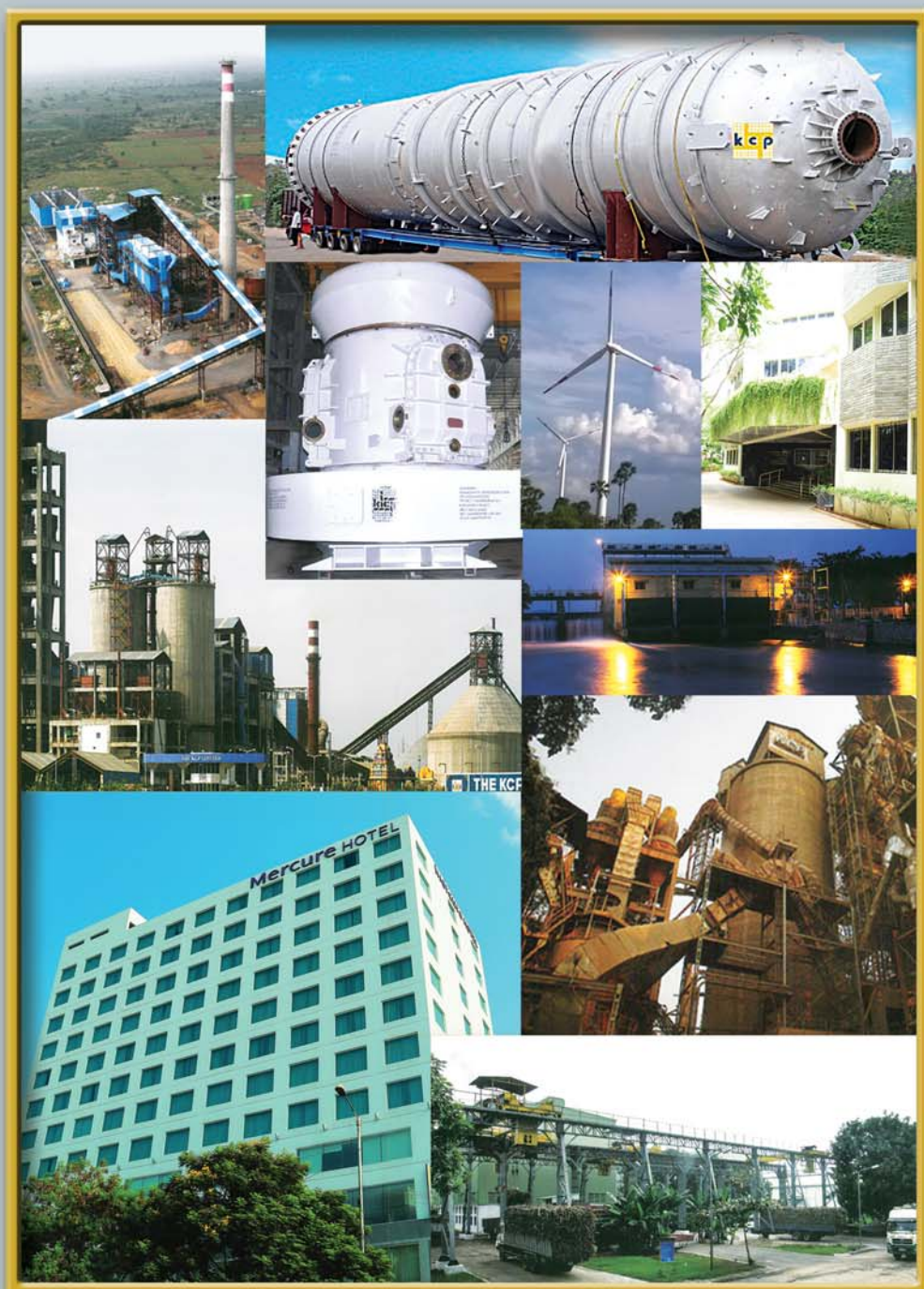

75th Annual Report 2015-2016

75 Years
kcp
GROUP
KCP
Sreshtaa™
CEMENT
THE NEW GENERATION CEMENT

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

(Rs. in Lakhs)

	Year Ended									
	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07
SHARE CAPITAL	1289	1289	2089	2789	3289	3289	3289	1289	1289	1289
RESERVES & SURPLUS	37454	34592	34250	34458	33168	29542	27189	22780	17697	12984
NET WORTH	38743	35881	36339	37247	36457	32831	30478	24069	18986	14273
FIXED ASSETS (NET)	71613	69486	66453	60639	54374	50668	33448	13147	12653	11704
GROSS INCOME	86582	70893	75723	88971	72654	37626	42289	41788	41604	30051
GROSS PROFIT	14965	10680	8024	11348	15208	8224	11052	11369	11284	8321
DEPRECIATION	3912	3431	3409	3197	2935	1233	1056	914	858	618
INTEREST	4541	4886	4473	3812	3795	1394	949	671	692	444
PROFIT BEFORE TAX	6512	2363	120	4339	8478	5597	9047	9784	9734	7259
PROFIT AFTER TAX	4286	1587	127	3046	6153	4135	6002	6591	6654	4829
EARNINGS PER SHARE(Rs)**	3.32	1.17	-0.04	2.16	4.56	2.99	45.88	51.13	51.62	37.46
BOOK VALUE PER SHARE(Rs)**	30.06	27.84	27.57	27.34	26.73	23.92	220.93	186.72	147.27	110.72
DIVIDEND ON EQUITY(%)	100	75	10	100	150	100	100	100	100	100
DEBT EQUITY RATIO (*)	0.66	0.89	0.86	0.54	0.51	0.71	0.33	0.27	0.15	0.21

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

(Rs. in Lakhs)

	Year Ended									
	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07
SHARE CAPITAL	1289	1289	2089	2789	3289	3289	3289	1289	1289	1289
RESERVES &SURPLUS	60227	51896	48425	47574	46890	41684	33434	26791	19601	13532
NET WORTH	61516	53185	50514	50363	50179	44973	36723	28080	20890	14821
FIXED ASSETS (NET)	97320	76542	74502	67124	61561	57821	40750	22401	20084	18377
GROSS INCOME	141450	129229	118246	133590	115004	72100	69471	60401	58059	42575
GROSS PROFIT	24140	17990	14766	18316	23625	15288	17298	15428	14462	11150
DEPRECIATION	4829	4821	4713	4442	4104	2233	2167	2015	1605	1312
INTEREST	5234	5146	4631	3971	4154	1565	1336	1279	912	923
PROFIT BEFORE TAX	14077	8023	5422	9903	15367	11490	13795	12134	11945	8915
PROFIT AFTER TAX	9335	5037	3449	6524	10605	7874	9076	8118	8022	5945
EARNINGS PER SHARE(Rs)**	7.24	3.84	2.54	4.89	8.01	5.89	69.7	62.98	62.23	46.12
BOOK VALUE PER SHARE(Rs)**	47.72	41.25	38.57	37.91	37.38	33.33	269.38	217.84	162.06	114.98
DIVIDEND ON EQUITY(%)	100	75	10	100	150	100	100	100	100	100
DEBT EQUITY RATIO (*)	0.54	0.60	0.60	0.39	0.38	0.53	0.42	0.07	0.17	0.38

* **Debt excludes current maturities.**

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. V.L. DUTT
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. G.N. MURTY

AUDITORS

M/s. **BRAHMAYYA & CO**
Chartered Accountants,
33-25-33B, Govindarajulu Naidu Street,
Surya Rao Pet, Vijayawada - 520 002.

BANKERS

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

REGISTERED AND CORPORATE OFFICE

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

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 017Ph: 28140801/803 Fax: 281424790 E-mail:
yuvraj@integratedindia.in Website: www.integratedindia.in

BOARD COMMITTEES & CONSTITUTION

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

Smt. Kavitha D. Chitturi, Smt. V.L. Indira Dutt
Sri. V. Gandhi, Sri. Vijay Sankar
Sri. P.S. Kumar, Sri. G.N. Murty
Dr. G.V.K. Prasad, Sri. K. Ramakrishna
Dr. A.V. Sivarama Prasad, Sri. B.V. P.S. Chowdary

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

INNOVATION AND BEST PRACTICES COMMITTEE

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

FINANCE COMMITTEE

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

INVESTMENT COMMITTEE

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

COMPANY SECRETARY

Sri. Y. VIJAYA KUMAR

COST AUDITORS

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

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

INTERNAL AUDITORS

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

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

PLANT LOCATIONS

CEMENT UNITS

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

HYDEL POWER UNIT

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

WASTE HEAT RECOVERY UNIT

Macherla, Guntur District, AP

CAPTIVE POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

ENGINEERING UNITS

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

SOLAR POWER UNIT

Muktyala, Krishna District, Andhra Pradesh

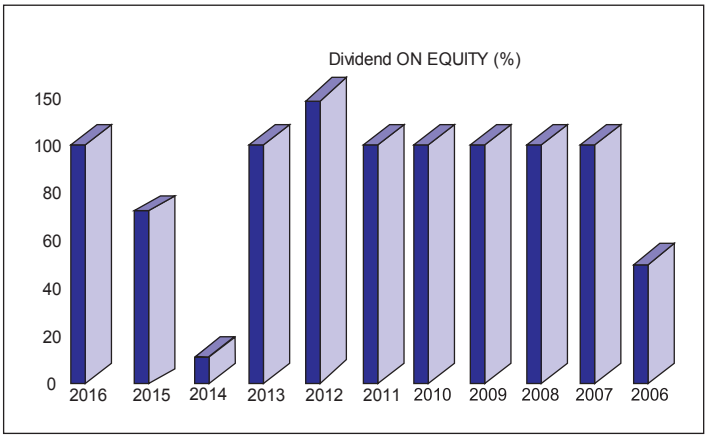
WIND MILLS

Uthumalai Village, Tirunelveli District, Tamilnadu

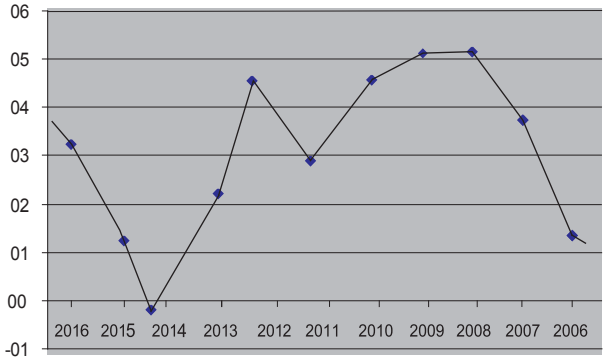
HOTEL

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

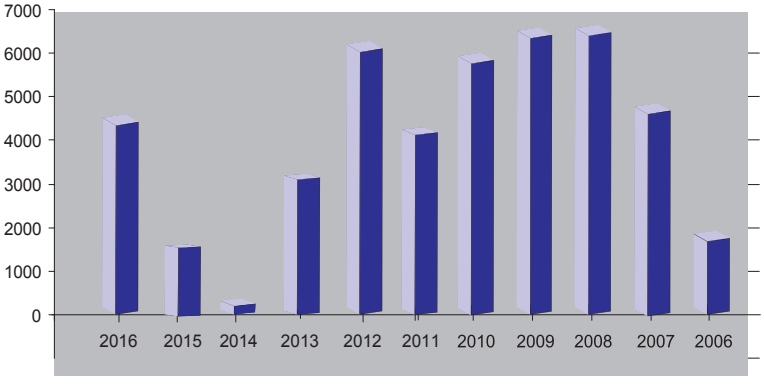
At a Glance



Dividend History



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

(Not to Scale)

From the Chairman's Desk

Dear Shareholder,

I am delighted to share with you an important landmark in the journey of your Company, the celebration of its platinum jubilee year, with completion of 75 years of distinguished existence.

Today, KCP is a group with turnover of about Rs 1400 crores with diverse initiatives into Cement; Sugar; Heavy Engineering; Hospitality, Generation of all types of power like Thermal, Hydel, Wind and Solar.

The vision of Late Sri Velagapudi Ramakrishna, who laid the foundation for the Company in 1941, is the inspiration for the path it covered with emphasis on quality, ethics, transparency, compliances and the corporate governance. KCP recognised the importance of inclusive growth and the Social responsibility by starting a higher secondary school way back in 1967 and carried on with such responsibility by setting up Polytechnic College, Kids Patasala etc. and also took up activities for health, infrastructure, drinking water so on and so forth.

With the technological foresight of its founder, KCP envisioned 'Excellence through Innovation' and adopted the latest processes especially in critical industrial equipment.

The 75th Annual Report reveals that the financial year(FY) 2016 was one of the best years of your company, in recent times. Both on standalone basis as well as at group level, KCP registered good bottom line.

The performance of your Company is intertwined with the macro economic conditions of the country. India's GDP gained momentum in the final quarter of FY 2015 and pushed full-year growth to a five-year high. GDP grew 7.6% in FY 2015, which was up from 7.2% in the previous fiscal year and primarily reflected the robust growth in private consumption, which accounts for nearly 60% of the economy. The budget deficit has been shrinking in last few years and is expected to narrow further. Stellar management of inflation, which kept the Indian Rupee stable, supported the government's efforts to attract foreign-direct investment. India is reasonably insulated against global ramifications of 'Brexit' Brittan's decision to exit European Union. The strengthening of other macroeconomic indicators including swelling foreign-exchange reserves and narrowing current-account deficits also inspired confidence in would-be investors. Reduction in interest rates was gradual due to the hawkish stance on inflation taken by the authorities.

As countries like China and Brazil have slipped in their economic management, India signaled that it is a mature economy, where prudent macroeconomic decisions are taken based on technical expertise, not political whim. This raised its profile in the international arena substantially.

Coming to the performance of the company, I am particularly pleased to state that cement segment of the company made giant contributions to the bottom line. Better realisations primarily helped in registering good profits in the cement segment. Though, on pan India basis, the demand for cement did not pick up as anticipated by the cement players, your company could enhance the cement volumes also.

The power segment was a mixed bag during the year 2015-16. While captive thermal power plant could optimise its capacity utilisation by selling the surplus power to the state grids as well as other buyers through the exchange, the hydel unit's performance was dismal due to the prevailing drought conditions.

The record rainfall in Chennai during the second half of the year, affected the performance of the Engineering Unit at Chennai. Coupled with the rains and floods, the pickup of the demand for capital goods is still awaited. Consequently, despite registering higher turnover, the unit recorded losses.

I am delighted to share with you the fact that the Hotel project of your Company at Hyderabad has been completed and is operational. Ours is a business hotel located in the heart of the capital city of Telangana, Hyderabad. It has state of the art facilities.

I am happy to state that the phase-I expansion of your Company's subsidiary sugar unit at Vietnam, was completed and the results of the expansion would be reflected in the year 2016-17. Global prices of sugar have been improving since second half of the financial year 2015-16. The realisations in Vietnam also improved leading to enhanced financial performance of that unit. However, the drought condition led to the poor crop resulting in reduction of volumes of sugar produced and sold.

Backed by the optimistic conditions in the economy, the Union Budget 2016-17 proposed a slew of measures to boost infrastructure and investment, which should be positive for the cement sector, as increased spending on infrastructure enhances the demand for cement. Spends on smart city development, allocations for Urban Rejuvenation Mission and Mission for Development of 100 Smart Cities, should also help cement off take. The rural push given in the Budget should also spur the rural demand.Adoption of cement in the place of bitumen in new road projects will also help in creating demand for cement.

The recent announcement that India will now, for the first time, allow 100% foreign ownership of firms in a broad swath of industries further reinforces the message that India is open for business.

Buoyed by the policy measures taken by the government, encouraging economic indicators and the developments in the Capital Region of Andhra Pradesh and other projects taken up in Telangana and Andhra Pradesh, your Board of Directors' have decided to expand the capacity of the existing plant at Muktyala from 1.8 million tons per annum (TPA) to 3.5 million TPA. The project is likely to go on stream by the financial year 2019.

Your Company is committed to sustained development and inclusive growth of all the stakeholders and has a good Corporate Social Responsibility policy in place and is committed to diligent discharge of this responsibility.

Your Company banks on the confidence reposed in it by all the stakeholders, unstinted commitment by its employees, and customers.

I assure that your Company would strive to live up to your expectations.

Best Regards,

V L Dutt
Chairman and Managing Director

From the Joint Managing Director

Dear Shareholder,

75 Years. It is a long time in an organisation's existence, while only a short time in the human story. 75 years of existence of a business house is quite an awe-evoking event. The cultural, social, and technological changes that span the last several decades have deeply affected and changed our lives in numerous ways along with the world. Yet, our Group's timely and appropriate response to these changes is a continuing key to our success. Some things at the core of our Group have not changed despite the complexity of our dynamic environment and, I am sure, they would remain so in the coming decades of our Group's existence too. This is the dictum that our Founder envisioned – one that stood our Group in good stead all through its existence.The increasing dynamism and rapid expansion occurring in the economies of contemporary societies have created the imperative for an inclusive developmental process.

