   | Profit / (Loss) before taxes                          | 14,272.94  | 11,602.12  |
| (b)   | Corporate Tax as per Income Tax Act, 1961             | 34.608%    | 34.608%    |
| (c)   | Tax on Accounting Profit (c) = (a) X (b)              | 4,939.58   | 4,015.26   |
| (d)   | Increase/Decrease in tax expense on account of:-      |            |            |
| i)    | Non taxable income/Exempt income                      | (2,415.22) | (2,105.45) |
| ii)   | Reduction in Depreciation/ (Accelerated Depreciation) | 107.71     | (191.21)   |
| iii)  | Expenses not allowed under Income Tax                 | 459.07     | 198.40     |
| iv)   | Expenses that are allowed under payment basis         | (310.07)   | (145.94)   |
| v)    | Expected Credit Loss(income) as per Ind AS            | (0.97)     | 1.33       |
| vi)   | Amortization of Government Grant as per Ind AS        | (0.69)     | (0.28)     |
| vii)  | Finance Cost as per Ind AS                            | (6.09)     | 32.84      |
| viii) | Stripping Cost Capitalized as per Ind AS              | (100.15)   | (44.07)    |
| ix)   | Difference in tax rate for foreign dividend           | (671.62)   | -          |

| S.No  | Particulars                                                             | 2017-18         | 2016-17         |
|-------|-------------------------------------------------------------------------|-----------------|-----------------|
| x)    | Deduction under Sec 80-IA                                               | (127.58)        | -               |
| xi)   | Unabsorbed Depreciation                                                 | -               | (1,272.88)      |
| xii)  | Difference due to lower tax rate applicable on subsidiary               | 1.11            | 53.95           |
| xiii) | Difference due to elimination of dividend received from group companies | 1,352.91        | 13.84           |
| xiv)  | Other adjustments                                                       | (16.64)         | (113.44)        |
|       | <b>Tax Expense recognized in Statement of P &amp; L</b>                 | <b>3,211.34</b> | <b>442.35</b>   |
| (e)   | Tax as per Normal Provision under Income Tax                            | 3,211.34        | 442.35          |
| (f)   | Tax rate applicable to the company as per MAT Provisions                | 21.34%          | 21.34%          |
| (g)   | MAT Tax expense on Net Profits                                          | 3,046.07        | 2,476.08        |
| (h)   | Increase/Decrease in tax expense on account of:-                        | -               | -               |
| i)    | Items that will not be reclassified to Profit & Loss                    | (12.68)         | -               |
| ii)   | Exempt Income                                                           | (1,491.01)      | (11.34)         |
| iii)  | 1/5th of transition amount u/s 115JB(2C)                                | (42.34)         | -               |
| iv)   | Expected Credit Loss                                                    | (0.60)          | 0.82            |
| v)    | Expenses that are not allowed                                           | 9.50            | 22.42           |
| vi)   | Depreciation difference - Ind AS                                        |                 | (40.85)         |
| vii)  | Amortization of Government Grant as per Ind AS                          |                 | (0.18)          |
| viii) | Finance Cost as per Ind AS                                              |                 | 20.54           |
| ix)   | Stripping Cost Capitalized as per Ind AS                                |                 | (27.18)         |
| x)    | Actuarial Gain/loss as per Ind AS                                       |                 | (66.26)         |
| xi)   | Difference due to elimination of dividend received from group companies | 834.30          | 8.54            |
| (i)   | MAT tax provision under 115JB (g+h)                                     | <b>2,343.24</b> | <b>2,382.60</b> |

**Deferred Taxes:-**

| S.No | Particulars                                        | 2017-18 | 2016-17 |
|------|----------------------------------------------------|---------|---------|
|      | <b>As on reporting date</b>                        |         |         |
|      | Deferred tax arising due to                        |         |         |
| a)   | <b>On OCI component</b>                            |         |         |
|      | -Actuarial Gain/Loss                               | (33.23) | (42.75) |
| b)   | <b>Other than OCI component</b>                    |         |         |
|      | -Difference in W.D.V of Property Plant & Equipment | 77.24   | 108.70  |
|      | -Life expired assets- Property Plant & Equipment   | -       | 6.61    |
|      | -Discounting of trade receivables                  | 5.80    | (25.84) |
|      | -Provision for Loss allowance                      | 0.95    | 1.87    |
|      | -Discounting of Legal cases                        | 0.12    | (16.81) |

Rs in Lakhs

| S.No      | Particulars                                                               | 2017-18        | 2016-17         |
|-----------|---------------------------------------------------------------------------|----------------|-----------------|
|           | -Decommissioning cost                                                     | (1.42)         | 14.28           |
|           | -Unamortized transaction cost                                             | (2.77)         | 16.32           |
|           | -Provision for Decommissioning cost                                       | (14.59)        | (11.94)         |
|           | -Other disallowances                                                      | (104.21)       | 75.04           |
|           | -Unabsorbed Losses                                                        | -              | 1,330.79        |
| <b>c)</b> | <b>Total for the year</b>                                                 | <b>(72.11)</b> | <b>1,456.27</b> |
|           |                                                                           |                |                 |
|           | <b>Expense/(income) recognized for the year ended:</b>                    | <b>2017-18</b> | <b>2016-17</b>  |
|           | Deferred tax liability/(asset) recognized in statement of profit and loss | (38.88)        | 1,499.02        |
|           | Deferred tax recognized in other comprehensive income                     | (33.23)        | (42.75)         |
|           | Deferred tax recognized in Total comprehensive income                     | <b>(72.11)</b> | <b>1,456.27</b> |

**Details of Deferred tax liability/ (asset) arisen during FY 2017-18:-**

| S. No | Particulars                                                                                                          | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-------|----------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|------------------------------------------|---------------------|-----------------|
|       | Temporary Timing difference arisen in relation to                                                                    |                 |                                            |                                          |                     |                 |
| 1)    | Fixed Assets                                                                                                         |                 |                                            |                                          |                     |                 |
|       | - Depreciation charged as per income tax act and Companies Act                                                       | 10589.00        | 75.82                                      | -                                        | -                   | 10664.82        |
| 2)    | Unamortised transaction cost                                                                                         | 16.32           | (2.77)                                     | -                                        | -                   | 13.55           |
| 3)    | Discounting of Legal Cases                                                                                           | 12.17           | 0.12                                       | -                                        | -                   | 12.29           |
| 4)    | Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis | (728.95)        | (104.21)                                   | (33.23)                                  | -                   | (865.39)        |
| 5)    | Provision for loss allowance                                                                                         | (3.19)          |                                            |                                          |                     | (3.19)          |
| 6)    | Discounting of Trade Receivables                                                                                     | (22.65)         | 6.75                                       | -                                        | -                   | (15.90)         |
| 7)    | Provision for Decommissioning Cost                                                                                   | (111.46)        | (14.59)                                    | -                                        | -                   | (126.04)        |
| 8)    | MAT Credit                                                                                                           | (4784.75)       |                                            | -                                        | 866.79              | (3917.96)       |
|       | <b>TOTAL</b>                                                                                                         | <b>4967.49</b>  | <b>(38.88)</b>                             | <b>(33.23)</b>                           | <b>866.79</b>       | <b>5762.18</b>  |

**Details of Deferred tax liability/ (asset) arised during FY 2016-17:-**

| S. NO | Particulars                                                                                                                         | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|------------------------------------------|---------------------|-----------------|
| 1)    | Property Plant & Equipment                                                                                                          | 10466.01        | 234.72                                     | -                                        | -                   | 10700.73        |
| 2)    | Unamortised transaction cost                                                                                                        | -               | 16.32                                      | -                                        | -                   | 16.32           |
| 3)    | Discounting of Legal Cases                                                                                                          | 28.98           | (16.81)                                    | -                                        | -                   | 12.17           |
| 4)    | Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | (760.24)        | (36.70)                                    | (42.75)                                  | -                   | (839.69)        |
| 5)    | Provision for loss allowance                                                                                                        | (1.87)          | (1.33)                                     | -                                        | -                   | (3.19)          |
| 7)    | Discounting of Trade Receivables                                                                                                    | (6.69)          | (16.04)                                    | -                                        | -                   | (22.65)         |
| 8)    | Unabsorbed Losses                                                                                                                   | (1330.79)       | 1330.79                                    | -                                        | -                   | -               |
| 9)    | Provision for decommissioning cost                                                                                                  | (99.52)         | (11.94)                                    | -                                        | -                   | (110.46)        |
| 10)   | MAT Credit                                                                                                                          | (5528.88)       | 649.44                                     | -                                        | 94.69               | (4784.75)       |
|       | <b>Total</b>                                                                                                                        | <b>2767.09</b>  | <b>2148.46</b>                             | <b>(42.75)</b>                           | <b>94.69</b>        | <b>4968.49</b>  |

**Statement of additions,write off and payments closing as per IND AS 37 Para 84**

| S. No | Provisions                                   | Leave Benefits | Gratuity     | Income Tax     | Wealth Tax   | Decommisioning |
|-------|----------------------------------------------|----------------|--------------|----------------|--------------|----------------|
| 1     | <b>Balance as at 1st April, 2017</b>         | <b>816.99</b>  | <b>75.44</b> | <b>1092.14</b> | <b>12.59</b> | <b>322.05</b>  |
| 2     | Provision recognised during the year         |                |              |                |              |                |
|       | - In Statement of Profit & Loss              | 582.90         | 139.06       | 3210.00        | -            | 38.65          |
|       | - In Statement of Other Comprehensive Income | 95.09          | (35.68)      | -              | -            | -              |

