The kcp Limited

Concrete Conformations

73rd Annual Report 2013 - 14

KCP Sreshtaa™

CEMENT

THE NEW GENERATION CEMENT

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

(Rs. in Lakhs)

	Year Ended									
	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05
SHARE CAPITAL	2089	2789	3289	3289	3289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	34250	34458	33168	29542	27189	22780	17697	12984	9625	8610
NET WORTH	36339	37247	36457	32831	30478	24069	18986	14273	10914	9899
FIXED ASSETS (NET)	66453	60639	54374	50668	33448	13147	12653	11704	7572	6850
GROSS INCOME	75723	88971	72654	37626	42289	41788	41604	30051	20680	16863
GROSS PROFIT	8002	11348	15208	8224	11052	11369	11284	8321	3448	2445
DEPRECIATION	3409	3197	2935	1233	1056	914	858	618	519	494
INTEREST	4473	3812	3795	1394	949	671	692	444	444	489
PROFIT BEFORE TAX	120	4339	8478	5597	9047	9784	9734	7259	2485	1462
PROFIT AFTER TAX	127	3046	6153	4135	6002	6591	6654	4829	1750	967
EARNINGS PER SHARE(Rs)**	-0.04	2.16	4.56	2.99	45.88	51.13	51.62	37.46	13.58	7.50
BOOK VALUE PER SHARE(Rs)**	27.57	27.34	26.73	23.92	220.93	186.72	147.27	110.72	84.66	76.79
DIVIDEND ON EQUITY(%)	10	100	150	100	100	100	100	100	50	30
DEBT EQUITY RATIO	0.86	0.54	0.51	0.71	0.33	0.27	0.15	0.21	0.39	0.03

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

(Rs. in Lakhs)

	Year Ended									
	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05
SHARE CAPITAL	2089	2789	3289	3289	3289	1289	1289	1289	1289	1289
RESERVES &SURPLUS	49687	47574	46890	41684	33434	26791	19601	13532	9219	7846
NET WORTH	51776	50363	50179	44973	36723	28080	20890	14821	10508	9135
FIXED ASSETS (NET)	74502	67124	61561	57821	40750	22401	20084	18377	14391	14247
GROSS INCOME	118246	133590	115004	72100	69471	60401	58059	42575	28835	23604
GROSS PROFIT	14766	18316	23625	15288	17298	15428	14462	11150	5338	4314
DEPRECIATION	4713	4442	4104	2233	2167	2015	1605	1312	1262	1221
INTEREST	4631	3971	4154	1565	1336	1279	912	923	908	688
PROFIT BEFORE TAX	5422	9903	15367	11490	13795	12134	11945	8915	3168	2405
PROFIT AFTER TAX	3449	6524	10605	7874	9076	8118	8022	5945	2133	1602
EARNINGS PER SHARE(Rs)**	2.54	4.89	8.01	5.89	69.7	62.98	62.23	46.12	16.55	12.43
BOOK VALUE PER SHARE(Rs)**	39.55	37.91	37.38	33.33	269.38	217.84	162.06	114.98	81.52	70.87
DIVIDEND ON EQUITY(%)	10	100	150	100	100	100	100	100	50	30
DEBT EQUITY RATIO	0.60	0.39	0.38	0.53	0.42	0.07	0.17	0.38	0.26	0.20

(Figures for the current and previous three years are as per the revised Schedule-VI)

** **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.**

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. V.L. DUTT
Chairman and Managing Director

Smt. V.L. INDIRA DUTT
Joint Managing Director

Smt. KAVITHA D. CHITTURI
Executive Director

Sri. V. GANDHI
Technical Director

INDEPENDENT DIRECTORS

Sri. O. SWAMINATHA REDDY

Sri. V.H. RAMAKRISHNAN

Sri. VIJAY SANKAR

Sri. P.S. KUMAR

Sri. M. NARASIMHAPPA

CHIEF FINANCIAL OFFICER

Sri. M.R. RAMACHANDRAN

COMPANY SECRETARY

Sri. Y. VIJAYA KUMAR

AUDITORS

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

COST AUDITORS

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

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

BANKERS

BANK OF BARODA
BANK OF INDIA
CANARA BANK
HDFC BANK LTD
INDIAN OVERSEAS BANK

INTERNAL AUDITORS

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

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

REGISTERED AND CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s INTEGRATED ENTERPRISES (INDIA) LIMITED
II Floor "Kences Towers"
No.1 Ramakrishna Street
North Usman Road, T. Nagar
Chennai - 600 017
Ph: 28140801/803 Fax: 28142479
E-mail: yuvraj@integratedindia.in Website: www.integratedindia.in

PLANT LOCATIONS

CEMENT

Macherla - 522426
Guntur District, Andhra Pradesh

Muktyala - 521175
Krishna District, Andhra Pradesh

HYDEL

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

THERMAL

Macherla - 522426, Guntur District, AP

ENGINEERING

Tiruvottiyur - 600 019
Chennai, Tamilnadu

Arakonam - 631 004
Mosur Road, Ekhunagar, Tamilnadu

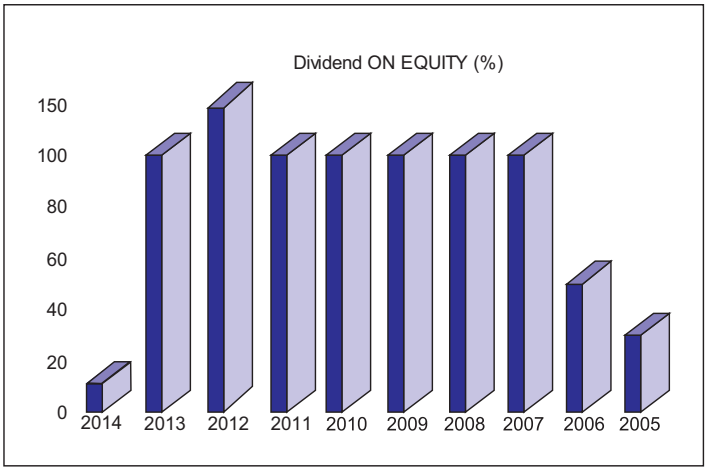
WIND POWER

Uthumalai Village, Tirunelveli District, Tamilnadu

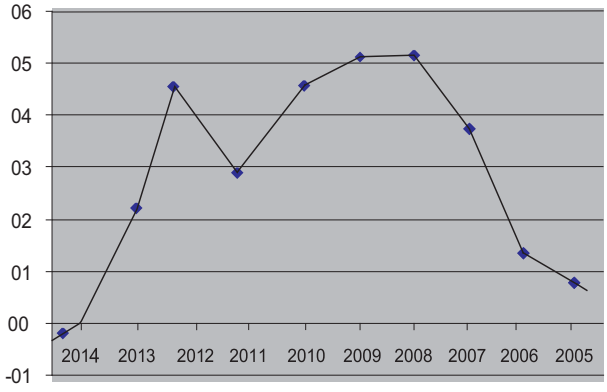
BIOTECH

Plot No.14, A.K. Park, Genome Valley,
Turkapally (village) – 500078,
Shameerpet (Mandal), R.R.District, AP

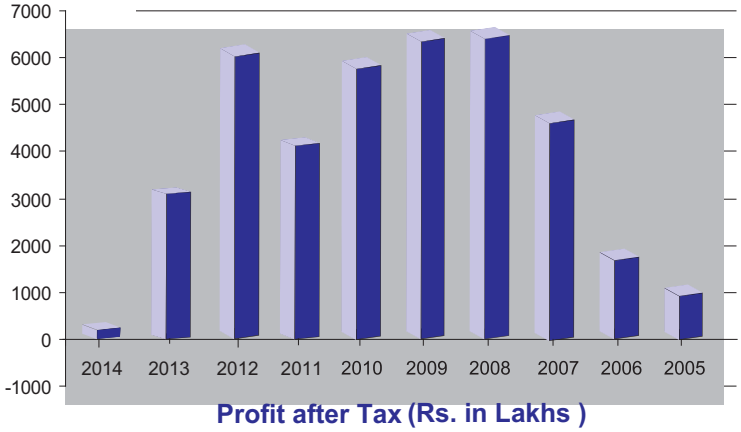
At a Glance



Dividend History



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

(Not to Scale)

From the Chairman's Desk

Dear Shareholders,

In today's unpredictable business environment, the need for responsible business practices is more critical than ever. We believe that corporate responsibility and sustainability deliver added value to our clients, employees, shareholders, business partners and the communities in which we live and operate.

The role of business in an open market economy system is to create wealth for shareholders, employees, customers and society at large. No other human activity matches private enterprise in its ability to marshal people, capital and innovation under controlled risk-taking, in order to create meaningful jobs and produce goods and services profitably – profit being essential to long-term business survival and job creation.

A Voluntary Approach:

A company must develop its own understanding of how its principles or behavior relate to external expectations or to external codes or guidelines. Internal monitoring of compliance, external reporting of performance and independent assurance are matters that should be decided by the companies themselves.

It is no longer acceptable for corporations to experience economic prosperity in isolation.

To be successful, companies cannot be indifferent to the society in which they operate. Peaceful conditions, legal certainty and good human relations within the company are key elements of business success. They create the stability and confidence that encourage investment, improve productivity and foster customer loyalty.

"At KCP, we recognize the importance of credibility, integrity and trustworthiness to our success as a business. We are committed to upholding high ethical standards in all our operations, everywhere in the world. We believe in the principles of honesty, fairness, and respect for individual and community freedoms".

To this end, our Business Responsibilities Report details out the new and ongoing initiatives undertaken by KCP. Your constructive feedback is a vital in our endeavor in enhancing our responsibility quotient.

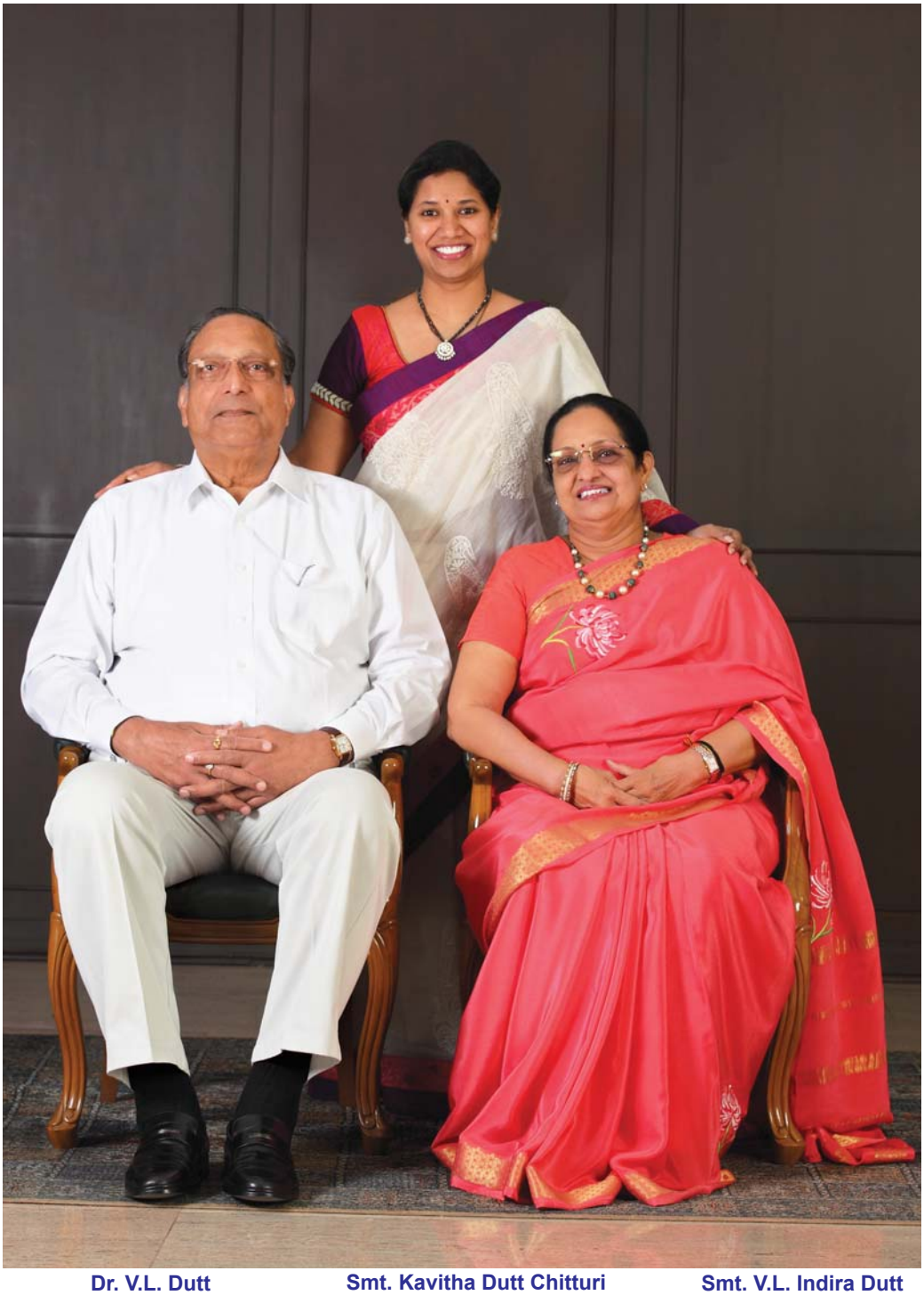
Best Regards,
Dr. V L Dutt
Chairman and Managing Director

Hotel Project - Hyderabad

Captive Power Plant - Muktyala

Hydel Power Plant - Nekarikallu

Board of Directors



Dr. V.L. Dutt
Chairman & Managing Director

Smt. Kavitha Dutt Chitturi
Executive Director

Smt. V.L. Indira Dutt
Joint Managing Director

Sri. V. Gandhi
Technical Director

Sri. O. Swaminatha Reddy
Director

Sri. V.H. Rama Krishnan
Director

Sri. Vijay Sankar
Director

Sri. P.S. Kumar
Director

Sri. M. Narasimhappa
Director

Business Responsibility and Sustainability

Business Continuity Management

Business Continuity Management may be defined as a holistic management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience with the capability for an effective response that safeguards the interest of its key stakeholders, reputation and value creating activities.

This may broadly include, adequacy of insurance of properties, well laid out plans in case of crucial employees' resignation, protection of data etc.

All the properties are aptly insured under guidance from a reputed consultant recognised under IRDA, developing a second in command, maintain a regularly updated data in an alternate location as a backup and periodical validation are the other safeguards that is practiced by the company.

An overview of the specific Business Responsibility and Corporate Social Responsibility policies and approaches adopted by the company covers the following:'

Environment sustainability

Environmental sustainability is about making responsible decisions that will reduce the business' negative impact on the environment. Environmental sustainability forces businesses to look beyond making short term gains and look at the long term impact they are having on the natural world. One needs to consider not only the immediate impact the actions have on the environment, but the long term implications as well.

We have a deep and measured understanding of our impact on the environment. We are working to reduce our impact on the natural environment from energy utilization and waste creation thru a series of steps aimed at optimum use and recycle of energy, a splash of greenery surrounding the units, waste recycling and management etc.. We raise employee awareness on critical issues in sustainable development.

Procurement and supply chain

A Supply Chain is a network of supply, manufacture, assembly, distribution, and logistics facilities that perform the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these products to customers.

The company seeks to achieve this mission by:

- Establishing supplier relationships that consider and encourage total cost of ownership.
- Streamlining the buy/pay process throughout the supply chain.
- Listening and responding to our customers' changing business needs and practices.
- Conducting our business affairs in a manner that is open, competitive, and fair.

Corporate Governance

Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. Corporate governance also provides the framework for attaining a company's objectives. It encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

A separate report on Corporate Governance is attached elsewhere.

Corporate Social Responsibility (CSR) spends

This refers to the Corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups.

Even before the advent of the CSR regulation, the company has been in the forefront of meeting its responsibilities as a corporate citizen. Various steps like providing clean and potable water in the vicinity of the units, running of schools and providing transport for the children of the employees to attend the schools are some of the many activities the company has been regularly undertaking in its endeavor to improve the standard of living of not only the employees and their families but also the people living around the units.

Employees

The importance of employee engagement, which can be defined as the emotional and functional commitment an employee has to his or her organization, cannot be overstated!. Some of the practices followed by the company include:

- Senior leadership must articulate a clear vision to all employees.
- Employees should be encouraged to communicate openly and influence the company's vision through their input.
- Direct managers should foster healthy relationships with their employees.
- Senior leadership should continuously demonstrate that employees have an impact on their work environment.
- Managers should show employees that they are valued as true contributors, giving them a sense of empowerment.
- Managers should organize and encourage team volunteerism within communities as a way of giving back.

Stakeholder engagement

Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions. They may support or oppose the decisions, be influential in the organization or within the community in which it operates, hold relevant official positions or be affected in the long term.

Stakeholder engagement is all about redressing this problem by providing strategies, processes and infrastructure to enable the company to:

- discover what really matters to the key stakeholders;
- involve them in providing feedback on corporate strategies and performance and in identifying what and how things can be changed;
- monitor and manage stakeholder contributions and satisfaction levels.

The company's identification with the various stakeholders have been in vogue since inception and efforts are in place to ensure their needs are met and sufficient information provided to them.

Corporate Social Responsibility

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

As part of its societal obligations your company has been in constant touch with the communities in which it has been operating. Notable efforts have been put forward to realise its responsibilities and in the process your company has been building value for all its stake-holders. In the past several decades since inception, KCP has taken up innumerable social and community initiatives. Our aim has been to touch the lives of communities positively by taking up healthcare, infrastructural, environmental, social, cultural and educational programs. Following is a brief note on KCP fulfilling its part of the social responsibilities during the financial year 2013-14.

Free Medical Camp (Macherla)

A free Medical Camp was conducted at the Kids Patasala for more than 500 male and female members of public where Lungs, Pulmonary tests, Blood tests, Urine tests and Gunaecological test and more were conducted. Medicines were distributed to the needy free of cost.

Pulse polio immunization programme (Macherla)

You company, jointly with Rotary Club of Macherla, organized pulse polio immunization programme in rural areas of Macherla - Veldurthy, Durgi Mandals and Macherla Town. KCP provided 60 Kgs. of tamarind rice to the voluntaries and also provided vehicle to transport the vaccinations to the villages.

Logistical support to Doctors (Muktyala)

KCP arranged logistical support to Doctors from Jaggaiahpet attending a free medical camp at Sri Chandramouleswara Nursing Home.

Chalivendram (Macherla)

Our Ramakrishna Cultural and Welfare Club (RCWC) provided drinking water facilities (chalivendram) at Ambedthkar Centre in Macherla on 11.04.2013.

Chariot Repairs (Macherla)

Every year, on the occasion of lord Sri Lakshmi Chennakesava Swamy Radhotsavam, your Company undertakes repair and refurbishing work of the chariot of lord Sri Lakshmi Chennakesava Swamy in Macherla.

Bare Foot Managers Training Programme (Muktyala)

A Bare Foot Managers Training Programme for Unemployed Graduates through Association of Lady Entrepreneurs of Andhra Pradesh was conducted by your company.

Womens Skill Development (Muktyala)

A program for Women's skill Development was conducted by your company.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 73rd Annual Report of the company together with the Audited Accounts for the financial year ended 31st March, 2014.

Financial Results

Brief summary of the Company's financial performance (Stand Alone and Consolidated) is as under:

(Rs in Lacs)

Particulars	For the year ended		For the year ended	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	Stand Alone		**Consolidated (GROUP)**	
Revenue from Operations	**72,257**	**81,701**	1,04,310	**1,25,493**
Profit for the year (PBDIT)	**8,003**	11,349	14,765	18,316
Less: a) Interest and Finance charges	**4,473**	3,812	4,631	3,971
b) Depreciation	**3,410**	3,198	4,712	4,442
Profit before Tax	**120**	4,339	5,422	9,903
c) Provision for current tax	**27**	871	449	1,177
d) Deferred Tax	**5**	866	93	667
e)Tax provision for earlier years	**-**	8	-	8
f) Minority share of profit			1544	1980
Add:				
a) Refund of Income Tax	**12**	8	12	9
b) MAT Entitlement tax	**27**	444	90	444
c) Excess Provision of income tax of earlier years credited back			11	
Profit for the Year	**127**	**3,046**	3,449	**6,524**
Add: Surplus brought forward from earlier year	**5,374**	5,234	18,418	20,167
Amount available for appropriations	**5,501**	8,280	21,867	26,691
Less:				
Transfer to Preference Capital Redemption Reserve	**800**	700	800	700
Transfer to General Reserve	**-**	450	-	2,191
Proposed Dividend -Preference Shares	30	55	30	55
Proposed Final Dividend – Equity Shares	129	645	129	645
Interim Dividends Paid –Equity Shares	-	645	1,779	4,271
Interim Dividends Paid –Preference Shares	124	166	124	166
Tax on Distributed Profits – Equity shares	22	209	22	209
Tax on Distributed Profits – Preference shares	31	36	31	36
Surplus at the end of the Year	4,365	**5,374**	18,952	**18,418**

Year in retrospect:

Cement

- The cement despatches and the average price realization were lower than the previous year, but economy in power cost and in the cost of logistics and transportation and market distribution resulted in the company's operations for the year under review being considerably better than in the corresponding year.
- Production also was significantly lower than the previous year.
- The various incentives also contributed to the improvement in the operations though the realization of the same have not yet materialized.
- Wide disparity witnessed in the price of cement across the geographical segments of India resulted in highly skewed profitability.
- Export of cement to nearby countries commenced in a modest way.

Engineering:

- The slowdown of the global economy and the sluggishness of the Indian economy resulted in the significant impact in the year under review. The company had to resort to taking up low contributory sales for better utilization of the capacity.Power:

Power:

- All the present captive power units reported gratifying results thanks to a good monsoon and a reasonable wind pattern last year.
- The company erected and commissioned a Solar Power Plant of 1.15MW at Muktyala for its captive use.

Dividend from subsidiary

During the year under review the company received a dividend of Rs 1504 lacs (Rs 4390 lacs in the previous year) from its subsidiary, KCP Vietnam Industries Ltd, Vietnam.

Dividend on Preference Share Capital

Your Directors recommend a dividend of 12% on the Rs 800 lacs Preference Share Capital of the company for the year 2013-14. On 8/12/2013 the company has redeemed Rs. 700 lacs preference share capital, along with the corresponding interim dividend for the Rs 1500 lacs preference share capital till the date of the redemption amounting to Rs. 124.27 lacs and further an amount of Rs.29.72 lacs being the preference dividend for the balance period on the reduced capital has been provided.

Redemption of Preference Shares and capital redemption reserve account

Pursuant to the Share subscription agreement dated 23rd November, 2009, entered with M/s Tata Capital Financial Services Limited (earlier Tata Capital Limited), Rs.800 Lacs preference share capital is due for redemption in December 2014. In terms of section 80(1) (d) of the Companies Act, 1956, a sum of Rs.800 Lacs has been transferred to capital redemption reserve account.

Dividend on Equity Shares

The Board of Directors has recommended, for approval of the members, a final dividend of Rs. 0.10 per share (i.e 10 per cent). The final dividend, if approved, will be paid to members within the period stipulated by the Companies Act, 2013 and the Companies (Declaration and Payment of Dividend) Rules, 2014.

Transfer to Reserves

Your Directors recommend the following appropriations from the profits available for appropriation:

To Preference Capital Redemption Reserve (under the provisions of the Companies Act, 1956)	Rs. 800 lacs
To General Reserve	NIL

This will leave Rs.4365 lacs in the Surplus Account to be carried forward to the next year.

The total amount in General Reserve as on 31st March 2014 would stand at Rs. 27450 lacs.

Management Discussion & Analysis report:

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

Projects under implementation:

- The Captive Power Plant with a capacity of 18MW was originally envisaged with a total outlay of Rs 11300 lacs. The revised project has gone up marginally to Rs 11900 lacs. Implementation of the same is nearing completion and commissioning is expected in this quarter.
- The Hotel, on the other hand suffered overruns both in terms of commissioning time and the cost

due to various factors some outside the control of the company. The project which was envisaged at Rs 6500 lacs is now estimated to cost around Rs 8500 lacs.

Exit from Biotech Division

Further to the approval of the shareholders on 31/01/2013 by way of Postal ballot, the company is in the process of selling of its Fixed Assets in the Biotech business.

Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2014 was Rs.76,39,35,000/- as compared to the figure of Rs. 66,50,98,000/- as on 31/03/2013. As on 31st March, 2014, Fixed Deposits matured and remained unclaimed were Rs.2,05,03,000/- from 224 depositors. As on the date of this report, Fixed Deposits relating to None have been renewed and Fixed Deposits of Rs. 24,73,000/- of 47 depositors repaid.

Depositors have been intimated regarding the maturity of deposits with a request to either renew or claim their deposits. As per the provisions of Section 205C of the Companies Act, 1956, 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. 2.11 lacs has been transferred to the IEPF.

Credit Rating

CRISIL which had initially rated the debt facilities as A-Stable has now revised the rating to BBB+ (Negative). This was done taking into consideration both the operations of the year under review and also based on CRISIL perceptions on the scenario in the segments in which the company operates.

Corporate Social Responsibility (CSR)

India is a country of myriad contradictions. On the one hand, it has grown to be one of the largest economies in the world, and an increasingly important player in the emerging global order, on the other hand, it is still home to the largest number of people living in absolute poverty (even if the proportion of poor people has decreased) and the largest number of undernourished children.

The Ministry of Corporate Affairs has notified the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 20 I4 effective from 1st April, 2014.

Even before this enactment, the company has in its own way been contributing to the benefit of the society by taking steps in developing the infrastructure of the vicinity of the units. , providing potable drinking water to the town, and plantation of trees to improve the environment.

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

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

Directors

The Board of Directors deeply regrets the sad demise of Dr.A. Ramakrishna an Independent Director of the company on 20th August, 2013. The Board of Directors would like to place on record its sincere gratitude to Dr. A. Ramakrishna and appreciates the contribution made by him during his association with the Company.