While that may be a new phenomenon for many, at KCP it has always been the norm rather than an exception.

In 1941 a sick cooperative society morphs into a bustling sugar plant transforming villages around it into a thriving economy. It was the overarching vision of the industrial patriarch Sri. V. Ramakrishna (ICS) that brought about the sea change in the lives of the cooperative society members and the villagers. It is his vision vested with values that drives the eventful history of the prestigious KCP Group.

The unprecedented success of the Sugar plant and its expansion by acquisitions, was followed by the establishment of the Engineering Unit at Chennai and the first Cement Factory at Macherla, Guntur District, Andhra Pradesh.

When the then Madras State was on the threshold of industrial growth, the Engineering workshop at Tiruvottiyur was set up to provide technical and mechanical support to Sugar and Cement factories. The well-crafted strategy turned out to be being at the right place at the right time. The cement factory at Macherla was initially set up to cater to the needs of the then prestigious construction of the NagarjunaSagar Dam, a momentous irrigation project.

In 1995, KCP began a collaboration with the then Fives Cail Babcock, subsequently Fives Lillie Cail, for manufacture and erection of sugar plant equipment. This collaboration has been doing well with generous technical support from its partners.

KCP Limited went on to set up a hundred per cent foreign invested sugar plant in Vietnam in 1999 and made a resounding success of it. This has built benchmarks of technical and managerial excellence and transparency in a friendly country.

In 2012-13 a 1.52 MTPA green field Cement Plant (the 2nd in the Group) was Commissioned at Ramakrishnapuram, Muktyala, Andhra Pradesh, and in year 2014-15 an 18MW Thermal Power Plant was commissioned at Muktyala for captive power generation for this cement unit.

Now veering away from all its core businesses, KCP has put to use its land in Somajiguda, a peaceful residential neighbourhood of Hyderabad that has become a modern business area, by building a four-star hotel. The 130 room business hotel in the upper middle segment is being run by a leading international hotel chain under management contract.

KCP also established power generation units from hydel sources, Waste heat recovery, Solar and through windmills.

Bowing to the demands of the time, in 1996, the company demerged its sugar businesses under independent management with the shareholders retaining their respective stakes in both companies.

The welfare of employees and that of the neighboring communities has been the moving force behind the establishment of many educational institutions, social and community projects in the vicinity of our facilities. The company has always viewed it as part of its responsibility to the community from which it derives its resources for business and the company has in its own way practiced this by making its surroundings greener and the environment more resident–friendly..

KCP played a stellar role in building a modern India that the brand is now a hallmark for values. Over the years, our Brand has acquired a premium that truly cannot be replicated. We have been in the forefront adopting new technologies in all spheres of our activities setting new trends for others to emulate.

In the course of the last 75 years, we have achieved much and therefore have much to be proud of and this is a more opportune time than ever for us to rededicate ourselves to keep treading on our chosen path and carry on with our journey towards newer horizons. Our technical excellence, dedicated human resources, upcoming projects and progressive market growth augur well for our future. I thank you for the continued confidence you have been reposing in the company. With your support and encouragement I am sure the company will scale greater heights in the coming decades.

Thank you

V.L. Indira Dutt
Joint Managing Director

From the Executive Director

Dear Shareholder,

Today, KCP has a 75 years of legacy behind it. This translates into there being a great company and great tradition, and of course, great values,behind every employee.

Each person in the KCP Group is as important to our success as the other. But, how did all come through? How did it all happen and culminate into creating such a great Institution?

Excellence through Innovation has been our Founder's passcode to success. Hard work, attention to detail, persistence, customer orientation, meeting a market demand in essence, everything that is expected of an entrepreneur has been his hallmark. In the formative years of his corporate empire, to everybody's surprise, he invested the same spirit and philosophy in people as much as he did in his business ventures.

KCP, imbibing the values of its founder, has always believed in a sustainable and responsible HR policy. 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 spruce up their approach to HR in a myriad of ways. Much before – in fact many decades before – others realized this as a necessity to survive, at KCP people management and HR policies have always been norms rather than an exceptions.

The comfort levels created by the company to employees is so substantial that most of the employees retire in their posts. Job security, good and pleasant working environment that prevails along with flexible and dynamic people management policies are the main reasons for this.

Skill enhancement through Training & Development creates a multi skilled workforce. Over the years we have created a large skilled and experienced technical manpower base through constant upgradation of knowledge and skills of our employees. Knowledge based self-enrichment is a valuable opportunity being provided by the organisation to its personnel on a regular basis.

While Ramakrishna Cultural & Welfare Club (RCWC) caters to employees' welfare activities, Samasthithi was started with the noble aim of generating additional Income for spouses of male employees through some self-help programmes which has been highly successful over the decades.

A very transparent system of Assessment of performance of employees through performance management information system enables evaluation based on subjective to objective methods thereby avoiding personal prejudices. Key Result Areas (KRA) are measured in this scientific method. To encourage employees who excel in their activities and are committed and loyal to the organisation's growth, efforts are made to accord recognition to them through rewards and awards.

KCP is clearly conscious of today's globalised environment where a cutting edge competitive spirit is essential to take forward our objectives, maintain the growth trajectory and its scale of operations. In this challenging scenario, the role of each employee becomes increasingly important with more demands being placed on his / her skill, talent and efficiency.

We are pleased to place before you our readiness to take on the challenges in the coming decades and achieve greater heights and momentous goals with sustainable growth.

Yes, our HR Management Systems are firmly in place while we welcome the future with open arms.

Thank you

Kavitha Dutt Chitturi
Executive Director

Board of Directors

Smt. Kavitha Dutt Chitturi
DIN: 00139274
Executive Director

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

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

Profile of the Directors

Dr. V.L. Dutt
Chairman & Managing Director

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

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

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

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

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

Smt. V.L. Indira Dutt
Joint Managing Director

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

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

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

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

Smt. Kavitha Dutt Chitturi
Executive Director

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

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

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

Sri. V. Gandhi
Technical Director

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

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

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

Sri. Vijay Sankar
Independent Director

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

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

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

Sri. O. Swaminatha Reddy
Independent Director

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

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

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

Sri. V.H. Rama Krishnan
Independent Director

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

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

Sri. P.S. Kumar
Independent Director

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

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

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

Sri. M. Narasimhappa
Independent Director

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

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

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

Board of Directors

Sri. V. Gandhi
DIN: 00140320
Technical Director

Sri. O. Swaminatha Reddy
DIN: 00006391
Independent Director

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

Sri. Vijay Sankar
DIN: 00007875
Independent Director

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

Sri. M. Narasimhappa
DIN: 03319847
Independent Director

Grand Inauguration of Mercure Hyderabd KCP

Corporate Social Responsibility

KCP has been in the forefront in demonstrating its corporate social consciousness for almost 75 years now. A legacy very few Indian corporates can claim. For us at KCP, social responsibility does not merely mean doling out charities. For us, it is more of ethical behavior, display of sensitivity to our social, cultural, economic and environmental factors. It is inextricably intertwined in our ethos, impacts growth and development of the local community as well as business.

Since inception, we have been deeming it our responsibility to tend to all the local communities that we operate in and over the decades, this has made a tremendous tangible impact on the communities.

KCP supports a variety of communities in multiple thrust areas like Health, Sanitation, Education, Skill Development, Environment Protection and Infrastructure.

We partner with local bodies, NGOs and other similar likeminded agencies in programs relating to Women empowerment, Skill development, community development.

We list below some of the CSR acitivities that we have undertaken this year.

Health:

KCP has been supporting the health initiatives by organizing health camps to offer curative services and raising awareness on health issues, and by providing infrastructural and medical equipments to hospitals and health centers, as well as renovation of hospital buildings and construction of new health centers.

During the year at the request of M/s PSR Anjaneyulu Meenakshi Eye Vision Centre, Macherla, our company has contributed Rs. 5 Lakhs to construct the Second Floor in the eye hospital to be named after our Founder Chairman Sri Velagapudi Ramakrishna.

Free eye camp was organized by our Cement Production unit, Macherla in association with PSR Anjaneyulu Meenaskhi Rotary Vision Centre in Terala Village in which 500 persons were tested, 30 persons underwent surgery at PSR Anjaneyulu Hospital, Macherla and were provided with free medicines and spectacles.

On 18.01.2016 and 22.02.2016, our Cement Production Unit at Macherla in association with Rotary Club of Macherla has organized pulse polio immunization programs in Rural Villages of Macherla, Veldurthy, Durgi Mandals and Macherla Town of Andhra Pradesh.

Education:

KCP recognizes education as one of the priority areas for its CSR activities, in order to support the communities around the operating areas of the company and to increase the literacy levels. A number of initiatives have been undertaken like promotion of adult education with focus on women's education.

During the year, the company has supported Jaigopal Garodia Government Higher Secondary School at Thiruvottiyur, Deivasigamani Middle School at Thiruvottiyur, Chennai and Thiruvottiyur Public Library by providing sitting benches, books, learning aides, stationery, computer and laboratory equipments.

Environment Protection

KCP initiatives aimed towards the betterment of the environment include green initiatives such as tree plantation drives to promote afforestation, efforts to conserve water, manage and dispose of waste responsibly by sticking to the emission norms and promote the environmental protection programs in association with voluntary and community

groups by encouraging green areas around our work areas, by constantly educating and encouraging the workers and people in the surrounding areas to keep the environment clean by recycling the wastes for non polluting the Air and Water resources.

On the occasion of World Environment Day, we have planted 250 saplings in our factory and mines. On JMD's birthday (being celebrated as Environment day in our Company) 500 Saplings were planted in our Terala Mines.

During the year, as part of the reforestation programme, Plantation drive was undertaken at Muktyala School wherein 300 saplings of different varieties of plants were planted within school premises and more than 1,000 saplings were planted in Muktyala village.

Women empowerment

KCP supports the skill development among women as part of women empowerment through vocational training and career counseling to improve skills and employability of candidates and subsequently their earning capacities by supporting income generation activities for people and especially for women in rural areas.

During the year, a training program on tailoring was conducted for the women at Muktyala to make the village women more skilful and enable them to start their own self-employment activities in the village. Training in embroidery was provided to our Samasthithi members at Macherla for three Months in association with Spoorthi Foundation, Hyderabad.

As part of our women empowerment initiative, residential plots ranging from 2 cents to 3 cents were gifted to 20 women from Muktyala village belonging to minority and other weaker communities for construction of houses.

Infrastructure:

KCP in partnership with local and state governments has been supporting their schemes through CSR programs like Development of roads, community welfare centers, revamping of water pumps and improvement of other civic amenities etc and has adapted Muktyala Village to develop it as Integrated Smart Village.

To support the Swatch Bharat Mission of Government of India, we have undertaken a wide range of activities in Muktyala village like cleaning of roads and school compound, and distribution of cement and bricks to the villagers for the construction of toilets.

During the year, KCP has commissioned RO plant at Government Hospital, Jaggayyapeta and at APSRTC Bus stand, Macherla as part of its initiative to provide clean and potable water to the people around our facilities.

We have extended monetary support for construction of Gram Panchayat Office Building in Terala Village.

KCP also donated one lakh concrete bricks for the construction of new state capital of Andhra Pradesh at Amaravathi.

Other Activities

Our company has been regularly extending support to local, social and charitable organizations in promoting their activities on different occasions.

On the occasion of Lord Sri Lakshmi Chennakesava Swamy Radhotsavam, we have conducted repair works to chariot of Lord Sri Lakshmi ChennakesavaSwamy in Macherla.

On the eve of Karthikamasam, our Samasthithi members distributed blankets, bread, fruits and arranged lunch to the mentally disabled students in Surya Kiran Manasika Vikalangula School and also to the poor people of Leprosy colony, Macherla

During Chennai Floods, KCP contributed Rs. 10 Lakhs worth of clothes, blankets, towels, rice, cereals, vessels etc. to the flood hit people.

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting their 75th Annual Report of the company together with the Audited Financial Statements for the financial year ended 31st March, 2016.

1. Financial Results:

Financial Performance and Review:

Financial information – Standalone and Consolidated (Rs.in lakhs)

Particulars	For the year ended		For the year ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	Stand Alone		Consolidated (GROUP)	
Revenue from Operations	**86,199**	**69,669**	**140,976**	**127,775**
Profit for the year (PBDIT)	14,965	10,763	24,139	18,073
Less: a) Interest and Finance charges	4,541	4,886	5,233	5,146
b) Depreciation	3,912	3,431	4,829	4,821
Profit before Tax	6,512	2,446	14,077	8,106
c) Provision for current tax	1,392	528	1,461	1,020
d) Deferred Tax	2,122	834	2,194	859
e) Short / (Excess) Tax provision for earlier years	102	-72	97	-77
Add: a) Refund of Income Tax	-	-	-	-
b) MAT Entitlement tax	1,390	487	1,420	497
Less: Minority share of profit	-	-	2,410	1,709
Profit for the Year from Continuing Operations	**4,286**	**1,642**	**9,335**	**5,092**
Profit / (Loss) from Discontinued Operations	-	-83	-	-83
Less : Tax expense of Discontinued Operations	-	-28	-	-28
Profit / (Loss) from Discontinued Operations After Tax	**-**	**-55**	**-**	**-55**
Profit for the Year	**4,286**	**1,587**	**9,335**	**5,037**
Add: Surplus brought forward from earlier year	4,709	4,365	11,275	14,279
Amount available for appropriations	8,995	5,952	20,610	19,316
Less:				
Transfer to General Reserve	-	-	41	-
Transfer to Capital Reserve / Bonus Shares	-	-	-	6,160
Proposed Final Dividend – Equity Shares	-	967	40	967
Interim Dividends Paid –Equity Shares	1,289	-	1,289	637
Interim Dividends Paid –Preference Shares	-	66	-	66
Tax on Distributed Profits – Equity shares	135	197	143	197
Tax on Distributed Profits – Preference shares	-	14	-	13
Surplus at the end of the Year	**7,571**	**4,709**	**19,097**	**11,275**

2. Business Performance:

Cement Division:

- Average pan-India prices remains stable and registered a moderate growth of 0.6% only against 5% growth in 2014-15. Prices dropped in North. The Southern region, however , continued to show increase in prices without much variation in volume off-take.

  Inspite of that our Company's cement division registered an impressive performance in 2015-16, aided by the price rise as well as improvements in volumes.

- KCP Exports Cement to neighbouring countries and the realisation from the same were affected by slowdown in international prices and strengthening of US Dollar.

Engineering Division:

- Engineering Unit continues to reel under the lower growth rate of the economy.
- Efforts to bring the unit in to profits dampened with the record breaking rains followed by devastating flood in Chennai.
- Hence, the engineering unit registered losses in 2015 -16 also.

Power Division:

- Severe drought in river Krishna basin has affected the operation of the hydel unit which generated negligible power. However the performance of the thermal and other powers units was satisfactory. Surplus power generated at Thermal Power unit was exported to the state grid and also sold through the Power Exchanges.
- The Renewable Energy Certificates (RECs) accrued to the company were sold at a very slow pace as the market for RECs was not very active.

  The performance of the Company is being discussed in greater detail in the Management Discussion & Analysis Report forming part of this report.

3. Dividend

During the year the company has declared and distributed an interim dividend of Re 1/ per share (100% on paid-up share capital).

4. Transfer to Reserves

Current year's profits along with carried forward balance of previous year amount to Rs. 8995 lakhs., the Surplus Account will have Rs. 7571 lakhs to be carried forward to the next year.

The Board has not recommended any transfer to reserves as not mandated by the Act.

5. Share Capital

The paid up Equity Share Capital as on March 31, 2016 is 12,89,21,160. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

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

6. Credit Rating

CRISIL has revised the ratings of the Company bank loan facilities and other debt facilities as detailed below.

Long Term Rating	CRISIL BBB+/Positive(Outlook revised from 'Stable' and rating reaffirmed)
Short Term Rating	CRISIL A2 (Reaffirmed)
Rs. 7000lakhs Non-Convertible Debentures	CRISIL BBB+/Positive (Outlook revised from 'Stable' and rating reaffirmed)
Fixed Deposits	FA-/Positive (Outlook revised from Stable' and rating reaffirmed).

7. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2016 was Rs.8375.87 Lakhs as compared to the figure of Rs.7977.39 Lakhs as on 31/3/2015. As on 31st March, 2016, Fixed Deposits matured and remained unclaimed were Rs.265.57 Lakhs from 296 depositors and Fixed Deposits relating to 74 Depositors amounting to Rs.154.19 Lakhs have been renewed and Fixed Deposits of Rs. 26.08 Lakhs of 22 depositors repaid.