Rs in Lakhs

| S. No | Provisions                                         | Leave Benefits | Gratuity | Income Tax | Wealth Tax | Decommis sioning |
|-------|----------------------------------------------------|----------------|----------|------------|------------|------------------|
| 3     | Amounts incurred and charged against the provision | (282.27)       | (153.45) | (1068.69)  | -          | -                |
| 4     | Balance as at 31st March, 2018                     | 1212.71        | 25.36    | 3233.45    | 12.59      | 360.69           |

**Note 36. Other Comprehensive Income- OCI**

| Particulars                                                  | Current Year 2017-18 | Previous Year 2016-17 |
|--------------------------------------------------------------|----------------------|-----------------------|
| Foreign translation reserve changes                          | (335.94)             | (912.43)              |
| Remeasurement of Defined Benefit Plan Loss/Gain              |                      |                       |
| Gratuity                                                     | 35.68                | (186.93)              |
| Leave Encashment                                             | (95.09)              | (123.52)              |
| Increase/Decrease in Fair Value of Investments               | (0.71)               | 1.83                  |
| Deferred Tax Liability on above items                        | 33.23                | 42.75                 |
| Share of OCI from Joint Venture                              | (30.11)              | 4.89                  |
| Sub Total                                                    | (392.95)             | (1173.41)             |
| Less: Non Controlling interest share in OCI (Refer Note 17A) | 101.83               | 304.14                |
| <b>TOTAL</b>                                                 | <b>(291.12)</b>      | <b>(869.27)</b>       |

**Note 37. CONTINGENT LIABILITIES**

| Particulars                                                         | As at 31-03-2018 | As at 31-03-2017 | As at 01-04-2016 |
|---------------------------------------------------------------------|------------------|------------------|------------------|
| <b>A. Claims against the company not acknowledged as debt</b>       |                  |                  |                  |
| Statutory Levies - Group Companies                                  | 3,381.99         | 4,116.42         | 5,300.87         |
| Contractual Levies- Group Companies                                 | 127.11           | 127.11           | 127.11           |
| Others -Group companies                                             | 571.78           | 429.45           | 325.67           |
| <b>B. Guarantees issued by the Bankers on behalf of the Company</b> |                  |                  |                  |
| Against Advances Received                                           |                  |                  |                  |
| - Group Companies                                                   | 4,207.26         | 2,999.29         | 1,836.66         |
| Towards Performance Guarantees                                      |                  |                  |                  |
| - Group Companies                                                   | 689.68           | 506.80           | 480.78           |

**Note 38. COMMITMENTS**

| Particulars                                                                                       | As at<br>31-03-2018 | As at<br>31-03-2017 | As at<br>01-04-2016 |
|---------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| A. Estimated amount of contracts remaining to be executed on capital account and not provided for | 9,402.73            | 19,349.92           | 214.88              |
| B. Uncalled liability on Shares and Other Investments Partly paid                                 | -                   | -                   | -                   |
| C. Other commitments - Sale contracts- Group companies                                            | 10,680.82           | 8,237.28            | 9,196.99            |
| - Export Obligation under EPCG Scheme                                                             | 716.31              | 716.31              | 716.31              |
| - Derivative Commitments                                                                          | -                   | -                   | -                   |

**Note 39. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR**

| Particulars                                | FY 2017-18      | FY 2016-17    |
|--------------------------------------------|-----------------|---------------|
| a) Opening unallocated capital expenditure | 592.94          | 374.80        |
| Add:                                       |                 |               |
| Salaries,wages, Bonus, PF & FPS            | 180.32          | 97.27         |
| Staff welfare Expenses                     | 0.64            | 4.50          |
| Stores and Spares Consumed                 | 3.03            | -             |
| Power                                      | 57.27           | 0.60          |
| Insurance                                  | 12.90           | 2.08          |
| Repairs to Building                        | 0.85            | 0.57          |
| Repairs to Machinery                       | 0.42            | 0.45          |
| Repairs to Other Assets                    | 0.32            | 0.66          |
| Payment to auditors                        | 0.23            | 0.10          |
| Rent                                       | 1.33            | -             |
| Professional Fees                          | 103.06          | 45.56         |
| Travelling Expenses                        | 13.69           | 2.21          |
| Security Charges                           | 8.86            | 0.96          |
| Rates & taxes                              | 2.03            | 0.86          |
| Interest on Term Loan                      | 893.47          | 48.07         |
| Depreciation                               | 10.36           | 3.16          |
| Miscellaneous expenses                     | 74.38           | 28.02         |
|                                            | 1,956.10        | 609.88        |
| Less:                                      |                 |               |
| Interest Received                          | 15.80           | 0.07          |
| Miscellaneous Income                       | 0.00            | 16.87         |
|                                            | 1,940.29        | 592.94        |
| Less:                                      |                 |               |
| Capitalised/Allocated to fixed assets      | -               | 8.50          |
| Written off during the year                | 403.48          | -             |
| Closing unallocated Capital Expenditure    | 1,536.81        | 592.94        |
|                                            | <b>1,940.29</b> | <b>601.44</b> |

Rs in Lakhs

**Note 40. SALES**

| Particulars                                                | For FY<br>2017-18 | For FY<br>2016-17 |
|------------------------------------------------------------|-------------------|-------------------|
| Finished goods sold (inclusive of Excise duty/Service tax) |                   |                   |
| Cement                                                     | 95,106.05         | 83,915.12         |
| Heavy Engineering products                                 | 7,378.63          | 6,859.23          |
| Electrical energy                                          | 710.40            | 703.56            |
| Sugar                                                      | 45,988.55         | 41,227.51         |
| Service Receipts                                           | 1,777.80          | 1,915.13          |
| Others                                                     | 1,033.63          | 1,550.48          |
| <b>TOTAL</b>                                               | <b>151,995.06</b> | <b>136,171.04</b> |

**Note 41. EARNINGS PER SHARE (EPS)**

Rs in Lakhs except per equity share data

| Particulars                                                                           | For FY<br>2017-18 | For FY<br>2016-17 |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| i) Profit / (Loss) after Non controlling interest from continuing operations          | 8,951.55          | 7,683.39          |
| i) Profit / (Loss) after Non controlling interest from discontinued operations        | -                 | (28.32)           |
| Total Profit / (Loss) after Non controlling interest                                  | 8,951.55          | 7,655.07          |
| ii) Net Profit attributable to Equity Shareholders                                    | 8,951.55          | 7,655.07          |
| iii) Weighted Average number of equity shares used as denominator for calculating EPS | 128921160         | 128921160         |
| Earnings per share (for Continuing Operations) Basic and diluted                      | 6.94              | 5.96              |
| Earnings per share (for Discontinued Operations) Basic and diluted                    | -                 | (0.02)            |
| Total Earnings per share                                                              | 6.94              | 5.94              |
| Nominal value per each Equity share                                                   | 1.00              | 1.00              |

**Note 42. Disclosures required by Indian Accounting Standard 19- Employee Benefits**

| Particulars                                               | FY 2017-18 |                | FY 2016-17 |                |
|-----------------------------------------------------------|------------|----------------|------------|----------------|
|                                                           | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| <b>a) Reconciliation for present value of obligations</b> |            |                |            |                |
| Present value of obligations as at beginning of the year  | 1,215.56   | 831.81         | 1,022.16   | 589.16         |
| Interest cost                                             | 85.18      | 51.11          | 75.58      | 44.72          |
| Current service cost                                      | 85.29      | 77.21          | 69.17      | 120.49         |
| Past service cost                                         | 53.87      | -              | -          | -              |

| Particulars                                                                  | FY 2017-18 |                | FY 2016-17 |                |
|------------------------------------------------------------------------------|------------|----------------|------------|----------------|
|                                                                              | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| Benefits paid                                                                | (128.99)   | (282.27)       | (130.98)   | (46.09)        |
| Actuarial loss/(gain) on obligation                                          | (31.65)    | 534.85         | 179.63     | 123.52         |
| Present value of obligations as at end of the year                           | 1,279.26   | 1,212.71       | 1,215.56   | 831.81         |
| <b>b) Reconciliation for fair value of plan assets</b>                       |            |                |            |                |
| Fair value of Plan Assets at the beginning of the year                       | 1,140.12   | -              | 1,104.94   | -              |
| Add : Increase In Value By LIC                                               | -          |                | -          |                |
| Less: Decrease In Value                                                      | -          |                | -          |                |
| Expected Return on Plan Assets                                               | 85.27      |                | 85.37      |                |
| Contributions                                                                | 153.45     | 282.27         | 82.40      | 46.09          |
| Benefits Paid                                                                | (128.99)   | (282.27)       | (130.98)   | (46.09)        |
| Actuarial Gain on Plan Assets                                                | 4.03       |                | (1.62)     |                |
| Fair value of Plan Assets at the end of the year                             | 1,253.90   | -              | 1,140.12   | -              |
| <b>c) Net Liability recognised in the Balance Sheet</b>                      |            |                |            |                |
| Present value of obligations as at the end of the year                       | 1,279.26   | 1,212.71       | 1,215.56   | 831.81         |
| Fair value of plan Assets as at the end of the year                          | 1,253.90   | -              | 1,140.12   | -              |
| Amount determined under para 63 of IND AS 19                                 | 25.36      | 1,212.71       | 75.44      | 831.81         |
| Net defined benefit liability recognised in the Balance sheet                | 25.36      | 1,212.71       | 75.44      | 831.81         |
| Present value of future reduction in contribution under para 65 of IND AS 19 | -          | -              | -          | -              |
| Net Defined benefit asset recognised under para 64 of IND AS 19              | -          | -              | -          | -              |
| <b>d) Expenses recognised in statement of Profit &amp; Loss</b>              |            |                |            |                |
| Current service cost                                                         | 85.29      | 77.21          | 69.17      | 120.49         |
| Net interest on net Defined benefit obligations                              | (0.10)     | -              | (9.80)     |                |
| Interest cost                                                                | -          | 51.11          | -          | 44.72          |
| Net actuarial (gain)/loss recognised in the year                             | -          | 534.85         | -          | -              |
| Past service Cost                                                            | 53.87      |                | -          | -              |
| Expense to be recognised in the Profit & Loss a/c                            | 139.06     | 663.17         | 59.38      | 165.21         |
| <b>e) Amount recognised in the statement of OCI</b>                          |            |                |            |                |