Pursuant to the provisions of the Companies Act, 2013 and rules made there under Sri. O Swaminatha Reddy, Sri.V.H.Ramakrishnan and Sri. Vijay Sankar Directors retiring by rotation and are eligible to be appointed as Independent Directors of the company and their appointments are recommended for the approval shareholders of the company.

Sri.P.S.Kumar, who was appointed in the casual vacancy caused by the death of Sri. A. Ramakrishna and Sri. M. Narasimhappa appointed as additional director of the company hold office up to the date of this Annual General Meeting of the Company and are eligible to be appointed as Independent Directors of the company and their appointments are recommended for the approval of shareholders of the company.

Sri. V. Gandhi, Technical Director of the company, retires by rotation and being eligible has offered himself for re-appointment.

Brief resume of the Directors proposed to be reappointed and other details as stipulated under Clause 49 of the Listing Agreement are provided with the Notice convening the Annual General Meeting

Auditors

M/s Brahmayya & CO, Chartered Accountants, Vijayawada, Statutory Auditors of the company retires at the conclusion of the ensuing Annual General Meeting.

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, we have to rotate the Auditors within a period of three years.

M/s Brahmayya & CO have furnished their written consent and a certificate stating that that the appointment, if made, shall be in accordance with the conditions as may be prescribed in sub section (I) of Section 139 of the Companies Act, 2013

The Board recommends the appointment of M/s Brahmayya & CO Vijayawada, as Auditors of the company for a period of three years to hold office till the conclusion of the 76th Annual General Meeting of the company subject to ratification by shareholders in every Annual General Meeting.

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

Cost Auditors

The Central Government has approved the appointment of M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and M/s Mahadevan & Co, Chennai as the Cost Auditors for the Cement and Engineering units for the year 2013-14.

Pursuant to the Companies (Cost Accounting Records) Rules, 2011 M/s Narsimhamurthy & Co Hyderabad has been appointed to conduct the Cost audit for the Cement unit and M/s Mahadevan and Co, Chennai has been appointed to conduct the Cost audit for the Engineering unit of the company.

The Cost Audit Reports/Cost compliance audit reports for the year 2012-13 were filed by the Cost Auditors within the due date.

Particulars of Employees

The Information required under Section 217(2A) of the Companies Act, and the Rules made there under, in respect of employees of the Company, is provided is in Annexure-1 forms part of this report.

Subsidiary company and consolidated financial statements

The Company has a subsidiary in Vietnam, KCP Vietnam Industries Limited. There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provision of section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company.

A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2014 is included in the annual report. The annual accounts of the subsidiary and the related information will be made available to any member of the Company and are available for inspection by any member of the Company at the registered office of the company during business hours.

Consolidated Financial Statements

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

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

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

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

Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all Unclaimed dividend, and interest on deposits as well as the principal amount of deposits, as applicable, remaining unclaimed for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government.

Corporate Governance and Management Discussion and Analysis:

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

As per clause 55 of the Listing Agreements entered into with the Stock Exchanges, a Business Responsibility and Sustainability Report is attached and forms part of the annual report.

Human Resource Development

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. It encompasses providing such opportunities as employee

training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development. Development of human resources is essential for any organization that would like to be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people.

The company realizes the importance HRD and has put in place several measures such as :

- In house training under a class room atmosphere
- Sponsoring for various seminars that would help the employees in continuously updating their skills.
- Visit to other units to enable the employees see for themselves the technology developments happening around them.
- Initiating and persuading the employees to go in for higher education to make them more versatile.
- Arranging for the live demo of other profitable activities for the spouse to make them possess skills that can be used to generate income.

Director's Responsibility Statement

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956, and based on the representations received from the operating management, the directors hereby confirm that:

(a) in the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;

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

(c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis.

Acknowledgements

The Board 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: 22nd May, 2014

(V.L. DUTT)
Chairman and Managing Director

Management Discussion and Analysis

Overall company Performance:

(Rs. In lakhs)

FINANCIAL YEAR	2013-2014	2012-2013
Revenue from Operations	**72,257**	81,701
Profit before depreciation, interest & tax	**8,003**	11,349
Profit(+)/Loss(-) after tax	**127**	3,046
Debt equity ratio	**0.86**	0.54
Inventory Turnover (times)	**6.11**	6.96

The overall operations of the company were deeply affected by the following factors which cumulatively impacted the profitability:

- The stagnant status of the demand for cement especially in the South coupled with steep oversupply in the region resulted in pulling the prices of cement even below the cost rendering the whole operations unprofitable.
- The widely prevailing gloom in the economy both in the country and throughout the world resulted in the Engineering Division's marginal loss.

Notwithstanding the above negativity, the following redeeming factors were however witnessed.

- Power Division however reflected a highly rewarding and profitable operation with all segments like Hydel, Waste Heat Recovery and Wind Power performing creditably. The small Solar plant commissioned during the year under review also contributed its mite in making the Power Division's operations satisfying.
- Dividend from the subsidiary was also beneficial in company achieving a break even in its overall operations.

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

Cement Division:

Operational Performance:

FINANCIAL YEAR	2013-2014	2012-2013
Cement produced (MT)	**15,55,224**	17,28,281
Capacity Utilization (%)	**71.34%**	78.92%
Clinker produced (MT)	**13,09,164**	15,51,444
Cement sold (MT)	**15,61,587**	17,24,569
Turnover (Rs In lacs)	**63,650**	70,846
Segment Profit (Rs in lacs)	**-1,376**	-1,662

The cement operations were in fact a shade better than the previous year mainly on account of the following factors:

- Keeping in mind the high logistical costs, cement despatches were so effected so as to optimize on the logistics costs and also cater to the nearby markets to the extent possible.
- Following a year of good monsoon, power cuts and load shedding were at a minimum scale which led to lower power cost.

Overview:

Indian cement industry has a pride of place, being the second largest cement producer in the world. It has made rapid strides not only in terms of capacity addition but also in producing world-class quality cement from state-of-the-art technology. Indian cement industry today accounts for about 7 per cent of the global production.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions viz. north, south, west, east and the central region. The Southern region of India has the highest installed capacity, accounting for about one-third of the country's total installed cement capacity. Among the Southern States, Andhra Pradesh where both the cement units of the company are situated, accounted for a significant share of the enhanced capacity with a negative growth in demand. This directly impacted the profitability of the local cement players.

Challenges:

The constraints and limitations of the three main infrastructure support needed, which are mainly in the public sector and under the domain of the government, namely coal; infrastructure and power, have been severely impacting the growth of the industry. Coal is one of the major raw material needed by the industry, both in the manufacturing of cement and also for generating power. In the last couple of years, the supply position of domestic coal to the cement industry, as percentage of its total consumption of fuel, has been declining at a faster pace year after year. Cement companies, therefore, have perforce to resort to open market purchase /E Auction or imported coal, which also adds up significantly to the additional cost of production. Further the depreciating and volatile rupee vis-vis the US Dollar had also played a part in the rising cost of the imported coal.

Outlook:

In the midst of the consolidation taking place, the outlook for the commodity would be influenced by the following factors:

- The demand-supply situation is highly skewed with the latter being significantly higher
- High capital costs and long gestation periods. Access to limestone reserves (key input) also acts as a significant entry barrier.
- Intense competition with players expanding reach and achieving pan India presence. The industry is a lot more consolidated than a couple of decades ago with a few large players controlling substantial market share.
- Cement, in spite of being classified as a commodity is simultaneously witnessing few brands commanding a premium on account of better quality perception.

Your company is fully aware of the challenges and is making all efforts to give out a better product with distinctly featured properties. Export is an area that is being addressed in order to fill in the capacity even though it hardly gives any contribution.

Risks:

Power is a most important ingredient in the production cost. Availability of quality power is a pre requisite. The Captive Power Project is fast being implemented to provide continuous power to the new cement unit. The cement industry is highly energy intensive and almost relies exclusively on coal. Hence a continuous supply of quality coal at competitive prices is of utmost necessity. In the absence of continuous availability of the domestic coal, efforts are being taken to source low cost coal from abroad.

POWER DIVISION:

A) HYDEL POWER UNIT:

Operational Performance:

FINANCIAL YEAR	2013-2014	2012-2013
Hydel power generation (in KWH)	**3,34,40,443**	37,62,100
Usage (KWH)	**2,00,53,499**	1,16,61,143
Turnover (Rs. lacs)	**987.31**	457.06
Segment Profit in (Rs. lacs)	**616.67**	-462

The Macherla cement plant has an assured supply of power from Hydel and Waste Heat Recovery plant while the new cement plant is presently dependent on power from the grid. This power inadequacy is being addressed by the Captive Power Plant which is presently being implemented.

This division reported gratifying results thanks to a bountiful monsoon which enabled a good power generation during the period.

Overview:

It is a technology with enormous potential, which could exploit the water resources to supply energy to remote rural areas with little access to conventional energy sources. The ecological impact of small-scale hydro is almost nil.

Risks:

In many locations stream size will fluctuate seasonally. During the summer months there will likely be less or no flow and therefore less or no power output. Hence typically the assets are put into use only for the portion of the year. Delayed monsoon may also impact the power generation in the Hydel systems. Continuous maintenance of the bunds have to be ensured which would normally be carried out in the summer months when there is little or no water in the stream.

B) WASTE HEAT RECOVERY UNIT

Operational Performance

FINANCIAL YEAR	2013-2014	2012-2013
WHR power generation (in KWH)	**1,19,59,700**	1,16,81,500
Usage (KWH)	**1,19,59,700**	1,16,81,500
Turnover (Rs lacs)	**586**	464
Segment Profit (Rs lacs)	**365**	136

The operations were better than the than the previous year on account of higher price and lower expenditure on maintenance works .

Overview:

The world is in an energy crisis, which is only going to get worse. With the increase in fuel and electricity costs, the cement industry is presented with both a problem and an opportunity. The cement industry uses huge amounts of fuel and electrical power, and is critically sensitive to price rises in both. The industry worldwide is also vulnerable to power-cuts and reduction in power quality.

There are good medium-term and long-term prospects for WHR systems in the cement industry. Electricity is becoming more expensive, CO2-emission regulations are becoming more stringent and technologies for utilizing waste heat – also that from modern kiln plants – are becoming better and more reliable.

Risks:

Maintenance of the various equipments in good condition is a prerequisite for the smooth function of the Waste Heat Recovery Plant. The costs of such maintenance is very expensive and time consuming necessitating the shutdown of these plants for maintenance. Despite the progress that has been made in waste heat recovery in the cement industry it is important to keep in mind that the overall efficiency of waste heat recovery and the economic situation is very plant-specific.

C) WIND POWER GENERATING UNIT:

Operational Performance

FINANCIAL YEAR	2013-2014	2012-2013
Power generated (KWH)	**69,71,011**	81,56,053
Segment Turnover(Rs lacs)	**345**	397
Segment Profit (Rs lacs)	**98**	185

Overview:

Wind power is the conversion of wind energy into a useful form of energy, by using windmills for generating mechanical power.

Wind power is capital intensive, but has no fuel costs The price of wind power is therefore much more stable than the volatile prices of fossil fuel sources. Compared to the environmental impact of traditional energy sources, the environmental impact of wind power is relatively minor in terms of pollution. Wind power consumes no fuel, and emits no air pollution, unlike fossil fuel power sources.

Risks:

Wind power is very consistent from year to year but has significant variation over shorter time scales. Electricity generated from wind power can be highly variable at several different timescales: hourly, daily, or seasonally. Because instantaneous electrical generation and consumption must remain in balance to maintain grid stability, this variability can present substantial challenges to incorporating large amounts of wind power into a grid system.

ENGINEERING DIVISION

Operational Performance:

FINANCIAL YEAR	2013-2014	2012-2013
Turnover :		
Domestic (Rs lacs)	**6,621**	9,185
Export (Rs lacs)	**2,096**	1,335
Segment Profit (Rs lacs)	**-141**	2677

Engineering division was greatly impacted by the following factors:

- Drop in Sales by nearly 20% as compared to the previous year due to global meltdown
- Low contributory orders were accepted to fill in the capacity.
- Increase in input costs.
- Increase in cost of power.
- Due to lower capacity utilization, higher spread of fixed overheads

Overview:

The engineering sector is the largest segment of the overall Indian industrial sector. India has a strong engineering and capital goods base. The engineering industry has shown capacity to manufacture large-size plants and equipment for various sectors like power, fertilizer and cement. The performance of the engineering sector is linked to the performance of the end user industries for this sector.

Many factors contribute to growth of engineering sector in India.

The key growth drivers are:-

- The growth of the key end user sectors in India.

- Government's emphasis on power and construction sector has increased for the past few years and thus increasing the demand for capital goods.
- Further, India is being preferred by global manufacturing companies as an outsourcing destination due to its lower labour cost and better designing capabilities. Engineering companies thus have a huge potential for direct exports and outsourcing. Among developing countries, India offers the best combination of low costs, availability and skills and capabilities of manpower for the engineering sector.

Risks:

Some of the risks associated with Engineering Industry and also faced by the company are:

- Cyclical effect of the global recession: On account of open economy and removal of trade barriers, the effect of the worldwide slowdown has also impacted the domestic engineering units resulting in drop in exports. Further the recession had also spread in India resulting in the slowing down.
- Technological Up gradation: Due to lack of technological up gradation, competitiveness of Indian engineering goods sector is low. Some of the Indian exporters are still at disadvantage in International market vis-a-vis their counterparts in terms of product design, finish, specific features, performance and raw materials substitutes of the economy. Although Indian firms are capable of achieving high levels of precision, they are unable to provide high quality products due to lack of supporting process, technologies such as precision measuring, material engineering and process control.
- High cost of Industrial Inputs: The engineering industry mainly uses raw materials of domestic origin. The raw materials price index has risen faster than the machinery price index. It is difficult of engineering manufacturers to pass on the rise in prices to the consumers thereby impacting their profitability
- Infrastructure Bottlenecks: A recent study by CII and World Bank has found that although India has the advantage of cheap labour, this advantage is nullified by infrastructural bottlenecks. Infrastructural bottlenecks are the major problem hindering both domestic and exports production. The quality of infrastructure (transport, communication, and power) is poor, thus affecting competitive delivery schedule and increasing operating costs

Outlook:

From a policy perspective there has been a growing consensus that a private-public partnership is required to remove difficulties concerning the development of infrastructure in the country. The realisation finally seems to be setting in with numerous BOT (build, operate and transfer) projects being awarded to various private sector companies. This makes the future of the Indian engineering and construction sector promising.

The next couple of years may remain challenging for the engineering and construction companies. While execution pace is slowing down due to various internal as well as macro issues, margins have also come under pressure due to rising input cost and competition. Thus, unless the macro-environment improves overall growth will continue to remain sluggish in the near term.

Emerging trends such as outsourcing of engineering services can provide new opportunities for quantum growth. Engineering and design services such as new product designing, product improvement, maintenance and designing manufacturing systems are increasingly getting outsourced to countries like India. India's engineering sector has a significant potential for future growth, both in manufacturing as well as services.

Joint Venture:

Fives Cail KCP Limited:

Operational Performance:

FINANCIAL YEAR	2013-14	2012-13
Turnover (Rs. lacs)	**12,845**	4,393
Profit before Tax (Rs. lacs)	**789**	-1,707

Domestic demand for sugar machinery was at its low reflecting the hardships faced by sugar industry in India. However, future expectations of millers in specific locations resulted in certain expansion and balancing requirements. Export prospects resulted in sizable and remunerative, executable orders for the year. Consequently, the JV posted good results.

Risks:

Non availability of sufficient funds with the sugar producers could deter them from going ahead with their planned expansion and thereby impacting the Joint Venture. Similarly, export orders could be more successful, if funding options could be provided. Hence, even with a reasonable order book, actual execution remains uncertain.

Subsidiary:

KCP Vietnam Industries Limited:

Operational Performance:

Particulars	12 months ended March 2014	12 months ended March 2013
Crushing Capacity (TPD)	**6,000**	6,000
Cane Crushed (Mts)	**10,91,521**	8,38,332
Sugar produced (Mts)	**1,03,357**	88,280
Recovery Rate (%)	**8.87**	8.68
Average Sales Realization (Rs /mt)	**43,546**	45,314
Profit before Tax (Rs lacs)	**4,986**	6,245

Overview:

During the year company operated with a total crushing capacity of 6000 TCD (Son Hoa Unit – 5000 TCD and Dong Xuan Unit – 1000 TCD). The total cane crushed was 1,091,521 Mts with a recovery rate of 8.87% and the refined sugar produced was 103,357 MTs which includes sugar processed from raw sugar of 6,507 MTs.

Though adequate sugarcane area was available, the inclement weather and lack of attention from the farmers to grow high quality sugarcane etc affected the sugarcane quality. However, there is slight improvement in cane quality when compared to last year . Hence, raw sugar was purchased for conversion in to high quality refined sugar to improve the production and ensure adequate supply to the existing customers which also filled up the capacity.

The sugar price was in downtrend and increased input costs affected the returns compared to last year. The prices are predicted to be at the floor level and are expected to rise during the year 2014-15 due to low production forecast in top sugar producing countries.

The weather during the year is more favorable than last year and it is expected to maintain the sugarcane yield with improved quality compared to last season. It is estimated that the sugarcane availability will be higher for the next year.

The company has declared 24.22% dividend on its paid-up equity share capital of the company during the year.

Risks:

The rise of the byproducts of the sugar industry like cogen power, Rectified Spirit, Ethanol etc have been significant that has nearly overshadowed the importance of sugar in the short run.

Further the price of sugar varies wildly and hence units having only sugar unit are put to risk. However considering these factors and the local conditions and regulations in mind, the unit is in active discussion of putting up a Cogen plant and a distillery which also ensures that the by-products are put into economic and commercial use.

Risk Management:

As a diversified enterprise having interests in cement , engineering and power , the company has always followed a system based approach in Business Risks Management. Backed by sound control systems. The current framework for Risk Management includes;

- Appropriate structures have been in place to proactively monitor and manage the inherent risks in business.
- At the units' level, the internal audit system is such that it continuously verifies the compliance with laid down policies and procedures and help plug control gaps by assisting operating management in the formulation of control procedures and in identifying new areas of operations.
- A robust and comprehensive framework of strategic planning and control and stress on performance management ensures realisation of business objectives based on effective monitoring and periodical course correction if need be.
- Continuous monitoring of the audit system and preparing a comprehensive internal audit program with consultation from the statutory audits .

Occupational Health and Safety:

The definition as per ILO reads as "Occupational health should aim at: the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment

from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological capabilities; and, to summarize, the adaptation of work to man and of each man to his job".

The strategic objective of the company is to migrate towards green and safest operations across all units, optimisation of all natural resources used, recycling of all resources to the extent possible and providing maximum safety to all its people and its assets.

Cautionary Statement:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are as perceived currently. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Place: Chennai
Date: 22nd May, 2014

(V.L. DUTT)
Chairman and Managing Director

Annexures to the Director's Report

ANNEXURE 1

Statement showing particulars of Employees of the Company as required under Sec. 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Report of the Board of Directors for the year ended 31st March, 2014.

Sl. No.	Particulars	1	2	3	4
1	Name	Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha D. Chitturi	Sri. V. Gandhi
2.	Designation	Chairman and Managing Director	Joint Managing Director	Executive Director	Technical Director
3.	Qualification	Grad.B.I.M.	B.A.,	Grad. In Business Management, PGDHR	B.E. (MET)
4.	Experience	55 years	19 years	16 years	36 years
5	Date of Commencement of Employment	3.4.1970	1.7.1996	1.10.1999	25.01.2006
6	Salary in Rs.	72,00,000	60,00,000	24,00,000	24,00,000
7	Commission in Rs.	-	-	-	-
8	Benefits in Rs.	50855	24,68,201	23,03,703	20,24,446
9	Total Remuneration in Rs.	72,50,855	84,68,201	47,03,703	44,24,446
10	Nature of employment	Contractual	Contractual	Contractual	Contractual
11	Date of Birth	27/12/1937	14/09/1940	17/05/1971	04/03/1949
12	Particulars of previous employment-Name of the Employer	V. Ramakrishna Sons Private Ltd	Nil	Nil	Fives Cail KCP Limited
13	Designation & period of Previous employment	Administrative Director – 12 years	Nil	Nil	General Manager (PPC)- 7 years

Annexure 2

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

A. Conservation of Energy

a) Energy conservation measures taken and impact of the measures:
Cement Unit – I, Macherla:

- In WHR Turbine Condensate extraction pump speed has been reduced by 50 rpm through VFD to reduce energy consumption
- Mines water pipe line was directly connected to WHR cooling tower which resulted in energy saving
- Arranged 4 nos of light pipes at work shop ,which resulted in energy saving
- In order to reduce electrical energy consumption in the plant, 4 DC motors were replaced with AC motors and VFD drives.
- New cement mill was commissioned and attained rated output to conserve energy in cement mill section
- Raw mill, kiln and coal mill were operated at more than its rated capacity, thereby resulting in controlled specific power and specific heat consumption.

Energy conservation measures taken at cement Unit-II, Muktyala

- 1.15 MW Solar PV power plant commissioned.
- Total green energy generated 1259 MWH from solar plant during 6-7-2013 to 31-3-2014.
- Coal Crusher RP feeder Belt conveyor Geared motor 11 KW replaced by 9 KW Geared motorand savings are 1.1KW.
- Pyro water pump motor 55KW replaced with 22KW motor and savings are15KW.
- Cement mill water pump motor 55KW replaced by 22KW motor and energy saving achieved 15KW.
- CMD restricted from 19MVA to 15 MVA and savings are Rs.13.3 Lacs/pm.
- During Peak hours Raw mill and Cement mill stopped and saving are Rs.7.5 Lacs/pm.
- Cement silo extraction blower motor 22KW replaced by 15KW motor and savings are 5.2 KW
- LS Crusher RP Feeder speed reduced to 50% when LS hopper operates at low level.
- Total Energy saving of 129640 Kwh/Year which results in cost saving ofRs. 6.5 Lacs/year @ 5.0 Rs/kwh
- Total Energy saving in TOD period of 9129600 Kwh/Year which results in cost saving of Rs. 91.29 Lacs/year @ 1.0 Rs/kwh
- Total cost savings are 1.1 Crores per annum

Engineering Unit:

- Conventional SV lamps were replaced with energy saving Induction laps forstreet lighting
- One Compressor was replaced with VVFD (Variable Voltage and Frequency Drives)drive for energy efficiency and power factor improvement
- Some of the old motors were replaced with Energy efficient Eff2motors
- One automatic power factor controller with harmonic filter for sub-station was installed

Additional investments and proposals for reduction of consumption of energy and impact of the measures: Cement Unit – I, Macherla:

- Proposed to use LED lights for Colony street light in place of SV lamps and Tube light sets
- Proposed for arrangement of VFD for EOT crane motors.
- Proposed to Replace tube light sets in EPR with CFL / lead lamps.
- Proposed to use Pyrolysis oil in place of HSD oil for kiln light up to reduce cost.

Energy conservation measures planned at cement Unit-II, Muktyala

- Installation of VFD for Clinker tank BF Fan55KW and expected savings are 20KW.
- Installation of VFD for Blending Silo vent BF Fan 22KW and savings are 12KW.
- Retrofit 2x26W CFL Well glassLuminaries to 1x20 W CFL – 300 no and savings are 9.6 KW.
- Expected Energy Savings are3.00 Lac kWh/ year.

Engineering Unit:

- Proposed to install harmonic filter to improve the power quality.
- Proposed to replace the conventional welding rectifiers with invertor type welding machines.
- Proposed to replace Conventional SV lamps energy saving Induction/LED lamps for high bay lighting.
- Proposed to replace Window type AC's with energy saving 3 star Split AC's.
- Proposed to replace Four Compressors with VVFD (Variable Voltage and Frequency Drives) drive for energy efficiency and power factor improvement.

The details of Foriegn Exchange earnings and outgo are provided in Page no. 75 of the Annual Report

FORM A

Form of Disclosure of Particulars with respect to Conservation of Energy

CEMENT PRODUCTION UNITS, MACHERLA AND MUKTYALA .

POWER AND FUEL CONSUMPTON	CURRENT YEAR 2013 - 14		PREVIOUS YEAR 2012 - 13	
	Macherla	Muktyala	Macherla	Muktyala
1. ELECTRICITY				
A). PURCHASED FROM APSEB				
Units (K.W.H)	1,27,40,679	6,98,31,770	2,08,68,061	7,37,80,808
Total Amount Rs.	8,71,46,442	24,62,64,308	13,23,91,325	34,69,81,520
Rate/Unit (Including FSA Charges) (Rs.)	6.84	3.53	6.34	4.70
B). OWN GENERATION				
I) THROUGH DIESEL GENERATOR				
Units (K.W.H)	16,869	6,560	21,51,771	5627
Units per Ltr.of Diesel Oil	1.09	3.55	3.31	5
Cost/Unit Rs.	158.07	36.31	16.08	35
2) THROUGH SOLAR GENERATOR				
Units (K.W.H)		13,33,799	-	-
Total Amount Rs.		65,35,615	-	-
Cost/Unit Rs.		4.9	-	-
3) THROUGH HYDEL POWER				
Units (K.W.H)	1,87,71,565	-	1,09,04,670	-
Total Amount Rs.	9,19,80,669	-	4,22,13,813	-
Cost/Unit Rs.	4.90	-	3.87	-
4) THROUGH W H R POWER				
Units (K.W.H)	1,08,87,692	-	1,04,85,457	-
Total Amount Rs.	5,33,49,690	-	4,13,23,782	-
Cost/Unit Rs.	4.90	-	3.94	-
C). PURCHASED FROM OPEN AXIS				
Units (K.W.H)	28,60,460	61,34,063	49,88,125	1,54,96,518
Total Amount Rs.	2,22,71,551	4,15,16,263	2,93,88,253	9,34,16,693
Rate/Unit Rs.	7.79	6.77	5.89	6.03
2. COAL(SPECIFY QUANTITY AND WHERE USED)				
Qty (Tonnes)	75,570	1,20,143	84,663	1,45,145
Total cost Rs.	45,80,76,198	71,93,36,320	50,56,39,595	93,60,47,907
Average rate Rs.	6,062	5,987.35	5,972	6,449
3. DIESEL OIL				
Qty (Ltrs)	20,505	4,86,899	18,720	6,06,437
Total cost Rs.	11,20,468	3,06,91,270	8,57,670	3,05,97,913
Average Rate Rs.	54.64	63.03	45.82	50.46
4. CONSUMPTION PER UNIT OF PRODUCTION				
Electricity (KWH)	96.96	71.8	88.3	82.06
Coal	0.157	0.112	0.15	0.14
Others (Specify)	-		-	-

FORM - B

Form for disclosure of particulars with respect to Absorption

RESEARCH AND DEVELOPMENT (R&D)

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

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

2. Future plan of action

a) Capability development for characterisation of waste fuels.

b) Understanding and linking process parameters to environmental emissions.

c) Develop low energy cement.