Depositors have been intimated regarding the maturity of deposits with a request to either renew or claim their deposits. As per the provisions of the Companies Act, 2013,rules made there under 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., during the year, an amount of Rs.21000/-towards unclaimed

deposits and Rs.96000/- stale cheque unclaimed on deposits has been transferred to the IEPF.

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

8. Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are provided in the notes to the financial statements.

9. Consolidated Financial statements

Pursuant to the provisions of the Companies Act, 2013, Rules made there under, Accounting standards and SEBI (LODR) Regulations, 2015, the consolidated financial statements have been prepared on the basis of the audited financial statements of the company, its subsidiary KCP Vietnam Industries Ltd, Joint venture Fives Cail K C P Ltd.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 the financial statements of the company, the consolidated financial statements along with relevant documents are available on the website of the company at the website: www.kcp.co.in

10. 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.

11. Hotel Project and Ready Mix Concrete project:

Discussed in detail in Management Discussion & Analysis report

12. Corporate Social Responsibility (CSR)

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

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

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

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

The unspent amount of Rs.7.71 Lakhs for the year 2014-15 was spent during the year 2015-16.

13. Risk Management

Our Company has implemented a risk management framework aimed at timely identification and assessment of risks and implementing mitigation measures. These risks are continuously reviewed to ensure their relevance and to also identify the existence of any new risks.

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

Financial risk:

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

Competition Risks:

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

14. Internal controls system and their adequacy

The company has designed and implemented a process driven framework for Internal Financial controls within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 and the necessary control systems considering the business requirements, scale of operations, geographical spread and applicable statues of the company are in place in the organisation. The systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc.

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

15. Human resources / industrial relations

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

a) Employee Engagement - Company enjoys high engagement levels from its employees which is reflected in its consistently improving performance. Company continuously aims to enhance the engagement levels of its people by ensuring that its business practices are in alignment with the holistic growth and development of its people which drives them to be actively engaged with the Company.

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

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

d) Occupational Health and Safety

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

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

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

Industrial Relations

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

16. Sustainability

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

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

The Ministry of Corporate Affairs (MCA) vide its notification Dt.16/02/2015 has notified the Companies (Indian Accounting Standards) Rules, 2015.

In Pursuance of this notification the company, its subsidiary and Joint venture company have to adopt IND AS with effect from 1st April, 2017, with comparatives for the period ending 31st March, 2017.

18. Vigil Mechanism / Whistle Blower Policy

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

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

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

19. Report under the Prevention of Sexual Harassment Act

Pursuant to he Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under Company has implemented a policy on prevention,

prohibition and redressal of sexual harassment at the workplace, All women, permanent, temporary or contractual including those of service providers are covered under the policy and an Internal Complaints committee has been formed to redress the complaints. There were no complaints reported during the year.

20. Directors and KMP

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Smt.V.L.Indira Dutt, Joint Managing Director of the company retires by rotation and is eligible for re-appointment.

During the year Sri.M.R,Ramachandran, Chief Financial Officer retired from the services of the company and Mr.G.N. Murty was appointed as new Chief Financial officer of the company.

The Independent Directors of the Company have declared that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Regulations.

21. Board Meetings

During the year five Board Meetings were convened and held.

The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act,2013 and the SEBI (LODR) Regulations, 2015.

22. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out an annual evaluation of its own performance and it's Chairman, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

Weblink:http://www.kcp.co.in/downloads/PDF/FProgamme.pdf

23. Related Party Transactions

All Related Party Transactions are placed before the Audit Committee and as also the Board for approval and the same were approved by the shareholders of the company.

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

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

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

24. Auditors

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

The Board of Directors recommends your ratification of the appointment of M/s. Brahmayya &Co, Chartered Accountants, Vijayawada (Registration No.000513S) as the Statutory Auditors of the Company for the year 2016-17.

The Board has further recommended for the approval of the Shareholders at the ensuing Annual General Meeting the appointment of M/s K.S. Rao & Co, Chartered Accountants (Registration No.003109S), Hyderabad as Joint Auditors of the Company for the year 2016-17.

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

25. Cost Auditors

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

The Cost Audit Reports for the year 2014-15 were filed by the Cost Auditors within due date.

26. Secretarial Audit

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

The Report of the Secretarial Audit Report for the year 2015-16 is annexed to the report herewith as **"Annexure 7".**

27. Subsidiary Companies:

Your Company does not have any Indian Subsidiary company.

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

There is no material change in the nature of the business of the subsidiary. A statement containing brief financial details of the subsidiaries are provided in Form AOC 1 and attached as **Annexure 5.**

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

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

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

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

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

29. Corporate Governance:

A separate section on corporate governance practices followed by the Company, together with a certificate from Company's auditor confirming the compliance, forms a part of this Annual Report as per SEBI Regulations.

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

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

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

The Company has constituted the Nomination and Remuneration committee, which has formulated the criteria for determining qualifications, positive attributes and independence of Directors and recommended a Remuneration policy to the Board Except for the Chairman and Managing Director, Joint Managing Director, Executive Director and Technical Director, no other directors are paid remuneration, but are paid only sitting fees.

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

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

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

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

Particulars of Employees

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

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

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

Name of the Director	Director remuneration (Rs. Lakhs)	Median employee's remuneration (Rs. Lakhs)	Ratio
Dr.V.L.Dutt - CMD	289.44	3.90	74:1
Smt.V.L.Indira Dutt - JMD	217.08	3.90	56:1
Smt.Kavitha Dutt Chitturi - ED	108.54	3.90	28:1
Sri.V.Gandhi - TD	108.54	3.90	28:1

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

Name of the Director	Director/CFO/CS Remuneration (2014-2015) (Rs. Lakhs)	Director/CFO/CS Remuneration (2015-2016) (Rs. Lakhs)	Increase in remuneration (Rs. Lakhs)	Percentage increase in remuneration (%)
Dr.V.L.Dutt - CMD	109.56	289.44	179.88	164
Smt.V.L.Indira Dutt - JMD	82.17	217.08	134.91	164
Smt.Kavitha Dutt Chitturi - ED	46.44	108.54	62.10	134
Sri.V.Gandhi - TD	43.50	108.54	65.04	150
Sri.M.R.Ramachandran – CFO Upto: 31.08.2015	43.79	15.90	NA	NA
Sri. G. N. Murty - CFO From: 01.09.2015	Nil	25.20	NA	NA
Sri.Y.Vijayakumar - CS	15.64	17.15	1.51	10

c) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: (1.10%)

d) The number of permanent employees on the rolls of company (as on date): 1306

e) The explanation on the relationship between average increase in remuneration and company Performance:

The average increase in remuneration of Directors and other Key managerial Personnel is at par with the Company performance.

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	CTC (Rs. Lakhs)	% Increase in CTC	PAT (Rs. Lakhs)	% Increase in PAT
Dr.V.L.Dutt	CMD	289.44	164	4286.02	170
Smt.V.L.Indira Dutt	JMD	217.08	164	4286.02	170
Smt.Kavitha Dutt Chitturi	Executive Director	108.54	134	4286.02	170
Sri.V.Gandhi	Technical Director	108.54	150	4286.02	170
Sri.M.R.Ramachandran					
Upto: 31.08.2015	CFO	15.90	NA	4286.02	170
Sri.G.N. Murty					
From: 01.09.2015	CFO	25.20	NA	4286.02	170
Sri.Y.Vijayakumar	CS	17.15	10	4286.02	170

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

Date	Issued Capital (Equity Shares)	Closing Market Price per shares (Rs.)	EPS	PE Ratio	Market Capitalisation (Rs. Lakhs)
31.03.2015	128921160	62.75	1.17	53.63	80898
31.03.2016	128921160	82.80	3.32	25	106747
Increase /(Decrease)	Nil	20.05	2.15	(28.63)	25849
% of Increase/(Decrease)	NA	32%	184%	NA	32%
Issue Price of the share at the last Pubic Offer (IPO)	NA (the Company has never gone for any public issue)				
Increase in market price as on 31.03.2016 as compared to Issue Price of IPO					
Increase in %					

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

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

i) The key parameters for any variable component of remuneration availed by the Directors:

Except Dr.V.L.Dutt, Chairman & Managing Director, Smt.V.L.Indira Dutt, Joint Managing Director,Smt. Kavitha Dutt Chitturi, Executive Director and Sri.V.Gandhi, Technical Director of the Company no director was paid any remuneration.

Sitting Fees was paid to the independent Directors and for the above said whole time Directors variable component was paid in the form of Commission, which is as per the Remuneration Policy of the Company and in accordance with the provisions of the Companies Act, 2013 and rules made there under and approved by the shareholders of the company.

j) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NA**

k) **Is remuneration is as per the remuneration policy of the company: Yes**

Extract of Annual return:

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

Significant and Material orders passed by the Regulators or Courts

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

Particulars regarding Conservation of Energy, Techn ology absorption and Foreign exchange earnings and outgo

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

Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of section 134 of the Act.

(a) in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards, read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and for preventing and detecting fraud and other irregularities;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

Acknowledgements

The Board of Directors wishes to place on record their gratitude to the Central and 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: 27th May, 2016

(V.L. DUTT)
Chairman and Managing Director

Management Discussion and Analysis

Performance of the Company

(Rs. In lakhs)

FINANCIAL YEAR	2015-2016	2014-2015
Gross Sales	**86,199**	69,669
Profit before depreciation, interest & tax	**14,965**	10,680
Profit(+)/Loss(-) after tax	**4,286**	1,587

The performance highlights of the company during the year 2015-16 are given briefly hereunder.

- The cement division has one of the best times in terms of realizations as well as off-take. Prices of cement started picking up in the 4th Qtr of 2014-15 and continued the uptrend in the financial year 2015-16, though the prices started stabilizing toward the year end. There was also improvement in the demand as can be seen from the quantities sold.
- Engineering unit faced the wrath of nature in the form of unprecedented rains and floods. Production was affected for a few months leading to losses.
- Due to scanty rainfall, there was practically no generation at our hydel unit in Andhra Pradesh, hence registered loss. The Captive Thermal Unit at Muktyala was meeting the power requirements of our cement unit at Muktyala. The surplus power at the plat could be exported to the State Grid in the second half of the year. Some power was sold through Power Exchanges.
- The subsidiary at Vietnam (KCP VIL) has completed first phase of expansion during the financial year 2015-16 and has improved its performance and made good growth in profits

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

Cement Division:

Operational Performance:

FINANCIAL YEAR	2015-2016	2014-2015
Cement produced (MT)	**1524092**	1,379,196
Clinker produced (MT)	**1,313,221**	1,235,757
Cement sold (MT)	**1,527,489**	1,381,012
Revenue (Rs In lakhs)	**76,590**	63,791
Segment Profit before Interest & Tax (Rs in lakhs)	**11,051**	7,174

Cement Division had one of the best years recording best ever profits in recent years. The factors contributing to such impressive performance are as follows:

- Cement prices started looking up from the last quarter of preceding year and continued the journey, though they showed signs of weakness towards the end of the year. The demand for cement also picked up reasonably helping the company in registering growth in volumes sold.
- Increase in the clean energy cess from Rs 100 to Rs 200 per ton in the Budget 2015 and imposition of District Mineral Development Fund cess, added to the cost of production. This clean energy cess further doubled to Rs 400 per ton in the Budget 2016. However, the input materials like coal are on the declining trend internationally, which helped the Company in containing the costs to some extent.
- The Cement Unit at Mutyala won "Best Operating Cement Unit in India" award from Confideration of Indian Industries (CII).
- On power front, continuous efforts by the company helped in reducing power consumption at our Muktyala unit. The unit received "Best Energy Efficient Cement Unit" for two years consecutively from National Council for Cement and Building Materials, Ministry of Energy.
- Muktyala Unit also received ISO 14000 Certification "for environment", ISO 50001 for energy and ISO 18001 "for safety and Health, in addition to ISO 9001 "for quality".

Cement Industry in the country:

With nearly 390 million tonnes (MT) of cement production capacity, India is the second largest cement producer in the world and accounts for 6.7 per cent of world's cement output. The cement production capacity is estimated to touch 550 MT by FY 20. Of the total capacity, 98 per cent lies with the private sector and the balance with the public sector. The top 20 companies account for around 70 per cent of the total production.

The housing sector is the biggest demand driver of cement, accounting for about 67 per cent of the total consumption in India. The other major consumers of cement include infrastructure at 13 per cent, commercial construction at 11 per cent and industrial construction at nine per cent.

The prices in South continues to be significantly higher Year on year basis. The exports have been on decline due to unattractive international prices.

Outlook:

The sector, which has been facing depressed demand, is hoping that business from government-driven projects will get their engines back into high gear. These government projects include the Housing for All (on which it plans to spend $50 billion) and the smart city push.

As per one research, cement demand growth is seen rising to 5.5-6% in fiscal 2016-17 led by higher public investments in infrastructure and pick-up in real estate demand. Demand in South the growth may be the slowest at 3-4%, Andhra Pradesh would buck the trend and witness healthy growth. East is likely to record the highest demand growth.

Cement Prices remained soft in 2005-16, except in South where prices have increased 12% year-on-year. Improvement in demand and higher utilization would help in a 5% price increase on average at national level.

The government's focus on infrastructure is demonstrated in increase in budgetary spending year-on-year.

Challenges:

It's mainly the cement manufacturers in South India, who are banking on the upcoming construction of capital city Amaravati and other road and housing projects in Telangana to help pick up demand. But even if these proposals come through, time lags in implementation, is a challenge. There is also hope that demands from India's eastern states create hot new markets of the future, although getting a timeline on this opportunity is hard.

Power Division:

Operational Performance

Details	Hydel		Waste Heat Recovery		Windmill		Solar		Thermal	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Gross Generation (MWH)	319	29447	11161	9357	4505	6217	1891	1844	113138	23356
Division Profit before Interest & Tax (Rs lakhs)	199	847	267	285	121	120	29	187	629	(-) 26

KCP is one of the few companies to have almost all types of power sources, mostly for captive consumption

- **Thermal Power plant:** Thermal Power Plant which was commissioned in 2014-15, caters to the needs of the cement plant at Muktyala. Surplus power available was sold through exchanges or to the state power distribution companies. The power plant operation was regulated on the basis of needs of cement unit as well as the power sale commitments. Hence the capacity utilization is not optimum, low international coal prices could not completely reflect the cost of generation due to increase in clean energy cess and other levies.
- **Hydel:** Very poor monsoon severely hampered our hydel unit's operation where generation is negligible compared to healthy generation during 2014-15. However, good monsoon predicted for 2016-17, should help in improvement in hydel generation.
- **Solar:** Full benefits of solar energy generation could not be reaped by the company due to very poor market for Renewable Energy Certificates (RECs) earned by the company from the generation of solar energy.
- **Windmill:** Generation at wind mill was affected due to not very favorable wind conditions at that unit due to belated setting in of the season. Hence, lower generation of power.
- **Waste Heat Recovery:** The generation at this unit is dependent on the waste heat produced at the Cement Unit at Macherla. The generation at this unit is in line with the production at the cement unit

Engineering Division

Operational Performance:

FINANCIAL YEAR	2015-2016	2014-2015
Revenue :		
Domestic	**6704**	5,153
Export	**391**	94
Segment Profit before interest & Tax (Rs. Lakhs)	**-1,028**	-1,685

Performance:

Capital goods manufacturers are bearing the brunt of the economic slowdown in past couple of years. Structural bottlenecks and weak demand meant slimmer order books, crimped margin and stretched working capital.

KCP's engineering unit had added woes in the form of stoppage of operations due to record breaking rain fall followed by floods in Chennai, where the unit is located. This scenario would have been worse but for the insurance

taken by the company, which helped in mitigating the losses to certain extent.

Challenges:

The Engineering Unit is dependent on the growth rate in the economy. The policies of government are to be reflected in to action to improve the order book of the unit and the performance.

Outlook:

The budget has provided a thrust to the capital goods sector through a sharp rise in investments in sectors like Railways, Roads and Power transmission and distribution. These initiatives should boost the declining order book.

Going forward, private sector investments is expected to stay low while public investment initiatives would help arrest some of the slide in demand

Other activities:

Ready Mix Concrete (RMC) is gaining importance in the recent times in view of advantages like time required for concreting, space required for storing various types of materials by the builders for preparation of traditional concrete, activity near the new capital of AP. To gain experience KCP has taken on lease an existing unit for preparation of concrete with KCP brand name.

Regarding the performance of Bricks unit, the demand for concrete bricks is yet to pick up. Traditional clay bricks still dominate the market and the performance of the bricks unit is not satisfactory.