Rs in Lakhs

| Particulars                                                                      | FY 2017-18       |                | FY 2016-17       |                |
|----------------------------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                                                  | Gratuity         | Leave Benefits | Gratuity         | Leave Benefits |
| Actuarial (gain)/loss on Plan obligation                                         | (31.65)          | 95.09          | 179.63           | 123.52         |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | (4.03)           | -              | 1.62             |                |
| Effect of Balance Sheet asset limit                                              | -                | -              |                  |                |
| Amount recognized in OCI for the current period                                  | (35.68)          | 95.09          | 181.25           | 123.52         |
| <b>f) Actuarial Assumptions</b>                                                  |                  |                |                  |                |
| Assumptions as at 31 March                                                       |                  |                |                  |                |
| Discount rate                                                                    | 7.67%            | 7.67%          | 7.40%            | 7.40%          |
| Salary escalation                                                                | 6.00%            | 6.00%          | 6.00%            | 6.00%          |
| Attrition rate                                                                   | 4.00%            | 4.00%          | 4.00%            | 4.00%          |
| Expected return on Plan Assets                                                   | 7.67%            | 0.00%          | 7.40%            | 0.00%          |
| Mortality                                                                        | <b>LIC 94-96</b> |                | <b>LIC 94-96</b> |                |
| g) Date of Valuation                                                             | 31-03-2018       | 31-03-2018     | 31-03-2017       | 31-03-2017     |
| h) Average Duration of Defined Benefit Obligation (in Yrs)                       | 6.5              | 6.9            | 6.6              | 6.2            |
| <b>i) Sensitivity Analysis</b>                                                   |                  |                |                  |                |

Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase (+) or decrease(-) in the reported assumption by 50 basis points.

| Particulars                      | FY 2017-18 |                | FY 2016-17 |                |
|----------------------------------|------------|----------------|------------|----------------|
|                                  | Gratuity   | Leave Benefits | Gratuity   | Leave Benefits |
| Discount Rate + 50 BP            | 8.17%      | 8.17%          | 7.90%      | 7.90%          |
| Defined Benefit Obligation (PVO) | 1,243.34   | 1,151.68       | 1,180.15   | 809.13         |
| Current Service Cost             | 85.06      | 97.89          | 81.81      | 74.57          |
| Discount Rate - 50 BP            | 7.17%      | 7.17%          | 6.90%      | 6.90%          |
| Defined Benefit Obligation (PVO) | 1,317.22   | 1,225.75       | 1,253.05   | 855.90         |
| Current Service Cost             | 92.37      | 105.62         | 89.04      | 80.04          |
| Salary Escalation Rate + 50 BP   | 6.50%      | 6.50%          | 6.50%      | 6.50%          |
| Defined Benefit Obligation (PVO) | 1,317.06   | 1,226.19       | 1,252.72   | 856.11         |
| Current Service Cost             | 92.50      | 109.67         | 88.85      | 80.07          |
| Salary Escalation Rate - 50 BP   | 5.50%      | 5.50%          | 5.50%      | 5.50%          |
| Defined Benefit Obligation (PVO) | 1,243.22   | 1,150.96       | 1,180.12   | 808.74         |
| Current Service Cost             | 84.91      | 97.82          | 81.87      | 74.53          |

| Particulars                                                                                                                                                                                       | FY 2017-18    |                | FY 2016-17    |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
|                                                                                                                                                                                                   | Gratuity      | Leave Benefits | Gratuity      | Leave Benefits |
| These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date. |               |                |               |                |
| <b>Projected plan Cash flows:</b>                                                                                                                                                                 |               |                |               |                |
| j) Expected Contribution in following Years [mid-year cash flows]                                                                                                                                 |               |                |               |                |
| Year 1                                                                                                                                                                                            | Not Available | 104.18         | Not Available | 145.04         |
| Year 2                                                                                                                                                                                            | Not Available | 241.83         | Not Available | 147.03         |
| Year 3                                                                                                                                                                                            | Not Available | 89.07          | Not Available | 67.03          |
| Year 4                                                                                                                                                                                            | Not Available | 126.82         | Not Available | 55.25          |
| Year 5                                                                                                                                                                                            | Not Available | 136.42         | Not Available | 66.38          |
| next 5 years                                                                                                                                                                                      | Not Available | 445.83         | Not Available | 267.95         |
| k) Expected Benefit payments in following Years [mid- year cash flows]                                                                                                                            |               |                |               |                |
| Year 1                                                                                                                                                                                            | 104.33        | 104.18         | 127.57        | 145.04         |
| Year 2                                                                                                                                                                                            | 339.14        | 241.83         | 243.59        | 147.03         |
| Year 3                                                                                                                                                                                            | 134.26        | 89.07          | 171.67        | 67.03          |
| Year 4                                                                                                                                                                                            | 169.42        | 126.82         | 112.37        | 55.25          |
| Year 5                                                                                                                                                                                            | 149.54        | 136.42         | 144.89        | 66.38          |
| next 5 years                                                                                                                                                                                      | 551.70        | 445.83         | 533.62        | 267.95         |

**Note 43. Particulars disclosed pursuant to “IND AS-24 Related Party Disclosures” :-**

(Given in Annexure-I)

**Note 44. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES (MSMED ACT, 2006)**

| PARTICULARS |                                                                                                                                                                                                       | As at 31st March 2018 | As at 31st March 2017 | As at 01st April 2016 |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| a           | The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year                                                                                                |                       |                       |                       |
|             | - Principal                                                                                                                                                                                           | 42.64                 | 7.69                  | 16.67                 |
|             | - 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. | -                     | -                     | -                     |

Rs in Lakhs

| PARTICULARS                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                        | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 01st<br>April 2016 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 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. |                                                                                                                                                                                                                                                                                        |                          |                          |                          |

**Note 45. CASH AND BANK BALANCES - includes**

| PARTICULARS                                                                                                           | As at 31st<br>March 2018 | As at 31st<br>March 2017 | As at 01st<br>April 2016 |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them                                               | 547.60                   | 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. | 1,461.00                 | 1,025.00                 | 705.00                   |
| Balances held at banks towards Unclaimed Dividends                                                                    | 162.96                   | 135.19                   | 230.51                   |

**Note 46. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

| Particulars                                                      | FY 2017-18 | FY 2016-17 |
|------------------------------------------------------------------|------------|------------|
| Gross amount required to be spent by the company during the year | 90.87      | 59.88      |
| (-) Amount spent by the company during the year towards CSR      | 54.00      | 62.24      |
| Amount yet to be spent by the company                            | 36.87      | -          |

**Note 47. Provision for Onerous Contracts as per IND AS-37**

As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision for an amount of Rs.30.00 lakhs (Previous Year : Rs.51.02 lakhs)

**Note 48. Exceptional Item Comprises of the following :**

Consequent to the orders from the Honourable Supreme Court of India on the Electricity Duty charges levied by the State on captive consumption, the Company had provided Rs. 871.22 lakhs as liability as on 31.03.2018 and the same has been reported as Exceptional Item in the Profit & Loss Statement.

**Note 49. Particulars disclosed pursuant to IND AS 108 “ Segment Reporting” are given in Annexure II.**
**Note 50. Movement in Translation Reserve**

| PARTICULARS                              | Majority      | Minority      | Total         |
|------------------------------------------|---------------|---------------|---------------|
| Opening Balance (Cr)                     | 609.40        | 304.70        | 914.10        |
| Movement due to Non Monetary items-      |               | -             |               |
| Capital, Reserves, opening Stock         | (203.67)      | (101.83)      | (305.50)      |
| Exchange difference on Dividend received | (30.44)       |               | (30.44)       |
| Closing balance(Cr)                      | <b>375.29</b> | <b>202.87</b> | <b>578.16</b> |

**Note 51. Additional information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation:**

Given in Annexure - III

**Note 52. Dividends:**

In respect of the year ended 31st March, 2018 the directors proposed a dividend of Re. 1/- per equity share. This equity dividend is subject of approval by shareholders at the Annual General Meeting. The proposed Equity dividend payable to all holder of fully paid equity shares and the total estimated equity dividend to be paid is 1289.21 lakhs excluding Dividend Distribution Tax.

**Note 53. Financial Instruments- Fair value and risk management**

(Seperately given in the Annexure-IV)

**Note 54. General:**

Figures for the previous year have been regrouped, wherever necessary.