3. Expenditure on R&D

Particulars	2013-14 Rs	2012-13 Rs
a) Capital Expenditure	**-**	-
b) Recurring Expenditure	**3,02,764**	2,92,124
c) Total expenditure	**3,02,764**	2,92,124
d) Total R&D expenditure as % of turnover	**0.005**	0.004

Report on Corporate Governance

Corporate governance refers to the set of systems, principles and processes by which a company is governed. It is based on principles such as conducting the business in an ethical manner with integrity and fairness, making all the necessary disclosures and decisions, complying with all the laws of the land. It is all about balancing individual and societal goals, as well as, economic and social goals.

The Company's philosophy on code of Governance

The aspect of Corporate Governance has always been high on the company's agenda. The company looks at Corporate Governance as the cornerstone for sustained financial performance, for serving its stakeholders and for instilling pride of association.Key elements of Corporate Governance are transparency, disclosure, supervision, internal controls. Risk management, internal and external communications and high standards of Safety, Health, Environmental protection, Accounting Fidelity, Product and Service Quality.

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

The report on Corporate Governance is divided into four parts:

I. Board of Directors

II. Committees of the Board

III. Shareholders' information

IV. Other disclosures

I. BOARD OF DIRECTORS

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

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

**Sri. A. Ramakrishna, an independent Director of the company has passed away on 20/08/2013, Sri. P.S. Kumar was appointed on 19/09/2013 in that casual vacancy and Sri. M. Narasimhappa was appointed as an additional director of the company on 18/10/2013.

a) Composition of Board and attendance particulars:

The Board of Directors consists of eminent individuals drawn from Management, Technical, Financial fields. The Board has an adequate combination of Executive and Non-executive Directors. As on 31st March, 2014, the Board has 9 (nine) members, comprising of 4 (four) Executive Directors (including Chairman & Managing Director) and 5 (five) Non-executive Independent Directors.

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

Board Independence

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

b) Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the company. In case of business exigencies the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meetings.

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

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

In the Financial year 2013-14, the Board met Six times, the Board meetings were held on the following dates: 17/05/2013, 8/8/2013, 19/09/2013, 18/10/2013, 5/12/2013, 31/01/2014.

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

c) Details of Board members and attendance of Directors at the Board Meetings and at the last Annual General Meeting (72nd AGM)

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

Director	No. of Board Meetings attended out of 6 Meetings held during the year	Attendance at last AGM (08/08/2013)	*No. of other Directorships		* No. of other Board Committees in which Director is a member / Chairman		No. of shares held by Directors (Equity shares of Re.1/- each)
			Chairman	Member	Chairman	Member	
Non-Executive Independent Directors:							
Sri O. Swaminatha Reddy	4	P	3	4	4	1	Nil
Sri V.H. Ramakrishnan	6	P	-	-	-	-	Nil
Sri. Vijay Sankar	6	P	-	4			Nil
Sri. P.S. Kumar	4	-					
Sri. M. Narasimhappa	3	-	-	1	-	-	
Executive Promoter Directors:							
Dr. V.L. Dutt, Chairman & Managing Director	6	P	1	1	-	1	6005569
Smt. V.L. Indira Dutt, Joint Managing Director	6	P	-	1	-	-	3064479
Smt. Kavitha D Chitturi, Executive Director	6	P	-	-	-	-	900000
Executive Non Promoter Directors:							
Sri V. Gandhi, Technical Director	6	P	-	1	-	-	2040

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

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

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting:

1) Annual Operating plans and budgets and any updates.

2) Capital budgets and any updates

3) Corporate resource allocation

4) Quarterly results for the Company and its operating divisions or business segments

5) Annual review of accounts.

6) Minutes of meetings of the audit committee and other committees of the Board.

7) The information on recruitment and remuneration of senior officers just below theboard level, including appointment and removal of the Chief Financial Officer and theCompany Secretary.

8) Details of joint venture or collaboration agreements, if any.

9) Review of Subsidiaries' functioning.

10) Risk evaluation and control.

e) Code of Conduct

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

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

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

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

Conflict of Interests

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

Code of Conduct for Prevention of Insider Trading

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

2. COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company. The Board committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The minutes of the committee meetings are placed before the Board.

The Board has currently the following Committees:

a) Audit Committee

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

The Audit Committee met four times during the year on 17/05/2013, 08/08/2013, 18/10/2013 & 31/01/2014

The Audit Committee comprises 5 Non-Executive Independent Directors and an Executive Director.The Committee was chaired by an independent Director Sri. O. Swaminatha Reddy, a Chartered Accountant by qualification.In the opinion of the Board of Directors, all the members of the Audit Committee are financially literate, and also have accounting or related financial management experience.

The committee also meets the requirements of Section 292A of the Companies Act 1956.

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

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri O. Swaminatha Reddy - Chairman	4	4
Sri V.H. Ramakrishnan	4	4
Sri A. Ramakrishna**	4	2
Sri. P.S. Kumar	4	2
Sri. Vijay Sankar	4	4
Sri. M. Narasimhappa	4	2
Executive Promoter Director :		
Smt Kavitha D Chitturi	4	4

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

BROAD TERMS OF REFERENCE

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292(A) of the Companies Act, 1956. These broadly include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/re- appointment of external and internal auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
- Reviewing with management, performance of external and internal Auditors, adequacy of internal control systems.
- Review of the quarterly, half-yearly and annual financial statements of the Company before submission to the Board of Directors.
- Discussion with internal Auditors any significant findings and follow up thereon.
- Review of the Company's financial and risk management policies.

Sri O. Swaminatha Reddy, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 08/08/2013.

Internal Controls:

The Company has appointed M/s RGN Price &Co and M/s M.Bhaskara Rao &Co as Internal Auditors to review and report on the internal control systems of the company. The reports of the Internal Auditors are reviewed by the Audit Committee. The Audit Committee formulated a detailed plan to the Internal Auditors for the year and the same is reviewed at the Audit Committee meetings. The Internal Auditors submit their recommendations to the Audit Committee and provides a road map for the future action.

b) Nomination and Remuneration Committee

This Committee evaluates the financial position and state of affairs of the Company vis-à-vis the prevailing comparable remuneration structure of managerial personnel in other Companies and determines the remuneration and benefits for Board Members. The Committee met on 18th October, 2013 during the year, 2013-2014.

The Remuneration Committee comprises the following Independent Directors:

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

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

c) Investment Committee

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

The Investment Committee comprises the following 5 Non-Executive Independent Directors.The Committee did not have an occasion to meet during the year, 2013-2014.

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

d) Share Transfer, Transmission and Issue of Share Certificate Committee:-

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

During the year, 15 meetings of Share Transfer Committee were held on the following dates:

16/04/2013, 13/05/2013, 05/06/2013, 25/06/2013, 1/08/2013, 30/08/2013, 03/10/2013, 18/10/2013, 31/10/2013, 19/11/2013, 2/012/2013, 23/12/2013, 30/01/2014, 13/02/2014, 03/03/2014.

The Committee comprises of the following executives of the Company:

Dr. A.V. Sivarama Prasad – Vice President - HRD & S

Sri. M.R. Ramachandran - Chief Financial Officer

Sri. Y. Vijayakumar – Company Secretary

Sri. S. Nandkumar – DGM – Finance (upto 31st Dec 2013)

Sri. Ch. Sree Ramachandra Murthy – Vice President – Finance (Since 31st January 2014)

e) Stakeholders Relationship Committee

This specifically looks into redressing of Shareholders'and Investors'complaints/ grievances pertaining to transfer/ transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints:

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

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

As per the confirmation received from M/s. Integrated Enterprises India Limited. The Company's Registrar and share transfer Agents, no complaints are pending as on 31-03-2014. The Board has designated Mr.Y.Vijayakumar, Company Secretary, as the compliance officer of the Company.

During the year the committee did not have an occasion to meet.

f) Finance Sub-Committee

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

During the year the Committee met on the following dates: 03/06/2013, 25/06/2013, 06/11/2013, 04/12/2013, 28/02/2014.

The Committee comprising of the following directors of the Company:

Directors	No. of meetings held	No. of Meetings attended
Executive Directors	5	
Dr. V.L. Dutt – Chairman	5	5
Smt. V.L. Indira Dutt – Member	5	5
Smt. Kavitha D. Chitturi – Member	5	5
Sri. V. Gandhi – Member	5	5
Non-Executive Independent Directors:		
Sri. Vijay Sankar – Member	5	4
Sri. P.S. Kumar - Member	5	2

g) Corporate Social Responsibility (CSR) committee:

The Company has a Corporate Social Responsibility committee, which comprises of the following members.

- Smt. V.L. Indira Dutt - Chairperson
- Smt. Kavitha D. Chitturi- Member
- Sri V. Gandhi- Member
- Sri. Vijay Sankar- Member
- Sri.P.S. Kumar- Member
- During the year the committee did not have an occasion to meet.

f) Innovation and Best practices committee:

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

Sri. Narasimhappa – Chairman

Smt. Kavitha D. Chitturi – Member

Sri. V.H. Ramakrishnan – Member

Sri. Vijaysankar – Member

Sri. V. Gandhi – Member

During the year the committee did not have an occasion to meet.

3. REMUNERATION POLICY ,

i) Remuneration to Non-Executive Directors.

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

During the year non-executive Directors of the Company were paid sitting fees of Rs. 20,000/- (Rupees twenty

thousand only) each for every meeting of the Board and Audit Committees of the Board attended by them.For Investment Committee Meeting Rs. 10,000/- (Rupees ten thousand only) were paid as sitting fees.The sitting fee is well within the limits prescribed under the provisions of the Companies Act, 1956.

During the year the Company did not have any direct pecuniary relationship/transaction with any of its Non Executive Directors.

The details of sitting fees paid to Non Executive Directors for the year 2013-2014 (for attending the Board Meetings, Audit Committee meetings and Investment Committee Meeting) are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	2,10,000
Sri. O. Swaminatha Reddy	1,70,000
Sri. A. Ramakrishna	1,00,000
Sri. Vijay Sankar	2,50,000
Sri. P.S. Kumar	1,60,000
Sri. M. Narasimhappa	1,10,000

(ii) Remuneration to Executive Directors

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

Particulars of their remuneration for the year ended 31st March, 2014 are given below:

Particulars of Executive Directors	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman & Managing Director	72,50,855	-	72,50,855
Smt. V.L. Indira Dutt Joint Managing Director	84,68,201	-	84,68,201
Smt. Kavitha Dutt Chitturi Executive Director	47,03,703	-	47,03,703
Sri. V. Gandhi Technical Director	44,24,446	-	44,24,446

4. GENERAL SHAREHOLDER INFORMATION

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

Date	11th August 2014
Time	10.45 a.m.
Venue (Registered Office)	"Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008.

2. Financial Calendar :

Key Financial Reporting Dates for the financial year 2014-15

	First Quarter ending 30th June, 2014	Within Forty five Days from the end of the Quarter
	Second Quarter ending 30th September, 2014	Within Forty five Days from the end of the Quarter
	Third Quarter ending 31st December, 2014	Within Forty five Days from the end of the Quarter
	Fourth Quarter ending 31st March, 2015	Within Sixty Days from the end of the Financial year
3.	**Dates of Book Closure:**	4th August to 11th August 2014. (Both days inclusive)

4. Dividend:

The Board of Directors of the Company at their meeting held on May 22, 2014, have recommended a final dividend of Re.0.10/- per equity share of Re. 1/- each (10%) for the Financial Year 2013-14 subject to approval of the shareholders at the ensuing Annual General Meeting.

5. Listing on Stock Exchanges:

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

The Company has paid the listing fees for the year 2014-2015 to the National Stock Exchange of India Limited (NSE).

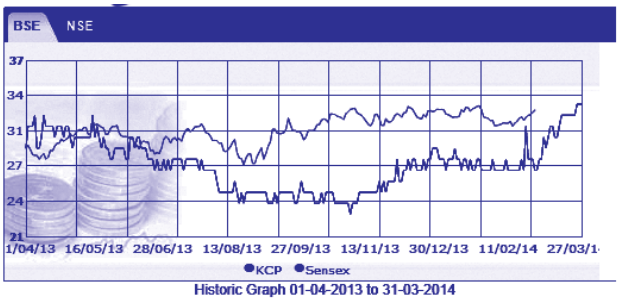
6. SHARE PRICE DATA:

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2013	32.95	26.75
May 2013	32.80	27.55
June 2013	31.10	26.90
July 2013	29.25	26.50
August 2013	28.20	23.60
September 2013	26.55	23.95
October 2013	25.95	23.00
November 2013	27.20	23.25
December 2013	29.25	25.75
January 2014	29.25	26.60
February 2014	32.50	26.35
March 2014	34.80	27.20

7. Relative Stock Performance Chart :

The Chart below gives the relative movement of the closing price of the company's share and the NSE Nifty relative to the closing price. **The KCP Limited price Vs NSE Nifty**



Historic Graph 01-04-2013 to 31-03-2014

8. Registrar & Share Transfer Agents

For demat & physical shares:
M/s. Integrated Enterprises India Limited
II Floor, "Kences Towers"
No.1, Ramakrishna Street
North Usman Road
T. Nagar, Chennai 600 017.
Ph: 28140801/803
Email: corpserv@iepindia.com
www.integratedindia.in

9. Share Transfer System:

The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. A summary of transfer/ transmission of securities so approved by the share transfer and transmission committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by Registrar and Share Transfer Agent. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e.NSDL and CDSL, expeditiously.

Pursuant to the Clause 47-C of the Listing Agreement, certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the stock exchanges.

10. Distribution of the Equity Shareholding as on 31st March, 2014 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	14920	92.02	10537904	8.17
5001-10000	571	3.52	4099818	3.18
10001-20000	323	1.99	4562250	3.54
20001-30000	134	0.83	3289455	2.55
30001-40000	65	0.40	2256946	1.75
40001-50000	45	0.28	2077065	1.60
50001-100001	69	0.43	4840616	3.75
Above100001	87	0.55	97257106	75.45
TOTAL	16214	100.00	128921160	100.00

11. Equity Shareholding as on 31st March, 2014 by category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	101	287056	0.2227
Bank Foreign	1	500	0.0004
Foreign Institutional	1	500	0.0004
Indian Financial Institutions	12	1377300	1.0683
Indian Promoters	24	61039924	47.3467
Mutual Funds & UTI	11	14791918	11.47

NRI / OCBs	175	2282827	1.7707
Private Corporate Bodies	248	2226029	1.7266
Indian Public	15636	46848545	36.34
Trusts	4	66561	0.0516
TOTAL	16214	12,89,21,160	100.0000

12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2014

SL NO	NAME OF THE SHARE HOLDER	NUMBER OF SHARES	%
1	SBI Emerging Businesses Fund	8438792	6.55
2	HDFC Trustee Company Limited A/c HDFC Growth Fund	3602343	2.79
3	Reliance Capital Trustee Co. Ltd A/c Reliance Small Cap Fund	2000000	1.55
4	Vinod H Punwani	1330951	1.03
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	Boppana Vinay Kumar	935250	0.73
9	Padmini Rajan	867790	0.67
10	Anumolu Raghava Ramakrishna	849900	0.66
	TOTAL	21667616	16.81

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital 117949236 Equity shares are held in dematerialized form with NSDL and CDSL as on 31st March 2014.

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

14. Reconciliation Of Share Capital Audit Report:

As stipulated by SEBI, Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

15. Plant Locations:

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

16. Compliance Certificate of the Auditors:-

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2013, September 30, 2013, December 31, 2013 and March 31, 2014.The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements entered

with the stock exchanges. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

17. Risk Management:

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

18. Other Disclosures:

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

19. OTHER INFORMATION

1. Details of Annual General Meetings & Special Resolutions:

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

Year	AGM	Location	Date	Time	Special Resolutions considered thereof	Result
2011	70th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	27/07/2011	10.45 a.m.	-	-
2012	71st	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	13/08/2012	10.15 a.m.	Resolution for reclassification of unclassified shares	Passed
2013	72nd	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	08/08/2013	11.30 a.m.	-	-

(b) No EGM was held by the company during the financial year ended 31st March 2014.

(c) Postal Ballot:

During the year the Company had obtained the approval of its members under Section Sections 198, 309, 269 read with Schedule XIII of the Companies Act,1956, read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011, for the Special resolutions with respect to following business:

1) Re-appointment of Dr.V.L.Dutt as Chairman & Managing Director and fixing his remuneration (Special Resolution)

2) Re-appointment of Smt.V.L.Indira Dutt as Joint Managing Director and fixing her remuneration (Special Resolution)

3) Re-appointment of Smt.Kavitha Dutt Chitturi, Executive Director and fixing her remuneration (Special Resolution)

4) Re-appointment of Sri. V. Gandhi as Technical Director and fixing his remuneration (Special Resolution)

Voting Pattern and Procedure for Postal Ballot:

1. The Board of Director of the Company at their meeting held on 18th October 2013 appointed Sri. R. Balasubramanian as the Scrutinizer for conducting the Postal Ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner.The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on 16/12/2013 the last date and time fixed by the company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on 23rd December 2013 at the Registered Office of the Company as per the Scrutinizer Report as under:

	Resolution no.1		Resolution no. 2		Resolution no. 3		Resolution no. 4	
	No. of postal ballot forms	No. of shares	No. of postal ballot forms	No. of shares	No. of postal ballot forms	No. of shares	No. of postal ballot forms	No. of shares
Total postal ballots Received	607	80026779	607	80026779	607	80026779	607	80026779
Number of invalid postal ballots	1	10	1	10	1	10	1	10
Number of valid postal ballots	606	80026769	606	80026769	606	80026769	606	80026769
Votes in favour of the Resolution	569	79913688	564	79904890	561	79894623	565	79900248
Votes against the Resolution	37	113081	42	121879	45	132166	41	126521

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

Subsidiary Company

As per the revised clause 49 of the Stock Exchange Listing Agreement, your Company does not have any Material non-listed Subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

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

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

2. Means of Communication

(i) The Board of Directors of the Company considers and approves all quarterly and annual financial results in the Pro-forma prescribed by Clause 41 of the Listing Agreement.

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

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

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

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.

DEMATERIALISATION OF SHARES:

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

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

The following are the benefits of Dematerialisation:

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

Unclaimed share certificates lying With Company / R&T agent

SEBI vide its notification dated 16.12.2010 has made it mandatory for every listed Company, which has issued shares in physical mode in past and where such share certificates could not reach the concerned shareholder due to insufficient / incorrect information or for any other reasons, to send at least three reminders to such shareholders whose shares have remained unclaimed as above and in case no response is received from concerned shareholder, such unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and kept in a separate Demat Account. Pursuant to above amendment, Company's R&T agent has sent third reminder to all such shareholders whose share certificate(s), whether related to past public issue or related to transfer request, are lying undelivered with Company / R&T agent.

In case no response is received from these shareholders even after the second and third reminder, Company / R&T agent shall transfer all such shares to "Unclaimed Suspense Account".

As on 31st March, 2014, none of such shares were transferred to "Unclaimed Suspense Account".

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

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

For and on behalf of the Board of Directors

Place: Chennai
Date: 22nd May, 2014

(V.L. DUTT)
Chairman and Managing Director

Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by The KCP Limited for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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

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

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

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

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

Place: Chennai
Date: 22nd May 2014

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

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

I, V.L. Dutt, Chairman & Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended 31-03-2014.

Place: Chennai
Date: 22nd May, 2014

V.L. DUTT
Chairman and Managing Director

CEO / CFO CERTIFICATION

The Board of Directors,

The KCP Limited

We hereby certify that

a) We have reviewed the financial statements and the cash flow statement of the company for the year ended 31st March, 2014 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

Place: Chennai Date: 22nd May, 2014	**V.L. Dutt** **Chairman and Managing Director**	**M.R. Ramachandran** **Chief Financial Officer**

Independent Auditors' Report

To the Members of The KCP Limited, Chennai

Report on the Financial Statements:

We have audited the accompanying financial statements of The KCP Limited, Chennai which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956("The Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b. In the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and

c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the 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 appears from our examination of those books ;

c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Place: Chennai

Date: 22nd May, 2014

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements' of our report of even date, to the members of THE KCP LIMITED, CHENNAI for the year ended 31 March 2014. We report that :

1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

1.2 According to the information and explanations furnished to us, the company has physically verified some of its fixed assets during the year, in accordance with a phased programme of verification, which, in our opinion, is reasonable, having regard to the size of the company and the nature of the assets. As per the said information and explanations, no material discrepancies were noticed on such verification carried out during the year.

1.3 Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

2.1 According to the information and explanations furnished to us, the company has physically verified its inventories during the year. In our opinion, the frequency of such verification is reasonable.

2.2 In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

2.3 According to the information furnished to us, the company is maintaining proper records of its inventory and the discrepancies if any noticed on verification between the physical stocks and the book records were not material, and have been properly dealt with in the books of accounts.

3.1 According to the information and explanations furnished to us, the company has not granted any loans to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.

3.2 According to the information and explanations furnished to us, the company has, at the date of the Balance Sheet under report, taken loans aggregating to Rs.22,05,03,000 from three directors, Rs.7,82,00,000 from two relatives of the director and Rs. 6,15,00,000 from a company, covered by the register maintained under Section 301 of the Companies Act 1956.

3.3 In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties listed in the registers maintained under Section 301 of the Companies Act 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and have so continued without correction.

5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act 1956, and contracts referred to in 5.1 above and exceeding Rs. 5,00,000 with any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A and 58AA of the Companies Act 1956.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account and records maintained by the company at its cement, engineering and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.

9.1 According to the information furnished to us, the company has generally been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

9.2 There were no undisputed statutory dues mentioned in the preceding paragraph in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

9.3 According to the information furnished to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

S. No	Nature of dues	Applicable statute	Amt. in Rs	Pending before
1	Excise duty and related demands	Central Excise Act 1944	322282877	Commissioner of Appeals
2	Sales tax and related demands	Sales tax Acts of various state Govts.	5126809	Various appellate authorities
3.	Forest Permit Charges	A.P. Forest Produce Rules 1970	12064816	Hon'ble High Court

10. According to the information and explanations furnished to us by the company, it had no accumulated losses at the end of the financial year, and it did not incur cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.

12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.

13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.

14. According to the information furnished to us, the company is not dealing in or trading in shares,

securities, debentures and other instruments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. In our opinion, and according to the information furnished to us, there are no guarantees outstanding as at the year end that are given by the company for loans taken by others from banks or financial statements.

16. In our opinion, and according to the information and explanations furnished to us, the term loans taken by the company have been applied for the purpose for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.

19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.