Projects:

During the year the Company has commissioned the Hotel at Hyderabad (Mercure Hyderabad KCP) and handedover to the Operator for Hotel Management.

The Container Freight Station (CFS) project undertaken in Chennai, has obtained the crucial approvals like reclassification of land for industrial purpose form residential use. Letter of Intent from Inter Ministerial Committee (IMC), New Delhi is in the final stage of approval.

Joint Venture:

Fives Cail KCP Limited:

Operational Performance & Outlook:

During the year under review, Fives Cail KCP Ltd., a Joint venture with Fives Cail of France, which is engaged in the sale of machinery and equipment and provision of technology to the sugar industry has reported good profit and will continue to progress well and increase its turnover and its profits in the coming years as the company has entered into newer and emerging markets and its prospective market base has expanded.

FINANCIAL YEAR	2015-16	2014-15
Revenue (Rs. Laksh)	**23,999**	10,768
Profit before Tax (Rs. Lakhs)	**835**	131

KCP holds 40% stake in Fives Cail KCP Limited.

Subsidiary:

KCP Vietnam Industries Limited (KCP VIL):

Operational Performance:

Particulars	2015-16	2014-15
Crushing Capacity (TPD)	**6,000**	6,000
Cane Crushed (Mts.)	**802,425**	838,265
Sugar produced (Mts.)	**92,177**	110,239
Recovery Rate (%)	**9.24%**	9.74%
Average Sales Realization (Rs /mt)	**42,611**	40,703
Revenue (Rs. Lakhs)	**46,010**	53,985
Profit before Tax (Rs. Lakhs)	**7,230**	5,126

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 802,425 MTs with a recovery rate of 9.24% and the refined sugar produced was 92,177 MTs which includes sugar processed from raw sugar of 18,086 MTs

During the year raw material availability for the milling decreased due to the prolonged drought caused due to El Nino effect. The quality of the sugar cane and the sugar production were also lower. Raw sugar was also purchased for conversion in to high quality refined sugar to cash upon the favorable conditions for the production and the consumption.

During the first half of the year the sugar price continued its down trend due to oversupply in Vietnam and the World with the sugar prices touching the lowest level in five years. During second half of the year the sugar prices have moved

up in line with the international market trend. Due to the prolonged drought, farmers were unable to replant some areas which caused negative impact on the plan of the Company to ensure adequate raw material for the crushing season 2015-16.

The Company is carrying out formalities to invest on a power cogeneration project of capacity 30 MW in phase I along with sugar factory expansion to 8000 TCD and further expansion to 60 MW in phase II at Son Hoa unit.

30MW power production facility installation will be completed in year, 2016 and will serve the sugar factory capacity expansion to 8000 TCD. Necessary formalities to obtain approvals to invest on a grid line to connect 30 MW power plant with national gird to facilitate export of electricity and to enter in to a PPA (Power Purchase Agreement) with EVN (Electricity of Vietnam) are under progress.

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: 27th May, 2016

(V.L. DUTT)
Chairman and Managing Director

Annexures to the Director's Report

ANNEXURE - 1

Statement showing particulars of employees of the Company as required under Sec.197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Report of the Board of Directors for the year ended 31st March, 2016

Sl. No.	Particulars	1	2	3	4	5	6	7
1	Name	Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha D. Chitturi	Sri. V. Gandhi	Dr. A.V. Sivarama Prasad	Dr. GVK Prasad	Sri. K. Ramakrishna
2.	Designation	Chairman and Managing Director (CMD)	Joint Managing Director (JMD)	Executive Director (ED)	Technical Director (TD)	Executive President (HRD &S)	Executive President (CPU –II)	Executive President - CMU
3.	Qualification	Grad.B.I.M.	B.A.,	Grad. In Business Management, PGDHR	B.E. (MET)	B.E-Mechanical Ph.D- Mangmt	M.Sc-Tech Ph.D	B.Sc, PGDMSM
4.	Experience	56 years	20 years	17 years	37 years	29 Years	37 years	30 Years
5	Date of Commencement of Employment	3.4.1970	1.7.1996	1.10.1999	25.01.2006	01-12-1997	08-08-2008	22/04/91
6	Salary in Rs.	72,00,000	60,00,000	31,11290	31,11,290	56,32,380	56,32,200	56,32,200
7	Commission in Rs.	216,74,430	131,48,920	49,49,464	44,79,333	-	--	-
8	Benefits in Rs.	69,502	25,59,029	27,93,221	32,63,352	6,29,376	6,29,376	6,29,376
9	Total Remuneration in Rs.	289,43,932	217,07,949	108,53,975	108,53,975	62,61,756	62,61576	62,61,576
10	Nature of employment	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual
11	Date of Birth	27/12/1937	14/09/1940	17/05/1971	04/3/1949	24/09/1959	12-01-1955	03/06/1964
12	Particulars of previous employment-Name of the Employer	V. Ramakrishna Sons Private Ltd	Nil	Nil	Fives Cail KCP Limited	Tata Consultancy Services	NCBM Ramco Cement Andhra Cements My Home Industries	Annapurna Cements Ltd
13	Designation & period of employment	Administrative Director – 12 Yrs	Nil	Nil	General Manager (PPC)- 7 years	Consultant 10 years	Head Operations 29 Years	37 years
14	Shareholding in the Company	6005569	3064479	950000	2040	200 shares	-	-
15	Relationship with Directors	Father of Smt. KavithaDuttChitturi, Executive Director of the Company	Mother of Smt. KavithaDuttChitturi, Executive Director of the Company	Daughter of CMD and JMD	-	-	-	-

ANNEXURE - 2

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

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

A: STEPS TAKEN FOR CONSERVATION OF ENERGY

Energy conservation and efficiency measures were undertaken in various areas of cement manufacturing and captive power plants of the company mainly through operational measures as under:

Energy conservation measures taken at cement Unit-II, Macherla:

- Replaced several conventional light fittings with energy efficient LED light fittings at different places in the colony resulting into energy saving of 36,000 KWH.
- At Waste heat recovery cooling tower VFD module installed to avoid valve control in the month of October, 2015 and the Pump is operating at required flow by controlling the speed at 1728 rpm instead of 2880 rpm earlier. Energy Saving of 1 KWH per hour
- in the month of January'2016 to reduce the power consumption and Energy Saving of 11.5 Kwh per day.
- In Turbine Generator house Control Room 16 nos of 36 Watts conventional Tube lights were replaced with 22 Watts LED lights in the month of February'2016 and Energy Saving of 9 KWH per day.
- 12.5 KW thyristor drive and DC motor unit was replaced with VFD and 5.5 KW AC motor in Ropeway unloading stn. Launching device in the month of DEC'2015 and energy Saving of 1 KWH per hour.
- Based on a detailed study of loading and unloading of the compressed air from new packing plant compressor J129 having VFD operated compressor has been diverted to cement mill from November, 2015 and is working effectively and Saving of 10 KWH per hour in power consumption without any further investment.

Energy conservation measures taken at cement Unit-II, Muktyala

- Installed15 No. Variable Frequency Drives (VFD) for Auxiliary bag filter fans and energy saving of 77KW/Hr.
- Replaced 25 No of 150W High power sodium vapour lamps (HPSV) with 70 W LED Lights for Plant Street Lights and energy savings of 2905 KWH/Yr.
- Replaced GRR cooling fan with optimal rating fan by maintaining same level of cooling efficiency and energy savings of 6 KW/Hr.
- Replaced Induced Draft Cooling tower with Natural draft Cooling Tower for CCR building AHU System and energy savings of 10 KW/Hr.
- Replaced Kiln coal and PC coal blowers with optimal rating blowers and energy savings of 90KW/Hr.
- Implemented PYRO box technology in the PC firing system and energy savings of 4 Kcal/Kg of Clinker and increase in Clinker production by 40 Tons/Day.
- By replacing improved version of cooler plates, increase in clinker production up to 4700 TPD.
- Modified Raw Mill inlet gas duct reduced pressure drop, increased air flow and Raw Mill production from 325TPH to 358TPH.

Energy conservation measures planned at cement Unit-II, Muktyala

- Proposal for Installation of 36W LED panel Lights in place of 4X14W T5 Panel lights for CCR Building Lighting and expected energy savings are 3 KW/Hr.
- Proposal to replace Induced Draft Cooling tower with Natural draft Cooling Tower for MRSS +CM building AHU System and expected energy savings are 6 KW/Hr.
- Proposal for Installation of 70 W LED Lights in place of 150W HPSV Lamps for Plant Street Lights and expected energy savings are 10 KW/Hr.
- Proposal for Installation of Waste Heat Recovery system from cooler exit gases.
- Proposal for Installation of VFD in place of GRR for Raw Mill Fan Motor.

B: TECHNOLOGY ABSORPTION:-

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

Being ongoing 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	2015- 2016 (Rs.)	2014-2015 (Rs.)
a) Capital Expenditure	-	-
b) Recurring Expenditure	323,904	331,930
c) Total expenditure	323,904	331,930
d) Total R&D expenditure as % of turnover	0.004	0.005

C: Foreign Exchange Earnings and Outgo:

(a) Earnings in Foreign Exchange:

PARTICULARS	2015-16 (Rs. Lakhs)	2014-15 (Rs. Lakhs)
a) FOB Value of goods exported during the year	2319.79	1975.77
b) Income from Service Charge	0.75	2.94
c) Income from Investments held in Foreign Companies	12.14	626.26

(b) Expenditure in Foreign Currency

PARTICULARS	2015-16 (Rs. Lakhs)	2014-15 (Rs. Lakhs)
a) Travelling expenses	6.27	7.59
b) Membership	3.65	3.22
c) Other matters- Seminars	0	3.32
d) Commission	6.11	0

ANNEXURE - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Details are provided in Page Number 12 of the Report and the CSR Policy is placed on the website of the company: ***weblink:*** *http://www.kcp.co.in/downloads/PDF/csr-policy.pdf*

2. The composition of the CSR Committee.

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

3. Average net Profit of the company for last three financial years: **Rs. 2233.41 Lakhs**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 44.67 Lakhs**

5. Details of CSR spent during the financial year.

   (a) Total amount spent for the financial year: 2015 - 2016: **Rs. 82.57 Lakhs**

   (b) Amount unspent, if any: **Nil**

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

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
				Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	
1.	Promoting Health Care, Sanitation and Making available safe Drinking Water	Promotion of Health Care	1. Muktyala in Krishna District of Andhrapradesh 2. Macherla in Guntur District of Andhrapradesh	10.00	11.15		Direct
2.	Promoting Education and employment enhancing vocation skills among Children, Women, Elderly and the differently abled and livelyhood enhancement Projects	Promotion of Education and Vocational Training	1. Tiruvottiyur, Chennai, Tamilnadu. 2. Muktyala in Krishna District of Andhrapradesh	20.00	18.25		Direct

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
				Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	
3.	Promoting gender equality, empowering women and setting up homes for women and measures for reducing in equalities faced by Socially and economically backward Groups.	Empowerment of Women	Muktyala in Krishna District of Andhrapradesh	20.00	50.94		Direct
4.	Ensuring environmental sustainability, ecological balance, conservation of Natural Resources and mainataining Quality of soil, air, water and Rural Development	Environmental sustainability, conservation of Natural Resources and Rural development programmes	1. Muktyala in Krishna District of Andhrapradesh 2. Macherla in Guntur District of Andhrapradesh	5.00	2.22		Direct and in association with local panchayats and municipalities.
	TOTAL			**55.00**	**82.57**		

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

   The unspent amount of Rs. 7.71 Lakhs for the year 2014-15 was spent during the year 2015-16.

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

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

ANNEXURE - 4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65991TN1941PLC00128
2.	Registration Date	03-07-1941
3.	Name of the Company	THE KCP LIMITED
4.	Category/Sub-category of the Company	MANUFACTURING COMPANY
5.	Address of the Registered office & contact details	"RAMAKRISHNA BUILDINGS", NO. 2, DR. P.V. CHERIAN CRESCENT, EGMORE, CHENNAI-600 008
6.	Whether listed company	LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	INTEGRATED ENTERPRISES (INDIA) LIMITED 2ND FLOOR, KENCES TOWERS NO.1 RAMAKRISHNA STREET, NORTH USMAN ROAD T NAGAR, CHENNAI - 600 017

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CEMENT	3242	83.34%
2	ENGINEERING	2825	7.72%
3	POWER	3510	8.58%
4.	OTHERS	-	0.36%

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

Attachment 'A'

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

(i) Category-wise Shareholding

Category Code (I)	Category of Shareholder (II)	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Shareholding of Promoter and Promoter Group**	-								
(1)	**Indian**									
a	Individual/Hindu Undivided Family	11974748	-	11974748	9.29	11974748	-	11974748	9.29	-
b	Central Government/ State Governments									
c	Bodies Corporate	48813026	-	48813026	37.86	48813026	-	48813026	37.86	-
d	Financial Institutions / Banks									
e	**Any other (Specify)**									
	Sub Total A(1)	**60787774**	**-**	**60787774**	**47.15**	**60787774**	**-**	**60787774**	**47.15**	**-**
(2)	**Foreign**									
a	Individual (Non resident Individuals / Foreign individuals)	239050	-	239050	0.19	239050	-	239050	0.19	-
b	Bodies Corporate									
c	Institutions	-				-				
d	Qualified Foreign Investor									`
e	Any other (Specify)	-				-				
	Sub Total A(2)	**239050**	**-**	**239050**	**0.19**	**239050**	**-**	**239050**	**0.19**	**-**
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	**61026824**	**-**	**61026824**	**47.34**	**61026824**	**-**	**61026824**	**47.34**	**-**
B	**Public Shareholding**									
(1)	**Institutions**									
a	Mutual Funds/ UTI	15072093	2000	15074093	11.69	8212150	2000	8214150	6.37	(5.32)
b	Financial Institutions / Banks	32050	4990	37040	0.03	94747	4990	99737	0.08	0.05
c	Central Government/ State Governments									
d	Venture capital Funds									
e	Insurance Companies	1302930	-	1302930	1.01	1302930	-	1302930	1.01	-
f	Foreign Institutional Investors			-	0.00	25259	-	25259	0.02	0.02
g	Foreign Venture Capital Investors									

h	Qualified Foreign Investor									
i	Any other									
	Sub Total B(1)	**16407073**	**6990**	**16414063**	**12.73**	**9635086**	**6990**	**9642076**	**7.48**	**(5.25)**
(2)	**Non-Institutions**									
a	Bodies Corporate	4266104	36550	4302654	3.34	5562324	36550	5598874	4.34	1.01
b	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	20441982	5272478	25714460	19.95	22622974	4913387	27536361	21.36	1.41
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	17649382	1283960	18933342	14.69	20550021	1066810	21616831	16.77	2.08
c	Qualified Foreign Investor									
d	**Any other ****									
d(i)	Clearing Member	58857	-	58857	0.05	105193	-	105193	0.08	0.04
d(ii)	Corporate Cm/Tm - Client Margin A/C	154500	-	154500	0.12	109067	-	109067	0.08	(0.04)
d(iii)	Corporate Cm/Tm - Client Beneficairy A/C	102412	-	102412	0.08	117135	-	117135	0.09	0.01
d(iv)	Individual-Margin Trading Account	4	-	4		119	-	119	0.00	0.00
d(v)	NRI /OCBs	848162	1299321	2147483	1.67	1391127	1299321	2690448	2.09	0.42
d(vi)	Trusts	28251	38310	66561	0.05	28251	38310	66561	0.05	-
d(vii)	Clearing House	-	-	-	0.00	100	-	100	0.00	0.00
d(viii)	Corporate Body-Limited Liability Partner	-	-	-	0.00	118688	-	118688	0.09	0.09
d(ix)	Foreign Port Folio Investor-Corporate	-	-	-	0.00	147483	-	147483	0.11	0.11
d(x)	Individual Cm/Tm - Client Margin A/C	-	-	-	0.00	200	-	200	0.00	0.00
d(xi)	individual CM/TM -Client Beneficiary A/C	-	-	-	0.00	200	-	200	0.00	0.00
d(xii)	Limited Liability Partnership	-	-	-	0.00	145000	-	145000	0.11	0.11
	Sub Total B(2)	**43549654**	**7930619**	**51480273**	**39.93**	**50897882**	**7354378**	**58252260**	**45.18**	**5.25**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**59956727**	**7937609**	**67894336**	**52.66**	**60532968**	**7361368**	**67894336**	**52.66**	**-**
	TOTAL (A) + (B)	**120983551**	**7937609**	**128921160**	**100.00**	**121559792**	**7361368**	**128921160**	**100.00**	**-**
C	**Shares held by Custodians and against which Depository Receipts have been issued**									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)**	**120983551**	**7937609**	**128921160**	**100.00**	**121559792**	**7361368**	**128921160**	**100.00**	**-**