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Executive Chairman

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

**KAVITHA D CHITTURI**  
Joint Managing Director

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

**G.N.MURTY**  
Chief Financial Officer

Place: Chennai  
Date: 28th May, 2018

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

## ANNEXURE - I TO CONSOLIDATED NOTE -

## Note 43 - RELATED PARTY DISCLOSURE

## A). List of Related parties

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

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

| Transactions during the year     | Joint Venture | KMP        | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|----------------------------------|---------------|------------|------------------------------------|-----------------------------------|
| <b>Sale of Goods</b>             |               |            |                                    |                                   |
| Fives Cail KCP Ltd               | 1.14          |            |                                    |                                   |
|                                  | (551.74)      |            |                                    |                                   |
| <b>Services -Rendered</b>        |               |            |                                    |                                   |
| V. Ramakrishna Sons Pvt Limited  |               |            |                                    | 0.07                              |
|                                  |               |            |                                    | (0.16)                            |
| KCP Technologies Limited         |               |            |                                    | 1.63                              |
|                                  |               |            |                                    | (1.59)                            |
| V. Ramakrishna Charitable Trust  |               |            |                                    | 0.15                              |
|                                  |               |            |                                    | (0.15)                            |
| Fives Cail KCP Ltd               | 119.10        |            |                                    |                                   |
|                                  | (80.80)       |            |                                    |                                   |
| <b>Services -Received</b>        |               |            |                                    |                                   |
|                                  |               |            |                                    |                                   |
| KCP Technologies Limited         |               |            |                                    | 15.80                             |
|                                  |               |            |                                    | (18.97)                           |
| <b>Dividend Income</b>           |               |            |                                    |                                   |
| Bridgegap Engineering            |               |            |                                    | 12.04                             |
|                                  |               |            |                                    | -                                 |
| <b>Loans/Deposits received</b>   |               |            |                                    |                                   |
| Dr V L Dutt                      |               | 33.50      |                                    |                                   |
|                                  |               | (1,500.00) |                                    |                                   |
| Smt V L Indira Dutt              |               | 455.00     |                                    |                                   |
|                                  |               | (135.00)   |                                    |                                   |
| Smt Kavitha D Chitturi           |               | 66.53      |                                    |                                   |
|                                  |               | (101.80)   |                                    |                                   |
| V. Ramakrishna Sons Pvt Limited  |               |            |                                    | -                                 |
|                                  |               |            |                                    | (175.00)                          |
| VL Dutt (HUF)                    |               | 600.00     |                                    |                                   |
|                                  |               | (200.00)   |                                    |                                   |
| Kum.Shivani Dutt Chitturi        |               | 252.00     |                                    |                                   |
|                                  |               | (60.00)    |                                    |                                   |
| Late Smt. S. R.V. Rajyalakshamma |               | -          |                                    |                                   |
|                                  |               | (25.00)    |                                    |                                   |

Rs in Lakhs

| Transactions during the year                           | Joint Venture | KMP      | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|--------------------------------------------------------|---------------|----------|------------------------------------|-----------------------------------|
| <b>Purchase of Goods</b>                               |               |          |                                    |                                   |
| KCP Technologies Limited                               |               |          |                                    | 1.02                              |
|                                                        |               |          |                                    | (1.47)                            |
| Tyco Sanmar Ltd.                                       |               |          |                                    | 2.16                              |
|                                                        |               |          |                                    | -                                 |
| <b>Remuneration paid</b>                               |               |          |                                    |                                   |
| Dr V L Dutt                                            |               | 498.64   |                                    |                                   |
|                                                        |               | (216.95) |                                    |                                   |
| Smt V L Indira Dutt                                    |               | 373.98   |                                    |                                   |
|                                                        |               | (166.05) |                                    |                                   |
| Smt Kavitha D Chitturi                                 |               | 186.99   |                                    |                                   |
|                                                        |               | (165.60) |                                    |                                   |
| Sri V .Gandhi                                          |               | 186.99   |                                    |                                   |
|                                                        |               | (160.73) |                                    |                                   |
| Sri G.N. Murty                                         |               | 55.27    |                                    |                                   |
|                                                        |               | (50.42)  |                                    |                                   |
| Sri Y. Vijaykumar                                      |               | 21.25    |                                    |                                   |
|                                                        |               | (15.72)  |                                    |                                   |
| <b>Directors Out of pocket Exp. &amp; Sitting fees</b> |               |          |                                    |                                   |
| Sri O. Swaminatha Reddy                                |               | 2.27     |                                    |                                   |
|                                                        |               | (2.30)   |                                    |                                   |
| Sri V. H Ramakrishnan                                  |               | 2.27     |                                    |                                   |
|                                                        |               | (2.63)   |                                    |                                   |
| Sri Vijay Sankar                                       |               | 1.70     |                                    |                                   |
|                                                        |               | (2.70)   |                                    |                                   |
| Sri P. S. Kumar                                        |               | 2.32     |                                    |                                   |
|                                                        |               | (2.70)   |                                    |                                   |
| Sri M. Narasimhappa                                    |               | 1.61     |                                    |                                   |
|                                                        |               | (2.63)   |                                    |                                   |
| <b>Interest paid</b>                                   |               |          |                                    |                                   |
| Dr V L Dutt                                            |               | 171.01   |                                    |                                   |
|                                                        |               | (158.05) |                                    |                                   |
| Smt V L Indira Dutt                                    |               | 27.82    |                                    |                                   |
|                                                        |               | (39.24)  |                                    |                                   |

| Transactions during the year    | Joint Venture | KMP     | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|---------------------------------|---------------|---------|------------------------------------|-----------------------------------|
| Smt Kavitha D Chitturi          |               | 18.82   |                                    |                                   |
|                                 |               | (24.16) |                                    |                                   |
| <b>Other Relations</b>          |               |         |                                    |                                   |
| Kum. Shivani D. Chitturi        |               |         | 32.61                              |                                   |
|                                 |               |         | (27.57)                            |                                   |
| VL Dutt (HUF)                   |               |         | 86.50                              |                                   |
|                                 |               |         | (81.90)                            |                                   |
| Late Smt. S R V Rajyalakshamma  |               |         | 6.61                               |                                   |
|                                 |               |         | (4.29)                             |                                   |
| V. Ramakrishna Sons Pvt Limited |               |         |                                    | 56.18                             |
|                                 |               |         |                                    | (54.81)                           |
| Sri O. Swaminatha Reddy         |               | 0.54    |                                    |                                   |
|                                 |               | -       |                                    |                                   |
| <b>Dividend paid</b>            |               |         |                                    |                                   |
| Dr V L Dutt                     |               | 120.11  |                                    |                                   |
|                                 |               | -       |                                    |                                   |
| Smt V L Indira Dutt             |               | 67.29   |                                    |                                   |
|                                 |               | -       |                                    |                                   |
| Smt Kavitha D Chitturi          |               | 23.60   |                                    |                                   |
|                                 |               | -       |                                    |                                   |
| Sri V .Gandhi                   |               | 0.04    |                                    |                                   |
|                                 |               | -       |                                    |                                   |
| <b>Other Relations</b>          |               |         |                                    |                                   |
| Kum.Shivani Dutt Chitturi       |               |         | 26.00                              |                                   |
|                                 |               |         | -                                  |                                   |
| Late Smt.S R V Rajyalakshamma   |               |         | 0.01                               |                                   |
|                                 |               |         | -                                  |                                   |
| Smt.Uma S Vallabhaneni          |               |         | 3.26                               |                                   |
|                                 |               |         | -                                  |                                   |
| Smt.Rajeswary Ramakrishnan      |               |         | 4.68                               |                                   |
|                                 |               |         | -                                  |                                   |
| Smt.Kamala Devi Valluri         |               |         | 0.10                               |                                   |
|                                 |               |         | -                                  |                                   |
| Smt.Anupama                     |               |         | 0.05                               |                                   |
|                                 |               |         | -                                  |                                   |

Rs in Lakhs

| Transactions during the year                  | Joint Venture | KMP        | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|-----------------------------------------------|---------------|------------|------------------------------------|-----------------------------------|
| V. Ramakrishna Sons Pvt Limited               |               |            |                                    | 779.13                            |
|                                               |               |            |                                    | -                                 |
| The Jeypore Sugar Company Ltd.                |               |            |                                    | 5.57                              |
|                                               |               |            |                                    | -                                 |
| VRK Grandsons Investment (Private)<br>Limited |               |            |                                    | 110.33                            |
|                                               |               |            |                                    | -                                 |
| Dr V L Dutt (HUF)                             |               |            | 2.27                               |                                   |
|                                               |               |            | -                                  |                                   |
| <b>Loans/Deposit Repaid</b>                   |               |            |                                    |                                   |
| Dr V L Dutt                                   |               | 41.18      |                                    |                                   |
|                                               |               | (1,000.00) |                                    |                                   |
| Smt V L Indira Dutt                           |               | 410.00     |                                    |                                   |
|                                               |               | (200.00)   |                                    |                                   |
| Smt Kavitha D Chitturi                        |               | 13.33      |                                    |                                   |
|                                               |               | (200.00)   |                                    |                                   |
| V. Ramakrishna Sons Pvt Limited               |               | -          |                                    | 55.00                             |
|                                               |               |            |                                    | -                                 |
| <b>Rent Paid</b>                              |               |            |                                    |                                   |
| Smt V L Indira Dutt                           |               | 79.53      |                                    |                                   |
|                                               |               | (61.85)    |                                    |                                   |
| Smt Kavitha D Chitturi                        |               | 4.83       |                                    |                                   |
|                                               |               | (4.29)     |                                    |                                   |
| <b>Other Relations</b>                        |               |            |                                    |                                   |
| Smt.Uma.s.Vallabhaneni                        |               |            | 103.60                             |                                   |
|                                               |               |            | (80.88)                            |                                   |
| Late Smt. S R V Rajyalakshamma                |               |            | 9.62                               |                                   |
|                                               |               |            | (10.92)                            |                                   |
| Smt.V.Rama Kumari                             |               |            | 75.50                              |                                   |
|                                               |               |            | (58.65)                            |                                   |
| Bala Tripurasundari Ammavaru Temple           |               |            |                                    | 102.95                            |
|                                               |               |            |                                    | (81.38)                           |
| Sri.V.Chandra kumar                           |               |            | 44.67                              |                                   |
|                                               |               |            | (35.72)                            |                                   |