20. The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys does not arise during the year.

21. According to the information and explanations furnished to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Place: Chennai

Date: 22nd May, 2014

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

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Notes	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**20,89,21,160**	27,89,21,160
Reserves and Surplus	4	**342,49,50,092**	344,58,26,089
		363,38,71,252	372,47,47,249
Non-Current Liabilities			
Long-term Borrowings	5	**312,51,85,307**	194,81,95,339
Trade Payables	6.1	**45,25,851**	26,07,721
Deferred Tax Liability (Net)	7	**57,63,48,047**	57,58,53,983
Other Long-Term Liabilities	6.2	**31,64,17,346**	31,44,14,702
Long-term Provisions	8.1	**3,96,94,130**	3,64,67,403
		406,21,70,681	287,75,39,148
Current Liabilities			
Short-term Borrowings	9	**89,02,51,210**	118,68,69,180
Trade Payables	10.1	**57,03,61,169**	54,01,86,818
Other Current Liabilities	10.2	**114,96,61,757**	132,21,55,560
Short term Provisions	8.2	**3,22,44,362**	18,39,79,900
		264,25,18,498	323,31,91,458
TOTAL		**1033,85,60,431**	983,54,77,855
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**513,89,36,787**	506,63,62,975
Intangible Assets	12	**23,89,272**	-
Capital Work in Progress		**150,39,35,637**	99,74,87,829
Non-current Investments	13	**28,89,81,241**	28,89,81,241
Deferred Tax Assets (Net)		**-**	-
Long Term Loans and Advances	14.1	**50,61,88,672**	54,37,12,388
Trade Receivables	15.1	**1,53,92,554**	1,17,14,266
Other Non-Current Assets	15.2	**82,56,931**	45,06,000
		74,64,081,094	691,27,64,699
Current Assets			
Current Investments	16	**-**	-
Inventories	17	**123,52,72,427**	118,35,66,227
Trade Receivables	15.1	**45,18,29,448**	48,20,98,583
Cash and Bank Balances	18	**19,60,36,270**	52,58,17,624
Short term Loans and Advances	14.2	**91,55,94,466**	65,16,87,969
Other Current Assets	15.2	**7,57,46,726**	7,95,42,753
		287,44,79,337	292,27,13,156
TOTAL		**1033,85,60,431**	983,54,77,855
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	**2**		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Notes	This Year	Previous Year
		Rs.	Rs.
Income			
Revenue from operations (Gross)	19	**722,56,92,381**	817,00,63,092
Less: Excise duty		**100,37,94,440**	117,30,08,799
Revenue from operations (Net)		**622,18,97,942**	699,70,54,293
Other Income	20	**34,65,98,296**	77,63,38,318
Total Revenue (I)		**656,84,96,238**	777,33,92,611
Expenses			
Cost of Raw Materials and Components consumed	21	**132,64,88,493**	152,08,13,825
[Increase]/Decrease in Inventories of finished goods,Work-in-progress	22	**14,43,81,411**	-50,74,707
and traded goods			
Employee Benefits expense	23	**52,49,54,032**	51,25,47,830
Finance Costs	24	**44,73,42,419**	38,12,33,701
Depreciation and amortization expense	25	**34,09,19,918**	31,97,60,844
Other expenses	26	**377,23,78,475**	456,08,50,094
Total Expenses (II)		**655,64,64,747**	729,01,31,587
Profit/(Loss) before Exceptional & Extraordinary items and tax		**1,20,31,491**	48,32,61,024
Less : Exceptional Items (Net)		**-**	- 4,93,18,500
Profit/(Loss) before Extraordinary items and tax		**1,20,31,491**	43,39,42,524
Extraordinary Items		**-**	-
Profit/(Loss) before tax		**1,20,31,491**	43,39,42,524
Add : Income Tax Refund		**12,39,576**	8,05,270
Less : Tax expenses			
Short / (Excess) provision of Income Tax of Eariler Years		**-**	8,41,395
Current tax		**27,50,000**	8,71,23,928
Deferred tax		**4,94,064**	8,66,03,358
Add: MAT credit entitlement		**27,37,726**	4,43,74,824
Total tax expense		**(7,33,238)**	12,93,88,587
Profit/(Loss) for the year from continuing operations (A)		**1,27,64,729**	30,45,53,937
Earnings per equity share [nominal value of share Re.1 /-]		**(0.04)**	2.16
Basic and diluted:			
Computed on the basis of total profit for the year		**(0.04)**	2.16
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	2		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	31-03-2014 Rs.	31-03-2013 Rs.
(A) Cash flow from operating activities		
Profit before tax from continuing operations	**1,20,31,491**	43,39,42,524
Profit before tax	**1,20,31,491**	43,39,42,524
Adjustments for :		
Depreciation/amortization on continuing operation	**34,09,19,918**	31,97,60,844
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	**2,14,347**	3,23,898
Loss/[profit] on sale of fixed assets	**-15,05,791**	-2,04,83,004
Unrealised foreign exchange loss	**23,73,412**	-9,67,631
Interest expense	**44,73,42,419**	38,12,33,701
Interest income	**-4,96,04,280**	-10,56,95,873
Dividend income	**-15,04,43,533**	-43,89,51,874
Operating profit before working capital changes	**60,13,27,983**	56,91,62,585
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	**3,20,92,481**	19,60,27,893
Increase/[decrease] in Long term provisions	**32,26,727**	1,03,45,120
Increase/[decrease] in short-term provisions	**-15,74,57,593**	63,94,949
Increase/[decrease] in current liabilities	**-4,90,73,498**	-15,52,89,685
Increase/[decrease] in other long-term liabilities	**20,02,644**	9,47,29,296
Adjustments for Decrease / (Increas) in operating assets :		
Decrease/[increase] in trade receivables	**2,65,90,847**	26,11,90,340
Decrease/[increase] in inventories	**10,99,040**	30,03,88,845
Decrease/[increase] in loans and advances	**3,75,23,716**	-1,83,18,364
Decrease/[increase] in short-term loans and advances	**-25,77,38,073**	-29,07,70,512
Decrease/[increase] in other current assets	**6,23,54,531**	-4,76,86,303
Decrease/[increase] in other non-current assets	**-37,50,931**	-45,06,000
Cash generated from/[used in] operations	**29,81,97,874**	92,16,68,164
Direct taxes paid [net of refunds]	**5,73,18,928**	6,93,47,964
Foreign exchange difference	**-23,73,412**	9,67,631
Net cash flow from/[used in] operating activities (A)	**23,85,05,534**	85,32,87,831
(B) Cash flows from investing activites		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	**-102,42,70,668**	-111,12,78,824
Proceeds from sale of fixed assets	**18,68,757**	2,96,70,375
Purchase of non-current investments	**-**	-21,572
Purchase of current investments	**-**	-
Repayment of preference capital	**-7,00,00,000**	-5,00,00,000
Interest received	**4,61,73,581**	10,56,95,873
Dividends received from subsidiary company	**15,04,43,533**	43,89,51,874
Net cash flow from/[used in] investing activities (B)	**-89,57,84,797**	-58,69,82,274
(C) Cash flows from financing activities		
Proceeds from long term Borrowings	**139,25,26,968**	47,25,50,146
Repayment of long term Borrowings	**-29,04,00,000**	-31,02,12,764
Proceeds from short term Borrowings	**-**	36,24,49,081
Repayment of short term Borrowings	**-29,66,17,970**	-
Interest paid	**-44,73,42,419**	-38,12,33,701
Dividends paid	**-2,53,19,513**	-20,17,21,313
Tax on dividend paid	**-53,49,158**	-3,27,24,240
Net cash flow from/[used in] in financing activities [C]	**32,74,97,908**	-9,08,92,791
Net increase/[decrease] in cash and Bank Balances (A+B+C)	**-32,97,81,355**	17,54,12,766
Cash and Bank Balances at the beginning of the year	**52,58,17,624**	35,04,04,858
Cash and Bank Balances at the end of the year	**19,60,36,270**	52,58,17,624
Components of Cash and Bank Balances		
Cash on hand	**9,49,336**	5,91,029
Cheques/Drafts on hand	**2,01,33,790**	4,83,36,574
With banks on current account	**7,80,64,421**	6,07,47,545
On deposit account	**8,06,81,354**	39,91,01,963
Unpaid dividend accounts	**1,62,07,370**	1,70,40,513
Total Cash and Bank Balances (Note 18)	**19,60,36,270**	52,58,17,624

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1. GENERAL

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 FIXED ASSETS

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

2.2 LEASED ASSETS :

(A) ASSETS UNDER FINANCE LEASE:

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

(B) ASSETS UNDER OPERATING LEASE :

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

2.3.INVESTMENTS

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

2.4. INVENTORIES

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

(b) Stock of scrap –

i. In respect of Engineering Unit, purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.

ii. In respect of other scrap, the stock of scrap is not valued and adjusted. Sales, as and when made, are adjusted.

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

2.5.SALES AND OTHER EARNINGS

(a) Sales and service earnings are inclusive of excise duty, service tax, freight, insurance etc. recovered thereon.

(b) Despatches from Engineering Unit are in completely knocked down condition and are invoiced at the appropriate technically evaluated values, which are matched with contracted sale prices.

(c) Electricity generated by the power units of the company, sold to its other units is accounted at the tariff rates charged by the State Electricity Boards. Such earnings are adjusted to the power charges.

(d) The revenue from sale of Renewable Energy credit is recognised on delivery thereof or sale of right therein, as the case may be, in terms of the contract with the respective buyers.

(e) Dividend income is accounted as and when the right to receive arises.

(f) Other income – Revenue in respect of other incomes are recognised when there is a reasonable certainty as to its realisation.

2.6. FOREIGN EXCHANGE TRANSACTIONS

A) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchange arising on actual receipt/payment during the year.

B) At each Balance Sheet date

- foreign currency monetary items are reported using the rate of exchange on that date
- foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized

C) In respect of forward exchange contracts in the nature of hedges

- Premium or discount on the contract is amortised over the term of the contract,
- Exchange differences on the contract are recognized as profit or loss in the period in which they arise

2.7. ACCOUNTING FOR DERIVATIVES

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

2.8. EMPLOYEE BENEFITS

a) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

b) Long Term Employee Benefits i.e. such benefits which do not fall due wholly within twelve months after the end of the period in which the employees render the related service, are recognized as follows

- Expense is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which employee has rendered services in lieu of such leave.
- Liability as at the date of each Balance Sheet is arrived at and recognized therein as per actuarial valuation.

c) Post Employment Benefits:

(i) Defined Contribution plans:

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

(ii) Defined Benefit plans:

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

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

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

2.9. DEPRECIATION

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

i. In respect of assets existing as on 30-6-1988, under the written down value method: and

ii. In respect of assets acquired on or after 1-7-1988, under the straight line method.

2.10. IMPAIRMENT OF ASSETS:

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

impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.11. WARRANTY CLAIMS

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

2.12. DIVIDENDS

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

2.13. BORROWING COST

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

2.14. EXPENDITURE DURING CONSTRUCTION PERIOD:

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

2.15. EXPENDITURE ON APPROVED RESEARCH AND DEVELOPMENT PROGRAMME

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

2.16. TAXATION

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

- ❖ Deferred tax resulting from timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.
- ❖ Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realised. Deferred tax assets arising on other temporary timing differences are recognised only if there is a reasonable certainty of realisation.
- ❖ MAT Credit Entitlement as per the provisions of Income Tax Act, 1961, is treated as an asset by credit to the Profit and loss account.

2.17. EARNINGS PER SHARE (EPS)

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

2.18. PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS

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

2.19 GOVERNMENT GRANTS

(i). Grants from government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will complied with.

(ii) Government grants relating to Specific fixed assets is shown as deduction from the gross value of the asset concerned in arriving at its book value.

(iii) Grants related to revenue items are presented under general heading such as "Other Income" or they are deducted in reporting the related expense.

3) SHARE CAPITAL

PARTICULARS	AS AT 31st March, 2014 Rs.	AS AT 31st March, 2013 Rs.
Authorised Share Capital:		
35,00,00,000 (31 March 2013 : 35,00,00,000) Equity shares of Rs.1/- each	**35,00,00,000**	35,00,00,000
2,00,00,000(31 March 2013 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**20,00,00,000**	20,00,00,000
	55,00,00,000	55,00,00,000
Issued Share Capital:		
12,89,77,480 (31 March 2013 : 12,89,77,480) Equity shares of Rs.1/- each	**12,89,77,480**	12,89,77,480
2,00,00,000 (31 March 2013 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**20,00,00,000**	20,00,00,000
	32,89,77,480	32,89,77,480
Subscribed and fully paid-up :		
12,89,21,160 (31 March 2013 :12,89,21,160) Equity shares of Rs.1/- each	**12,89,21,160**	12,89,21,160
80,00,000 (31 March 2013 : 1,50,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**8,00,00,000**	15,00,00,000
Total issued, subscribed and fully paid-up capital	**20,89,21,160**	27,89,21,160

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,88,96,326) equity shares of 1/- each fully paid - 30.22%(30.17%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) equity shares of 1/- each fully paid- 7.43% (7.43%)
3. SBI Emerging Business Fund 84,38,792 (83,45,318) equity shares of 1each fully paid up - 6.55% (6.47%)
4. M/s. Tata Capital Financial Services Ltd. - 80,00,000 (1,50,00,000) Preference shares of Rs. 10/- each fully paid - 100%(100%).

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

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Equity Share Capital at the beginning of the Year	**12,89,21,160**	12,89,21,160
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	**15,00,00,000**	20,00,00,000
Less: 70,00,000 12% Redeemable cumulative Non-convertible Preference shares of Rs 10 each redeemed during the year (50,00,000 shares in previous year)	**7,00,00,000**	5,00,00,000
Issued Subscribed and Fully paid up capital at the end of the year	**20,89,21,160**	27,89,21,160

3.3) Preference Shares are redeemable within a period of five years but after the expiry of two years of the completion date (i.e., share allotment date - 09/12/2009) in the following manner:

(i) In the third year Rs. 5,00,00,000
(ii) In the fourth year Rs. 7,00,00,000
(iii) In the fifth year Rs. 8,00,00,000

During the year the company has redeemed 70,00,000 12% Redeemable Cumulative, Non Convertible of Rs.10 each along with prorata interim dividend.

4) RESERVES AND SURPLUS

PARTICULARS	AS AT 31st March, 2014 Rs.	AS AT 31st March, 2013 Rs.
Capital Reserve		
Capital Redemption Reserve		
Balance as per Last Financial Statements	**12,00,00,000**	5,00,00,000
Add: Amount Transferred from Surplus Balance in Statement of Profit and Loss	**8,00,00,000**	7,00,00,000
	20,00,00,000	12,00,00,000
Capital Reserve On Reorganisation	**2,79,91,144**	2,79,91,144
Capital Subsidy	**50,00,000**	50,00,000
Amalgamation Reserve	**1,03,83,025**	1,03,83,025
Total Capital Reserve	**24,33,74,169**	16,33,74,169
General Reserve		
Balance as per the last Financial Statements	**274,50,00,000**	270,00,00,000
Add: Amount transferred from Surplus Balance in the Statement of Profit and Loss	**-**	4,50,00,000
Closing Balance	**274,50,00,000**	274,50,00,000
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	**53,74,51,920**	52,34,67,906
Profit for the year	**1,27,64,729**	30,45,53,937
	55,02,16,649	82,80,21,843
Less : Appropriations		
Proposed Final Equity Dividend (Amount per share Rs. 0.10) (Previous year Rs.0.50))	**1,28,92,116**	6,44,60,580
Interim Dividend Paid	**-**	6,44,60,580
Proposed Dividend on 12% Redeemable, Cumulative Preference Shares	**1,53,99,452**	2,21,42,466
Tax on Distributed Profits	**53,49,158**	2,45,06,297
Transfer to Capital Redemption Reserve	**8,00,00,000**	7,00,00,000
Transfer to General Reserve	**-**	4,50,00,000
Total Appropriations	**11,36,40,726**	29,05,69,923
Net Surplus in Statement of Profit and Loss	**43,65,75,923**	53,74,51,920
Total Reserves and Surplus taken to Balance Sheet	**342,49,50,092**	344,58,26,089

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Term Loans - Secured				
Rupee loan from banks - Cement Plant Muktyala	**82,50,29,822**	104,84,84,949	**29,04,00,000**	29,04,00,000
Rupee loan from banks - Hotel Project	**34,48,82,552**	16,96,34,000	**-**	-
Rupee loan from banks - Cement Plant-Macherla	**12,81,33,173**	13,89,28,146	**1,50,00,000**	-
Rupee loan from banks - Captive Power Plant- Muktyala	**57,90,30,760**	12,76,50,000	**2,49,00,000**	-
Foreign currency loan from banks -Cement plant	**-**	10,89,89,244	**-**	-
Rupee loan from banks - Corporate	**68,00,00,000**	-	**-**	-
	255,70,76,307	159,36,86,339	**33,03,00,000**	29,04,00,000

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Other Loans and advances:				
Deposits (unsecured)				
From Directors	**31,53,000**	3,50,000	**3,50,000**	31,53,000
From Others	**56,49,56,000**	35,41,59,000	**19,54,76,000**	30,74,36,000
	56,81,09,000	35,45,09,000	**19,58,26,000**	31,05,89,000
	312,51,85,307	194,81,95,339	**52,61,26,000**	60,09,89,000
The above amount includes				
5.1) Secured Borrowings	**255,7076,307**	159,36,86,339	**33,03,00,000**	29,04,00,000
5.2) Unsecured Borrowings	**56,81,09,000**	35,45,09,000	**19,58,26,000**	31,05,89,000
5.3) Amount disclosed under the head				
"Other Current Liabilities"(Note 10)	**-**	-	**52,61,26,000**	60,09,89,000
	312,51,85,307	194,81,95,339	**52,61,26,000**	**60,09,89,000**

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

b) The long Terms loans obtained for Cement Plant at Muktyala are repayable in 28 Quarterly Installments of Rs. 7.26 crores each with effect from 30th June 2011.

5.5) a) Term loan obtained for Hotel project at Hyderabad is secured by First charge on the land, building and other assets of the company at Somajiguda Hyderabad. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.

b) The long term loan obtained for Hotel project is repayable in 28 quarterely instalments of Rs. 1.61 crores with last instalment being Rs. 1.53 crores with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period.

c) Additional Term loan of Rs.14.73 crores obtained for Hotel Project is repayable in 28 quarterly instalments of Rs.0.53 crores after holiday period of 18 months. First instalment of both the loans for Hotel Project falls due in June 2015.

5.6) a) Term Loan obtained for the Captive Power Plant Muktyala is secured by the First Charge on the fixed Assets of the Captive Power Plant Muktyala. The rate of interest of the abovesaid loan is Base Rate plus margin 1.75%

b) The long Term loans obtained Captive Power Plant Muktyala are repayable in 32 Quarterly Instalments of Rs 2.49 crores with the last instalment being Rs 2.45 crores each with an initial moratorium peroid of two years from the date of first disbursement. First instalment falls due on March'2015.

5.7) a) Term Loan obtained for the Cement Plant Macherla is secured by the First Charge on the fixed Assets (both present and proposed out of the loan) and second charge on the current assets of the Cement Division at Macherla. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.

b) The long Term loans obtained for Cement Plant at Macherla are repayable in 28 Quarterly Installments of Rs 0.75 crores each with an initial moratorium peroid of two years from the date of first disbursement. First instalment falls due in December 2014.

5.8) a) Term Loan of Rs.12 crores obtained for working capital and business operations is secured by Equitable Mortgage on properties at Visakhapatnam, Mumbai and Hyderabad. The rate of interest of this loan is Base Rate plus margin 2%.

b) This loan is repayable in 4 equal half yearly instalments of Rs. 3 crores after 1 year moratorium.

5.9) a) Term Loan of Rs.56 crores obtained for shoring up working capital is secured by Exclusive charge on land near Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.

b) This loan is repayable in 20 quarterly instalments of Rs. 2.80 crores after 2 years moratorium.

5.10) Details of deposits held by Directors of the company

	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
a) Dr. V. L. Dutt	33,50,000	33,50,000
b) Smt. Kavitha D. Chitturi	1,53,000	1,53,000

The rate of interest is within the limits specified under Section 58 A of the Companies Act and Rules made thereunder.

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
6.1) Trade payables	**45,25,851**	26,07,721
Total	**45,25,851**	26,07,721
6.2) Others		
Outstanding Liabilities for - Trade Payables - FSA Charges	**-**	4,08,81,873
- Other Expenses	**3,65,87,042**	3,65,87,042
Retention Money Payable	**1,47,82,751**	27,565
Trade Deposits	**23,13,27,864**	21,64,80,964
Deposits Payable-Contractors	**1,62,90,000**	1,35,90,000
Interest accrued but not due	**1,74,29,689**	68,47,258
Total	**31,64,17,346**	31,44,14,702

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Deferred Tax Liability:		
Fixed assets:Impact of difference between tax depreciation and		
depreciation/amortisation charged for the financial reporting	**67,40,83,428**	58,88,94,584
Gross Deferred Tax liability	**67,40,83,428**	58,88,94,584
Deferred Tax asset:		
Impact of expenditure charged to the statement of Profit and Loss		
in the current year but allowed for tax purposes on payment basis	**9,77,35,381**	1,30,40,601
Gross Deferred Tax Asset	**9,77,35,381**	1,30,40,601
Net Deferred Tax Liability	**57,63,48,047**	57,58,53,983

8) PROVISIONS

PARTICULARS	8.1 - Long Term		8.2 - Short Term	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Provision for employee benefits:				
Provision for Gratuity	-	-	**17,79,799**	66,65,799
Provision for Leave Benefits	**3,96,94,130**	3,64,67,403	**25,48,875**	10,77,193
	3,96,94,130	3,64,67,403	**43,28,674**	77,42,992
Other Provisions:				
Provision for Wealth tax	-	-	**21,15,003**	20,51,416
Provision for Income tax	-	-	**72,40,399**	9,27,91,177
Proposed Equity Dividend	-	-	**1,28,92,116**	6,44,60,580
Provision for tax on Distributed Profits	-	-	**21,91,015**	1,04,57,118
Proposed preference dividend	-	-	**29,72,055**	55,72,603
Provision for tax on proposed preference dividend	-	-	**5,05,100**	9,04,014
	-	-	**2,79,15,688**	17,62,36,908
Total	**3,96,94,130**	3,64,67,403	**3,22,44,362**	18,39,79,900

9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Cash credit from Banks		
: Secured	**61,17,51,210**	90,88,69,180
Loan Repayable on Demand (Unsecured)		
:from Directors	**21,70,00,000**	20,40,00,000
Inter-corporate Deposits repayable on demand	**6,15,00,000**	7,40,00,000
	89,02,51,210	118,68,69,180
The above amount includes		
Secured Borrowings	**61,17,51,210**	90,88,69,180
Unsecured Borrowings	**27,85,00,000**	27,80,00,000

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
9.1) i) Cash Credit from a Bank secured by paripassu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Engineering division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**19,31,62,742**	18,72,56,541
ii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Macherla Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**21,16,21,210**	20,62,92,600
iii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Muktala Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**20,81,59,476**	41,46,83,307
iv) From a bank secured by first charge on movable, immovable properties and current assets of the Bio-tech division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**(11,92,218)**	1,01,36,732
v) Short Term Loan from Bank against Fixed Deposits	**-**	9,05,00,000
	61,17,51,210	90,88,69,180
9.2) Demand loans obtained from Directors		
a) Dr. V.L. Dutt	**13,00,00,000**	10,75,00,000
b) Smt. V. L. Indira Dutt	**5,30,00,000**	6,40,00,000
c) Smt. Kavitha Dutt Chitturi	**3,40,00,000**	3,25,00,000
	21,70,00,000	20,40,00,000
The above demand loans carry interest at the rate of 10%		
9.3) Details of Inter-corporate loan		
Inter Corporate loan obtained from V. Ramakrishna Sons Pvt Limited and carries interest at the rate of 10%	**6,15,00,000**	7,40,00,000
	6,15,00,000	7,40,00,000

10) OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
10.1) Trade payables		
(includes Rs. 10,23,406 /- (Rs 26,19,389/-) due to Joint Managing Director)	**57,03,61,169**	54,01,86,818
	57,03,61,169	54,01,86,818
10.2) Other Liabilities:		
Current maturities of long term borrowings (Note No. 5.3)	**52,61,26,000**	60,09,89,000
Interest accrued but not due on borrowings	**90,82,631**	1,86,22,609
Interest accrued and due on borrowings	**1,75,36,388**	99,57,159
Advance from customers	**26,78,17,868**	27,54,38,856
Unpaid dividend	**1,62,07,370**	1,70,38,183
Others		
Accrued Salaries and Benefits	**2,36,89,486**	1,80,11,506
Directors Remuneration payable	**-**	2,30,85,159
Project Related payables	**13,10,70,410**	17,96,27,714
Statutory Dues	**11,70,56,089**	13,50,17,616
Others	**4,10,75,515**	4,43,67,758
	114,96,61,757	132,21,55,560
Total	**172,00,22,927**	186,23,42,378

11) TANGIBLE ASSETS and 12) INTANGIBLE ASSETS

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
S. No	DESCRIPTION	Cost as on 01-04-2013	Additions during the year	Deductions during the year	Cost upto 31-03-2014	Total Depreciation upto 31-03-2013	Depreciation For the Year	Depreciation On Deletions	Total Depreciation upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Note No. 11. Tangible Assets										
1	LANDS	19,22,77,079	46,62,000	96,80,000	18,72,59,079	-	-	-	-	18,72,59,079	19,22,77,079
2	(a) BUILDINGS	73,98,07,440	10,95,78,994	2,81,00,956	82,12,85,478	13,33,52,438	1,89,35,848	81,76,500	14,41,11,786	67,71,73,692	60,64,55,002
	(b) LEASE HOLD BUILDINGS	15,47,500	-	-	15,47,500	5,38,462	25,224	-	5,63,686	9,83,814	10,09,038
3	PLANT and MACHINERY	590,23,49,563	34,05,49,358	4,74,56,411	619,54,42,510	179,08,31,991	30,33,64,557	2,50,50,195	206,91,46,353	412,62,96,157	411,15,17,572
4	TRAMWAYS and RAILWAY SIDINGS	67,94,361	-	-	67,94,361	64,54,643	-	-	64,54,643	3,39,718	3,39,718
5	FURNITURE, FIXTURES	4,50,61,770	24,39,392	2,62,939	4,72,38,223	2,06,16,031	29,19,987	1,02,321	2,34,33,697	2,38,04,526	2,44,45,739
6	OFFICE EQUIPMENT	3,84,51,228	2,87,256	35,600	3,87,02,884	1,96,09,222	25,23,259	3,811	2,21,28,670	1,65,74,214	1,88,42,006
7	VEHICLES and EARTH MOVING	16,50,28,801	1,54,41,097	75,72,897	17,28,97,001	5,48,62,257	1,54,34,858	39,05,701	6,63,91,414	10,65,05,587	11,01,66,544
8	RESEARCH and DEVELOPMENT	36,97,989	-	36,97,989	-	13,97,947	1,75,576	15,73,523	-	-	23,00,042
	Sub-Total	709,50,15,731	47,29,58,097	9,68,06,792	747,11,67,036	202,76,62,991	34,33,79,309	3,88,12,051	233,22,30,249	513,89,36,787	506,73,52,740
	Note No. 12. Intangible Assets										
9	PATENTS	13,90,000	-	4,90,000	9,00,000	13,90,000	-	4,90,000	9,00,000	-	-
10	SOFTWARE	-	24,62,546	-	24,62,546	-	73,274	-	73,274	23,89,272	-
	Sub-Total	13,90,000	24,62,546	4,90,000	33,62,546	13,90,000	73,274	4,90,000	9,73,274	23,89,272	-
	GRAND TOTAL	709,64,05,731	47,54,20,643	9,72,96,792	747,45,29,582	202,90,52,991	34,34,52,583	3,93,02,051	233,32,03,523	514,13,26,059	506,73,52,740
	PREVIOUS YEAR	692,83,83,886	19,70,16,955	2,89,95,110	709,64,05,731	171,84,74,826	32,00,62,022	94,83,857	202,90,52,991	506,73,52,740	520,99,09,060

Note: Depreciation for the year includes an amount of Rs. 25,32,665/- capitalised during the year (Previous Year: Rs. 3,01,178/-).

13) NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiary:		
103,23,340 (31 March 2013:103,23,340) Equity shares of US $ 1/- each,		
fully paid up in K.C.P.Vietnam Industries Ltd., Vietnam.	**23,71,43,667**	23,71,43,667
Investment in Joint Venture:		
4,00,000 (31 March 2013: 4,00,000) Equity shares of Rs.10/- each,		
fully paid up in Fivescail KCP Ltd.,	**40,00,000**	40,00,000
Common Stock (unquoted):		
1640 Non-Voting common stock of BGE Global Inc., par value $0.01 per share	**76,99,947**	76,99,947
Preferred Shares (unquoted):		
750 Non-Voting preferred stock of BGE Global Inc., par value $0.01 per share.	**3,84,99,738**	3,84,99,738
	28,73,43,352	28,73,43,352
Non-Trade Investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments(quoted):		
100 (31st March 2013: 100) Equity shares of Rs.10/- each,		
fully paid up in Industrial Finance Corporation of India.	**3,500**	3,500
14240 (31st March 2013: 14240) Equity shares of Rs.10/- each,		
fully paid up in Industrial Development Bank of India.	**11,57,000**	11,57,000
Equity Shares (unquoted):		
30 (31st March 2013: 30) Equity shares of Rs. 10/- each		
fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd.,	**1**	1
(Written off to the extent of Rs. 299/-)		
100000 (31st March 2013: 100000) Equity shares of Rs. 10/- each		
fully paid up in Prudential Mouli Sugars Ltd.,	**1**	1
(Written off to the extent of Rs. 9,99,999/-)		
Other Investments - Unit Trust of India - Quoted:		
(Earmarked towards Deposits under Companies Acceptance of Deposits		
Rules 1975,) 22565.409 (31st March 2013 : 22565.409) UTI		
Balanced Fund Units of Rs.10/- each	**4,77,387**	4,77,387
	16,37,889	16,37,889
	28,89,81,241	28,89,81,241
13.1) Aggregate amount of quoted Investments(market value:Rs. 15,04,410/-) (31 March 2013:Rs. 16,22,757/-))	**16,37,887**	16,37,887
13.2) Aggregate amount of unquoted Investments	**28,73,43,352**	28,73,43,352
13.3) Aggregate provision for diminution in value of Investments	**NIL**	NIL

14) LOANS AND ADVANCES

PARTICULARS	14.1 - Non-current		14.2 - Current	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Capital Advances				
Secured, Considered good	-	-	-	-
Unsecured, Considered good	**18,62,29,918**	20,73,99,518	-	-
(A)	**186,229,918**	20,73,99,518	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	**8,90,24,420**	8,97,01,030	**26,056**	1,81,894
Doubtful	-		-	
	8,90,24,420	8,97,01,030	**26,056**	1,81,894
Provision for Doubtful security deposit	-	-	-	-
(B)	**8,90,24,420**	8,97,01,030	**26,056**	1,81,894
Loans and advances to related parties				
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-		-	
	-	-	-	-
Provision for Doubtful advances	-	-	-	-
(D)	-	-	-	-
Other Loans and Advances				
Foreign Currency	-	1,88,44,371	-	-
MAT Credit	**22,92,33,105**	22,64,95,379	-	-
Advances to Trade Payables	-	-	**9,14,84,174**	9,00,18,533
Advance Income-tax/TDS (net of provision for taxation)	-	-	**8,85,28,754**	14,71,93,599
Prepaid expenses	**17,01,229**	12,72,090	**2,29,31,350**	1,27,26,610
Loans and Advance to employees	-	-	**28,99,669**	19,75,381
Due to Gratuity Trusts	-	-	**78,18,428**	27,17,389
Balances with statutory/ government authorities	-		**70,19,06,035**	39,68,74,563
Others	-		-	
(E)	**23,09,34,334**	24,66,11,840	**91,55,68,410**	65,15,06,075
Total [A+B+C+D+E]	**50,61,88,672**	54,37,12,388	**91,55,94,466**	65,16,87,969

15) TRADE RECEIVABLE AND OTHER ASSETS

15.1) TRADE RECEIVABLES	Non-current		Current	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Unsecured, considered good				
unless stated otherwise				
Outstanding for a period exceeding six months				
from the date they are due for payment				
Secured, considered good	-		-	-
Unsecured, considered good	**1,53,92,554**	1,17,14,266	**22,15,97,818**	19,62,71,221
Doubtful	-	-	-	-
	1,53,92,554	1,17,14,266	**22,15,97,818**	19,62,71,221
Provision for Doubtful Receivables	-	-	-	-
(A)	**1,53,92,554**	1,17,14,266	**22,15,97,818**	19,62,71,221
Other Receivables				
Secured, considered good	-	-	**4,88,37,166**	4,49,89,971
Unsecured, considered good	-	-	**18,13,94,464**	24,08,37,391
Doubtful	-	-	-	-
	-	-	**23,02,31,630**	28,58,27,362
Provision for Doubtful Receivables	-	-	-	-
(B)	-	-	**23,02,31,630**	28,58,27,362
Total [A+B]	**1,53,92,554**	1,17,14,266	**45,18,29,448**	48,20,98,583

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Unsecured, considered good				
unless stated otherwise				
Non-current Bank balances	**80,19,692**	13,50,000	-	-
[A]	**80,19,692**	13,50,000	-	-
Unamortized expenditure	-	-	-	-
[B]	-	-	-	-
Others				
Interest accrued on fixed deposits	-	-	**70,54,613**	2,25,20,757
Interest accrued on investments	-	-	**3,150**	-
Dividend receivable on investment	-	-	**64,080**	64,080
Non trade receivables(interest)				
From - Joint Venture	-		**6,83,84,036**	5,44,23,596
- Others	-	-	**2,40,847**	25,34,320
Others -Earnest Money Deposit	**2,37,239**	31,56,000	-	
[C]	**2,37,239**	31,56,000	**75,746,726**	7,95,42,753
Total [A+B+C]	**82,56,931**	**45,06,000**	**75,746,726**	**7,95,42,753**

16) CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
NIL	-	-
Total	-	-

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

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Raw materials and components at Cost (includes in transit Rs. 13,12,568 /-)		
(31 March 2013:Rs.Nil /-)	**7,95,64,729**	6,97,07,243
Work-in-progresss		
: At Cost	**46,00,58,115**	58,40,58,811
Finished goods		
: At Cost (Includes in transit Rs. 2,78,212)	**10,01,24,302**	10,96,66,510
(31st March 2013 : Rs 1,98,28,239/-)		
: At Estimated Realisable Value	-	1,08,38,507
Traded goods (including stock-in-transit Rs. Nil)	-	-
(31 March 2013 :Rs Nil)		
Stores and spares at Cost (includes in transit Rs. 5,04,546/-)	**54,14,07,473**	40,92,95,156
(31st March 2013 : Rs 13,07,532/-)		
Capital Stores in transit	**13,12,568**	-
Assets held for Sale (31st March 2013 : Rs Nil)	**5,28,05,240**	-
Total	**123,52,72,427**	118,35,66,227

18) CASH AND BANK BALANCES

PARTICULARS	Non-current		Current	
	31st March 2014 Rs.	31st March 2013 Rs.	31st March 2014 Rs.	31st March 2013 Rs.
Cash and Cash Equivalents :				
Balances with Banks:				
On Current Accounts	-		**7,80,64,421**	6,07,47,545
Deposits with original maturity of less than 3 months	-		**5,24,41,703**	11,53,90,960
On unpaid dividend account	-		-	
Cheques/drafts on hand	-		**2,01,33,790**	4,83,36,574
Unpaid matured deposits	-		**38,14,251**	-
Cash on hand	-		**9,49,336**	5,91,029
	-		**15,54,03,500**	22,50,66,108

(Continued)

PARTICULARS	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Other Bank Balances :				
Deposits with original maturity for more than 12 months	80,19,692	13,50,000	**-**	-
Earmarked balances with banks - Unclaimed dividends	-	-	**1,62,07,370**	1,70,40,513
Deposits with original maturity for more than 3 months but less than 12 months	-	-	**40,90,850**	25,19,79,900
Margin money deposit	-	-	**2,03,34,550**	2,15,31,103
Deposits held as security for Borrowings made by third parties.	-	-	**-**	1,02,00,000
	80,19,692	13,50,000	**4,06,32,770**	30,07,51,516
Amount disclosed under Non-Current Assets-(note15.2)	80,19,692	13,50,000	**-**	-
Total	**-**	**-**	**19,60,36,270**	52,58,17,624

19) REVENUE FROM OPERATIONS

PARTICULARS	This year Rs.	Previous year Rs.
Revenue from operations		
Sale of products:		
Finished goods	**711,59,59,692**	807,91,27,234
Sale of services	**10,32,10,144**	8,35,52,682
Other operating revenue		
Scrap sales	**49,46,154**	63,66,444
Others	**15,76,391**	10,16,732
Revenue from operations (Gross)	**722,56,92,381**	817,00,63,092
Less: Excise Duty	**100,37,94,440**	117,30,08,799
Revenue from operations (Net)	**622,18,97,942**	699,70,54,293

20) OTHER INCOME

PARTICULARS	This year Rs.	Previous year Rs.
Interest income on		
Bank deposits	**1,63,51,027**	3,98,21,178
Interest from customers on overdue	**2,29,33,183**	4,89,98,978
Others	**1,03,20,070**	1,68,75,717
Dividend income on		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	**15,04,43,533**	43,89,51,874
Long-term investments	**60,164**	43,032
Net gain on sale of Assets	**5,56,115**	7,79,319
Other Non-operating income	**14,59,34,205**	23,08,68,220
Total	**34,65,98,296**	77,63,38,318

Other Non Operating Income	This year Rs.	Previous year Rs.
Unclaimed balance Credited Back	**15,02,833**	96,94,483
Excess Provision In Earlier Years Credited Back	**2,75,31,867**	3,54,91,600
Claims Received	**18,37,588**	46,560
Duty Drawback	**20,49,495**	
Difference In Exchange-(Net)	**(23,73,412)**	9,67,631
LD Recovered From Suppliers	**15,525**	17,88,000
Miscellaneous Receipts	**15,21,367**	1,01,31,890
Reimbursement of sales tax & power cost of earlier years	**-**	5,58,56,465
Reimbursement of sales tax	**9,72,47,962**	10,93,69,961
Rent	**47,32,172**	40,27,912
Misc.Scrap Sales	**1,18,68,808**	28,76,020
Total	**14,59,34,205**	23,02,50,522

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This year Rs.	Previous year Rs.
Inventory at the beginning of the year	**6,97,07,243**	11,35,69,213
Add :Trial run Raw materials consumption	**-**	-
Add: Purchases	**28,56,79,634**	44,07,84,114
Add: Cost of Raw materials produced	**105,06,66,341**	103,61,67,741
	140,60,53,218	159,05,21,068
Less: Inventory at the end of the year	**7,95,64,728**	6,97,07,243
Cost of Raw material and components consumed	**132,64,88,490**	152,08,13,825

Details of Raw material and components consumed	This year Rs.	Previous year Rs.
i) Cement Division		
Limestone	**89,06,02,240**	1,04,21,62,924
Laterite	**7,16,41,620**	8,46,10,428
Fly Ash	**7,53,09,339**	9,01,95,172
Gypsum	**13,18,86,475**	12,14,35,604
Dolamite	**71,90,926**	85,94,560
Iron Ore	**5,25,686**	1,07,82,134
Clinker*	**-**	68,63,377
ii) Engineering Division		
Iron and Steel,Nickel,Scrap and Equipments	**14,93,32,207**	15,53,85,626
iii) Bio Products	**-**	7,84,000
Total	**132,64,88,494**	152,08,13,825

* Includes freight of Rs. NIL (Rs.68,63,677/-) on transfer of Clinker

DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
Raw materials and components		
Cement Unit		
Limestone	**5,42,34,516**	4,35,02,622
Laterite	**96,28,715**	1,16,20,808
Fly Ash	**4,90,765**	3,36,045
Gypsum	**1,43,98,843**	1,22,82,770
Dolamite	**8,11,890**	16,87,218
Iron Ore	**-**	2,77,780
Total	**7,95,64,728**	6,97,07,243

22) (INCREASE) / DECREASE IN INVENTORIES

PARTICULARS	This year Rs.	Previous year Rs.	(Increase)/ Decrease Rs.
Inventories at the end of the year			**2013-14**
Work in progress	**46,00,58,115**	58,40,58,811	12,40,00,696
Finished goods	**10,01,24,302**	12,05,05,017	2,03,80,715
	56,01,82,417	70,45,63,828	14,43,81,411
Inventories at the beginning of the year			**2012-13**
Work in progress	**58,40,58,811**	55,84,60,127	-2,55,98,684
Finished goods	**12,05,05,017**	14,10,28,994	2,05,23,977
Total	**70,45,63,828**	**69,94,89,121**	-50,74,707

DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
Work-in-progress		
Raw meal	**-**	-
Clinker	**13,22,76,436**	23,11,11,546
Engineering goods	**32,77,81,679**	35,20,99,157
Biotech	**-**	8,48,108
Total	**46,00,58,115**	58,40,58,811
Finished goods		
Cement	**6,70,43,359**	10,93,17,909
Power	**3,30,80,943**	3,48,601
Biotech	**-**	1,08,38,507
Total	**10,01,24,302**	12,05,05,017

23) EMPLOYEE BENEFIT EXPENSES

PARTICULARS	This year Rs.	Previous year Rs.
Salaries, Wages and Bonus	**42,55,85,881**	41,23,03,850
Contribution to Provident and other Funds	**4,10,71,300**	3,65,44,632
Gratuity Expenses	**77,72,831**	1,53,48,231
Staff Welfare Expenses	**5,05,24,020**	4,83,51,117
Total	**52,49,54,032**	51,25,47,830

24) FINANCE COSTS

PARTICULARS	This year Rs.	Previous year Rs.
Interest	**44,34,41,997**	37,94,34,673
Interest on Income Tax	**-**	7,60,256
Other Borrowing Costs	**39,00,422**	10,38,772
Total	**44,73,42,419**	38,12,33,701

25) DEPRECIATION AND AMORTIZATION EXPENSES

PARTICULARS	This year Rs.	Previous year Rs.
Depreciation of Tangible Assets	**34,08,46,644**	31,97,60,844
Amortization of intangible assets	**73,274**	-
Total	**34,09,19,918**	31,97,60,844

26) OTHER EXPENSES

PARTICULARS		This year Rs.	Previous year Rs.
Consumption of stores and spares		**49,33,49,134**	50,69,70,607
Consumption of loose tools		**1,35,31,281**	1,37,91,627
Sub-contracting expenses		**8,97,05,942**	8,75,31,949
Power and fuel	184,39,15,433		
Less : Self Consumption of Power Generated Internally	(19,25,10,304)	**165,14,05,129**	208,93,61,291
Wheeling/Banking Charges		**1,26,86,994**	41,98,444
Freight and forwarding charges		**108,13,69,390**	134,06,58,385
Rent		**2,22,02,348**	2,03,89,368
Rates and taxes		**2,40,54,150**	2,00,13,780
Insurance		**78,92,815**	78,60,294
Repairs and maintenance			
To Plant&Machinery		**10,07,85,273**	10,95,39,486
Buildings		**3,18,15,448**	3,67,35,361
Other Assets		**1,92,39,962**	2,49,84,739
Advertising and sales promotion		**3,06,48,024**	8,49,58,937
Sales commission		**1,31,83,149**	3,65,12,299
Travelling and conveyance		**2,20,70,177**	2,59,36,719
Communication costs		**98,38,706**	98,55,299
Printing & Stationery		**76,76,388**	83,29,656
Legal and professional fees		**2,60,98,337**	2,71,48,603
Directors' sitting fees		**10,00,000**	9,40,000
Research and Development		**11,63,911**	12,95,335
Payment to auditors (Refer details below)		**34,01,809**	34,21,918
Bad debts/advances written off		**4,11,495**	3,71,337
Assets Written Off		**2,14,347**	3,23,898
Stores written off		**6,77,076**	-
Loss on sale of fixed assets (net)		**20,61,905**	14,80,068
Performance and Delivery Guarantee Claims		**1,82,99,922**	1,96,38,759
(Increase)/decrease of excise duty on inventory		**(55,09,836)**	5,50,879
Excise Duty/Service Tax - Others		**21,78,378**	
Miscellaneous expenses		**9,09,26,821**	7,80,51,056
		377,23,78,475	456,08,50,094

PAYMENT TO AUDITORS

PARTICULARS	This year Rs.	Previous year Rs.
As Auditor:		
Audit Fee	**14,00,000**	12,00,000
Tax Audit Fee	**4,50,000**	3,00,000
Certification and Other fees	**7,99,926**	6,36,935
In other Capacity:		
Tax matters	**-**	5,45,000
Company Law matters	**-**	15,000
Trust Audit fee	**25,000**	25,000
Service tax	**19,158**	50,829
Fees for Cost Auditor	**5,10,000**	5,00,000
Reimbursement of expenses	**1,97,725**	1,49,154
Total	**34,01,809**	34,21,918

27) CONTINGENT LIABILITIES

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
A. Claims against the Company / Disputed liabilities not acknowledged		
a) In respect of Statutory levies	**34,56,64,446**	12,05,59,846
b) In respect of Contractual levies	**13,63,28,425**	12,97,10,362
c) In respect of others	**3,84,69,783**	4,86,69,783
B. Guarantees		
a) Guarantees to Banks and Financial Institutions	**-**	4,13,33,373
b) Performance Bank Guarantees	**3,32,04,709**	3,46,43,370

28) COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**59,04,42,015**	83,23,36,217
b) Uncalled liability on Shares and Other Investments Partly paid	**-**	-
c) Other commitments		
- Derivative Commitments	**10,89,89,244**	25,93,29,957
29) Exceptional Item Comprises of the following :		
a) Fuel Surcharge Adjustment (FSA) payable by the company from 1st July'2010 upto 31st March 2012 was provided, as per the directions issued by the Andhra Pradesh Electricity Regulatory Commission.	**-**	7,05,02,253
b) Profit on Sale of Fixed Asset	**-**	2,11,83,753
Net	**-**	(4,93,18,500)

30) Fixed Assets: Lands include Rs. 4,62,475/- being the value of land measuring 14.23 acres of Magazine land at Macherla assigned and notified in Revenue records vide Dist. Collector, Guntur order No. RC No. 3567/2000-E 1, dated 23-10-2002 in favour of company.

31) VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
a) Raw Materials and Stock-in-Trade	**30,53,002**	1,37,25,501
b) Components, Spares parts and Consumables	**88,43,55,962**	74,50,99,292
c) Tools	**5,90,109**	40,483
d) Capital goods	**85,60,422**	1,75,90,240

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

PARTICULARS	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2013
	Rs	(%)	Rs	(%)
a) Raw materials				
(i) Imported	**11,10,498**	0.08	**1,13,69,503**	0.75
(ii) Indigenous	**132,53,77,999**	99.92	**150,94,44,320**	99.25
b) Spare parts and components (debited to respective heads)				
(i) Imported	**110,11,44,145**	70.15	**118,70,41,477**	54.99
(ii) Indigenous	**46,86,66,135**	29.85	**97,16,33,431**	45.01

33) MATERIAL CONSUMED - COST OF RAW MATERIALS PRODUCED (LIMESTONE FOR CEMENT) INCLUDES :	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
a) Salaries, Wages and Bonus	**2,28,90,345**	2,03,62,370
b) Contribution to P.F. and Other Funds	**23,52,004**	21,79,147
c) Workmen and Staff welfare expenses	**22,71,149**	21,05,462
d) Power and Fuel consumed	**1,41,29,804**	1,44,50,454
e) Stores and Spares consumed	**1,72,15,285**	2,53,43,520
f) Royalty	**12,67,94,514**	14,21,60,214
g) Taxes and Licences	**29,40,381**	1,82,66,698
h) Repairs to Building and Roads	**6,30,054**	5,26,931
i) Repairs to Machinery	**1,20,33,174**	96,70,480
j) Repairs to Other Assets	**15,63,539**	22,15,640
k) Insurance	**2,93,236**	4,72,692
l) Lime Stone Freight	**30,09,06,937**	34,15,92,385
m) Lime Stone Loading	**34,85,53,257**	41,27,99,716
n) Lease rentals & Others	**4,87,60,454**	3,63,05,728

34) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
a) Travelling expenses	**10,33,464**	27,25,532
b) Membership	**2,09,170**	2,09,170
c) Other matters- Seminars	**-**	1,01,680
d) Consultant Fees	**-**	36,74,985

35) EARNINGS IN FOREIGN EXCHANGE

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
a) F.O.B value of goods exported during the year	**31,33,22,059**	11,40,30,263
b) Interest and Consultancy	**-**	-
c) Income from Service charge	**7,22,485**	15,12,036
d) Income from Investments held in Foreign Companies	**15,04,43,533**	43,89,51,874

36) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
a) Number of Non Resident Shareholders	**177**	211
b) Number of Equity Shares held by them	**25,21,877**	23,63,970
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.

37) REVENUE EXPENDITURE CAPITALISED DURING THE YEAR

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
Opening unallocated capital expenditure	**11,73,27,464**	4,52,01,407
Add:		
Salaries,wages & Bonus	**1,55,59,635**	58,97,924
Contribution to provident fund and Family Pension Scheme	**6,88,119**	6,38,175
Staff welfare Expenses	**2,11,698**	2,83,465
Stores and Spares Consumed	**7,89,469**	-
Power	**16,09,374**	1,24,904
Insurance	**13,07,321**	4,31,873
Repairs to Building	**8,59,428**	16,34,421
Repairs to Machinery	**75,654**	-
Repairs to Other Assets	**5,993**	45,673
Payment to auditors	**92,273**	59,300
Rent	**-**	-
Professional Fees	**1,37,61,243**	2,32,13,169
Travelling Expenses	**15,83,692**	13,78,740
Security Charges	**43,93,496**	9,39,585
Rates & taxes	**(64,594)**	2,00,000
Interest on Fixed Loan	**8,24,00,693**	1,46,98,571
Depreciation	**15,43,114**	12,90,942
Miscellaneous expenses	**2,23,51,745**	2,38,70,994
Net expenditure during trial run period	**26,44,95,817**	11,99,09,143
Less:		
Interest Received	**1,33,230**	2,64,117
Miscellaneous Income	**4,94,656**	23,17,562
	26,38,67,931	11,73,27,464
Less:		
Capitalised/Allocated to Fixed Assets	**(4,21,094)**	-
Closing Unallocated Capital Expenditure	**26,42,89,025**	11,73,27,464

38) SALES

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
Finished goods sold (inclusive of Excise duty/Service tax)		
Cement (MT)	**636,50,01,331**	708,45,50,215
Heavy Engineering products	**73,57,68,808**	96,84,84,114
Electrical Energy (KWH)	**66,60,120**	47,89,231
Service Receipts	**10,32,10,144**	8,35,52,682
Others	**1,50,51,978**	2,86,86,850
Total	**722,56,92,381**	817,00,63,092

39) EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
i) Net Profit after tax as per Profit and Loss Statement	**1,25,58,419**	30,45,53,937
ii) Net Profit attributable to Equity Shareholders	**(55,01,217)**	30,45,53,937
iii) Net profit before Exeptional items	**(55,01,217)**	27,88,19,410
iv) Weighted Average number of equity shares used as denominator for calculating EPS	**12,89,21,160**	12,89,21,160
v) Basic and Diluted Earnings per share	**(0.04)**	2.16
vi) Basic and Diluted Earnings per share (before exceptional items)	**(0.04)**	2.16
vii) Nominal value per each Equity share	**1**	1

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

PARTICULARS	As at 31st March, 2014 Gratuity Rs	As at 31st March, 2014 Leave Benefits Rs	As at 31st March, 2013 Gratuity Rs	As at 31st March, 2013 Leave Benefits Rs
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year	**9,56,69,197**	3,75,44,596	**8,91,55,060**	2,73,21,506
Interest cost	**76,53,536**	28,28,359	**71,32,404**	19,14,206
Current service cost	**2,86,34,632**	82,66,661	**50,08,366**	90,88,636

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

PARTICULARS	As at 31st March, 2014 Gratuity	As at 31st March, 2014 Leave Benefits	As at 31st March, 2013 Gratuity	As at 31st March, 2013 Leave Benefits
Benefits paid	**77,28,809**	44,66,130	**1,78,78,553**	69,21,016
Acturial loss/gain on Obligation	**(1,93,03,398)**	(19,30,481)	**1,22,51,920**	61,41,264
Present value of obligations as at end of the year	**10,49,25,158**	4,22,43,005	**9,56,69,197**	3,75,44,596
b) Reconciliation for fair value of plan assets				
Fair value of plan assets at the beginning of the year	**8,90,03,398**	-	**9,42,52,030**	-
Add : Increase in value by LIC				
Expected return on Plan Assets	**86,82,000**	-	**84,81,328**	-
Contributions	**1,31,88,770**	-	**41,48,593**	-
Benefits paid	**77,28,809**	-	**1,78,78,553**	-
Acturial gain on Plan Assets	**-**	-	**-**	-
Fair value of Plan Assets at the end of the year	**10,31,45,359**	-	**8,90,03,398**	-
c) Expenses recognised in statement of Profit and Loss A/c				
Current Service Cost	**2,86,34,632**	82,66,661	**50,08,366**	90,88,636
Interest cost	**76,53,536**	28,28,359	**71,32,404**	19,14,206
Expected return on Plan Assets	**86,82,000**	-	**84,81,328**	-
Net acturial gain/loss recognised in the year	**(1,93,03,398)**	(19,30,481)	**1,22,51,920**	61,41,264
Expense to be recognised in the Statement of Profit and Loss	**83,02,770**	91,64,539	**1,59,11,362**	1,71,44,106
d) Net Liablity recognised in the Balance Sheet				
Present value of obligations as at the end of the year	**10,49,25,158**	4,22,43,005	**9,56,69,197**	3,75,44,596
Fair value of Plan Assets as at the end of the year	**10,31,45,359**	-	**8,90,03,398**	-
Funded status	**17,79,799**	4,22,43,005	**66,65,799**	3,75,44,596
Net Asset/liability recognised in the Balance Sheet	**17,79,799**	4,22,43,005	**66,65,799**	3,75,44,596
e) Acturial Assumptions				
Assumptions as at 31 March,				
Discount rate	**8%**	8%	**8%**	8%
Salary escalation	**5-8%**	5%	**5%**	5%
Attrition rate	**1-3%**		**1-3%**	
Morality		LIC 94-96		LIC 94-96

41) JOINT VENTURE DISCLOSURE

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

The Company's share (at 40%) of the contingent liabilities of Fives Cail KCP Limited at the Balance Sheet date works out to Rs. 11,54,272/-(Rs.29,32,993)

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

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

JOINT VENTURE DISCLOSURE (CONTINUED)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
Equity and Liabilites		
a) Shareholders's Funds	**40,00,000**	40,00,000
b) Reserves and Surplus	**6,35,79,423**	4,01,95,916
c) Non-Current Liabilities	**1,34,43,930**	1,35,71,568
d) Current Liabilities	**40,60,61,432**	36,01,00,932
Total	**48,70,84,784**	41,78,68,416
Assets:		
Non-Current Assets	**2,84,16,918**	2,71,13,752
Current Assets	**45,86,67,867**	39,07,54,664
Total	**48,70,84,784**	41,78,68,416
Performance of the Company		
Revenue	**52,72,72,650**	18,42,41,596
Expenses:		
Cost of material consumed	**34,09,03,711**	11,83,46,903
Increase/Decrease in Inventories of FG and WIP	**39,90,881**	1,09,25,096
Depreciation of Plant and Machinery	**9,74,462**	11,94,593
Employee Benefit Expense	**2,79,36,727**	2,96,34,210
Other expenses	**11,89,43,092**	8,86,18,545
Finance Costs	**29,53,223**	37,68,941
Total	**49,57,02,096**	25,24,88,288
Profit before tax	**3,15,70,554**	(6,82,46,692)
Income-tax expense	**(81,87,047)**	2,01,09,876
Profit after tax	**2,33,83,506**	(4,81,36,817)

42) Discontinued Operations

The Company has entered into an agreement for sale of the fixed assets of its Bio-Tech Division. Accordingly, the operations of that Unit were discontinued with effect from 31st March, 2014. Consequently, the WDV of the assets was transferred to Inventories under the head "Assets held for Sale". The loss incurred by this Unit during the financial year 2013-14 was Rs. 1,31,89,541 (2012-13 : Rs.1,31,53,331).