Attachment 'B'

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of theyear			Shareholding at the end of theyear			% Change during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	V Ramakrishna Sons P Ltd	38956326	30.22	-	38956326	30.22	-	-
2	V. R. K. Grandsons Investment Private Ltd.	9578330	7.43	-	9578330	7.43	2500000	-
3	Velagapudi Lakshmana Dutt	6005569	4.66	-	6005569	4.66	-	-
4	V L Indira Dutt	3064479	2.38	-	3064479	2.38	-	-
5	Shivani Dutt Chitturi	1300000	1.01	-	13,00,000	1.01	-	-
6	Kavitha D Chitturi	9,00,000	0.70	-	950000	0.74	-	0.04
7	The Jeypore Sugar Company Limited	278370	0.22	-	278370	0.22	-	-
8	Rajeswary Ramakrishnan	224020	0.17	-	224020	0.17	-	-
9	Uma S Vallabhaneni	163120	0.13	-	1,63,120	0.13	-	-
10	Irmgard Velagapudi	1,52,490	0.12	-	1,52,490	0.12	-	-
11	Velagapudi Lakshmana Dutt	1,13,500	0.09	-	1,13,500	0.09	-	-
12	Subbarao Vallabhaneni	75,930	0.06	-	75,930	0.06	-	-
13	R Prabhu	62,880	0.05	-	62,880	0.05	-	-
14	S. Rajiv Rangasami	46405	0.04	-	46405	0.04	-	-
15	P Vikram Ramakrishnan	12655	0.01	-	12655	0.01	-	-
16	Sivaramakrishnan Prasad	12650	0.01	-	12650	0.01	-	-
17	S. Nalini	11250	0.01	-	11250	0.01	-	-
18	Rajeswary Ramakrishnan	6500	0.01	-	6500	0.01	-	-
19	Kiran Velagapudi	4220	0.00	-	4220	0.00	-	-
20	Anitha	4000	0.00	-	4000	0.00	-	-
21	Rajeswary Ramakrishnan	3500	0.00	-	3500	0.00	-	-
22	Rajyalakshmamma S R V	630	0.00	-	630	0.00	-	-
23	Ravi Chitturi	50000	0.00	-	0	0.00	-	(0.04)
	Total	**61026824**	**47.34**		**61026824**	**47.34**	**2500000.00**	**-**

Attachment 'C'

(iii) Change in Promoters Shareholding

Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1. Kavitha D Chitturi						
PAN : AAAPD6737H						
Opening Balance As On 01/04/2015	900000	0.698				
01/05/2015			50000	0.039	950000	0.737
Closing Balance As On 31/03/2016					950000	0.737
2. Ravi Chitturi						
PAN :ADTPR6487L						
Opening Balance As On 01/04/2015	50000	0.039				
01/05/2015			-50000	-0.039	0	0.000
Closing Balance As On 31/03/2016					0	0.000

Attachment 'D'

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

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	Date wise increase / Decrease in Shareholding of Top Ten Shareholders during the year						
1	**SBI Mutual Fund**						
	SBI Magnum Children's Benefit Plan						
	SBI Small And Midcap Fund						
	PAN : AABTS6407Q						
	Opening Balance as on 01-04-2015	10274409	7.970				
	10-04-2015			3390	0.003	10277799	7.972
	24-04-2015			14512	0.011	10292311	7.983
	01-05-2015			108821	0.084	10401132	8.068
	08-05-2015			50650	0.039	10451782	8.107
	15-05-2015			6218	0.005	10458000	8.112
	14-08-2015			-1495007	-1.160	8962993	6.952
	21-08-2015			-240706	-0.187	8722287	6.766
	28-08-2015			-20433	-0.016	8701854	6.750
	04-09-2015			-3096	-0.002	8698758	6.747
	25-09-2015			-240758	-0.187	8458000	6.561
	09-10-2015			-2486195	-1.928	5971805	4.632

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	16-10-2015			-757861	-0.588	5213944	4.044
	23-10-2015			-62944	-0.049	5151000	3.995
	06-11-2015			-8000	-0.006	5143000	3.989
	11-12-2015			-8000	-0.006	5135000	3.983
	26-02-2016			-1700000	-1.319	3435000	2.664
	Closing Balance as on 31-03-2016					3435000	2.664
2	**HDFC Mutual Fund**						
	HDFC Trustee Company Limited A/C HDFC Growth Fund						
	PAN : AAATH1809A						
	Opening Balance as on 01-04-2015	2602343	2.019				
	30-10-2015			-20500	-0.016	2581843	2.003
	Closing Balance as on 31-03-2016					2581843	2.003
3	The K C P Limited - Unclaimed Suspense Account						
	PAN : AAACT8046J						
	Opening Balance as on 01-04-2015	2227360	1.728				
	10-04-2015			-1250	-0.001	2226110	1.727
	08-05-2015			-7130	-0.006	2218980	1.721
	26-06-2015			-13680	-0.011	2205300	1.711
	25-09-2015			-3160	-0.002	2202140	1.708
	23-10-2015			-300	0.000	2201840	1.708
	13-11-2015			-750	-0.001	2201090	1.707
	18-12-2015			-2910	-0.002	2198180	1.705
	15-01-2016			-3140	-0.002	2195040	1.703
	26-02-2016			-1000	-0.001	2194040	1.702
	11-03-2016			-750	-0.001	2193290	1.701
	25-03-2016			-750	-0.001	2192540	1.701
	Closing Balance as on 31-03-2016					2192540	1.701
4	**Reliance Mutual Fund**						
	Reliance Capital Trustee Co. Ltd-A/C Reliancesmall Cap Fund						
	PAN :AAATR0090B						
	Opening Balance as on 01-04-2015	2190315	1.699				
	Closing Balance as on 31-03-2016					2190315	1.699
5	**Vinod H. Punwani**						
	PAN :AJJPP9783F						
	Opening Balance as on 01-04-2015	1870001	1.451				
	22-05-2015			25000	0.019	1895001	1.470
	19-06-2015			7700	0.006	1902701	1.476
	10-07-2015			3298	0.003	1905999	1.478

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	24-07-2015			6419	0.005	1912418	1.483
	31-07-2015			2083	0.002	1914501	1.485
	05-08-2015			-10000	-0.008	1904501	1.477
	28-08-2015			-4500	-0.003	1900001	1.474
	25-09-2015			639	0.000	1900640	1.474
	30-09-2015			22569	0.018	1923209	1.492
	02-10-2015			71523	0.055	1994732	1.547
	09-10-2015			-700	-0.001	1994032	1.547
	16-10-2015			-4008	-0.003	1990024	1.544
	20-11-2015			-300000	-0.233	1690024	1.311
	08-01-2016			50000	0.039	1740024	1.350
	15-01-2016			-50000	-0.039	1690024	1.311
	05-02-2016			1500	0.001	1691524	1.312
	26-02-2016			-20000	-0.016	1671524	1.297
	04-03-2016			-5000	-0.004	1666524	1.293
	25-03-2016			-28000	-0.022	1638524	1.271
	Closing Balance as on 31-03-2016					1638524	1.271
6	**The New India Assurance Company Limited**						
	PAN :AAACN4165C						
	Opening Balance as on 01-04-2015	1302930	1.011				
	Closing Balance as on 31-03-2016					1302930	1.011
7	G.V. REDDY (DR)						
	PAN :3009						
	Opening Balance as on 01-04-2015	1287250	0.998				
	Closing Balance as on 31-03-2016					1287250	0.998
8	**Hitesh Satishchandra Doshi**						
	PAN :AACPD8612R						
	Opening Balance as on 01-04-2015	1069788	0.830				
	03-04-2015			16552	0.013	1086340	0.843
	17-04-2015			8236	0.006	1094576	0.849
	24-04-2015			4975	0.004	1099551	0.853
	12-06-2015			4000	0.003	1103551	0.856
	26-06-2015			5275	0.004	1108826	0.860
	10-07-2015			11150	0.009	1119976	0.869
	05-08-2015			-20000	-0.016	1099976	0.853
	07-08-2015			-30500	-0.024	1069476	0.830
	14-08-2015			-62031	-0.048	1007445	0.781
	09-10-2015			-15000	-0.012	992445	0.770
	Closing Balance as on 31-03-2016					992445	0.770

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
9	**Sakunthala Devi Boppana**						
	PAN :AFWPB3847H						
	Opening Balance as on 01-04-2015	1052410	0.816				
	Closing Balance as on 31-03-2016					1052410	0.816
10	**Raavi Sobhanadri Chowdary**						
	PAN :ABGPR2293B						
	Opening Balance as on 01-04-2015	967999	0.751				
	Closing Balance as on 31-03-2016					967999	0.751
11	**Boppana Vinay Kumar**						
	PAN :AFXPB0044B						
	Opening Balance as on 01-04-2015	935250	0.725				
	Closing Balance as on 31-03-2016					935250	0.725
12	**Padmini Rajan**						
	PAN :ACOPR5427J						
	Opening Balance as on 01-04-2015	867790	0.673				
	11-03-2016			4900	0.004	872690	0.677
	Closing Balance as on 31-03-2016					872690	0.677
13	**Anumolu Raghava Ramakrishna**						
	PAN :AACPA9053F						
	Opening Balance as on 01-04-2015	849900	0.659				
	Closing Balance as on 31-03-2016					849900	0.659
14	**Govindlal M Parikh**						
	PAN :AAEPP1312J						
	Opening Balance as on 01-04-2015	269695	0.209				
	24-04-2015			30244	0.023	299939	0.233
	22-05-2015			15000	0.012	314939	0.244
	29-05-2015			15000	0.012	329939	0.256
	12-06-2015			72412	0.056	402351	0.312
	19-06-2015			10000	0.008	412351	0.320
	03-07-2015			12156	0.009	424507	0.329
	10-07-2015			12783	0.010	437290	0.339
	24-07-2015			3423	0.003	440713	0.342
	25-09-2015			240260	0.186	680973	0.528
	09-10-2015			254209	0.197	935182	0.725
	22-01-2016			3760	0.003	938942	0.728
	29-01-2016			46796	0.036	985738	0.765
	12-02-2016			14734	0.011	1000472	0.776
	19-02-2016			52087	0.040	1052559	0.816
	04-03-2016			6253	0.005	1058812	0.821
	Closing Balance as on 31-03-2016					1058812	0.821

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
15	**Sandhya G Parikh**						
	PAN :AAEPP1311M						
	Opening Balance as on 14-08-2015	91507	0.071				
	21-08-2015			100000	0.078	191507	0.149
	26-02-2016			1425449	1.106	1616956	1.254
	04-03-2016			7203	0.006	1624159	1.260
	Closing Balance as on 31-03-2016					1624159	1.260

Attachment 'E"

V) Shareholding of Directors and Key Managerial Personnel:

	Shareholder's Name	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	Date wise increase / Decrease in Key Managerial Personnel Shareholding during the year						
	Velagapudi Lakshmana Dutt						
	PAN: AABPD7988F						
	Opening Balance as on 01/04/2015	6005569	4.66				
	Closing Balance as on 31/03/2016					6005569	4.66
	V L Indira Dutt						
	PAN: AAAPD6756A						
	Opening Balance as on 01/04/2015	3064479	2.38				
	Closing Balance as on 31/03/2016					3064479	2.38
	Kavitha D Chitturi						
	PAN: AAAPD6737H						
	Opening Balance as on 01/04/2015	900000	0.70				
	01/05/2015			50000.00	0.04	950000	
	Closing Balance as on 31/03/2016					950000	0.74
	Gandhi.V						
	PAN: AAAPG6503C						
	Opening Balance as on 01/04/2015	2040	0.00				
	Closing Balance as on 31/03/2016					2040	0.00
	Swaminatha Reddy Onteddu						
	PAN: AACPO1809P						
	Opening Balance as on 01/04/2015	20	0.00				
	Closing Balance as on 31/03/2016					20	0.00
		9972108	7.73			10972108	7.77

Attachment 'F'

vi) Particulars of Holding, Subsidiary and Associate Companies

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

Attachment 'G'

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

Particulars	Secured Loans excluding deposits (Rs. Lakhs)	Unsecured Loans (Rs. Lakhs)	Public Deposits (Unsecured Loans) (Rs. Lakhs)	Total (Rs. Lakhs)
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	32783.39	2550.00	7977.39	43310.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	381.18	381.18
Total (i+ii+iii)	32783.39	2550.00	8358.57	43691.96
Change in Indebtedness during the financial year				
*** Addition - fresh deposits**	487.17	-	1388.88	1876.05
*** Addition - Renewals**	-	10.00	2610.69	2620.69
*** Reduction- Repayments**	6953.93	60.00	1003.43	8017.36
*** Reduction- Renewals**	-	-	2611.41	2611.41
Net Change	-6466.76	- 50.00	384.73	-6132.03
Indebtedness at the end of the financial year				
i) Principal Amount	26316.63	2500.00	8375.87	37192.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	367.43	367.43
Total (i+ii+iii)	26316.63	2500.00	8743.30	37559.93

Attachment 'H'

viii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha Dutt Chitturi	Shri. V.Gandhi	Rs.
1	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7200000	6000000	3111290	3111290	19422580
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	69502	2559029	2793221	3263352	8685105
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify…	21674430	13148920	4949464	4479333	44252147
5	Others, please specify					
	Total (A)	**28943932**	**21707949**	**10853975**	**10853975**	**72359832**
	Ceiling as per the Act	4% of Net Profits	3% of Net Profits	1.5% of Net Profits	1.5% of Net Profits	10% of Net Profits

Attachment 'I'

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. O. Swaminatha reddy	Sri. V.H. Ramakrishnan	Sri. Vijay sankar	Sri. P.S. Kumar	Sri. M. Narasimhappa	Rs.
1	Independent Directors						
	Fee for attending board committee meetings	220000	230000	150000	250000	230000	1080000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	**220000**	**230000**	**150000**	**250000**	**230000**	**1080000**
	Other Non-Executive Directors						
	Fee for attending board committee meetings	0	0	0	0	0	0
	Commission						
	Others, please specify						
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**220000**	**230000**	**150000**	**250000**	**230000**	**1080000**

Attachment 'J'

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		Sri. Y. Vijayakumar (CS)	**Sri. G.N. Murty (CFO from 01.09.2015)**	**Sri. M.R. Ramachandran (CFO upto 31.08.2015)**	**Total Rs.**
1	**Gross salary**	**1511950**	2221135	2557038	6290123
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15000	476184	0	491184
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify				
5	**Others, please specify**				
	Total	**1526950**	**2697319**	**2557038**	**6781307**

Attachment 'K'

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE - 5

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

FORM AOC-1

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

	Part "A" : Subsidiaries		
1	**Name of the subsidiary**	KCP VIETNAM INDUSTRIES LIMITED	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	
3	Reporting currency of foreign subsidiaries	Vietnamese Dongs (VND) ('000)	Indian Rs. Lakhs
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 335.210 VND as on 31.03.2016	
4	Share Capital	545,856,275	8331.40
5	Reserves & Surplus	678,015,054	28179.18
6	Total Assets	1,782,614,882	53179.05
7	Total Liabilities	558,743,553	16668.46
8	Investments	-	-
9	Turnover	1,564,563,062	46011.15
10	Profit before taxation	238,246,701	7230.56
11	Provision for taxation	-	-
12	Profit after taxation	238,246,701	7230.56
13	Proposed Dividend	-	-
14	% of shareholding	66.667	66.667
	Part "B" : Associates and Joint Ventures		
	Name of Joint Venture	FIVES CAIL - KCP LIMITED	
1	Latest Unaudited Balance Sheet Date	31st March 2016	
2	Shares of Joint Venture held by the Company on the year end (No.)		400,000
	Amount of Investment in Joint Venture (Rs. Lakhs)		40.00
	Extent of Holding %	40%	
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital held.	
4	Reason why the Joint Venture is not consolidated	N.A.	
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs. Lakhs)		843.13
6	Profit / (Loss) for the year		
	(i) Considered in Consolidation (Rs. Lakhs)		229.02
	(ii) Not Considered in Consolidation		-

(For and on behalf of the Board)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

ANNEXURE - 6

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

FORM AOC-2

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

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

SL. No.	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction
				(Rs. Lakhs)
1	KCP Vietnam Industries Limited	Subsidiary company	**Sales and Services**	14.97
2	Fives Cail KCP Limited	Joint Venture	**Sales and Services**	1979.69
3	Fives Cail KCP Limited	Joint Venture	**Leasing of property**	81.70
4	KCP Technologies Limited	Associate Company	**Services**	13.67
5	KCP Technologies Limited	Associate Company	**Leasing of property**	1.52
6	V R & Sons Private Limited	Associate Company	**Leasing of property**	0.15
7	Smt.V.L.IndiraDutt	Joint Managing Director (JMD), Wife of Dr.V.L.Dutt and Mother of Kavitha D Chitturi, ED of the Company.	**Lease rentals**	56.60
8	Smt. S R V Rajyalakshmamma	Mother of JMD	**Lease rentals**	10.02
9	Smt.Uma.S.Vallabhaneni	Sister of JMD	**Lease rentals**	73.98
10	Smt.V.RamaKumari	Sister of JMD	**Lease rentals**	53.61
11	BalaTripurasundariAmmavaru Trust	JMD is Trustee	**. Lease rentals**	74.38
12	Sri.V.Chandrakumar	Brother of JMD	**Lease rentals**	33.36
13	Smt. KavithaDuttChitturi	Executive Director and Daughter of CMD, JMD	**Lease rentals**	4.90

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

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

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

(2) The transaction in Serial No.4 is relating to Consultation services proposed to be rendered by our Associatecompany M/s KCP Technologies Limited of Engineering business process services which includes documentation, analysis and reporting.