| Transactions during the year          | Joint Venture | KMP     | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|---------------------------------------|---------------|---------|------------------------------------|-----------------------------------|
| <b>Balances as at 31.03.2018</b>      |               |         |                                    |                                   |
| <b>Receivable - Trade dues/others</b> |               |         |                                    |                                   |
| KCP Technologies Limited              |               |         |                                    | -                                 |
|                                       |               |         |                                    | (3.90)                            |
| Fives Cail KCP Ltd                    | 17.29         |         |                                    |                                   |
|                                       | (11.40)       |         |                                    |                                   |
| <b>Receivable - Rent</b>              |               |         |                                    |                                   |
| Fives Cail KCP Ltd                    | -             |         |                                    |                                   |
|                                       | (0.34)        |         |                                    |                                   |
| <b>Share capital in KCP held by</b>   |               |         |                                    |                                   |
| Dr V L Dutt                           |               | 60.06   |                                    |                                   |
|                                       |               | (60.06) |                                    |                                   |
| Smt V L Indira Dutt                   |               | 33.64   |                                    |                                   |
|                                       |               | (33.64) |                                    |                                   |
| Smt Kavitha D Chitturi                |               | 11.80   |                                    |                                   |
|                                       |               | (11.80) |                                    |                                   |
| Sri V .Gandhi                         |               | 0.02    |                                    |                                   |
|                                       |               | (0.02)  |                                    |                                   |
| <b>Other Relations</b>                |               |         |                                    |                                   |
| Kum.Shivani Dutt Chitturi             |               |         | 13.00                              |                                   |
|                                       |               |         | (13.00)                            |                                   |
| Smt.Rajeswary Ramakrishnan            |               |         | 0.07                               |                                   |
|                                       |               |         | (2.34)                             |                                   |
| Late 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)                             |                                   |
| V. Ramakrishna Sons Pvt Limited       |               |         |                                    | 389.56                            |
|                                       |               |         |                                    | (389.56)                          |

Rs in Lakhs

| Transactions during the year               | Joint Venture | KMP        | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|--------------------------------------------|---------------|------------|------------------------------------|-----------------------------------|
| The Jeypore Sugar Company Ltd.             |               |            |                                    | 2.78                              |
|                                            |               |            |                                    | (2.78)                            |
| VRK Grandsons Investment (Private) Limited |               |            |                                    | 53.06                             |
|                                            |               |            |                                    | (63.78)                           |
| VL Dutt (HUF)                              |               |            | 1.14                               |                                   |
|                                            |               |            | (1.14)                             |                                   |
| <b>Loans/Advances held</b>                 |               |            |                                    |                                   |
| Dr V L Dutt                                |               | 792.32     |                                    |                                   |
|                                            |               | (800.00)   |                                    |                                   |
| Smt V L Indira Dutt                        |               | 400.00     |                                    |                                   |
|                                            |               | (355.00)   |                                    |                                   |
| Smt Kavitha D Chitturi                     |               | 235.00     |                                    |                                   |
|                                            |               | (181.80)   |                                    |                                   |
| V. Ramakrishna Sons Pvt Limited            |               |            |                                    | 620.00                            |
|                                            |               |            |                                    | (675.00)                          |
| <b>Deposits held with the company</b>      |               |            |                                    |                                   |
| Dr V L Dutt                                |               | 1,033.50   |                                    |                                   |
|                                            |               | (1,033.50) |                                    |                                   |
| Smt Kavitha D Chitturi                     |               | 11.53      |                                    |                                   |
|                                            |               | (11.53)    |                                    |                                   |
| <b>Other Relations</b>                     |               |            |                                    |                                   |
| VL Dutt [HUF]                              |               |            | 800.00                             |                                   |
|                                            |               |            | (800.00)                           |                                   |
| Kum.Shivani Dutt Chitturi                  |               |            | 325.00                             |                                   |
|                                            |               |            | (270.00)                           |                                   |
| Late Smt.S R V Rajyalakshamma              |               |            | 62.50                              |                                   |
|                                            |               |            | (62.50)                            |                                   |
| Sri O. Swaminatha Reddy                    |               | 5.00       |                                    |                                   |
|                                            |               | (5.00)     |                                    |                                   |
| <b>Remuneration/Commission payable</b>     |               |            |                                    |                                   |
| Sri. V L Dutt                              |               | 426.43     |                                    |                                   |
|                                            |               | (144.17)   |                                    |                                   |
| Smt. V. L. Indira Dutt                     |               | 236.32     |                                    |                                   |
|                                            |               | -          |                                    |                                   |

| Transactions during the year        | Joint Venture | KMP     | Related parties<br>other relations | Companies<br>Controlled<br>by KMP |
|-------------------------------------|---------------|---------|------------------------------------|-----------------------------------|
| Smt Kavitha D Chitturi              |               | 32.22   |                                    |                                   |
|                                     |               | -       |                                    |                                   |
| Sri V .Gandhi                       |               | 39.92   |                                    |                                   |
|                                     |               | -       |                                    |                                   |
| <b>Payable-Trade Dues</b>           |               |         |                                    |                                   |
| Smt. V. L. Indira Dutt              |               | 21.03   |                                    |                                   |
|                                     |               | (17.41) |                                    |                                   |
| Smt Kavitha D Chitturi              |               | 1.16    |                                    |                                   |
|                                     |               | (0.96)  |                                    |                                   |
| <b>Other Relations</b>              |               |         |                                    |                                   |
| Late Smt.S R V Rajyalakshmamma      |               |         | -                                  |                                   |
|                                     |               |         | (3.08)                             |                                   |
| Smt.V.Rama Kumari                   |               |         | 20.01                              |                                   |
|                                     |               |         | (16.51)                            |                                   |
| Sri.V.Chandra kumar                 |               |         | 8.31                               |                                   |
|                                     |               |         | (7.27)                             |                                   |
| Smt.Uma. S.Vallabhaneni             |               |         | 21.17                              |                                   |
|                                     |               |         | (14.98)                            |                                   |
| Bala Tripurasundari Ammavaru Temple |               |         |                                    | 26.13                             |
|                                     |               |         |                                    | -                                 |

Rs in Lakhs

**Note 49. SEGMENT REPORT UNDER INDIAN ACCOUNTING STANDARD 108 AS AT 31ST MARCH 2018****Annexure-II****Business Segments:- For the year ended 31-03-2018 and previous year ended 31-03-2017**

| PARTICULARS                                    | Engineering<br>Current<br>Year | Engineering<br>Previous<br>Year | Cement<br>Current<br>Year | Cement<br>Previous<br>Year | Power<br>Current<br>Year | Power<br>Previous<br>Year | Hotel<br>Current<br>Year | Hotel<br>Previous<br>Year | Sugar<br>Current<br>Year | Sugar<br>Previous<br>Year | Others<br>Current<br>Year | Others<br>Previous<br>Year | Elimination<br>Current<br>Year | Elimination<br>Previous<br>Year | Consolidated<br>Current<br>Year | Consolidated<br>Previous<br>Year |
|------------------------------------------------|--------------------------------|---------------------------------|---------------------------|----------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|
| <b>Revenue</b>                                 |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 |                                 |                                  |
| Revenue from Operations                        | 8,254                          | 7,917                           | 95,146                    | 84,756                     | 11,805                   | 6,974                     | 1,515                    | 1,134                     | 45,333                   | 41,272                    | 334                       | 485                        | -                              | -                               | 162,387                         | 142,538                          |
| Other Income                                   | 368                            | 219                             | 361                       | 72                         | 14                       | 225                       | 22                       | 1                         | 156                      | 410                       | 3,946                     | 60                         | (3,909)                        | (40)                            | 957                             | 947                              |
|                                                | 8,622                          | 8,136                           | 95,506                    | 84,828                     | 11,819                   | 7,199                     | 1,537                    | 1,135                     | 45,489                   | 41,682                    | 4,280                     | 546                        | (3,909)                        | (40)                            | 163,344                         | 143,486                          |
| Less : Inter Segment Sales                     |                                |                                 |                           |                            | 8,332                    | 6,367                     |                          |                           | 2,060                    | -                         |                           |                            |                                |                                 | 10,392                          | 6,367                            |
| <b>Revenue after Inter segment elimination</b> | 8,622                          | 8,136                           | 95,506                    | 84,828                     | 3,487                    | 832                       | 1,537                    | 1,135                     | 43,429                   | 41,682                    | 4,280                     | 546                        | (3,909)                        | (40)                            | 152,952                         | 137,118                          |
| <b>Result</b>                                  |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 |                                 |                                  |
| Segment Result                                 | (792)                          | (1,559)                         | 12,416                    | 11,883                     | 386                      | 845                       | (806)                    | (1,116)                   | 7,721                    | 6,661                     | 7                         | (130)                      | (3,909)                        | (40)                            | 15,023                          | 16,542                           |
| Less : Unallocated Corporate Expenses          |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           | (3,484)                   | (89)                       |                                |                                 | (3,484)                         | (89)                             |
| Operating Profit / (Loss)                      | (792)                          | (1,559)                         | 12,416                    | 11,883                     | 386                      | 845                       | (806)                    | (1,116)                   | 7,721                    | 6,661                     | 3,491                     | (41)                       | (3,909)                        | (40)                            | 18,507                          | 16,631                           |
| Less : Interest Expenses                       |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | (4,234)                         | (4,993)                          |
| Less : Tax Provisions                          |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 |                                 |                                  |
| Current Tax                                    |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | 3,150                           | 1,098                            |
| Deferred Tax                                   |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | (39)                            | 1,456                            |
| MAT Entitlement Credit                         |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 |                                 | (649)                            |
| Total Tax Expense                              |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | 3,112                           | 1,905                            |
| Profit/(Loss) from Continuing Operations       |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | 11,161                          | 9,733                            |
| Profit/(Loss) from Discontinued Activities     |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | -                               | (36)                             |
| Less : Current Tax of Discontinued Operations  |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | -                               | (8)                              |
| Profit After Tax of Discontinued Operations    |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | -                               | (28)                             |
| Profit/(Loss) for the Year                     |                                |                                 |                           |                            |                          |                           |                          |                           |                          |                           |                           |                            |                                |                                 | 11,161                          | 9,704                            |