43) PARTICULARS DISCLOSED PURSUANT TO "AS-18 RELATED PARTY DISCLOSURES"

A). List of Related parties

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

B. Transactions with the related parties:

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of Goods					
KCP Vietnam Industries Limited	13,98,79,090				
	(9,65,21,778)				
Fives Cail KCP Limited		4,34,60,951			
		(5,33,95,964)			
The Jeypore Sugar Company Ltd.					1,34,550
					(2,41,200)
Services Rendered					
KCP Vietnam Industries Limited	5,48,381				
	(14,19,369)				
Fives Cail KCP Limited		6,55,065			
		(16,80,911)			
V. Ramakrishna Sons Pvt Limited					6,742
					(3,750)
KCP Technologies Limited					67,416
					(60,000)
Services -Received					
KCP Technologies Limited					15,38,660
					(13,98,882)
Interest Received					
Fives Cail KCP Limited		2,20,19,949			
		(4,82,27,182)			
Divdend Received					
KCP Vietnam Industries Limited	15,04,43,533				
	(43,89,51,874)				
Loans/Deposits received					
Dr V L Dutt			2,55,00,000		
			(2,15,00,000)		
Smt V L Indira Dutt			1,25,00,000		
			(2,10,00,000)		
Smt Kavitha D Chitturi			16,53,000		
			(2,50,00,000)		
V. Ramakrishna Sons Pvt Limited					-
					(1,50,00,000)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
VL Dutt(HUF)				4,60,00,000	
				(90,00,000)	
Kum.Shivani Dutt Chitturi				35,21,000	
				(1,26,79,000)	
Purchase of Goods					
Fives Cail KCP Limited		27,32,088			
		(80,93,247)			
Remuneration paid					
Dr V L Dutt			72,50,855		
			(1,94,04,484)		
Smt V L Indira Dutt			84,68,201		
			(1,45,53,363)		
Smt Kavitha D Chitturi			47,03,703		
			(72,76,682)		
Sri V .Gandhi			44,24,446		
			(72,76,682)		
Interest paid					
Dr V L Dutt			1,16,73,668		
			(1,02,84,764)		
Smt V L Indira Dutt			58,06,712		
			(68,84,521)		
Smt Kavitha D Chitturi			33,08,805		
			(27,30,449)		
Other Relations					
Kum.Shivani Dutt Chitturi				17,94,608	
				(15,22,126)	
VL Dutt(HUF)				60,68,712	
				(51,63,986)	
V. Ramakrishna Sons Pvt Limited					64,92,466
					(75,05,753)
Dividend paid					
Dr V L Dutt			28,73,081		
			(70,90,770)		
Smt V L Indira Dutt			14,82,995		
			(37,07,488)		
Smt Kavitha D Chitturi			4,00,000		
			(8,98,856)		
Sri V .Gandhi			1,020		
			(2,550)		

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Other Relations					
Sri.Ravi Chitturi				25,000	
				(62,500)	
Kum.Shivani Dutt Chitturi				6,50,000	
				(16,25,000)	
Smt.S R V Rajyalakshmamma				315	
				(788)	
Smt.Uma S Vallabhaneni				81,560	
				(2,03,900)	
Smt.Rajeswary Ramakrishnan				1,17,010	
				(2,92,525)	
Smt. V. Kamala Devi				2,495	
				(6,238)	
Sri.V Praveen Kumar				1,160	
				(2,900)	
Smt.Anupama				1,185	
				(2,963)	
Sri. Nagalla Seshu Babu				1,310	
				(2,650)	
V. Ramakrishna Sons Pvt Limited					1,94,48,163
					(4,86,20,408)
The Jeypore Sugar Company Ltd.					1,39,185
					(3,47,963)
VRK Grandsons Investment(Private) Limited					47,89,165
					(1,19,72,913)
V L Dutt(HUF)				56,750	
				(1,41,875)	
Loans/Deposit Repaid					
Dr V L Dutt			30,00,000		
			(40,00,000)		
Smt. VL Indira Dutt			2,35,00,000		
			(1,65,00,000)		
Smt Kavitha D Chitturi			1,53,000		
			(1,75,00,000)		
V. Ramakrishna Sons Pvt Limited					1,25,00,000
					(1,60,00,000)
Dr V L Dutt(HUF)				3,80,00,000	
				Nil	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Kum.Shivani Dutt Chitturi				18,21,000	
				(90,79,000)	
Rent Paid				Nil	
Smt V L Indira Dutt			37,25,406		
			(48,47,174)		
Other Relations					
Smt.Uma.s.Vallabhaneni				48,71,815	
				(63,38,781)	
Smt. S R V Rajyalakshmamma				6,57,578	
				(8,55,586)	
Smt.V.Rama Kumari				35,33,245	
				(45,97,153)	
A Trust in the name of Bala Tripurasundari Ammavaru					49,02,156
					(63,78,255)
Sri.V.Chandra kumar				23,31,686	
				(26,83,688)	
Balances as at 31.03.2014					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	23,71,43,667				
	(23,71,43,667)				
Fives Cail KCP Limited		40,00,000			
		(40,00,000)			
Loans/Advances given					
V Ramakrishna Charitable Trust					58,217
					(59,238)
Rent advance to Sri.V.Chandra kumar				4,23,680	
				(4,73,680)	
Receivable - Trade dues/ others					
KCP Vietnam Industries Limited	1,63,86,262				
	(3,79,98,871)				
Fives Cail KCP Limited		15,00,79,144			
		(14,12,53,524)			
KCP Technologies Limited					19,775
					(1,463)
V. Ramakrishna Sons Pvt Limited					-
					(843)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
The Jeypore Sugar Company Ltd.					17,913
					(Nil)
Receivable - Interest					
Fives Cail KCP Limited		2,20,19,949			
		(4,82,27,182)			
Receivable rent advance					
Sri.V.Chandra kumar				3,03,680	
				(4,23,680)	
Share capital in KCP held by					
Dr. VL Dutt			60,05,569		
			(57,13,212)		
Smt. VL Indira Dutt			30,64,479		
			(29,65,990)		
Smt. Kavitha D Chitturi			9,00,000		
			(7,50,000)		
Sri V. Gandhi			2,040		
			(2,040)		
Other Relations					
Kum.Shivani Dutt Chitturi				13,00,000	
				(13,00,000)	
Smt.Rajeswary Ramakrishnan				2,34,020	
				(2,34,020)	
Smt.S R V Rajyalakshmamma				630	
				(630)	
Smt.Uma S Vallabhaneni				1,63,120	
				(1,63,120)	
Smt. Irmgard Velgapudi				1,52,490	
				(1,52,490)	
Sri. Subbarao Vallabhaneni				75,930	
				(75,930)	
Sri. R. Prabhu				62,880	
				(62,880)	
Sri. Rajiv Rangasami				46,405	
				(46,405)	
Sri. R. Baba Chandra Sekar				13,100	
				(13,100)	
Sri. P. Vikram Ramakrishnan				12,655	
				(12,655)	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Sri. Sivaramakrishnan Prasad				12,650	
				(12,650)	
Smt. S. Nalini				11,250	
				(11,250)	
Smt. Kiran Velgapudi				4,220	
				(4,220)	
Smt. Anitha				4,000	
				(4,000)	
Sri.Ravi Chitturi				50,000	
				(50,000)	
Smt.Anupama				2,370	
				(2,370)	
Smt. V. Kamala Devi				4,990	
				(4,990)	
Sri. Nagalla Seshu Babu				960	
				(2,120)	
Sri.V Praveen Kumar				50	
				(2,320)	
V. Ramakrishna Sons Pvt Limited					3,89,56,326
					(3,88,96,326)
The Jeypore Sugar Company Ltd.					2,78,370
					(2,78,370)
VRK Grandsons Investment(Private) Limited					95,78,330
					(95,78,330)
VL Dutt(HUF)				113,500	
				(113,500)	
Loans/Advances received					
KCP Vietnam Industries Limited	6,46,895				
	(1,38,90,490)				
Fives Cail KCP Limited		38,00,840			
		(56,00,129)			
Dr V L Dutt			13,00,00,000		
			(10,75,00,000)		
Smt V L Indira Dutt			5,30,00,000		
			(6,40,00,000)		
Smt Kavitha D Chitturi			3,40,00,000		
			(3,25,00,000)		

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
V. Ramakrishna Sons Pvt Limited					6,15,00,000
					(7,40,00,000)
Rent advance received from Sri.V.Chandra kumar				-	
				(50,000)	
Deposits Received					
Dr V L Dutt			33,50,000		
			(33,50,000)		
Smt Kavitha D Chitturi			1,53,000		
			(1,53,000)		
Other Relations					
VL Dutt [HUF]				6,00,00,000	
				(5,20,00,000)	
Kum.Shivani Dutt Chitturi				1,82,00,000	
				(1,65,00,000)	
Payable-Trade Dues					
The Jeypore Sugar Company Ltd.					-
					(34,404)
Fives Cail KCP Limited		-			
		(1,01,864)			
Dr. VL Dutt			-		
			(12,129,019)		
Smt. VL Indira Dutt			1,023,406		
			(8,245,225)		
Smt Kavitha D Chitturi			-		
			(2,295,104)		
Sri V. Gandhi			-		
			(3,035,200)		
Other Relations					
Smt.S R V Rajyalakshmamma				1,80,644	
				(4,62,354)	
Smt.V.Rama Kumari				9,67,286	
				(24,84,279)	
Sri.V.Chandra kumar				4,42,313	
				(14,33,501)	
Smt.Uma.S.Vallabhaneni				10,66,009	
				(21,57,688)	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Bala Tripurasundari Ammavaru Temple					13,46,670
					(34,46,780)

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

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
1. Amount remaining unpaid, beyond the appointed/agreed date at the end of the year		
(a) Principal amount of bills to be paid	-	-
(b) Interest due thereon	-	-
2. (a) Payments made to suppliers, during the year, but beyond appointed/agreed day	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year, on such payments made during the year	-	-
3. Amount of interest, for the year, U/s. 16 of the Act, including that accrued and remaining unpaid, at the end of the year.	-	-
4. Total amount of interest, U/s.16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year.	-	-
Note: For the purpose of the above details, of the status of the supplier's under the Act has to be determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the Company and its Auditors.		

45) CASH AND BANK BALANCES (includes)

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
Fixed Deposit Receipts lodged with Bankers for BG and LC's issued by them	**2,37,24,066**	2,52,78,801
Deposits accepted as per the provisions of Section 58A of the Companies Act 1956 and the Rules made there under.	**4,13,25,782**	6,30,00,000
Balances held at Banks towards Unclaimed Dividends	**1,62,07,370**	1,70,40,513

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

PARTICULARS	As at 31st March, 2014 Rs	As at 31st March, 2013 Rs
1) Depreciation	**67,40,83,428**	58,88,94,584
2) Items u/s 43B of the Income Tax Act,1961	**9,77,35,381**	1,30,40,601
Net Deferred Tax liability	**57,63,48,047**	57,58,53,983

47) ✤ Paise have been rounded off.

✤ Figures in brackets indicate those for the previous year.

✤ Figures for the previous year have been regrouped, wherever necessary.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

Statement Under Section 212 of the Companies Act, 1956 in respect of subsidiary company

KCP Vietnam Industries Limited, Vietnam.

1. The company earned a Net Profit of VND 1,41,48,02,29,000 (Rs.4630.94 lakhs) for the year ended 31st March, 2014 and posted a net profit of VND 11,97,00,45,33,000 (Rs. 27992.37 lakhs) from the date of inception.
2. During the year, there is no change in the Share Capital of the company.
3. Holding Company's interest continued to be the same as at 31st March, 2014.
4. No part of the above profit has been dealt with in the Holding Company's accounts.

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

Disclosure of Information relating to Subsidiary Company

(Statement pursuant to General Exemption granted by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 for the year ended 31st March, 2014)

Rs. in Lakhs

Sl. No.	Name of the Subsidiary company	Country	Reporting Currency	Exchange Rate US $/ Rupee	Capital	Reserves	Total Assets	Total Liabilities	Investments other than Investments in Subsidiaries	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
1.	KCP Vietnam Industries Limited	Vietnam	Vietnam Dongs	59.35	2371.44	14802.10	30567.15	30567.15	Nil	37137.88	4985.84	354.90	4630.94	Nil

Note : Indian Rupee equivalent figures given in foreign currencies in the accounts of the overseas subsidiary company have been given based on exchange rate at the year end March 31, 2014 for the balance sheet items and average rate during the year 2013-14 for the profit and loss statement items.

The K.C.P. Limited Group
Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors of The KCP Limited
Chennai

1. We have audited the accompanying consolidated financial statements of The KCP Limited (the "Company"), its subsidiary and its Joint venture(unaudited) as at March 31, 2014, (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiary and Joint venture as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) In the case of the Consolidated Balance Sheet, of the statement of affairs of the Group as at March 31, 2014.
   b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group of the year ended on that date and
   c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

6. We did not audit the financial statements of KCP Vietnam Industries Ltd, the subsidiary company whose accounts were audited by other auditors. Our opinion, in so far as it relates to the amounts included in the consolidate statements referred to above, in respect of KCP Vietnam Industries Limited, is based solely on the reports of the other auditors, and on the information and explanations for the purpose of the consolidation referred to herein, furnished to us by the "The KCP Limited".

Our opinion is not qualified in respect of other matters.

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

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

Place: Chennai
Date: 22nd May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Notes	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**20,89,21,160**	27,89,21,160
Reserves and Surplus	4	**496,87,39,675**	475,73,96,807
Minority Interest	4.1	**67,63,17,860**	57,19,00,183
		585,39,78,695	560,82,18,150
Non-Current Liabilities			
Long-term Borrowings	5	**312,51,85,307**	192,49,95,339
Trade Payables	6.1	**45,25,851**	26,07,721
Deferred Tax Liability (Net)	7	**56,16,07,663**	55,22,52,964
Other Long-term Liabilities	6.2	**61,49,46,112**	51,78,32,958
long-term Provisions	8.1	**4,11,73,924**	3,80,74,836
		434,74,38,857	303,57,63,818
Current Liabilities			
Short-term Borrowings	9	**102,02,68,756**	134,47,93,894
Trade Payables	10.1	**82,50,07,841**	75,41,19,399
Other Current Liabilities	10.2	**142,82,15,290**	168,26,86,962
Short term Provisions	8.2	**5,05,06,502**	21,63,44,251
		332,39,98,389	399,79,44,506
TOTAL		**1352,54,15,941**	1264,19,26,474
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	**569,52,05,527**	568,32,71,396
Intangible Assets	12	**23,89,272**	4,72,552
Capital Work in Progress		**175,26,35,247**	102,85,91,319
Non-current Investments	13	**4,78,37,574**	4,78,37,574
Long term Loans and Advances	14.1	**51,25,48,846**	54,22,35,044
Trade Receivables	15.1	**1,53,92,554**	1,17,14,266
Other Non- Current assets	15.2	**1,29,20,715**	45,06,000
		803,89,29,735	731,86,28,151
Current Assets			
Current Investments	16	**-**	-
Inventories	17	**266,88,53,277**	200,44,13,756
Trade Receivables	15.1	**93,93,69,558**	86,37,99,592
Cash and Bank Balances	18	**31,70,45,123**	107,68,63,512
Short term Loans and Advances	14.2	**151,16,59,208**	131,82,56,460
Other Current Assets	15.2	**4,95,59,040**	5,99,65,003
		548,64,86,206	532,32,98,323
TOTAL		**1352,54,15,941**	1264,19,26,474
III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	2.1		

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

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

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Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS		Notes	This Year	Previous Year
	Rs.		Rs.	Rs.
INCOME				
Revenue from operations				
Group Companies	**1092,20,95,864**			
Less:Excise Duty	**100,37,94,440**	19		
			991,83,01,424	1119,03,90,412
Joint Venture	**52,01,34,507**			
Less:Excise Duty	**74,03,249**		**51,27,31,258**	17,25,15,603
Revenue from operations (Net)				
Other Income		20		
- Group Companies			**36,88,85,860**	79,51,32,814
- Joint Venture			**1,34,48,557**	1,46,01,259
Total Revenue (I)			**1081,33,67,099**	1217,26,40,088
EXPENSES				
Cost of Raw Materials & Components Consumed		21	**480,09,98,288**	451,29,93,879
[Increase]/Decrease in Inventories of finished goods,Work-in-progress and traded goods		22	**-57,24,88,276**	10,12,35,688
Employee benefits expense		23	**69,59,96,915**	65,10,27,127
Finance Costs		24		
-Group companies			**46,01,16,572**	39,33,00,976
-Joint Venture			**29,53,223**	37,68,941
Depreciation and Amortization expense		25		
-Group companies			**47,02,90,228**	44,29,86,665
-Joint Venture			**9,74,462**	11,94,593
Other expenses		26	**441,23,40,092**	502,65,62,317
Total Expenses (II)			**1027,11,81,504**	1113,30,70,185
Profit/(Loss) before Exceptional and Extraordinary items and tax			**54,21,85,595**	103,95,69,903
Less: Exceptional Items (Net)			**-**	-4,93,18,500
Profit/(Loss) before Extraordinary items and tax			**54,21,85,595**	99,02,51,403
Extraordinary Items				
Profit/(Loss) before tax			**54,21,85,595**	99,02,51,403
Add: Refund of Income Tax			**12,39,576**	9,40,577
Less: Provision for Taxation-Current				
- Group Companies			**3,82,39,930**	11,76,72,940
- Joint Venture			**67,20,000**	-
Less: Provision for Taxation-Deferred				
- Group Companies			**4,94,064**	8,66,03,358
- Joint Venture			**88,60,635**	-1,99,74,568
Short / (Excess) Provision of income tax of earlier years credited back			**11,19,766**	8,41,395
MAT Credit Entitlement			**90,11,548**	4,43,74,824
			49,92,41,856	85,04,23,679
Less: Minority Interest			**15,43,64,539**	19,80,02,185
Profit/[loss] for the year			**34,48,77,317**	65,24,21,494
Earnings per equity share [nominal value of share Re.1 /-] [31 March 2012 : Re. 1/-]each				
Basic and diluted:			**2.54**	4.86
Computed on thebasis of total profit for the year				
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES		2.1		
The accompanying notes are an integral part of the Financial Statements.				

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed
for BRAHMAYYA & CO
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Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	31st March, 2014	31st March, 2013
	Rs.	Rs.
(A) Cash flow from operating activities		
Profit before tax from continuing operations	**54,21,85,590**	99,02,51,404
Profit before tax from discontinuing operations	**-**	-
Profit before tax	**54,21,85,590**	99,02,51,404
Adjustments for :		
Depreciation/amortization on continuing operation		
Depreciation/amortization on discontinuing operation	**47,12,64,690**	44,41,81,258
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	**2,14,347**	3,23,898
Loss/[profit] on sale of fixed assets	**-**	
Provision for dimunition in value of investments (current plus other long term)	**-14,95,861**	-2,04,80,002
Unrealised foreign exchange loss	**23,73,412**	-9,67,631
Interest expense	**47,31,73,212**	39,58,11,771
Interest income	**-8,25,19,085**	-14,68,03,362
Dividend income	**-15,04,43,533**	
Operating profit before working capital changes	**125,47,52,772**	166,23,17,336
Movements in working capital:		
Adjustments for Increase / (Derease) in operating liabilities :		
Increase/[decrease] in Trade Payables	**5,87,87,277**	15,53,26,242
Increase/[decrease] in Long term Provisions	**32,26,727**	1,03,89,192
Increase/[decrease] in Short-term Provisions	**-14,86,87,444**	63,94,949
Increase/[decrease] in Current Liabilities	**-9,44,61,066**	-10,24,30,876
Increase/[decrease] in other Long-term Liabilities	**6,88,40,328**	8,98,16,843
Adjustments for Decrease / (Increase) in operating assets :		
Decrease/[increase] in Trade Receivables	**-5,87,25,575**	49,58,96,426
Decrease/[increase] in Inventories	**-61,16,34,280**	31,93,26,160
Decrease/[increase] in Loans and Advances	**-1,39,07,003**	66,97,067
Decrease/[increase] in Short-term Loans and Advances	**-15,03,21,193**	-51,20,45,630
Decrease/[increase] in other Current Assets	**5,72,01,470**	-4,60,26,905
Decrease/[increase] in other non-current assets	**-37,50,931**	-45,06,000
Cash generated from/[used in] operations	**36,13,21,081**	208,11,54,804
Direct taxes paid [net of refunds]	**9,29,76,848**	8,95,32,426
Foreign exchange difference	**-15,22,13,995**	40,11,70,564
Net cash flow from/[used in] operating activities (A)	**11,61,30,239**	239,27,92,942
(B) Cash flows from investing activites		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	**-131,11,25,148**	-112,37,29,992
Proceeds from sale of fixed assets	**1,8,84,649**	2,97,11,762
Purchase of non-current investments	**-**	-21,572
Repayment of preference capital	**-7,00,00,000**	-5,00,00,000
Interest received	**7,90,88,387**	14,68,03,362
Dividends received from subsidiary company	**15,04,43,533**	
Net cash flow from/[used in] investing activities (B)	**-114,97,08,580**	-99,72,36,440
(C) Cash flows from financing activities		
Proceeds from Long term Borrowings	**139,25,26,968**	47,25,50,146
Repayment of Long term Borrowings	**-34,10,13,117**	-35,76,89,478
Proceeds from Short term Borrowings	**2,27,05,955**	50,07,51,198
Repayment of Short term Borrowings	**-29,66,17,970**	-
Interest paid	**-47,31,73,212**	-39,58,11,771
Dividends paid	**-2,53,19,513**	-64,06,73,187
Tax on dividend paid	**-53,49,158**	-39,53,58,957
Net cash flow from/[used in] in financing activities (C)	**27,37,59,952**	-81,62,32,049
Net increase/[decrease] in cash and Bank Balances (A+B+C)	**-75,98,18,389**	57,93,24,453
Cash and Bank Balances at the beginning of the year	**107,68,63,512**	49,75,39,059
Cash and Bank Balances at the end of the year	**31,70,45,123**	107,68,63,512
Components of cash and Bank Balances		
Cash on hand	**46,24,428**	29,66,289
Cheques/drafts on hand	**2,01,33,790**	4,83,36,574
With banks on current account	**16,98,09,422**	21,12,84,921
On Deposit account	**10,62,70,114**	79,72,35,215
Unpaid Dividend accounts	**1,62,07,370**	1,70,40,513
Total Cash and Bank Balances (Note 18)	**31,70,45,123**	107,68,63,512

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 22nd May, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

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

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

The accounts of all the companies taken into these consolidated accounts have been prepared for the year ended 31st March 2014.

2.1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.2 Principles of consolidation

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

2.3. FOREIGN EXCHANGE TRANSACTIONS

a) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchanges arising on actual receipt/payment during the year.

b) At each Balance Sheet date

- foreign currency monetary items are reported using the rate of exchanges on that date.
- foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.

c) In respect of forward exchange contracts in the nature of hedges if any,

a). Premium or discount on the contract is amortised over the term of the contract,

b). Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

d) In consolidating the transactions of the non-integral foreign operations of the group, in the group financial statements, all the assets and liabilities of such operations are translated at the exchange rate on the date of the Balance Sheet. Income and expenses of such operations are translated at the yearly average rates. The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the investment in such operations.