(3) The transactions in serial numbers 3, 5 and 6 are relating to leasing of office space owned by the company at"Ramakrishna Buildings" 2, Dr.P.V.Cherian crescent, Egmore, Chennai-600008 to M/s Fives Cail KCP Limited, (10,500 sft), KCP Technologies Limited (300sft) and M/s V.Ramakrishna Sons Private Limited (30 sft) at Rs.35per sft per month which is the rate prevailing in that area.

(4) The transactions in serial numbers 7 to 12 are relating to Lease Agreements entered on 21st July 1972 (for aperiod of 90 years) with certain Land owners including the parties mentioned in the table who are related parties for taking of lands at Muktyala on Lease and the lease Rent is payable to all parties both related and un related as follows for the purpose of mining Limestone:25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.

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

(c) Duration of the contracts / arrangements/transactions – From 11 months to 40 years

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: As explained above.

(e) Date of approval by the Board: 22/05/2013

(f) Amount paid as advances, if any: NIL

(g) Date on which the special resolution was passed in general meeting as required under first proviso to section188: 11/08/2014.

(h) Transaction in serial Number 13 is relating to mining at Muktyala on same terms and conditions as explained in (4) above, approved by the Board of Directors on the recommendation of the Audit Committee of the Company and approved by the the Shareholders at the Annual General Meeting held on 12/08/2015.

Place: Chennai
Date: 27th May, 2016

(V.L. DUTT)
Chairman and Managing Director

ANNEXURE - 7

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2016

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

To,

The Members,

THE KCP LIMITED

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, Its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with a statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by THE KCP LIMITED for the financial year ended on 31st March, 2016 according to the provisions of:

I. The Companies Act, 2013(the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investment. The company has no external commercial borrowings.

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 – The Company has not issued any capital this year.

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 – Not Applicable

e. The Securities Exchange Board of India (Issue and Listing of Debt securities) Regulations,2008 – Not Applicable

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board Of India (Delisting of Equity shares) Regulations, 2009 –Not Applicable and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations , 1998 – Not Applicable

VI. Sector Specific Laws as applicable to the Company

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

a. Mines Act, 1952

b. Indian Boilers Act, 1923

c. Environment Protection Act ,1986

d. The Hazardous Waste (Management Handling & Transboundary Movement) Rules, 2008

e. The Water (Prevention and Control of Pollution) Act, 1974

f. The Air (Prevention and Control of Pollution) Act, 1981

g. Legal Metrology Act, 2009

h. Explosives Act, 1884

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

a. Factories Act, 1948,

b. Payment of Gratuity Act, 1972;

c. Employees Provident Fund and Miscellaneous Provisions Act, 1952

d. Employees' State Insurance Act, 1948

e. Minimum wages Act, 1948

f. Payment of wages Act, 1936

g. Payment of Bonus(Amendment) Act,2015 – Retrospective enhanced liability for payment of bonus fastened by the Payment of Bonus(Amendment) Act,2015, for the accounting year 2014/15 has not been given effect to as the Company has obtained a stay from High Court of Madras vide order dated 25th February 2016, in respect of the retrospective liability.

h. The Contract Labour (Regulation and Abolition) Act, 1970

i. The Industrial Employment (Standing orders), Act,1946

j. The Apprentices Act, 1961

k. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956

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

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

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

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

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

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

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

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

Place: Chennai *sd/-:*

Date: 27.05.2016 ***(Sobana Pranesh)***

Company secretary in Practice
ACS No. 7915
C P No.: 2403

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

Annexure 'A'

The Members

The KCPLimited

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

1 Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

2 I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3 I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4 Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5 The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6 The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai *sd/-:*

Date: 27.05.2016 ***(Sobana Pranesh)***

Company secretary in Practice
ACS No. 7915
C P No.: 2403

Report on Corporate Governance

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

The Company's philosophy on code of Governance

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

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

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

Our Company has complied with the requirements of Corporate Governance as prescribed by Regulations 17 - 27 of Schedule IV and Schedule V of the SEBI (LODR) Regulations, 2015 (hereinafter referred to as "SEBI Regulations")

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 (the Board), which formulates strategies, policies and reviews its performance periodically.

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

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

a) Composition of Board and attendance particulars:

The Board of Directors consists of eminent individuals drawn from Management, Technical, Financial fields. The Board has an adequate combination of Executive and Non-executive Directors.

Composition of the Board as on 31st March, 2016

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

The Chairman of the Board is an Executive Chairman and the Composition of the Board of Directors meets with the requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015.

Board Independence

The independence of the Five Independent Directors meets with the requirements of Section149 of the Companies Act, 2013 read with Regulation 17 of the SEBI (LODR) Regulations, 2015.

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

b) Board Meetings

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

The notice of each Board meeting is given in writing to each Director. The agenda along with the relevant notes and other material information are sent in advance separately to each Director in compliance with the applicable plan of the Companies Act, 2013 Rules made there under the Secretarial Standard issued by ICSI

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

In the Financial year 2015-16, the Board met five times, Board Meetings held during the year

The interval between two meetings was less than 120 days as stipulated under Regulation 17 of the SEBI (LODR) Regulations, 2015.

c) Details of other Directorships/membership in committees and Attendance of each Director at the Meeting of the Board and the last (74th) Annual general Meeting

The attendance 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:

Name of the Director	18th May 2015	12th Aug. 2015	13th Nov. 2015	11th Feb. 2016	10th March 2016	No. of meetings attended	Attandance at 74th AGM
Dr. V.L. Dutt	P	P	P	P	P	5	P
Smt. V.L. Indira Dutt	P	P	P	P	P	5	P
Smt. Kavitha D. Chitturi	P	P	P	P	P	5	P
Sri. V. Gandhi	P	P	P	P	P	5	P
Sri V.H. Ramakrishnan	P	P	P	P	P	5	P
Sri O. Swaminatha Reddy	P	P	P	P	P	5	P
Sri. Vijay Sankar	A	P	A	P	P	3	P
Sri. P.S. Kumar	P	P	P	P	P	5	P
Sri. M. Narasimhappa	P	P	P	P	P	5	P

Details of other Direcetorships / Memberships in Committees including KCP

Name of the Director	* Number of Directorship(s) held in Indian Public limited companies (Including KCP)	* Number of Chairmanship(s) held in Indian Public limited companies (Including KCP)	** Committees position (Including KCP)		No. of shares held by Directors
			Chairman	Member	
Non-Executive Independent Directors:					
Sri O. Swaminatha Reddy	8	3	7	1	20
Sri V.H. Ramakrishnan	3	-	-	4	0
Sri. Vijay Sankar	6	-	-	2	0
Sri. P.S. Kumar	1	-	-	2	**0**
Sri. M. Narasimhappa	2	-	-	2	**0**
Executive Promoter Directors:					
Dr. V.L. Dutt, Chairman & Managing Director	1	1	-	-	6005569
Smt. V.L. Indira Dutt, Joint Managing **Director**	2	-	-	0	3064479
Smt. Kavitha D Chitturi, Executive Director	3	-	-	1	950000
Executive Non Promoter Directors:					
Sri V. Gandhi, Technical Director	2	-	-	-	2040

(*Chairmanship /Membership of Committee includes only Audit Committee and Shareholders Grievances Committee in Indian Public Limited companies including KCP)

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

d) The information required to be made available to the Board includes the following (Regulation 17(7) of SEBI (LODR) Regulations, 2015.

1. Annual Operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of Meetings of Audit Committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand prosecution notices and penalty notices which are materially important
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources / industrial relations front like signing of wage agreement, implementation of Voluntary Retirement scheme etc
13. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc

The Agenda for the Board Meeting covers items set out as guidelines in SEBI (LODR) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

e) Code of Conduct

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

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

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, 2015 as amended. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations

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

f) Induction Programme and Familiarization Programme for Directors::

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

Web link: http://www.kcp.co.in/downloads/PDF/FProgamme.pdf

COMMITTEES OF THE BOARD

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

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

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 Internal audit with external auditors

The Audit Committee met four times during the year on 18/05/2015, 12/08/2015, 13/11/2015 and 11/02/2016

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

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

The composition of the Audit Committee and particulars of meetings attended by the members of the 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 - Member	4	4
Sri. P.S. Kumar	4	4
Sri. Vijay Sankar- Member	4	2
Sri. M.Narasimhappa- Member	4	4
Executive Promoter Director :		
Smt Kavitha D Chitturi- Member	4	4

The Company Secretary shall act as the Secretary to the Audit Committee

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

Role of the Audit Committee

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including Cost Auditors of the Company
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act,

2013, Changes, if any, in accounting policies and practices and reasons for the same

- Major accounting entries involving estimates based on the exercise of judgement by the management;
- Significant adjustments made in financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and Qualifications in draft audit report.

❖ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval

❖ Monitoring and reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.,) the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

❖ Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process

❖ Omnibus approval for Related Party transactions

❖ Approval or any subsequent modification of transactions of the Company with related parties.

❖ Scrutiny of inter-corporate loans and investments.

❖ Valuation of undertakings or assets of the Company, wherever it is necessary

❖ Evaluation of internal financial controls and risk management systems

❖ Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems

❖ Formulating the scope, functioning, periodicity and methodology for conducting the internal audit

❖ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

❖ Discussion with internal auditors of any significant findings and follow-up thereon

❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern

❖ To review the functioning of Vigil Mechanism

❖ Approval of appointment of the CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background etc., of the candidate

❖ Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Chairman of the Audit Committee was present at the 74th Annual General Meeting of the Company held on 12th August 2015

b) Stakeholders Relationship Committee (SR Committee)

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, the company has constituted the "Stakeholders' Relationship Committee

The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors'/ security holders' complaints

The SR Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies act, 2013.

Role of the SR Committee

❖ To consider, resolve and monitor redressal of investors / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, Non-receipt of declared Dividend etc

❖ To oversee the performance of the Company's Registrar and Share Transfer Agents

❖ To Recommend methods to upgrade the standard of services to investors

❖ To carry out any other function as is referred by the Board from time to time and / or enforced by any

statutory notification / amendment or modification as may be applicable

- To perform such other functions as may be necessary or appropriate for the performance of its duties

As per the confirmation received from M/s. Integrated Enterprises India Limited, the Company's Registrar and share transfer Agents, no investor complaints are pending as on March 31, 2016.

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

The Committee met on 11/02/2016 during the year, 2015-2016. The Committee comprises the following Independent Directors:

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

c) Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the company has constituted the "Nomination and Remuneration Committee".

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

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- To Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- To Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal. (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Committee met on 12/08/2015 during the year, 2015-2016

The composition of the Committee as at March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under

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

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015,

Dr.V.L.Dutt, Chairman & Managing Director of the company was made a Member of the Committee

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

d) Corporate Social Responsibility (CSR) committee:

In compliance with the provisions of the Companies Act, 2013, rules made thereunder and SEBI Regulations the company has constituted a Corporate Social responsibility (CSR) committee

The composition of the Committee as on March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

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

During the year the committee met on 13/11/2015

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

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

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

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

e) Risk management Committee

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

The objectives and scope of the Risk Management Committee broadly comprises

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

The Committee met on 25/02/2016 during the year, 2015-2016

The composition of the Risk Management Committee as at March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

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

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

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

f) Investment Committee

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

The Investment Committee comprises the following 4 Non-Executive Independent Directors and the Committee met on 18/05/2015 during the year, 2015-16.

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

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

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

During the year, 17 meetings of Share Transfer Committee were held on the following dates:

09/04/2015, 27/04/2015, 11/05/2015, 02/06/2015, 22/06/2015, 16/07/2015, 06/08/2015, 14/09/2015, 13/10/2015, 06/11/2015, 09/12/2015, 08/01/2016, 22/01/2016, 22/02/2016, 09/03/2016, 22/03/2016 & 31/03/2016.

The Committee comprises of the following executives of the Company:

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

h) Finance Committee

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

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

During the year the Committee did not have the occasion to meet.

The composition of the Committee as on March 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under

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

i) Innovation and Best practices committee:

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

During the year the committee met on 11/02/2016.

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

Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 11, 2016, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole
- Evaluation of the performance of the Chairman, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties..

All the Independent Directors were present at the Meeting.

3. Remuneration policy,

i) Remuneration to Independent Directors.

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

During the year Independent Directors of the Company were paid sitting fees of Rs. 20,000/- (Rupees twenty thousand only) each for every meeting of the Board and Audit Committees of the Board attended by them. For other Committee Meetings Rs. 10,000/- (Rupees ten thousand only) were paid as sitting fees. The sitting fee is well within the limits prescribed under the provisions of the Companies Act, 2013 and rules made thereunder.

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

The details of sitting fees paid to Independent Directors for the year 2015-2016 (for attending the Board Meetings, Audit Committee meetings and other Committee Meeting) are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	Rs. 2,30,000.00
Sri. O. Swaminatha Reddy	Rs. 2,20,000.00
Sri. Vijay Sankar	Rs. 1,50,000.00
Sri. P.S. Kumar	Rs. 2,50,000.00
Sri. M. Narasimhappa	Rs. 2,30,000.00

(ii) Remuneration to Executive Directors

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

Particulars of their remuneration for the year ended 31st March, 2016 are given below:

Particulars of Executive Directors	Salary & Perquisites (Rs.)	Commi ssion (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman & Managing Director	7269502	21674430	28943932
Smt. V.L. Indira Dutt Joint Managing Director	8559029	13148920	21707949
Smt. Kavitha Dutt Chitturi Executive Director	5904511	4949464	10853975
Sri. V. Gandhi Technical Director	6374642	4479333	10853975

4. GENERAL SHAREHOLDER INFORMATION

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

Date	Monday, 8th August, 2016
Time	10.25 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 2016-17

First Quarter ending 30th June, 2016	Within Forty five Days from the end of the Quarter
Second Quarter ending 30th September, 2016	Within Forty five Days from the end of the Quarter

Third Quarter ending 31st December, 2016	Within Forty five Days from the end of the Quarter
Fourth Quarter ending 31st March, 2017	Within Sixty Days from the end of the Financial year

3. Book Closure:

1st August, 2016 - 8th August, 2016 (Both days inclusive)

4. Dividend:

During the year the Company has declared and paid an interim dividend of Re.1/-per equity share of Re.1/- each i.e 100% on paid-up equity share capital of the company.

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 2016-2017 to the National Stock Exchange of India Limited (NSE).