Rs in Lakhs

| PARTICULARS                                               | Engineering  |               | Cement       |               | Power        |               | Hotel        |               | Sugar        |               | Others       |               | Elimination  |               | Consolidated |               |
|-----------------------------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                                           | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Other Comprehensive Income                                |              |               |              |               |              |               |              |               |              |               |              |               |              |               | (363)        | (1,221)       |
| Add : Share of Profit from Joint Venture                  |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 75           | 105           |
| Less : Minority Share of Profit / (Loss)                  |              |               |              |               |              |               |              |               |              |               |              |               |              |               | (2,213)      | (1,803)       |
| Total Comprehensive Income after Non-Controlling Interest |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 8,660        | 6,786         |
| <b>Other Information</b>                                  |              |               |              |               |              |               |              |               |              |               |              |               |              |               |              |               |
| Segment Assets                                            | 10,450       | 11,975        | 78,371       | 57,922        | 22,796       | 20,428        | 10,320       | 11,095        | 51,722       | 55,388        | 404          | 820           | (1,436)      | (1,463)       | 172,627      | 156,165       |
| Unallocated Corporate Assets                              |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 8,114        | 8,452         |
| Total Assets                                              | 10,450       | 11,975        | 78,371       | 57,922        | 22,796       | 20,428        | 10,320       | 11,095        | 51,722       | 55,388        | 404          | 820           | (1,436)      | (1,463)       | 180,741      | 164,617       |
| Segment Liabilities                                       | 5,358        | 5,858         | 42,834       | 30,389        | 5,261        | 5,878         | 3,743        | 4,666         | 17,108       | 18,325        | 9            | 21            | (1,436)      | (1,463)       | 72,878       | 63,674        |
| Unallocated Corporate Liabilities                         |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 18,578       | 17,969        |
| Minority Interest                                         |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 14,236       | 13,973        |
| Shareholders Funds                                        |              |               |              |               |              |               |              |               |              |               |              |               |              |               | 75,050       | 69,002        |
| Total Liabilities                                         | 5,358        | 5,858         | 42,834       | 30,389        | 5,261        | 5,878         | 3,743        | 4,666         | 17,108       | 18,325        | 9            | 21            | (1,436)      | (1,463)       | 180,741      | 164,617       |
| Capital Expenditure                                       | 116          | 151           | 2,094        | 2,564         | 7,560        | 220           | 2            | 110           | 1,413        | 7,052         | 294          | 341           |              |               | 11,478       | 10,439        |
| Total Capital Expenditure                                 |              |               |              |               |              |               |              |               |              |               |              |               |              |               |              |               |
| Depreciation                                              | 358          | 445           | 2,674        | 2,526         | 1,736        | 845           | 896          | 886           | 1,231        | 1,398         | 156          | 160           |              |               | 7,051        | 6,259         |

**Geographical Segments:-**

| PARTICULARS               | Sales Revenue |               | Carrying amount of Assets |               | Additions to Fixed Assets |               |
|---------------------------|---------------|---------------|---------------------------|---------------|---------------------------|---------------|
|                           | Current Year  | Previous Year | Current Year              | Previous Year | Current Year              | Previous Year |
| India                     | 106,800.13    | 95,436.52     | 120,864.27                | 104,374.15    | 2,576.31                  | 3,386.56      |
| South East Asia - Vietnam | 46,152.28     | 41,681.92     | 59,876.31                 | 60,243.34     | 8,901.43                  | 7,052.17      |

**Other Disclosures :**

1. The Company and its subsidiary have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of products, the different risks and rewards, the organisation structure and internal reporting system.
2. Inter-Segment revenues are recognised at market price.
3. Figures for previous year have been regrouped, wherever necessary, for reporting in accordance with Ind-AS.

**Note 51. Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation :** **Rs in Lakhs**  
**Annexure - III**

| Name of the enterprise                      | Net Assets i.e. total assets minus total liabilities |            | Share in profit or loss             |            | Share in Other Comprehensive Income] |            | Share in Total Comprehensive Income] |            |
|---------------------------------------------|------------------------------------------------------|------------|-------------------------------------|------------|--------------------------------------|------------|--------------------------------------|------------|
|                                             | As % of consolidated net assets                      | Amount Rs. | As % of consolidated profit or loss | Amount Rs. | As % of consolidated profit or loss  | Amount Rs. | As % of consolidated profit or loss  | Amount Rs. |
| <b>Parent</b>                               |                                                      |            |                                     |            |                                      |            |                                      |            |
| The KCP Limited                             | 53.02                                                | 46,578.10  | 72.13                               | 8,126.67   | 6.84                                 | (26.90)    | 74.49                                | 8,099.77   |
| <b>Subsidiary</b>                           |                                                      |            |                                     |            |                                      |            |                                      |            |
| <b>Foreign</b>                              |                                                      |            |                                     |            |                                      |            |                                      |            |
| KCP Vietnam Industries Limited              | 32.41                                                | 28,471.56  | 41.09                               | 4,629.28   | 51.83                                | (203.67)   | 40.70                                | 4,425.61   |
| <b>Minority Interest in the subsidiary</b>  |                                                      |            |                                     |            |                                      |            |                                      |            |
| Minority Interest in the subsidiary         | 16.20                                                | 14,235.78  | 20.55                               | 2,314.64   | 25.92                                | (101.83)   | 20.35                                | 2,212.80   |
| <b>Joint Venture (as per Equity Method)</b> |                                                      |            |                                     |            |                                      |            |                                      |            |
| <b>Indian</b>                               |                                                      |            |                                     |            |                                      |            |                                      |            |
| Fives Cail KCP Limited                      | 1.06                                                 | 935.46     | 0.93                                | 104.85     | 7.66                                 | (30.11)    | 0.69                                 | 74.73      |
| <b>Less : Elimination on Consolidation</b>  |                                                      |            |                                     |            |                                      |            |                                      |            |
| Dividend received from Subsidiary           | (2.70)                                               | (2,371.44) | (34.70)                             | (3,909.25) | 7.75                                 | (30.44)    | (36.23)                              | (3,939.69) |
| <b>Total</b>                                | 100                                                  | 87,849.47  | 100                                 | 11,266.18  | 100                                  | (392.96)   | 100                                  | 10,873.23  |

### Note 53. Financial instruments - Fair values and risk management

#### A Accounting classifications and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs, other than quoted prices which are included in Level 1, that are observable for the asset or liability, either **directly** (i.e as prices) or indirectly (i.e derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**As at 31st March, 2018**

| Particulars                                        | Note   | Carrying amount                |                         |                                  |                                       |          | Fair value |          |         |          |
|----------------------------------------------------|--------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|----------|------------|----------|---------|----------|
|                                                    |        | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total    | Level 1    | Level 2  | Level 3 | Total    |
| Investments                                        | 6      | -                              | 19.95                   | 1,437.46                         | -                                     | 1,457.41 | 19.95      | -        | -       | 19.95    |
| <b>Financial assets not measured at fair value</b> |        |                                |                         |                                  |                                       |          |            |          |         |          |
| Trade receivables                                  | 7 & 11 | -                              | 7,314.02                | 257.53                           | -                                     | 7,571.55 | -          | 7,314.02 | -       | 7,314.02 |
| Cash and Cash Equivalents                          | 12     | -                              | -                       | 1,777.37                         | -                                     | 1,777.37 | -          | -        | -       | -        |
| Bank balances other than above                     | 12     | -                              | -                       | 1,385.38                         | -                                     | 1,385.38 | -          | -        | -       | -        |
| Loans and advances to employees                    | 13     | -                              | -                       | 32.50                            | -                                     | 32.50    | -          | -        | -       | -        |
| Other Financial assets                             |        |                                |                         |                                  |                                       |          |            |          |         |          |
| EMD                                                | 8      | -                              | -                       | 20.87                            | -                                     | 20.87    | -          | -        | -       | -        |
| Interest accrued on other deposits                 | 13     | -                              | -                       | 7.45                             | -                                     | 7.45     | -          | -        | -       | -        |
| Interest accrued on fixed deposits                 | 13     | -                              | -                       | 37.44                            | -                                     | 37.44    | -          | -        | -       | -        |
| Due from Gratuity Trust                            | 13     | -                              | -                       | 5.74                             | -                                     | 5.74     |            |          |         |          |