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

PARTICULARS	ASSET Rs.	LIABILITY Rs.
1. Depreciation		67,40,83,428
Joint Venture	-	-
2. Items U/s 43 B of IT Act	9,77,35,381	-
Joint Venture	1,47,40,384	-
	11,24,75,765	67,40,83,428
Net Deferred Tax Liability as on 31.03.2014		**56,16,07,663**

2.5. Movement in Translation Reserve

PARTICULARS	Majority Rs.	Minority Rs.	Total Rs.
Opening Balance (Dr)	(3,44,51,325)	(1,72,25,664)	(5,16,76,989)
Movement due to Non Monetary items-			
Capital, Reserves, Opening Stock etc. (Cr)	(9,98,93,722)	(4,99,46,861)	(14,98,40,583)
Closing balance(Dr)	(13,43,45,047)	(6,71,72,525)	(20,15,17,572)

2.6. Particulars disclosed pursuant to "AS-18 Related Party Disclosures" :-

A). List of Related parties:

Key Management Personnel (KMP)	Dr. V.L. Dutt -	Chairman and Managing Director, The K.C.P. Ltd
	Smt. V.L. Indira Dutt -	Joint Managing Director, The K.C.P. Ltd
	Smt. Kavitha D Chitturi -	Executive Director, The K.C.P. Ltd
	Sri.V. Gandhi -	Technical Director, The K.C.P. Ltd
	Sri.K.B. Pranesh -	Managing Director, Fives Cail KCP Ltd

Relatives of Key Management Personnel	**Dr. V.L. Dutt -** Smt. Rajeswary Ramakrishanan - Sister **Smt. V.L. Indira Dutt -** Smt. S.R.V. Rajyalakshmamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister **Smt. Kavitha D Chitturi -** Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband **Sri. V.Gandhi -** Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Swapna - Son's wife Master Nishant Sai - Son's son Smt. V. Anupama - Daughter Sri. N. Seshubabu - Daughter's Husband
Companies/Trusts controlled by Key Management Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (Pvt) Limited V Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru

B. Transactions with the related parties:

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Sale of Goods			
The Jeypore Sugar Company Ltd.			1,34,550
			(2,41,200)
Services Rendered			
V. Ramakrishna Sons Private Limited			6,742
			(3,750)
KCP Technologies Limited			67,416
			(60,000)
Loans/Deposits received			
Dr. V.L. Dutt	2,55,00,000		
	(2,15,00,000)		
Smt. V.L. Indira Dutt	1,25,00,000		
	(2,10,00,000)		
Smt. Kavitha D. Chitturi	16,53,000		
	(2,50,00,000)		
V. Ramakrishna Sons Private Limited			-
			(1,50,00,000)
V.L. Dutt -HUF		4,60,00,000	
		(90,00,000)	
Kum. Shivani Dutt Chitturi		35,21,000	
		(1,26,79,000)	
Remuneration paid			
Dr. V.L. Dutt	72,50,855		
	(1,94,04,484)		
Smt. V.L. Indira Dutt	84,68,201		
	(1,45,53,363)		
Smt. Kavitha D. Chitturi	47,03,703		
	(72,76,682)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Sri. V. Gandhi	44,24,446		
	(72,76,682)		
Interest paid			
Dr. V.L. Dutt	1,16,73,668		
	(1,02,84,764)		
Smt. V.L. Indira Dutt	58,06,712		
	(68,84,521)		
Smt. Kavitha D. Chitturi	33,08,805		
	(27,30,449)		
Other Relations			
Shivani D. Chitturi		17,94,608	
		(15,22,126)	
VL. Dutt -HUF		60,68,712	
		(51,63,986)	
V. Ramakrishna Sons Private Limited			64,92,466
			(75,05,753)
Dividend paid			
Dr. V.L. Dutt	28,73,081		
	(70,90,770)		
Smt. V.L. Indira Dutt	14,82,995		
	(37,07,488)		
Smt. Kavitha D. Chitturi	4,00,000		
	(8,98,856)		
Sri. V. Gandhi	1,020		
	(2,550)		
Other Relations			
Sri. Ravi Chitturi		25,000	
		(62,500)	
Kum. Shivani Dutt Chitturi		6,50,000	
		(16,25,000)	
Smt. S.R.V. Rajyalakshmamma		315	
		(788)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Smt. Uma S. Vallabhaneni		81,560	
		(2,03,900)	
Smt. Rajeswari Ramakrishnan		1,17,010	
		(2,92,525)	
Smt. V. Kamala Devi		2,495	
		(6,238)	
Sri. V. Praveen Kumar		1,160	
		(2,900)	
Smt. Anupama Valluri		1,185	
		(2,963)	
Sri.Nagalla Seshu Babu		1,310	
		(2,650)	
V. Ramakrishna Sons Private Limited			1,94,48,163
			(4,86,20,408)
The Jeypore Sugar Company Limited			1,39,185
			(3,47,963)
VRK Grandsons Investment -P Limited			47,89,165
			(1,19,72,913)
Dr V L Dutt -HUF		56,750	
		(1,41,875)	
Loans/Deposit Repaid			
Dr. V.L. Dutt	30,00,000		
	(40,00,000)		
Smt. V.L. Indira Dutt	2,35,00,000		
	(1,65,00,000)		
Smt Kavitha D. Chitturi	1,53,000		
	(1,75,00,000)		
V. Ramakrishna Sons Private Limited			1,25,00,000
			(1,60,00,000)
Dr V L Dutt -HUF		3,80,00,000	
		(Nil)	
Kum.Shivani Dutt Chitturi		18,21,000	
		(90,79,000)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Con-trolled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Rent Paid			
Smt. V.L. Indira Dutt	37,25,406		
	(48,47,174)		
Other Relations			
Smt. Uma. S.Vallabhaneni		48,71,815	
		(63,38,781)	
Smt. S.R.V. Rajyalakshmamma		6,57,578	
		(8,55,586)	
Smt. V. Rama Kumari		35,33,245	
		(45,97,153)	
A Trust in the name of Bala Tripurasundari Ammavaru			49,02,156
			(63,78,255)
Sri. V. Chandra kumar		23,31,686	
		(26,83,688)	
Balances as at 31.03.2014			
Receivable - Trade Dues/Others			
KCP Technologies Limited			19,775
			(1,463)
V. Ramakrishna Sons Pvt Limited			-
			(843)
The Jeypore Sugar Company Limited			17,913
			(Nil)
Receivable Rent Advance			
Sri.V.Chandra kumar		3,03,680	
		(4,23,680)	
Share capital in KCP held by			
Dr. V.L. Dutt	60,05,569		
	(57,13,212)		
Smt. V.L. Indira Dutt	30,64,479		
	(29,65,990)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Smt. Kavitha Dutt Chitturi	9,00,000		
	(7,50,000)		
Sri. V. Gandhi	2,040		
	(2,040)		
Other Relations			
Kum. Shivani Dutt Chitturi		13,00,000	
		(13,00,000)	
Smt. Rajeswary Ramakrishnan		2,34,020	
		(2,34,020)	
Smt. S R V Rajyalakshmamma		630	
		(630)	
Smt. Uma S Vallabhaneni		1,63,120	
		(1,63,120)	
Smt. Irmgard Velgapudi		1,52,490	
		(1,52,490)	
Sri. Subbarao Vallabhaneni		75,930	
		(75,930)	
Sri. R.Prabhu		62,880	
		(62,880)	
Sri. S.Rajiv Rangasami		46,405	
		(46,405)	
Sri. R.Baba Chandra sekhar		13,100	
		(13,100)	
Sri. P.Vikram Ramakrishnan		12,655	
		(12,655)	
Sri. Sivaramakrishnan Prasad		12,650	
		(12,650)	
Smt. S.Nalini		11,250	
		(11,250)	
Smt. Kiran Velgapudi		4,220	
		(4,220)	
Smt. Anitha		4,000	
		(4,000)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Sri. Ravi Chitturi		50,000	
		(50,000)	
Smt.Anupama		2,370	
		(2,370)	
Smt.Kamala Devi Valluri		4,990	
		(4,990)	
Sri. Nagalla Seshu Babu		960	
		(2,120)	
Sri.V Praveen Kumar		2,320	
		(2,320)	
V. Ramakrishna Sons Pvt Limited			3,89,56,326
			(3,89,56,326)
The Jeypore Sugar Company Ltd.			2,78,370
			(2,78,370)
VRK Grandsons Investment -Private Limited			95,78,330
			(95,78,330)
Dr. VL Dutt -HUF		1,13,500	
		(1,13,500)	
Loans/Advances received			
Dr. V.L. Dutt	13,00,00,000		
	(10,75,00,000)		
Smt. V.L. Indira Dutt	5,30,00,000		
	(6,40,00,000)		
Smt. Kavitha D Chitturi	3,40,00,000		
	(3,25,00,000)		
V. Ramakrishna Sons Private Limited			6,15,00,000
			(7,40,00,000)
Rent Advance from Sri.V. Chandra Kumar		-	
		(50,000)	
Deposits Received			
Dr. V.L. Dutt	33,50,000		
	(33,50,000)		
Smt. Kavitha D. Chitturi	1,53,000		
	(1,53,000)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Other Relations			
V.L. Dutt [HUF]		6,00,00,000	
		(5,20,00,000)	
Kum. Shivani Dutt Chitturi		1,82,00,000	
		(1,65,00,000)	
Payable-Trade Dues			
The Jeypore Sugar Company Limited			-
			(34,404)
Dr. V.L. Dutt	-		
	(1,21,29,019)		
Smt. V.L. Indira Dutt	10,23,406		
	(82,45,225)		
Smt. Kavitha D Chitturi	-		
	(22,95,104)		
Sri. V. Gandhi	-		
	(30,35,200)		
Sri K.B Pranesh	3,41,300		
	(3,41,300)		
Other Relation			
Smt. S.R.V. Rajyalakshmamma		1,80,644	
		(4,62,354)	
Smt. V. Rama Kumari		9,67,286	
		(24,84,279)	
Sri. V. Chandra kumar		4,42,313	
		(14,33,501)	
Smt. Uma. S. Vallabhaneni		10,66,009	
		(21,57,688)	
A Trust in the name of Bala Tripurasundari Ammavaru			13,46,670
			(3,446,780)

2.7. a). Claims against the Company not admitted

PARTICULARS	31st March, 2014 Rs.	31st March, 2013 Rs.
Statutory Levies		
Group Companies	**34,56,64,446**	12,05,59,846
Joint venture	**11,54,272**	11,54,272
Contractual Levies		
Group Companies	**13,63,28,425**	12,97,10,362
Others		
Group Companies	**3,84,69,783**	4,86,69,783

b). Share of Contingent Liability in Joint Venture

1). Corporate Guarantees issued by the Company to customers Rs.10,34,04,670/- (Rs.13,45,648/-)

2). Guarantees issued by bankers on behalf of the Company Rs.13,83,76,324 /- (Rs.15,36,12,673/-)

3). Estimate amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil/-(Rs Nil/-)

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

3) SHARE CAPITAL

PARTICULARS	AS AT 31st March, 2014 Rs.	AS AT 31st March, 2013 Rs.
Authorised Share Capital:		
35,00,00,000 (31 March 2013 : 35,00,00,000) equity shares of Rs.1/- each	**35,00,00,000**	35,00,00,000
2,00,00,000 (31 March 2013 :2,00,00,000) 12% Redeemable cumulative non-convertible preference shares of Rs.10/- each	**20,00,00,000**	20,00,00,000
	55,00,00,000	55,00,00,000
Issued Share Capital:		
12,89,77,480 (31 March 2013 : 12,89,77,480) equity shares of Rs.1/- each	**12,89,77,480**	12,89,77,480
2,00,00,000 (31 March 2013 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**20,00,00,000**	20,00,00,000
	32,89,77,480	32,89,77,480
Subscribed and fully paid-up :		
12,89,21,160 (31 March 2013 :12,89,21,160) Equity shares of Rs.1/- each	**12,89,21,160**	128,921,160
80,00,000 (31 March 2013 : 1,50,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**8,00,00,000**	15,00,00,000
Total Issued, Subscribed and Fully paid-up Capital	**20,89,21,160**	27,89,21,160

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,88,96,326) equity shares of 1/- each fully paid - 30.22%(30.17%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) equity shares of 1/- each fully paid- 7.43% (7.43%)
3. SBI Emerging Business Fund 84,38,792 (83,45,318) equity shares of 1each fully paid up - 6.55%(6.47%)
4. M/s. Tata Capital Financial Services Ltd. - 80,00,000 (1,50,00,000) Preference shares of Rs. 10/- each fully paid - 100%(100%).

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

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Equity Share Capital at the beginning of the Year	**12,89,21,160**	12,89,21,160
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	**15,00,00,000**	20,00,00,000
Less: Less : 70,00,000 12% Redeemable cumulative Non-convertible Preference shares of Rs 10 each redeemed during the year (50,00,000 shares in previous year)	**7,00,00,000**	5,00,00,000
Issued Subscribed and Fully paid up capital at the end of the year	**20,89,21,160**	27,89,21,160

3.3) Preference Shares are redeemable within a period of five years but after the expiry of two years of the completion date (i.e., Share Allotment Date - 09/12/2009) in the following manner:

(i) In the third year Rs. 5,00,00,000
(ii) In the fourth year Rs. 7,00,00,000
(iii) In the fifth year Rs. 8,00,00,000

During the year the company has redeemed 70,00,000 12% Redeemable Cumulative, Non Convertible of Rs.10 each along with prorata interim dividend.

4) RESERVES AND SURPLUS

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Capital Reserve		
Capital Redemption Reserve		
Balance as per Last Financial Statements	**12,00,00,000**	5,00,00,000
Add: Amount Transferred from Surplus Balance in Statement of Profit and Loss	**8,00,00,000**	7,00,00,000
	20,00,00,000	12,00,00,000
Capital Reserve On Reorganisation	**2,79,91,144**	2,79,91,144
Capital Subsidy	**50,00,000**	50,00,000
On Amalgamation reserve	**1,03,83,025**	1,03,83,025
Total Capital Reserve	**4,33,74,169**	4,33,74,169
General Reserve		
Balance as per the last Financial Statements	**-**	
Group Companies	**274,50,00,000**	270,00,00,000
Joint Venture	**4,16,04,105**	4,16,04,105

RESERVES AND SURPLUS (CONTINUED)

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Add: Amount transferred from Surplus Balance in the Statement of Profit & Loss		
Group Companies	-	4,50,00,000
Joint Venture		
Closing Balance	**278,66,04,105**	278,66,04,105
Other Reserves		
Translation reserve	**4,35,92,831**	(3,44,51,325)
Closing Balance	**4,35,92,831**	(3,44,51,325)
Surplus/(Deficit) In The Statement Of Profit And Loss		
Balance as per the last Financial Statements		
Group Companies	**184,32,78,046**	196,99,73,801
Joint Venture	**(14,08,189)**	4,67,28,628
Profit for the year		
Group Companies	**32,14,93,809**	70,05,58,309
Joint Venture	**2,33,83,508**	(4,81,36,816)
	218,67,47,174	266,91,23,921
Less : **Appropriations**		
Proposed Final Equity Dividend (Amount per share Rs.0.10) (Previous year Rs.0.50))	**1,28,92,116**	6,44,60,580
Interim Dividend Paid	**17,79,37,878**	42,70,95,297
Dividend on 12% Preference Shares	**1,53,99,452**	2,21,42,466
Tax on Distributed Profits	**21,91,015**	2,09,14,236
Tax on Preference Dividend	**31,58,143**	35,92,061
Transfer to Capital Redemption Reserve	**8,00,00,000**	7,00,00,000
Transfer to General Reserve		
Group Companies	-	21,90,49,423
Joint Venture		
Total Appropriations	**29,15,78,604**	82,72,54,063
Net Surplus In Statement Of Profit And Loss	**189,51,68,570**	184,18,69,858
Total Reserves And Surplus Taken To Balance Sheet	**496,87,39,675**	475,73,96,807

4.1) MINORITY INTEREST	Figures as at the end of the previous reporting period 31.03.2013	Additions	Deductions	Figures as at the end of current reporting period 31.03.2014
Share Capital of KCP Vietnam Industries Limited 51,61,660 Equity shares (51,61,660 shares) held by minority shareholders	16,63,96,977	-	-	**16,63,96,977**
Statement of Profit and Loss	42,27,28,870	15,43,64,538	8,89,68,939	**48,81,24,469**
Translation Reserve	(1,72,25,664)	-	3,90,22,078	**2,17,96,414**
Total	57,19,00,183	15,43,64,538	12,79,91,017	**67,63,17,860**

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion		Current maturities	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Term Loans				
Group companies				
From Banks (Secured)	**255,70,76,307**	146,14,97,095	**33,03,00,000**	36,42,13,117
Foreign currency loan from Banks (Secured)	**-**	10,89,89,244	**-**	-
Total	**255,70,76,307**	157,04,86,339	**33,03,00,000**	36,42,13,117
Other Loans and Advances-Group Companies				
Deposits from directors	**31,53,000**	3,50,000	**3,50,000**	-
From Others	**56,49,56,000**	35,41,59,000	**19,54,76,000**	31,05,89,000
	56,81,09,000	354509000	**1,95,82,6000**	31,05,89,000
Total Amount	**312,51,85,307**	192,49,95,339	**52,61,26,000**	67,48,02,117
The above amount includes				
Secured Borrowings	**255,70,76,307**	157,04,86,339	**33,03,00,000**	
Unsecured Borrowings	**56,81,09,000**	35,45,09,000	**19,58,26,000**	-
Amount disclosed under the head				
"Other Current Liabilities"(Note 10)	**-**	-	**52,61,26,000**	67,48,02,117
Net Amount	**312,51,85,307**	192,49,95,339	**-**	-

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
6.1) Trade payables		
Group Companies	**45,25,851**	26,07,721
Joint Venture	**-**	
Total	**45,25,851**	26,07,721
6.2) Others		
Outstanding Liabilities for Trade Payables		
Group Companies	**-**	4,08,81,873
Joint Venture	**-**	-
For Expenses		
Group Companies	**3,65,87,042**	83,14,216
Joint Venture	**1,19,64,135**	1,19,64,135
Retention Money Payable		
Group Companies	**1,47,82,751**	27,565
Joint Venture	-	-
Trade Deposits		
Group Companies	**23,13,27,864**	21,64,80,964
Deposits Payable-Contractors		
Group Companies	**1,62,90,000**	1,35,90,000
Others		
Group companies	**30,39,94,320**	22,65,74,205
Joint venture	**-**	-
Total	**61,49,46,112**	51,78,32,958

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Deferred Tax Liability		
Fixed assets: Impact of difference between Tax Depreciation and		
Depreciation/Amortisation charged for the financial reporting others		
Group Companies	**67,40,83,428**	58,88,94,584
Joint Venture	**(6,29,444)**	4,75,688
Gross deferred Tax Liability	**67,34,53,984**	58,93,70,272
Deferred Tax Asset		
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on		
Group Companies	**9,77,35,381**	1,30,40,601
Joint Venture	**1,41,10,940**	2,40,76,707
Gross Deferred Tax Asset	**11,18,46,321**	3,71,17,308
Net Deferred Tax Liability	**56,16,07,663**	55,22,52,964

8) PROVISIONS

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Provision for Employee Benefits:				
Provision for Gratuity				
Group companies	**-**	-	**17,79,799**	66,65,799
Joint Venture	**-**	**1,19,693**	**-**	-
Provision for Leave Benefits				
Group companies	**3,96,94,130**	3,64,67,403	**25,48,875**	12,61,920
Joint Venture	**14,79,794**	14,87,740	**3,62,516**	-
	4,11,73,924	3,80,74,836	**46,91,190**	79,27,719

8) PROVISIONS (CONTINUED)

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Other Provisions				
Provision for Wealth tax	**-**	-	**21,15,003**	2,051,416
Provision for Income tax				
Group companies			**72,40,399**	9,27,91,177
Joint Ventuire			**1,78,99,623**	3,21,79,623
Proposed equity dividend			**1,28,92,116**	6,44,60,580
Provision for tax on Distributed Profits			**21,91,015**	1,04,57,118
Proposed preference dividend	**-**	-	**29,72,055**	55,72,603
Provision for tax on proposed preference dividend	**-**	-	**5,05,101**	9,04,015
	-	-	**4,58,15,312**	20,84,16,532
	4,11,73,924	3,80,74,836	**5,05,06,502**	21,63,44,251

9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Cash credit from Banks		
Secured		
Group Companies	**72,17,84,011**	1,04,64,33,036
Joint Venture	**1,99,84,746**	2,03,60,858
Unsecured		
Loan Repayable on Demand (Unsecured)		
- from Directors	**21,70,00,000**	20,40,00,000
Inter-corporate Deposits repayable on demand	**6,15,00,000**	7,40,00,000
	102,02,68,756	134,47,93,894
The above amount includes		
Secured Borrowings	**74,17,68,756**	106,67,93,894
Unsecured Borrowings	**27,85,00,000**	27,80,00,000

10) OTHER CURRENT LIABILITIES:

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
10.1) Trade payables		
Group Companies	**69,89,96,686**	69,09,30,061
Joint Venture	**12,60,11,154**	6,31,89,338
	82,50,07,841	75,41,19,399
10.2) Other Liabilities:		
Current maturities of long term borrowings		
Group Companies	**52,61,26,000**	67,48,02,117
Interest accrued but not due on borrowings-Group Companies	**90,82,631**	1,86,22,609
Interest accrued and due on borrowings-Group Companies	**1,75,36,388**	99,57,159
Advance from customers		
Group Companies	**35,29,80,036**	31,09,46,763
Joint Venture	**12,69,10,231**	11,98,93,199
Unpaid dividend		
Group Companies	**1,62,07,370**	1,70,38,183
Others		
Group Companies	**34,69,86,604**	48,52,06,822
Joint Venture	**3,23,86,028**	4,62,20,110
	142,82,15,288	168,26,86,962
	225,32,23,129	243,68,06,361

11) FIXED ASSETS and 12) INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION						NETT BLOCK	
	Cost upto 31st March 2013	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31st March 2014	Exchange difference	Total Depreciation upto 31st March 2013	Depreciation For the Year	Total Depreciation For the Year	Total Depreciation upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1 Lands												
Group companies	19,22,77,079	46,62,000	96,80,000		18,72,59,079						18,72,59,079	19,22,77,079
2. (a) Buildings												
Group companies	73,98,07,440	10,95,78,994	2,81,00,956		82,12,85,478		13,33,52,438	1,89,35,848	81,76,500	14,41,11,786	67,71,73,692	60,64,55,002
Joint Venture	72,36,454	2,67,762			75,04,216		58,01,169	1,70,325		59,71,494	15,32,722	14,35,285
(b) Leasehold Buildings												
Group companies	15,47,500				15,47,500		5,38,462	25,224		5,63,686	9,83,814	10,09,038
3 Tramways and Railway Sidings												
Group companies	67,94,362				67,94,362		64,54,643			64,54,643	3,39,719	3,39,719
4 Plant and Machinery												
Owned												
Group companies	750,15,13,788	35,89,62,534	4,74,56,411	13,91,25,469	795,21,45,380	9,15,22,320	277,84,81,751	43,20,54,053	2,50,50,195	327,70,07,929	467,51,37,453	472,30,32,037
Joint Venture	1,04,626				1,04,626		35,017	9,679		44,696	59,930	69,609
5 Furniture,Fixtures												
Owned												
Group companies	4,50,61,770	24,39,392	2,62,939		4,72,38,223		2,06,16,031	29,19,987	1,02,321	2,34,33,697	2,38,04,526	2,44,45,739
Joint Venture	49,80,115	5,271	19,741		49,65,645		43,76,963	2,09,343	17,693	45,68,613	3,97,032	6,03,152
6 Office Equipment												
Group companies	4,51,23,806	2,87,256	35,600	5,80,504	4,59,55,966	5,64,112	2,60,51,091	26,07,797	3,811	2,92,19,189	1,67,36,777	1,90,72,715
Joint Venture	12,87,371	14,580	29,704		12,72,247		8,24,012	70,167	20,285	8,73,894	3,98,353	4,63,359
7 Vehicles and Earthmoving Equipment												
Owned												
Group companies	17,57,01,531	1,80,35,820	75,72,897	9,28,513	18,70,92,967	7,43,178	6,31,06,469	1,60,31,133	39,05,701	7,59,75,079	11,11,17,888	11,25,95,062
Joint Venture	37,04,937	1,57,970	1,40,530		37,22,377		35,41,614	42,396	1,26,176	34,57,834	2,64,543	1,63,323
8 Research and Development Equipment												
Group companies	36,97,989		36,97,989		-		13,97,947	1,75,576	15,73,523	-	-	23,00,042
9 Patents												
Group companies	13,90,000		4,90,000		9,00,000		13,90,000		4,90,000	9,00,000	-	-
Joint Venture												
10 Software												
Group companies		24,62,546			24,62,546			73,274		73,274	23,89,272	-
Joint Venture												
10 Intangible Assets												
Group companies	11,84,061			1,03,012	12,87,073	1,03,011	11,84,062			12,87,073	-	-
Joint Venture	56,84,887				56,84,887		52,12,336	4,72,552		56,84,888	-	4,72,551
Grand Total	873,70,97,716	49,68,74,125	9,74,86,767	14,07,37,498	927,72,22,572	9,29,32,621	305,23,64,005	47,37,97,354	3,94,66,205	357,96,27,775	569,75,94,800	568,47,33,710
1. Group companies	871,40,99,326	49,64,28,542	9,72,96,792	14,07,37,498	925,39,68,574	9,29,32,621	303,25,72,894	47,28,22,892	3,93,02,051	355,90,26,356	569,49,42,220	568,15,26,433
2 Joint Venture	2,29,98,390	4,45,583	1,89,975	-	2,32,53,998	-	1,97,91,111	9,74,462	1,64,154	2,06,01,419	26,52,580	32,07,277
Grand Totals	873,70,97,716	49,68,74,125	9,74,86,767	14,07,37,498	927,72,22,572	9,29,32,621	305,23,64,005	47,37,97,354	3,94,66,205	357,96,27,775	569,75,94,800	568,47,33,710

Note: Depreciation for the year includes an amount of Rs. 25,32,665/- capitalised during the year (Previous Year: Rs. 3,01,178/-).

13) NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Common Stock (unquoted)		
1640 Non-voting common stock of BGE Global Inc., par value $0.01 per share	**76,99,947**	76,99,947
Preferred Shares (unquoted)		
750 Non-voting Preferred stock of BGE Global Inc., par value $0.01 per share	**3,84,99,738**	3,84,99,738
	4,61,99,685	4,61,99,685
Non-trade investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments (quoted)		
100 (31 March 2013: 100) equity shares of Rs.10/- each,		
fully paid up in Industrial Finance Corporation of India.	**3,500**	3,500
14240 (31 March 2013: 14240) equity shares of Rs.10/- each,		
fully paid up in Industrial Development Bank of India.	**11,57,000**	11,57,000
Equity Shares (unquoted)		
30 (31 March 2013: 30) equity shares of Rs. 10/- each		
fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd.,	**1**	1
(Written off to the extent of Rs. 299/-)		
100000 (31 March 2013: 100000) equity shares of Rs. 10/- each		
fully paid up in Prudential Mouli Sugars Ltd.,	**1**	1
(Written off to the extent of Rs. 9,99,999/-)		
Other investments	**4,77,387**	4,77,387
	16,37,889	16,37,889
Total	**4,78,37,574**	4,78,37,574

14) LOANS AND ADVANCES

PARTICULARS	14.1 Non-current		14.2 Current	
	31 March 2014 Rs.	31 March 20123 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Capital Advances				
Secured, considered good				
Group Companies	-	-	-	
Unsecured, considered good				
Group Companies	**18,62,29,918**	20,73,99,518	-	-
(A)	**18,62,29,918**	20,73,99,518	-	-
Security Deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Group Companies	**8,90,24,420**	8,81,85,994	**12,75,61,343**	1,81,894
Doubtful	-	-	-	-
	8,90,24,420	8,81,85,994	**12,75,61,343**	1,81,894
Provision for doubtful security deposit		-	-	-
(B)	**8,90,24,420**	8,81,85,994	**12,75,61,343**	1,81,894
Loans and advances to related parties				
Unsecured, considered good	-	-	-	-
(C)	-	-	-	-
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	
Unsecured, considered good				
Group Companies	-	-	**59,57,928**	62,41,882
Joint Venture	-	-	-	
Provision for Doubtful Advances	-	-	-	-
(D)	-	-	**59,57,928**	62,41,882
Other Loans and Advances				
Foreign Currency				
Group Companies	-	1,88,44,371	-	-
MAT Credit	-			
Group Companies	**22,92,33,105**	22,64,95,379	-	-
Joint Venture	**62,73,822**	-	-	-

LOANS AND ADVANCES (CONTINUED)

PARTICULARS	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Advances to Trade Payables				
Group Companies	-		**40,67,27,658**	34,77,93,942
Joint Venture			**5,74,76,925**	1,62,62,696
Advance Income-tax (Net of provision for Taxation)				
Group Companies	-		**8,85,28,754**	14,71,93,599
Joint Venture	-	-	**2,26,78,186**	4,19,81,844
Duty Drawback Receivable				
Group Companies	-	-	-	-
Joint Venture	-	-	**51,14,740**	-
Prepaid expenses/				
Group Companies	**17,01,235**	12,72,091	**4,20,74,434**	1,27,26,610
Joint Venture	**86,346**	37,691	**14,75,546**	10,20,924
Loans and Advance to employees				
Group Companies	-		**31,07,006**	19,75,381
Joint Venture			**6,56,554**	2,51,141
Balances with Statutory/Government Authorities				
Group Companies	-		**70,97,24,464**	39,68,74,563
Joint Venture			**4,05,75,670**	4,45,07,527
Others				
Group Companies	-	-	-	30,12,44,457
Joint Venture			-	-
(E)	**23,72,94,508**	24,66,49,532	**137,81,39,936**	131,18,32,685
Total [A+B+C+D+E]	**51,25,48,846**	54,22,35,044	**151,16,59,208**	131,82,56,460

15) TRADE RECEIVABLE AND OTHER ASSETS

TRADE RECEIVABLES	Non-current		Current	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
15.1) Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Group Companies	-	-	-	-
Joint Venture	-	-	**16,76,08,078**	9,23,23,208
Unsecured, considered good			-	-
Group Companies	**1,53,92,554**	1,17,14,266	**52,49,50,767**	13,97,22,704
Joint Venture	-	-	-	-
Doubtful	-	-	-	-
	1,53,92,554	1,17,14,266	**69,25,58,845**	23,20,45,912
Provision for doubtful receivables	-	-	**7,15,235**	-
(A)	**1,53,92,554**	1,17,14,266	**69,18,43,610**	23,20,45,912

GROUP

TRADE RECEIVABLES **(CONTINUED)**

PARTICULARS	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Other Receivables				
Secured, considered good				
Group Companies	-	-	-	-
Joint Venture	-	-	**4,88,37,166**	4,49,89,971
Unsecured, considered good				
Group Companies	-	-	**10,98,54,682**	46,06,44,924
Joint Venture	-	-	**8,88,34,101**	12,61,18,785
Doubtful			-	-
	-	-	**24,75,25,949**	63,17,53,680
Provision for doubtful receivables	-	-	-	-
(B)	-	-	**24,75,25,949**	63,17,53,680
Total [A+B]	**1,53,92,554**	1,17,14,266	**93,93,69,558**	86,37,99,592

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Unsecured, considered good unless stated otherwise				
Non-current Bank balances [Note 18]				
Group Companies	**1,26,83,476**	13,50,000	-	-
(A)	**1,26,83,476**	13,50,000	-	-
Unamortized expenditure				
Unamortized Premium on Forward Contract	-	-	-	-
Ancillary Cost of arranging the Borrowings	-	-	-	-
(B)	-	-	-	-
Others				
Interest accrued on fixed deposits-Group Companies			**70,54,613**	2,25,20,757
Interest accrued on fixed deposits-Joint Venture			**11,65,928**	6,76,652
Interest accrued on investments-Group Companies			**3,150**	
Dividend receivable on investment in subsidiaries - Long Term-Group Companies			**64,080**	64,080
Non trade receivables(interest)				
From - Joint Venture			**4,10,30,422**	3,67,03,514
- Others			**2,40,847**	
Others				
Group Companies	**2,37,239**	31,56,000	-	
Joint Venture	-	-	-	
(C)	**2,37,239**	31,56,000	**4,95,59,040**	5,99,65,003
Total [A+B+C]	**1,29,20,715**	45,06,000	**4,95,59,040**	5,99,65,003

16) CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
Nil	-	-
	-	-

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

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
Raw materials and components at Cost		
Group Companies	**7,95,64,729**	6,97,07,244
Joint Venture	-	1,98,95,788
Work-in-progresss		
Group Companies	**46,00,58,115**	58,40,58,811
Joint Venture	**1,77,06,494**	2,16,97,375
Finished goods		
Group Companies	**143,18,69,654**	73,13,89,801
Joint Venture	-	-
Stores and spares at Cost		
Group Companies	**60,70,71,291**	57,76,64,737
Joint Venture	**1,84,65,186**	-
Capital Stores in transit		
Group Companies	**13,12,568**	-
Joint Venture	-	
Assets held for Sale		
Group Companies	**5,28,05,240**	-
Joint Venture	-	
Total	**266,88,53,277**	200,44,13,756

18) CASH AND BANK BALANCES

PARTICULARS	Non -current portion		Current maturities	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Cash and Cash Equivalents :				
Balances with Banks:				
On current accounts				
Group Companies	-	-	**16,60,46,747**	21,04,52,974
Joint Venture	-	-	**37,62,675**	8,31,947
Deposits with original maturity of less than 3 months			**5,24,41,703**	49,69,35,996
Group Companies	-	-	**-**	-
Earmarked balances with banks - Unclaimed dividends				
Group Companies	-	-	**-**	-
Cheques/Drafts on hand				
Group Companies			**2,01,33,790**	4,83,36,574
Unpaid matured deposits			**38,14,251**	-
Unpaid matured debentures			**-**	-
Cash on hand				
Group Companies	-	-	**45,43,667**	28,90,410
Joint Venture	-	-	**80,761**	75,879
Interest Warrant Account as per bank books				
Group Companies	-	-	**-**	-
	-	-	**25,08,23,593**	75,95,23,780
Other Bank Balances :				
Earmarked Balances with Banks - Unclaimed Dividends				
Group Companies	**-**	-	**1,62,07,370**	1,70,40,513
Deposits with original maturity for more than 3 months but less than 12 months				
Group Companies			**40,90,850**	25,19,79,900
Joint Venture	-	-	**-**	-

CASH AND BANK BALANCES (CONTINUED)

PARTICULARS	Non -current portion		Current maturities	
	31 March 2014 Rs.	31 March 2013 Rs.	31 March 2014 Rs.	31 March 2013 Rs.
Margin Money Deposit				
Group Companies	-	-	**2,03,34,550**	2,15,31,103
Joint Venture	-	-	**2,55,88,760**	1,65,88,216
Deposits held as security for Borrowings made by third parties				
Group Companies	-	-	**-**	1,02,00,000
	-	-	**6,62,21,530**	31,73,39,732
Total	-	-	**31,70,45,123**	1,07,68,63,512

19) REVENUE FROM OPERATIONS

PARTICULARS	This Year Rs.	Previous Year Rs.
Revenue from Operations		
Sale of products:		
Finished goods		
Group Companies	**1081,23,63,175**	1227,24,63,353
Joint Venture	**46,19,79,215**	15,11,28,631
Sale of Services		
Group Companies	**10,32,10,144**	8,35,52,682
Joint Venture	**5,72,49,419**	3,32,42,586
Other Operating Revenue		
Scrap sales		
Group Companies	**49,46,154**	63,66,444
Joint Venture	**-**	15,71,945

REVENUE FROM OPERATIONS (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
Others	**15,76,391**	10,16,732
Revenue from Operations (Gross)		
Group Companies	**1092,20,95,864**	1236,33,99,211
Joint Venture	**52,01,34,507**	18,59,43,162
Less:Excise Duty		
Group Companies	**100,37,94,440**	117,30,08,799
Joint Venture	**74,03,249**	1,34,27,559
Revenue from Operations (Net)	**1043,10,32,682**	1136,29,06,015

20) OTHER INCOME

PARTICULARS	This Year Rs.	Previous Year Rs.
Interest Income on		
Bank Deposits		
- Group Companies	**3,35,80,222**	3,98,21,178
- Joint Venture	**21,07,127**	13,54,754
Others		
- Group Companies	**3,80,23,757**	8,48,29,140
- Joint Venture	**-**	15,07,417
Dividends Received on Current investments	**-**	43,89,51,874
Long Term Investments	**15,05,03,697**	43,032
Rent Received		
Net gain on sale of Assets		
- Group Companies	**5,56,115**	7,79,319
- Joint Venture	**2,919**	2,508

OTHER INCOME (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
Other Non-Operating Income		
- Group Companies	**14,62,22,069**	23,07,08,271
- Joint Venture	**1,13,38,511**	1,17,36,579
Total Taken to Statement of Profit and Loss	**38,23,34,417**	80,97,34,073
Note : Other Non-Operating Income includes :		
Unclaimed balance Credited Back		
- Group Companies	**15,02,833**	96,94,483
- Joint Venture	**-**	-
Claims/refunds received		
- Group Companies	**18,37,588**	46,560
- Joint Venture	**-**	12,53,018
Duty Drawback		
- Group Companies	**20,49,495**	
- Joint Venture	**55,19,657**	
Provisions no longer required credited back		
- Group Companies	**2,75,31,867**	3,54,91,600
- Joint Venture	**-**	44,11,743
Difference in exchange (net)		
- Group Companies	**(23,73,412)**	9,67,631
- Joint Venture	**58,18,854**	60,71,818
Rent Recovery		
- Group Companies	**47,32,172**	40,27,162
Miscellaneous receipts		
- Group Companies	**11,09,41,526**	18,04,80,835
- Joint Venture	**-**	-
Total	**15,75,60,580**	24,24,44,850

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This Year Rs.	Previous Year Rs.
Inventory at the beginning of the year		
Group Companies	**6,97,07,243**	11,35,69,213
Joint venture	**1,98,95,788**	1,89,36,171
Add:Purchases		
Group Companies	**28,45,86,799**	43,75,87,561
Joint venture	**32,20,88,729**	9,79,48,133
Add:Cost of raw materials produced	**420,27,49,644**	393,45,55,832
	48,99,28,203	4,60,25,96,911
Less: Inventory at the end of the year	**-**	
Group Companies	**7,95,64,728**	6,97,07,243
Joint venture	**1,84,65,186**	1,98,95,789
Cost of raw material and components consumed	**447,74,78,957**	439,46,46,977
Joint venture	**32,35,19,331**	11,83,46,902
Cost of raw material and components consumed	**480,09,98,288**	451,29,93,879

22) (INCREASE)/DECREASE IN INVENTORIES

Inventories at the end of the year	This Year Rs.	Previous Year Rs.
Traded goods	**-**	-
Work in progress		
Group Companies	**46,00,58,115**	58,40,58,811
Joint venture	**1,77,06,494**	2,16,97,374
Finished goods		
Group Companies	**143,18,69,654**	73,13,89,801
Joint venture	**-**	-
	190,96,34,263	133,71,45,986
Inventories at the beginning of the year		
Traded goods	**-**	-
Work in progress		
Group Companies	**58,40,58,811**	55,84,60,127
Joint venture	**2,16,97,375**	3,26,22,471
Finished goods		
Group Companies	**73,13,89,801**	84,72,99,076
Joint venture	**-**	-
	133,71,45,987	143,83,81,674
Total	**(57,24,88,276)**	10,12,35,688

23) EMPLOYEE BENEFITS EXPENSES

PARTICULARS	This Year Rs.	Previous Year Rs.
Salaries, Wages and Bonus		
Group Companies	**54,98,74,907**	50,02,39,638
Joint Venture	**2,33,36,442**	2,46,99,924
Contribution to Provident and other Funds		
Group Companies	**5,07,26,234**	4,37,60,495
Joint Venture	**19,55,649**	23,47,659
Gratuity Expense		
Group Companies	**77,72,831**	1,53,48,231
Joint Venture	**-**	-
Staff Welfare Expenses		
Group Companies	**5,96,86,215**	6,20,44,554
Joint Venture	**26,44,637**	25,86,626
Total	**69,59,96,915**	65,10,27,127

24) FINANCE COSTS

PARTICULARS	This Year Rs.	Previous Year Rs.
Interest - Group Companies	**45,62,16,150**	39,22,49,641
Interest on incometax- Group Companies	**-**	7,60,256
- Joint Venture	**21,37,153**	25,10,795
Other Borrowing Cost		
- Group Companies	**39,00,422**	2,91,079
- Joint Venture	**8,16,070**	12,58,146
Total	**46,30,69,795**	39,70,69,917

25) DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	This Year Rs.	Previous Year Rs.
Depreciation of Tangible Assets		
- Group Companies	**47,02,16,954**	44,29,86,665
- Joint Venture	**5,01,910**	6,80,512
Depreciation of Intangible Assets		
- Group Companies	**73,274**	-
- Joint Venture	**4,72,552**	5,14,081
Total	**47,12,64,690**	44,41,81,258

26) OTHER EXPENSES

PARTICULARS		This Year Rs.	Previous Year Rs.
Consumption of Stores and Spares			
- Group Companies		**66,19,85,469**	61,47,86,910
- Joint Venture		**-**	3,37,87,442
Consumption of Loose tools			
- Group Companies		**1,35,31,281**	1,37,91,627
- Joint Venture		**-**	-
Sub-contracted works			
- Group Companies		**8,97,05,942**	8,75,31,949
- Joint Venture		**1,76,83,169**	-
(Increase)/Decrease of Excise duty on Inventory			
- Group Companies		**-55,09,836**	5,50,879
- Joint Venture		**-**	-
Power and Fuel			
- Group Companies	**185,08,74,384**		
Less:Self consumption of Power generated internally	**(19,25,10,304)**	**165,83,64,080**	209,69,13,269
- Joint Venture		**10,73,550**	11,24,122
Insurance			
- Group Companies		**1,01,90,021**	94,60,783
- Joint Venture		**6,79,110**	12,05,835
Research and Development			
- Group Companies		**11,63,911**	12,95,335
- Joint Venture		**-**	-

OTHER EXPENSES (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
Technical fee and royalty		
- Group Companies	**-**	-
- Joint Venture	**24,24,525**	-
Repairs to Buildings		
- Group Companies	**4,60,61,556**	5,22,42,343
Repairs to Machinery		
- Group Companies	**23,72,78,609**	22,60,98,672
Repairs to Other Assets		
- Group Companies	**5,45,92,905**	3,65,25,246
Advertisement and Sales Promotion		
- Group Companies	**3,07,55,640**	8,51,54,907
- Joint Venture	**3,57,573**	3,17,496
Freight/Forwarding charges		
- Group Companies	**120,85,86,095**	143,75,04,231
- Joint Venture	**2,05,67,526**	91,31,929
Commission on Sales		
- Group Companies	**1,31,83,149**	3,65,12,299
- Joint Venture	**69,41,911**	-
Wheeling charges		
- Group Companies	**1,26,86,994**	41,98,444
Rent		
- Group Companies	**2,23,13,656**	2,06,63,800
- Joint Venture	**6,71,857**	3,60,492
Payments to Auditors		
- Group Companies	**34,01,809**	34,21,918
- Joint Venture	**3,24,502**	2,24,180
Directors' Sitting Fee		
- Group Companies	**10,00,000**	9,40,000
Travelling and Conveyance		
- Group Companies	**2,60,30,582**	2,95,86,873
- Joint Venture	**67,12,379**	62,95,483
Communication costs		
- Group Companies	**1,07,84,449**	1,03,95,469
- Joint Venture	**9,23,954**	8,83,460

OTHER EXPENSES (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
Printing and Stationary		
- Group Companies	**89,20,286**	97,30,170
- Joint Venture	**-**	-
Legal and Professional fees		
- Group Companies	**2,66,42,024**	2,78,54,860
- Joint Venture	**-**	-
Miscellaneous Expenses		
- Group Companies	**10,96,03,131**	9,42,86,252
- Joint Venture	**3,84,04,214**	1,76,70,743
Warranty Claims		
- Group Companies	**1,82,99,922**	1,96,38,759
- Joint Venture	**1,22,68,053**	-
Bad debts and Irrecoverable Advances Written off		
- Group Companies	**10,99,654**	3,71,337
- Joint Venture	**-**	-
Discarded Assets Written off		
- Group Companies	**2,14,347**	3,23,898
Loss on Sale of Assets		
- Group Companies	**20,61,905**	14,80,068
- Joint Venture	**12,849**	-
Stores written off		
- Group Companies	**6,77,076**	
- Joint Venture	**-**	
Difference in Exchange (Net)		
- Group Companies	**48,75,301**	13,20,768
- Joint Venture		
Rates and Taxes		
- Group Companies	**3,37,05,024**	2,87,67,760
- Joint Venture	**10,89,938**	42,12,308
Total of (A+B+C+D) Taken To Statement of Profit and Loss	**441,23,40,092**	502,65,62,317

General:

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

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT Chairman and Managing Director	**V.L. INDIRA DUTT** Joint Managing Director	**KAVITHA D CHITTURI** Executive Director	**T.V. RAMANA** Partner (ICAI Memb No.200523)
O. SWAMINATHA REDDY Director	**V. GANDHI** Technical Director	**M.R. RAMACHANDRAN** Chief Financial Officer	**Y. VIJAYAKUMAR** Company Secretary

Place: Chennai
Date: 22nd May, 2014

SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2014

Annexure-I

Primary Segment Report - Business Segments

(Rs in lakhs)

PARTICULARS	Engineering		Cement		Power		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue														
Total Revenue	**13,745**	12,515	**63,650**	70,846	**1,992**	1,317	**37,138**	42,147	**85**	213			**1,16,610**	1,27,038
Less:Excise Duty	**620**	1,107	**9,492**	10,757	**-**	-	**-**	-	**-**	-			**10,112**	11,864
	13,125	11,408	**54,158**	60,089	**1,992**	1,317	**37,138**	42,147	**85**	213	**-**		**1,06,498**	1,15,174
Less:Inter Segment Sales	**262**	276	**-**	-	**1,925**	1,270	**-**	-	**-**				**2,188**	1,546
	12,863	11,132	**54,158**	60,089	**67**	47	**37,138**	42,147	**85**	213	**-**		**1,04,310**	1,13,628
Result														
Segment Result	**206**	2,112	**2,070**	1,027	**1,228**	(117)	**5,114**	6,367	**(127)**	(112)			**8,490**	9,277
Add: Unallocated Corporate Expenses									**1,563**	4,597			**1,563**	4,597
Operating Profit / (Loss)	**206**	2,112	**2,070**	1,027	**1,228**	(117)	**5,114**	6,367	**1,435**	4,485	**-**	-	**10,053**	13,874
Less:Interest Expenses													**(4,631)**	(3,971)
													5,422	9,903
Add : Income Tax Refund/Credited back													**24**	10
Mat Entitlement credit													**90**	444
Less: Income Taxes														
Net Current Tax liability													**(450)**	(1,177)
Net Deferred Tax Liability													**(94)**	(668)
Short/Excess provision for earlier years													**-**	(8)
Profit from Ordinary Activities													**4,992**	8,504
less: Minority share of profit / (Loss)													**(1,544)**	(1,980)
Net Profit													**3,449**	6,524
Other Information														
Segment Assets	**18,563**	20,702	**58,285**	58,157	**14,296**	7,634	**30,567**	27,833	**6,336**	4,888	**3,422**	3,711	**1,24,625**	1,15,503
Unallocated corporate Assets													**10,630**	10,913
Total Assets	**18,563**	20,702	**58,285**	58,157	**14,296**	7,634	**30,567**	27,833	**6,336**	4,888	**3,422**	3,711	**1,35,254**	1,26,416
Segment Liabilities	**8,519**	7,970	**34,067**	33,503	**7,265**	2,672	**6,630**	7,029	**3,736**	2,205	**1,011**	1,300	**59,207**	52,079
Unallocated Corporate liabilities													**17,508**	18,256
Minority Interest													**6,763**	5,719
Shareholders Funds													**51,777**	50,362
Total Liabilities	**8,519**	7,970	**34,067**	33,503	**7,265**	2,672	**6,630**	7,029	**3,736**	2,205	**1,011**	1,300	**1,35,254**	1,26,416
Capital Expenditure	**67**	274	**3,242**	1,169	**885**	64	**210**	-	**564**	463			**4,969**	1,970
Total Capital Expenditure														
Depreciation	**331**	321	**2,506**	2,344	**462**	432	**1,294**	1,232	**120**	112			**4,713**	4,441

Secondary Segment Report - Geographical Segments

	Sales Revenue		Carrying amount of assets		Additions to Fixed Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	67,172	71,481	1,04,687	98,583	4,759	1,970
South East Asia - Vietnam	37,138	42,147	30,567	27,833	210	-

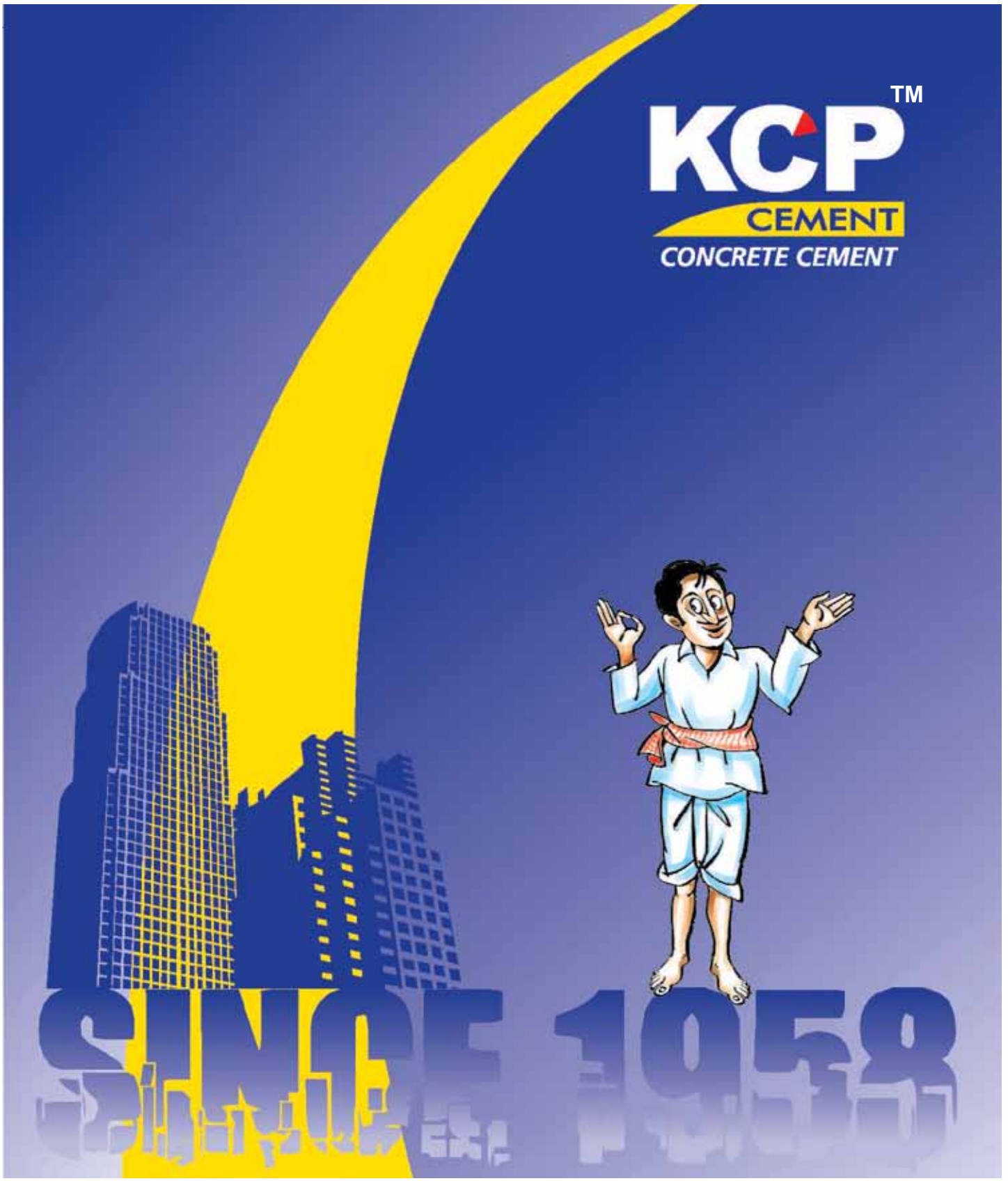
Other disclosures:

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

Notes:

GROUP

Notes: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