6. Share Price Data :

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2015	71.30	57.10
May 2015	69.50	57.40
June 2015	68.95	58.00
July 2015	76.20	60.60
August 2015	83.00	65.00
September 2015	73.70	65.10
October 2015	101.20	69.25
November 2015	97.70	80.00
December 2015	93.40	76.60
January 2016	85.75	65.05
February 2016	71.90	58.10
March 2016	87.05	59.35

7. Relative Stock Performance Chart:

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

The KCP Limited price Vs BSE SENSEX

Historic Graph 01-04-2015 to 31-03-2016

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

10. Distribution of the Equity Shareholding as on 31st March, 2016 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	16364	92.80	10220871	7.93
5001-10000	565	3.20	4039402	3.13
10001-20000	298	1.69	4145355	3.22
20001-30000	121	0.69	2958061	2.29
30001-40000	72	0.41	2508655	1.95
40001-50000	49	0.28	2261292	1.75
50001-100001	75	0.43	5394283	4.18
Above 100001	90	0.50	97393241	75.55
TOTAL	**17634**	**100.00**	**128921160**	**100.00**

11. Equity Shareholding as on 31st March, 2016 by category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	192	1097905	0.8516
Bank Foreign	1	500	0.0004
Foreign Institutional Investor	3	25259	0.0196
Indian Financial Institutions	8	1402167	1.0876
Indian Promoters	22	61026824	47.3365
Limited Liability Partner	2	145000	0.1125
Mutual Funds & UTI	8	8214150	6.3715
NRI / OCBs	284	2690448	2.0869
Private Corporate Bodies	267	5098754	3.9550
Indian Public	16843	49153592	38.1268
Trusts	4	66561	0.0516
TOTAL	17634	12,89,21,160	100

12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2016

SL NO	NAME OF THE SHARE HOLDER	NUMBER OF SHARES	%
1	SBI Emerging Businesses Fund	3435000	2.66
2	HDFC Trustee Company Limited A/C HDFC Growth Fund	2581843	2.00
3	Reliance Capital Trustee Co. Ltd-A/C Reliance small Cap Fund	2190315	1.70
4	Vinod Hashmatrai Punwani	1638524	1.27
5	Sandhya G Parikh	1624159	1.26
6	The New India Assurance Company Limited	1302930	1.01
7	G.V. Reddy (Dr)	1287250	1.00
8	Govindlal M Parikh	1058812	0.82
9	Sakunthala Devi Boppana	1052410	0.82
10	Hitesh Satishchandra Doshi	992445	0.77
	TOTAL	**17163688**	**13.31**

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 128921160 Equity shares 121559792 Equity shares are held in dematerialized form with NSDL and CDSL as on 31st March 2016

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

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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

15. Plant Locations:

CEMENT	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
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
	Ramakrishnapuram, Muktyala - 521175, Krishna District Andhra Pradesh
CAPTIVE POWER PLANT	Muktyala, Krishna District, Andhra Pradesh
SOLAR POWER UNIT	Muktyala, Krishna District, Andhra Pradesh
	Ramakrishnapuram, Muktyala – 521175, Krishna District Andhra Pradesh
HOTEL	Mercure KCP Hyderabad 6-3-552, Somajiguda, Hyderabad 500 082
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 Regulation 17 of the SEBI (LODR) Regulations, 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the

quarters ended June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Regulation 17 of the SEBI (LODR) Regulations, 2015, the said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

17. Risk Management:

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

18. Performance Evaluation

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

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

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

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

19. Other Disclosures:

1) During the year there were no materially significant related party transactions that might have had potential conflict with the interest of the company at large.

2) During the last three years, there were no instances of non compliance by the company, with any statutory matters concerning capital markets, nor were any penalties or strictures imposed on it with regard thereto by any concerned regulatory authorities.

3. The Company has, to the best of its understanding, complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015

4) There were no qualifications by the auditors that are material in nature, and the company is taking corrective steps in response to the observations if any made by the auditors

5) All the Directors of the company have considerable experience and expertise as directors in this company and other companies, and hence in the opinion of the Board no further training or evaluation is considered necessary for them.

6) Adoption of Non-mandatory requirements of the SEBI (LODR) Regulations, 2015 are being Reviewed by the Board from time to time

20. Other Information

1. Details of Annual General Meetings & Special Resolutions:

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

Year	AGM	Location	Date	Time	Special Resolutions considered	Result
2013	72nd	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	08/08/2013	11.30	-	-
2014	73rd	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	11/08/2014	10.45 a.m.	1. Adoption of new set of Articles of Association of the company. 2. Resolution for acceptance of deposits from public and shareholders. 3. Resolution under section 180(1)(c) of the Companies Act, 2013 4. Resolution under section 180(1)(a) of the Companies Act, 2013 5. Resolution for amendment to liability clause of Memorandum of Association of the company. 6. Resolution under section 188 of the Companies Act, 2013 for approval of related party transactions.	Passed
2015	74th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	12/08/2015	10.25 AM	-	-

(b) No EGM was held by the company during the financial year ended 31st March 2016.

(c) Postal Ballot:

During the year the there was no Postal Ballot Process.

Subsidiary Company

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

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

2. Means of Communication

(i) The Board of Directors of the Company considers and approves all quarterly and annual financial results in the format prescribed by Regulation 33 of the SEBI (LODR) Regulations, 2015.

(ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a National newspaper published in English. In addition, the same are published in local language (Tamil) newspaper, within forty-eight hours of approval thereof as prescribed in Regulation 47 of the SEBI (LODR) Regulations, 2015. 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 and will be sent to the shareholders of the Company.

3. Nomination:

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

4. Dematerialisation Of Shares:

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

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

Unclaimed share certificates lying With Company / R&T agent

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

As on 31st March, 2016, 2192540 Equity shares were transferred to "Unclaimed Suspense Account".

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

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

NSE Electronic Application Processing System (NEAPS):

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

SEBI Complaints Redress System (SCORES):

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

Designated Exclusive email-ids:

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

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

For and on behalf of the Board of Directors

Place: Chennai
Date: 27th May, 2016

(V.L. DUTT)
Chairman and Managing Director

Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by The KCP Limited for the year ended 31st March, 2016 as stipulated in Chapter-IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

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

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

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

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

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

Place: Chennai
Date: 27th May 2016

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 March 31st, 2016.

Place: Chennai
Date: 27th May, 2016

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 2016 and to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

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

	For The KCP Limited	For The KCP Limited
Place: Chennai Date: 27th May, 2016	**V.L. Dutt** **Chairman and Managing Director**	**G.N. MURTY** **Chief Financial Officer**

Independent Auditors' Report

To the members of The KCP Limited, Chennai

Report on Standalone Financial Statements:

We have audited the accompanying standalone financial statements of **The KCP Limited**, Chennai, which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order,2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Companies Act, 2013 we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act;

   f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and

   g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;

      ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts and did not have derivative contracts – Refer Note 48 to the financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Place: Chennai

Date: 27th May, 2016

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Annexure to the Independent Auditor's Report:

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of THE KCP LIMITED, CHENNAI for the year ended 31st March 2016. We report that:

(i) a The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets

b. The Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable property are held in the name of the company

(ii) The inventory has been physically verified by the management at reasonable intervals during the year under report and the discrepancies noticed during such physical verification of inventories as compared to book records have been properly dealt with in the books of account.

(iii) The company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the said order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of investments made by the company.

(v) In our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.

(vi) We have broadly reviewed the books of account and records maintained by the company at its cement, engineering and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us and the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, , Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, duty of Excise, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

S.No	Nature of dues	Name of the statute	Period	Amount in Rs. Lakhs	Forum where the dispute is pending
1	Excise duty and related demands	The Central Excise Act, 1944	1996-2013	3281.06	At various Appellate forums
2	Sales tax and related demands	The AP Sales Tax Act, 1957	1996-2001	112.29	AP High Court
3	Sales tax and related demands	Tamilnadu Sales Tax Act	2007-08	1.82	Addl. Commisioner of Commercial taxes
4	Sales tax and related demands	UP Sales Tax Act 1948	1988	18.15	Allahabad High Court
5.	Forest Permit Charges	A.P. Forest Produce transit Rules 1970	2010-15	268.95	Hon'ble AP High Court
6	Royalty	MMDR Act,1957	1986-87	0.93	ADMG - Guntur
7	Net Present Value of Safety Zone Area	The Forest Conservation Act,1980	2014-15	17.87	DFO - Guntur
8	Income Tax	The Income Tax Act 1961	2010-11 to 2012-13	52.90	CIT (Appeals)

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

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under report. Accordingly, the provision of clause 3(ix) of the Order is not applicable.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

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

(xii) In our opinion and according to the information and explanations furnished to us, the company is not a nidhi/ mutual benefit fund/society and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

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

Place: Chennai

Date: 27th May, 2016

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The KCP Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

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

Place: Chennai

Date: 27th May, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Notes	As At 31st March 2016 Rs. Lakhs	As At 31st March 2015 Rs. Lakhs
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**1,289.21**	1,289.21
Reserves and Surplus	4	**37,454.41**	34,592.49
		38,743.62	**35,881.70**
Non-Current Liabilities			
Long-term Borrowings	5	**25,399.00**	31,828.80
Trade Payables	6.1	**271.26**	157.45
Deferred Tax Liability (Net)	7	**8,720.34**	6,597.86
Other Long-Term Liabilities	6.2	**3,562.46**	3,723.99
Long-term Provisions	8.1	**444.05**	424.52
		38,397.11	**42,732.61**
Current Liabilities			
Short-term Borrowings	9	**4,679.12**	4,152.13
Trade Payables :	10.1		
Due to Micro and Small Enterprises		**16.67**	16.36
Due to Others		**2,803.17**	4,745.68
Other Current Liabilities	10.2	**18,760.55**	15,764.52
Short term Provisions	8.2	**1,625.15**	1,907.64
		27,884.65	**26,586.34**
TOTAL		**105,025.39**	**105,200.65**
II.Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	**70,391.02**	59,190.40
Intangible Assets	12	**168.86**	47.07
Capital Work in Progress		**1,053.49**	10,248.70
Non-current Investments	13	**2,891.02**	2,890.51
Deferred Tax Assets (net)		-	-
Long term Loans and Advances	14.1	**7,364.72**	5,141.67
Trade Receivables	15.1	**158.44**	56.02
Other Non-Current Assets	15.2	**11.08**	5.23
		82,038.64	**77,579.61**
Current Assets			
Current Investments	16	**-**	-
Inventories	17	**12,092.43**	14,791.16
Trade Receivables	15.1	**3,021.33**	1,595.88
Cash and Bank Balances	18	**1,887.89**	3,281.44
Short term Loans and Advances	14.2	**5,911.74**	7,168.91
Other Current Assets	15.2	**73.35**	783.64
		22,986.75	**27,621.03**
TOTAL		**105,025.39**	**105,200.65**
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

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Notes	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Income			
Revenue from Operations (Gross)	19	**86,199.32**	69,668.65
Less: Excise duty		**11,220.00**	8,945.89
Revenue from operations (Net)		**74,979.32**	60,722.76
Other Income	20	**382.92**	1,224.43
Total Revenue (I)		**75,362.25**	61,947.19
Expenses			
Cost of Raw Materials and Components consumed	21	**20,751.84**	13,677.43
[Increase]/Decrease in Inventories of finished goods,Work-in-progress and traded goods	22	**553.82**	(1,322.82)
Employee Benefits expense	23	**6,630.87**	5,258.24
Finance Costs	24	**4,540.92**	4,886.41
Depreciation and amortization expense	25	**3,911.60**	3,430.68
Other expenses	26	**32,376.49**	33,446.87
Total Expenses (II)		**68,765.55**	59,376.81
Profit/(Loss) before Exceptional & Extraordinary items and tax		**6,596.70**	2,570.39
Add : Exceptional Items (Net)		**-**	(124.37)
Profit/(Loss) before Extraordinary items and tax		**6,596.70**	2,446.01
Extraordinary Items		**(84.32)**	-
Profit/(Loss) before tax		**6,512.38**	2,446.01
Add : Income Tax Refund		**-**	-
Less : Tax expenses			
Short /Excess provision of Income Tax of Eariler Years		**101.59**	(71.75)
Current tax		**1,392.00**	528.37
Deferred tax		**2,122.49**	834.37
Add: MAT credit entitlement		**1,389.71**	486.66
Total tax expense		**2,226.37**	804.33
Profit/(Loss) for the year from continuing operations (A)		**4,286.02**	1,641.68
Profit / (Loss) from discontinuing operations		**-**	(83.46)
Less : Tax expense of discontinuing operations		**-**	(28.37)
Profit / (Loss) from discontinuing operations (after tax) (B)		**-**	(55.09)
Profit / (Loss) for the year (A) + (B)		**4,286.02**	1,586.58
Earnings per equity share in Rs. Lakhs[nominal value of share Re.1 /-		**3.32**	1.17
[31st March 2015 : Rs. 1/-]			
Basic and diluted:			
Computed on the basis of total profit for the year		**3.32**	1.17
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

G.N. MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

PARTICULARS	31-03-2016 Rs. Lakhs	31-03-2015 Rs. Lakhs
(A) Cash flow from operating activities		
Profit before tax from continuing operations	**6,512.38**	2,446.01
Profit before tax from discontinuing operations	**-**	**(83.46)**
Profit before tax	**6,512.38**	2,362.55
Adjustments for :		
Depreciation/amortization on continuing operation	**3,911.60**	3,430.68
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	**1.20**	5.63
Loss/[profit] on sale of fixed assets	**25.59**	143.95
Unrealised foreign exchange loss	**(4.79)**	(10.89)
Interest expense	**4,540.92**	4,886.41
Interest income	**(315.77)**	(294.92)
Dividend income	**(12.77)**	(667.00)
Operating profit before working capital changes	**14,658.36**	9,856.41
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	**(1,828.39)**	(892.17)
Increase/[decrease] in long term provisions	**19.53**	27.58
Increase/[decrease] in short-term provisions	**(41.29)**	134.55
Increase/[decrease] in other current liabilities	**2,744.06**	815.26
Increase/[decrease] in other long-term liabilities	**(161.53)**	622.61
Adjustments for Decrease / (Increas) in operating assets :		
Decrease/[increase] in trade receivables	**(1,527.87)**	3,020.32
Decrease/[increase] in inventories	**2,698.72**	(2,438.43)
Decrease/[increase] in long term loans and advances	**76.87**	(214.40)
Decrease/[increase] in short-term loans and advances	**797.29**	2,578.85
Decrease/[increase] in other current assets	**710.29**	(26.17)
Decrease/[increase] in other non-current assets	**(5.85)**	77.34
Cash generated from/[used in] operations	**18,140.21**	13,561.73
Direct taxes paid [net of refunds]	**(1,403.15)**	(577.26)
Foreign exchange difference	**4.79**	10.89
Net cash flow from/[used in] operating activities (A)	**16,741.85**	12,995.36
(B) Cash flows from investing activites		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	**(5,818.67)**	(6,470.62)
Proceeds from sale of fixed assets	**25.30**	289.69
Purchase of non-current investments	**(0.51)**	(0.70)
Purchase of current investments	**-**	-
Interest received	**315.77**	294.92
Dividends received from subsidiary company	**12.77**	667.00
Net cash flow from/[used in] investing activities (B)	**(5,465.34)**	(5,219.70)
(C) Cash flows from financing activities		
Proceeds from long term Borrowings	**1,570.85**	9,508.93
Repayment of long term Borrowings	**(7,639.13)**	(5,261.26)
Proceeds from short term borrowings	**576.99**	**-**
Repayment of short term borrowings	**(50.00)**	(4,762.30)
Repayment of preference capital	**-**	(800.00)
Interest paid	**(4,540.92)**	(4,886.41)
Dividends paid	**(2,256.12)**	(224.92)
Tax on dividend paid	**(331.72)**	(40.53)
Net cash flow from/[used in] in financing activities [C]	**(12,670.06)**	(6,466.49)
Net increase/[decrease] in cash and Bank Balances (A+B+C)	**(1,393.55)**	1,309.16
Cash and Bank Balances at the beginning of the year	**3,281.44**	1,972.28
Cash and Bank Balances at the end of the year	**1,887.89**	3,281.44
Components of Cash and Bank Balances		
Cash on hand	**12.19**	8.44
Cheques/Drafts on hand	**106.35**	183.67
With banks on current account	**234.91**	1,273.36
On deposit account	**1,285.51**	1,683.93
Unpaid dividend accounts	**248.93**	132.03
Total Cash and Bank Balances (Note 18)	**1,887.89**	3,281.44

(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

G.N. MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. GENERAL

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, and taxes, incidental expenses relating thereto, interest on direct borrowals upto commissioning, wherever applicable, and the cost of installation/erection, as applicable. CEN VAT availed, if any, on Fixed Assets, is deducted from the cost of such Fixed Assets capitalised.

2.2 LEASED ASSETS :

(A) ASSETS UNDER FINANCE LEASE:

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

(B) ASSETS UNDER OPERATING LEASE :

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

2.3. INVESTMENTS

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

2.4. INVENTORIES

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

(b) Stock of scrap –

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

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

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

2.5. SALES AND OTHER EARNINGS

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

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

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

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

(e) The revenue from sale of thermal power is recognised based on actual billing to the State Board at the end of each billing cycle .

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

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

2.6. FOREIGN EXCHANGE TRANSACTIONS

A) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the

difference in the rate of exchange arising on actual receipt/payment during the year.