Rs in Lakhs

| Particulars                                             | Note    | Carrying amount                |                         |                                  |                                       |           | Fair value |          |          |
|---------------------------------------------------------|---------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|-----------|------------|----------|----------|
|                                                         |         | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total     | Level 1    | Level 2  | Level 3  |
| Non trade receivables from JV                           | 13      | -                              | -                       | 17.29                            | -                                     | 17.29     |            |          |          |
| Others                                                  | 13      | -                              | -                       | 0.92                             | -                                     | 0.92      |            |          |          |
|                                                         |         | -                              | 7,333.97                | 4,979.95                         | -                                     | 12,313.92 | 19.95      | 7,314.02 | -        |
|                                                         |         |                                |                         |                                  |                                       |           |            |          | 7,333.97 |
| <b>Financial liabilities not measured at fair value</b> |         |                                |                         |                                  |                                       |           |            |          |          |
| Borrowings                                              | 18 & 23 | -                              | -                       | -                                | 55,585.52                             | 55,585.52 | -          | -        | -        |
| Trade payables                                          | 19 & 24 | -                              | -                       | -                                | 10,548.45                             | 10,548.45 | -          | -        | -        |
| Other financial liabilities ( Non Current)              | 20      | -                              | -                       | -                                | 6,879.15                              | 6,879.15  | -          | -        | -        |
| Accrued salaries and benefits                           | 25      | -                              | -                       | -                                | 898.31                                | 898.31    | -          | -        | -        |
| Payable to director                                     | 25      | -                              | -                       | -                                | 734.89                                | 734.89    | -          | -        | -        |
| Outstanding liabilities for expenses                    | 25      | -                              | -                       | -                                | -                                     | -         | -          | -        | -        |
| Others                                                  | 25      | -                              | -                       | -                                | 9,945.73                              | 9,945.73  | -          | -        | -        |
|                                                         |         | -                              | -                       | -                                | 84,592.05                             | 84,592.05 | -          | -        | -        |

As at 31st March, 2017

| Particulars                                         | Note | Carrying amount                |                         |                                  |                                       |          | Fair value |         |         |
|-----------------------------------------------------|------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|----------|------------|---------|---------|
|                                                     |      | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total    | Level 1    | Level 2 | Level 3 |
| <b>Financial instruments measured at fair value</b> |      |                                |                         |                                  |                                       |          |            |         |         |
| Investments                                         | 6    | -                              | 19.54                   | 1,410.87                         | -                                     | 1,430.41 | 19.54      | -       | -       |
|                                                     |      |                                |                         |                                  |                                       |          |            |         | 19.54   |

| Particulars                                      | Note    | Carrying amount                |                         |                                  |                                       |           | Fair value |          |         |          |  |
|--------------------------------------------------|---------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|-----------|------------|----------|---------|----------|--|
|                                                  |         | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total     | Level 1    | Level 2  | Level 3 | Total    |  |
|                                                  |         |                                |                         |                                  |                                       |           |            |          |         |          |  |
| Financial assets not measured at fair value      |         |                                |                         |                                  |                                       |           |            |          |         |          |  |
| Trade receivables                                | 7 & 11  | -                              | 8,369.46                | 373.16                           | -                                     | 8,742.62  | -          | 8,369.46 | -       | 8,369.46 |  |
| Cash and Cash Equivalents                        | 12      | -                              | -                       | 7,358.65                         | -                                     | 7,358.65  | -          | -        | -       | -        |  |
| Bank balances other than above                   | 12      | -                              | -                       | 856.16                           | -                                     | 856.16    | -          | -        | -       | -        |  |
| Loans and advances to employees                  | 13      | -                              | -                       | 39.40                            | -                                     | 39.40     | -          | -        | -       | -        |  |
| EMD                                              | 8       | -                              | -                       | 24.38                            | -                                     | 24.38     | -          | -        | -       | -        |  |
| Interest accrued on other deposits               | 13      | -                              | -                       | 29.92                            | -                                     | 29.92     | -          | -        | -       | -        |  |
| Interest accrued on fixed deposits               | 13      | -                              | -                       | 37.04                            | -                                     | 37.04     | -          | -        | -       | -        |  |
| Due from Gratuity Trust                          | 13      | -                              | -                       | 43.14                            | -                                     | 43.14     |            |          |         |          |  |
| Non trade receivables from JV                    | 13      | -                              | -                       | 11.74                            | -                                     | 11.74     |            |          |         |          |  |
| Others                                           | 13      | -                              | -                       | 4.38                             | -                                     | 4.38      |            |          |         |          |  |
| TOTAL                                            |         | -                              | 8,389.00                | 10,188.84                        | -                                     | 18,577.84 | 19.54      | 8,369.46 | -       | 8,389.00 |  |
|                                                  |         |                                |                         |                                  |                                       |           |            |          |         |          |  |
| Financial liabilities not measured at fair value |         |                                |                         |                                  |                                       |           |            |          |         |          |  |
| Borrowings                                       | 18 & 23 | -                              | -                       | -                                | 40,934.26                             | 40,934.26 | -          | -        | -       | -        |  |
| Trade payables                                   | 19 & 24 | -                              | -                       | -                                | 8,421.08                              | 8,421.08  | -          | -        | -       | -        |  |
| Other financial liabilities ( Non Current)       | 20      | -                              | -                       | -                                | 6,727.44                              | 6,727.44  | -          | -        | -       | -        |  |

Rs in Lakhs

| Particulars                   | Note | Carrying amount                |                         |                                  |                                       |                  | Fair value |         |         |       |
|-------------------------------|------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|------------------|------------|---------|---------|-------|
|                               |      | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total            | Level 1    | Level 2 | Level 3 | Total |
| Accrued salaries and benefits | 25   | -                              | -                       | -                                | 823.48                                | 823.48           | -          | -       | -       | -     |
| Payable to director           | 25   | -                              | -                       | -                                | 144.17                                | 144.17           | -          | -       | -       | -     |
| Others                        | 25   | -                              | -                       | -                                | 17,936.14                             | 17,936.14        | -          | -       | -       | -     |
| <b>TOTAL</b>                  |      | -                              | -                       | -                                | <b>74,986.57</b>                      | <b>74,986.57</b> | -          | -       | -       | -     |
|                               |      |                                |                         |                                  |                                       |                  |            |         |         |       |
|                               |      |                                |                         |                                  |                                       |                  |            |         |         |       |

As at 1st April 2016

| Particulars                                         | Note   | Carrying amount                |                         |                                  |                                       |                  | Fair value |          |         |          |
|-----------------------------------------------------|--------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|------------------|------------|----------|---------|----------|
|                                                     |        | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total            | Level 1    | Level 2  | Level 3 | Total    |
| <b>Financial instruments measured at fair value</b> |        |                                |                         |                                  |                                       |                  |            |          |         |          |
| Investments                                         |        | -                              | 17.03                   | 1,354.03                         | -                                     | <b>1,371.06</b>  | 17.03      | -        | -       | 17.03    |
|                                                     |        |                                |                         |                                  |                                       |                  |            |          |         |          |
| <b>Financial assets not measured at fair value</b>  |        |                                |                         |                                  |                                       |                  |            |          |         |          |
| Trade receivables                                   | 7 & 11 | -                              | 11,898.83               | 139.34                           | -                                     | <b>12,038.17</b> | -          | 3,015.94 | -       | 3,015.94 |
| Cash and Cash Equivalents                           | 12     | -                              | -                       | 3,211.89                         | -                                     | <b>3,211.89</b>  | -          | -        | -       | -        |
| Bank balances other than above                      | 12     | -                              | -                       | 906.88                           | -                                     | <b>906.88</b>    | -          | -        | -       | -        |
| Loans and advances to employees                     | 13     | -                              | -                       | 34.81                            | -                                     | <b>34.81</b>     | -          | -        | -       | -        |
| EMD                                                 | 8      | -                              | -                       | 11.08                            | -                                     | <b>11.08</b>     | -          | -        | -       | -        |
| Interest accrued on other deposits                  | 13     | -                              | -                       | 40.85                            | -                                     | <b>40.85</b>     | -          | -        | -       | -        |

| Particulars                                      | Note    | Carrying amount                |                         |                                  |                                       |           | Fair value |          |         |          |
|--------------------------------------------------|---------|--------------------------------|-------------------------|----------------------------------|---------------------------------------|-----------|------------|----------|---------|----------|
|                                                  |         | Fair value hedging instruments | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total     | Level 1    | Level 2  | Level 3 | Total    |
| Interest accrued on fixed deposits               | 13      | -                              | -                       | 31.42                            | -                                     | 31.42     | -          | -        | -       | -        |
| Due from Gratuity Trust                          | 13      | -                              | -                       | 142.80                           | -                                     | 142.80    |            |          |         |          |
| Gratuity plan assets (Net)                       | 13      | -                              | -                       | 82.79                            | -                                     | 82.79     | -          | -        | -       | -        |
| Non trade receivables from JV                    | 13      | -                              | -                       | 1.07                             | -                                     | 1.07      |            |          |         |          |
| Others                                           | 13      | -                              | -                       | 6.54                             | -                                     | 6.54      |            |          |         |          |
| TOTAL                                            |         | -                              | 11,915.86               | 5,963.50                         | -                                     | 17,879.36 | 17.03      | 3,015.94 | -       | 3,032.97 |
|                                                  |         |                                |                         |                                  |                                       |           |            |          |         |          |
| Financial liabilities not measured at fair value |         |                                |                         |                                  |                                       |           |            |          |         |          |
| Borrowings                                       | 18 & 23 | -                              | -                       | -                                | 30,078.12                             | 30,078.12 | -          | -        | -       | -        |
| Trade payables                                   | 19 & 24 | -                              | -                       | -                                | 3,091.10                              | 3,091.10  | -          | -        | -       | -        |
| Other financial liabilities ( Non Current)       | 20      | -                              | -                       | -                                | 3,478.72                              | 3,478.72  | -          | -        | -       | -        |
| Accrued salaries and benefits                    | 25      | -                              | -                       | -                                | 638.28                                | 638.28    | -          | -        | -       | -        |
| Payable to director                              | 25      | -                              | -                       | -                                | 442.52                                | 442.52    | -          | -        | -       | -        |
| Others                                           | 25      | -                              | -                       | -                                | 16,172.13                             | 16,172.13 | -          | -        | -       | -        |
| TOTAL                                            |         | -                              | -                       | -                                | 53,900.87                             | 53,900.87 | -          | -        | -       | -        |

**53. B Financial instruments - Fair values and risk management****Financial risk management objectives and policies**

Group activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**b) Interest rate risk**

Group exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

Group policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Group's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

The interest rate profile of the Group's interest-bearing instruments is as follows.

| Particulars                        | 31-03-2018      | 31-03-2017      | 31-03-2016      |
|------------------------------------|-----------------|-----------------|-----------------|
| <b>Fixed rate instruments</b>      |                 |                 |                 |
| Financial liabilities              | 15790.61        | 17663.57        | 18916.18        |
| Financial assets                   | 20.87           | 24.38           | 11.08           |
| <b>Variable rate instruments</b>   |                 |                 |                 |
| Financial liabilities              | 37136.63        | 30064.74        | 28495.75        |
| <b>Total financial liabilities</b> | <b>52948.11</b> | <b>47752.69</b> | <b>47423.01</b> |

**i) Sensitivity analysis**

| Particulars              | Impact on profit or loss |            | Impact on other components of equity |            |
|--------------------------|--------------------------|------------|--------------------------------------|------------|
|                          | 31-03-2018               | 31-03-2018 | 31-03-2017                           | 31-03-2017 |
| 1% increase in MCLR rate | 371                      | 301        | 371                                  | 301        |
| 1% decrease in MCLR rate | (371)                    | (301)      | (371)                                | (301)      |

**ii) Fair value**

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value

**iii) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Group credit risk for trade receivables is as follows

| Particulars       | 31-03-2018 | 31-03-2017 | 31-03-2016 |
|-------------------|------------|------------|------------|
| Trade receivables | 7571.55    | 8742.62    | 12038.17   |

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

| Allowance for credit loss  | 31-03-2018  | 31-03-2017  | 31-03-2016  |
|----------------------------|-------------|-------------|-------------|
| Balance at the beginning   | 9.22        | 5.39        | -           |
| Impairment loss recognised | (2.81)      | 3.83        | 5.39        |
| <b>Balance at the end</b>  | <b>6.41</b> | <b>9.22</b> | <b>5.39</b> |

No single customer accounted for more than 10% of the revenue as of 31-03-2018, 31-03-2017 and 31-03-2016.

There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

### 53. C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Group is exposed to this risk from its operating activities and financial activities. The Group's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Group to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2018

| Particulars                                | Carrying value | Contractual cash flows |           |           |                   | Total     |
|--------------------------------------------|----------------|------------------------|-----------|-----------|-------------------|-----------|
|                                            |                | Less than 1 year       | 1-2 years | 2-5 years | More than 5 years |           |
| Borrowings (Non current)                   | 37,230.06      | -                      | 11,957.76 | 24,197.61 | 1,074.70          | 37,230.06 |
| Current maturities of long term borrowings | 9,768.40       | 9,768.40               | -         | -         | -                 | 9,768.40  |
| Financial liabilities (Non current)        | 6,879.15       | -                      | 6,879.15  | -         | -                 | 6,879.15  |
| Cash credit and demand loans               | 8,587.06       | 8,587.06               | -         | -         | -                 | 8,587.06  |
| Trade payables ( current)                  | 10,277.19      | 10,277.19              | -         | -         | -                 | 10,277.19 |
| Trade payables ( non -current)             | 271.26         | -                      | 271.26    | -         | -                 | 271.26    |
| Other financial liabilities (Current)      | 11,578.94      | 11,578.94              | -         | -         | -                 | 11,578.94 |
|                                            | 84,592.06      | 40,211.59              | 19,108.17 | 24,197.61 | 1,074.70          | 84,592.06 |

Rs in Lakhs

As at 31st March 2017

| Particulars                                | Carrying value | Contractual cash flows |           |           |                   | Total     |
|--------------------------------------------|----------------|------------------------|-----------|-----------|-------------------|-----------|
|                                            |                | Less than 1 year       | 1-2 years | 2-5 years | More than 5 years |           |
| Borrowings (Non current)                   | 27,285.35      | -                      | 7,361.78  | 15,911.81 | 4,011.77          | 27,285.35 |
| Current maturities of long term borrowings | 12,051.42      | 12,051.42              | -         | -         | -                 | 12,051.42 |
| Financial liabilities (Non current)        | 6,727.44       | -                      | 6,727.44  | -         | -                 | 6,727.44  |
| Cash credit and demand loans               | 12,302.99      | 12,302.99              | -         | -         | -                 | 12,302.99 |
| Trade payables ( current)                  | 8,149.82       | 8,149.82               | -         | -         | -                 | 8,149.82  |
| Trade payables ( non -current)             | 271.26         | -                      | 271.26    | -         | -                 | 271.26    |
| Other financial liabilities (Current)      | 8,198.27       | 8,198.27               | -         | -         | -                 | 8,198.27  |
|                                            | 74,986.55      | 40,702.50              | 14,360.48 | 15,911.81 | 4,011.77          | 74,986.55 |

As at 1st April 2016

| Particulars                                | Carrying value | Contractual cash flows |           |           |                   | Total     |
|--------------------------------------------|----------------|------------------------|-----------|-----------|-------------------|-----------|
|                                            |                | Less than 1 year       | 1-2 years | 2-5 years | More than 5 years |           |
| Borrowings (Non current)                   | 32,032.94      | -                      | 11,790.69 | 17,354.05 | 2,888.19          | 32,032.94 |
| Current maturities of long term borrowings | 10,699.87      | 10,699.87              | -         | -         | -                 | 10,699.87 |
| Financial liabilities (Non current)        | 6,215.63       | -                      | 6,215.63  | -         | -                 | 6,215.63  |
| Cash credit and demand loans               | 4,679.12       | 4,679.12               | -         | -         | -                 | 4,679.12  |
| Trade payables ( current)                  | 7,753.57       | 7,753.57               | -         | -         | -                 | 7,753.57  |
| Trade payables ( non -current)             | 271.26         | -                      | 271.26    | -         | -                 | 271.26    |
| Other financial liabilities (Current)      | 8,711.70       | 8,711.70               | -         | -         | -                 | 8,711.70  |
|                                            | 70,364.09      | 31,844.26              | 18,277.58 | 17,354.05 | 2,888.19          | 70,364.09 |

**53. D. Foreign exchange risk**

The Group imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation on its segments performance, assuming no change in other parameters like price and quantity of imports, is as follows.

| Particulars                       | Impact on profit |          |
|-----------------------------------|------------------|----------|
|                                   | 2017-18          | 2016-17  |
| Increase in Exchange Rate by Re.1 |                  |          |
| Cement                            | (193.85)         | (132.48) |
| Captive Power Plant               | (21.51)          | (35.38)  |
| Engineering                       | 2.08             | 33.80    |
| Decrease in Exchange Rate by Re.1 |                  |          |
| Cement                            | 193.85           | 132.48   |
| Captive Power Plant               | 21.51            | 35.38    |
| Engineering                       | (2.08)           | (33.80)  |

### 53. E. Commercial risk

#### Sale price risk

| Particulars                  | Impact on profit |            |
|------------------------------|------------------|------------|
|                              | 2017-18          | 2016-17    |
| Selling price increase by 5% |                  |            |
| Cement                       | 4,755.30         | 4,195.76   |
| Sugar                        | 2,299.43         | 2,061.38   |
| Power                        | 37.17            | 35.18      |
| Engineering                  | 382.21           | 382.12     |
| Hospitality & other Services | 78.65            | 73.51      |
|                              | 7,552.77         | 6,747.94   |
| Selling price decrease by 5% |                  |            |
| Cement                       | (4,755.30)       | (4,195.76) |
| Sugar                        | (2,299.43)       | (2,061.38) |
| Power                        | (37.17)          | (35.18)    |
| Engineering                  | (382.21)         | (382.12)   |
| Hospitality & other Services | (78.65)          | (73.51)    |
|                              | (7,552.77)       | (6,747.94) |

#### Raw material price risk

| Particulars                       | Impact on profit |          |
|-----------------------------------|------------------|----------|
|                                   | 2017-18          | 2016-17  |
| Raw material price increase by 5% |                  |          |
| Cement                            | (771.47)         | (798.79) |
| Engineering                       | (63.40)          | (50.47)  |
| Hospitality & other Services      | (10.78)          | (12.75)  |
|                                   | (845.65)         | (862.01) |
| Raw material price decrease by 5% |                  |          |
| Cement                            | 771.47           | 798.79   |
| Engineering                       | 63.40            | 50.47    |
| Hospitality & other Services      | 10.78            | 12.75    |
|                                   | 845.65           | 862.01   |

### Notes:

[illegible]



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



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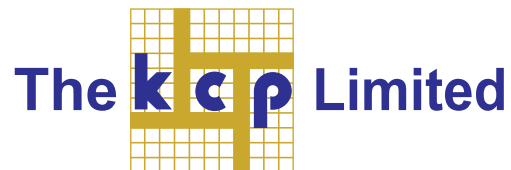
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Ph: 66772600, Fax: 66772620

www.kcp.co.in, E-mail: investor@kcp.co.in

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