B) At each Balance Sheet date

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

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

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

2.7. ACCOUNTING FOR DERIVATIVES

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

2.8. EMPLOYEE BENEFITS

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

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

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

c) Post Employment Benefits:

(i) Defined Contribution plans:

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

(ii) Defined Benefit plans:

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

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

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

2.9. DEPRECIATION

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

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

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

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

S.No	Description of the Asset	Estimated useful life
1.	Transformers	30 years
2	Economisers in Boilers in the Captive Power Plant ; Turbines, Generators, Sluice Gates, Switchgears and Cables in Hydel Plant.	25 years
3.	Electrical Components like Panels, Motors , Insulators which are components of Plant and Machinery	10 years
4.	Economisers in Boilers and Water pre-heater in Waste Heat Recovery Plant; Evaporators in the Captive thermal Power Plant	5 years

2.10. IMPAIRMENT OF ASSETS:

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

2.11. WARRANTY CLAIMS

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

2.12. DIVIDENDS

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

2.13. BORROWING COST

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

2.14. EXPENDITURE DURING CONSTRUCTION PERIOD

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

2.15 EXPENDITURE ON APPROVED RESEARCH AND DEVELOPMENT PROGRAMME

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

2.16. TAXATION

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

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

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 be complied with.

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

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

3) SHARE CAPITAL

PARTICULARS	As At 31st March, 2016 Rs. Lakhs	As At 31st March, 2015 Rs. Lakhs
Authorised Share Capital:		
35,00,00,000 (31st March 2015 : 35,00,00,000) Equity shares of Re.1/- each	**3,500.00**	3,500.00
2,00,00,000 (31st March 2015 : 2,00,00,000) Preference shares of Rs.10/- each	**2,000.00**	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31st March 2015 : 12,89,77,480) Equity shares of Re.1/- each	**1,289.77**	1,289.77
2,00,00,000 (31st March 2015 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	**2,000.00**	2,000.00
	3,289.77	3,289.77
Subscribed and paid-up :		
12,89,21,160 (31st March 2015 :12,89,21,160) Equity shares of Re.1/- each	**1,289.21**	1,289.21
Total issued, subscribed and paid-up capital	**1,289.21**	1,289.21

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) Equity shares of Re.1/- each fully paid - 30.22% (30.22%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) Equity shares of Re.1/- each fully paid- 7.43% (7.43%)
3. SBI Emerging Business Fund - 34,35,000 (92,93,792) Equity shares of Re.1/- each fully paid up 2.66% (7.21%)

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 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Equity Share Capital at the beginning of the Year	**1,289.21**	1,289.21
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	**-**	800.00
Less: NIL 12% Redeemable cumulative Non-convertible Preference shares of Rs 10/- each redeemed during the year (80,00,000 shares in previous year)	**-**	800.00
Issued, Subscribed and Fully paid up capital at the end of the year	**1,289.21**	1,289.21

4) RESERVES AND SURPLUS

PARTICULARS	As At 31st March, 2016 Rs. Lakhs	As At 31st March, 2015 Rs. Lakhs
Capital Reserve		
Capital Redemption Reserve	**2,000.00**	2,000.00
Capital Reserve On Reorganisation	**279.91**	279.91
Capital Subsidy	**50.00**	50.00
Amalgamation Reserve	**103.83**	103.83
Total Capital Reserve	**2,433.74**	2,433.74
General Reserve	**27,450.00**	27,450.00
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	**4,708.75**	4,365.76
Profit for the year	**4,286.02**	1,586.58
	8,994.76	5,952.34
Less : Appropriations		
Proposed Final Equity Dividend (Amount per share Rs. 0.75)	**-**	966.91
Interim Dividend Paid @ Re.1/- per Share	**1,289.21**	-
Dividend on 12% Preference Shares	**-**	66.28
Tax on Distributed Profits	**134.88**	210.41
Total Appropriations	**1,424.09**	1,243.60
Net Surplus in Statement of Profit and Loss	**7,570.67**	4,708.75
Total Reserves and Surplus taken to Balance Sheet	**37,454.41**	34,592.49

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Rupee Term Loans from Banks - Secured				
for Cement Plant Muktyala	**2,442.30**	5,346.30	**2,904.00**	2,904.00
for Hotel Project	**4,264.14**	4,629.83	**854.43**	856.00
PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
for Cement Plant- Macherla	**681.33**	981.33	**300.00**	300.00
for Captive Power Plant- Muktyala	**4,974.93**	5,969.93	**995.50**	996.00
for Corporate	**7,520.00**	10,200.00	**1,380.00**	600.00
	19,882.70	27,127.39	**6,433.93**	5,656.00
Other Loans and advances:				
Deposits (unsecured)				
From Directors	**45.03**	45.03	**-**	-
From Others	**5,471.27**	4,656.38	**2,859.57**	3,275.98
Total	**5,516.30**	4,701.41	**2,859.57**	3,275.98
	25,399.00	31,828.80	**9,293.50**	8,931.98

The above amount includes				
5.1) Secured Borrowings	**19,882.70**	27,127.39	**6,433.93**	5,656.00
5.2) Unsecured Borrowings	**5,516.30**	4,701.41	**2,859.57**	3,275.98
5.3) Amount disclosed under the head				
"Other Current Liabilities" (Note 10)	**-**	-	**9,293.50**	8,931.98
	25,399.00	31,828.80		

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 Plant.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.

d) First installment of repayment for Hotel project commenced in May 2015.

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

b) The long Terms loans obtained for the 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 installment of Repayment commenced in March'2015.

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

b) The long Terms loans obtained for Cement Plant at Macherla are repayable in 28 Quarterly Installments of Rs 0.75 crores each with an initial moratorium peroid of two years from the date of first disbursement. Repayments started from November 2014.

5.8) 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) During the year, the Company has pre-paid Rs.10 crores of loan amount ahead of repayment schedule.

c) The balance loan is repayable in 4 equal half yearly instalments of Rs.0.50 crores from June, 2015.

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. First Instalment of Repayment falls due in June, 2016.

5.10) a) Term Loan of Rs.40 crores obtained for shoring up working capital is secured by Exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2.25%

b) This loan is repayable in 20 quarterly instalments of Rs.2 crores after 2 years moratorium. First instalment falls due in May 2017.

c) During the year, the Company has pre-paid Rs.8 crores of loan amount ahead of repayment schedule.

5.11) Details of deposits held by Directors of the company

	As on 31.03.2016 Rs. Lakhs	As on 31.03.2015 Rs. Lakhs
a) Dr. V. L. Dutt	33.50	33.50
b) Smt. Kavitha D. Chitturi	11.53	11.53

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31-03-2016 Rs. Lakhs	AS AT 31-03-2015 Rs. Lakhs
6.1) Trade payables	**271.26**	157.45
Total	**271.26**	157.45
6.2) Others		
Outstanding Liabilities for Expenses	**1,042.98**	1,034.56
Retention Money Payable - Projects	**9.40**	150.50
Trade Deposits	**2,190.82**	2,253.67
Deposits Payable-Contractors	**189.90**	141.90
Interest accrued but not due	**129.37**	143.36
Total	**3,562.46**	3,723.99

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31-03-2016 Rs. Lakhs	AS AT 31-03-2015 Rs. Lakhs
Deferred Tax Liability:		
Fixed assets:Impact of difference between tax depreciation and		
depreciation/amortisation charged for the financial reporting	**10,699.64**	8,466.07
Gross Deferred Tax liability (A)	**10,699.64**	8,466.07
Deferred Tax asset:		
Disallowance under Sec.43B	**648.51**	409.07
Unabsorbed Loss	**1,330.79**	1,459.14
Gross Deferred Tax Asset (B)	**1,979.30**	1,868.21
Net Deferred Tax Liability (A) - (B)	**8,720.34**	6,597.86

8) PROVISIONS

PARTICULARS	8.1 - Long Term		8.2 - Short Term	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Provision for employee benefits:				
Provision for Leave Benefits	**444.05**	424.52	**145.11**	16.77
Total (A)	**444.05**	424.52	**145.11**	16.77
Other Provisions:				
Provision for Wealth tax	**-**	-	**12.59**	19.81
Provision for Income tax	**-**	-	**1,467.44**	544.90
Proposed Equity Dividend	**-**	-	**-**	966.91
Provision for tax on Distributed Profits	**-**	-	**-**	196.84
Provision for National/State Mineral Fund	**-**	-	**-**	162.41
Total (B)	**-**	-	**1,480.03**	1,890.87
Total (A+B)	**444.05**	424.52	**1,625.15**	1,907.64

9) SHORT TERM BORROWINGS

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Cash Credit from Banks		
: Secured	**2,179.12**	1,602.13
Loan Repayable on Demand (Unsecured)		
: from Directors	**2,000.00**	2,050.00
Inter-corporate Deposits repayable on demand	**500.00**	500.00
	4,679.12	4,152.13
The above amount includes		
Secured Borrowings	**2,179.12**	1,602.13
Unsecured Borrowings	**2,500.00**	2,550.00

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
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%	**-**	456.53
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%	**805.79**	538.96
iii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Muktyala Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**775.75**	606.64
iv) 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 Captive Power Plant Unit. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**597.58**	-
Total	**2,179.12**	1,602.13
9.2) Demand loans obtained from Directors		
a) Dr. V.L. Dutt	**1,300.00**	1,300.00
b) Smt. V. L. Indira Dutt	**420.00**	470.00
c) Smt. Kavitha Dutt Chitturi	**280.00**	280.00
Total	**2,000.00**	2,050.00
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%	**500.00**	500.00
Total	**500.00**	500.00

10) OTHER CURRENT LIABILITIES

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
10.1) Trade payables		
Due to Micro and Small Enterprises	**16.67**	16.36
Due to Others (includes Rs.3.85 lakhs (Rs.12.55 lakhs) due to Managing Director and Rs.1.12 lakhs (Rs.3.03 lakhs) due to Executive Director	**2803.17**	4745.68
	2,819.84	4,762.04
10.2) Other Liabilities:		
Current maturities of long term borrowings (Note No. 5.3)	**9,293.50**	8,931.98
Interest accrued but not due on borrowings	**238.38**	274.66
Interest accrued and due on borrowings	**96.97**	217.55
Advance from customers	**4,289.19**	3,174.95
Unpaid dividend	**230.51**	132.03
Others		
Accrued Salaries and Benefits	**638.28**	232.93
Directors Remuneration payable	**442.52**	43.82
Project Related payables	**944.57**	1,054.12
Statutory Dues	**1,507.62**	1,313.80
Others	**1,079.01**	388.67
Total	**18,760.55**	15,764.52

11) TANGIBLE ASSETS and 12) INTANGIBLE ASSETS

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
S. No	DESCRIPTION	Cost as on 01-04-2015	Additions during the year	Deductions during the year	Cost upto 31-03-2016	Total Depreciation upto 31-03-2015	Depreciation For the Year	Depreciation On Deletions	Total Depreciation upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs.
1	LANDS	2,682.69	-	-	2,682.69	-	-	-	-	2,682.69	2,682.69
2	(a) BUILDINGS	8,542.50	6,391.33	3.49	14,930.34	1,617.20	244.14	2.98	1,858.37	13,071.98	6,925.31
	(b) LEASE HOLD BUILDINGS	15.48	-	-	15.48	5.87	0.23	-	6.10	9.37	9.61
3	ROADS	933.49	37.53	-	971.02	702.60	90.94	-	793.54	177.48	230.88
4	PLANT & MACHINERY	67,920.50	5,815.81	0.56	73,735.74	21,271.72	3,082.36	0.46	24,353.61	49,382.13	46,648.77
5	FURNITURE, FIXTURES	420.73	1,590.61	2.94	2,008.39	241.22	30.74	2.58	269.38	1,739.01	179.51
6	MOTOR VEHICLES	1,802.81	80.83	124.62	1,759.03	855.78	196.90	74.75	977.94	781.09	947.02
7	RAILWAY SIDING, LOCOMOTIVES, ROLLING STCOK ROLLING STCOKS	106.83	-	-	106.83	67.96	3.11	-	71.06	35.76	38.87
8	ROPEWAY STRUCTURES	136.12	-	-	136.12	132.24	-	-	132.24	3.88	3.88
9	OFFICE EQUIPMENT	120.96	63.73	0.58	184.11	87.64	16.23	0.48	103.39	80.72	33.32
10	COMPUTER & DATA PROCESSING UNITS	514.41	115.43	0.86	628.98	412.45	45.03	0.63	456.85	172.13	101.97
11	LABORATORY EQUIPMENT	110.31	-	-	110.31	73.26	8.11	-	81.37	28.93	37.05
12	ELECTRICAL INSTALLATION & EQUIPMENT	2,171.79	1,061.65	4.26	3,229.18	908.04	181.06	3.35	1,085.75	2,143.43	1,263.75
13	HYDRAULIC WORKS, PIPELINES & SLUICES	89.16	0.31	-	89.48	1.39	5.67	-	7.07	82.41	87.77
14	PATENTS	9.00	-	-	9.00	9.00	-	-	9.00	-	-
15	INTANGIABLE ASSETS	59.41	137.53	-	196.94	12.34	15.74	-	28.08	168.86	47.07
	GRAND TOTAL	85,636.18	15,294.76	137.32	100,793.63	26,398.71	3,920.27	85.23	30,233.75	70,559.88	59,237.47
	PREVIOUS YEAR	74,745.30	11,702.95	812.06	85,636.18	23,332.04	3,439.46	372.79	26,398.71	59,237.47	51,413.26

Note: :- Depreciation for the year includes an amount of Rs. 8.67 Lakhs (Rs. 4.96 Lakhs) capitalised during the year.

13) NON-CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in Subsidiary:		
203,23,332 (31st March 2015:203,23,332) Equity shares of US $ 1/- each,		
fully paid up in K.C.P.Vietnam Industries Ltd., Vietnam.	**2,371.44**	2,371.44
Investment in Joint Venture:		
4,00,000 (31st March 2015: 4,00,000) equity shares of Rs.10/- each,		
fully paid up in Fivescail KCP Ltd.,	**40.00**	40.00
Common Stock (unquoted):		
1640 Non-Voting common stock of BGE Global Inc., par value $0.01 per share	**77.00**	77.00
Preferred Shares (unquoted):		
750 Non-Voting preferred stock of BGE Global Inc., par value $0.01 per share.	**385.00**	385.00
(A)	**2,873.43**	2,873.43
Non-Trade Investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments(quoted):		
100 (31st March 2015: 100) equity shares of Rs.10/- each,		
fully paid up in Industrial Finance Corporation of India.	**0.04**	0.04
14240 (31st March 2015: 14240) equity shares of Rs.10/- each,		
fully paid up in Industrial Development Bank of India.	**11.57**	11.57
Equity Shares (unquoted):		
30 (31st March 2015: 30) equity shares of Rs.10/- each		
fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd.,	**0.00**	0.00
(Written off to the extent of Rs.299/-)		
100000 (31st March 2015: 100000) equity shares of Rs.10/- each		
fully paid up in Prudential Mouli Sugars Ltd.,	**0.00**	0.00
(Written off to the extent of Rs.9,99,999/-)		
Other Investments - Unit Trust of India - Quoted:		
26915.858 (31st March 2015 : 25038.651) UTI Balanced Fund Units of Rs.10/- each	**5.98**	5.47
(B)	**17.59**	17.07
(A+B)	**2,891.02**	2,890.51
13.1) Aggregate amount of quoted Investments - Market Value	**17.22**	17.45
Aggregate amount of quoted Investments - Book Value	**17.59**	**17.07**
13.2) Aggregate amount of unquoted Investments	**2,873.43**	2,873.43
13.3) Aggregate provision for diminution in value of Investments	**NIL**	NIL

14) LOANS AND ADVANCES

PARTICULARS	14.1 - Non-current		14.2 - Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Capital Advances				
Secured, Considered good	**-**	-	**-**	-
Unsecured, Considered good	**791.06**	1,172.82	**-**	-
(A)	**791.06**	1,172.82	**-**	-
Security Deposit				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good	**869.86**	955.64	**-**	-
Doubtful	**-**	-	**-**	-
	869.86	955.64	**-**	-
Provision for Doubtful security deposit	**-**	-	**-**	-
(B)	**869.86**	955.64	**-**	-
Loans and advances to related parties				
Unsecured, considered good	**-**	-	**-**	1.84
(C)	**-**	-	**-**	1.84
Advances recoverable in cash or kind				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good	**-**	-	**-**	-
Doubtful	**-**	-	**-**	-
	-	-	**-**	-
Provision for Doubtful advances	**-**	-	**-**	-
(D)	**-**	-	**-**	-
Other Loans and Advances				
MAT Credit	**5,528.88**	2,847.19	**-**	-
Advances to Trade Payables	**-**	-	**849.24**	485.90
Advance Income-tax/TDS	**-**	-	**978.72**	1,438.60
Prepaid expenses	**28.92**	25.95	**172.62**	211.06
Loans and Advance to employees	**-**	-	**33.09**	34.62
Due to Gratuity Trusts	**-**	-	**142.80**	99.09
Balances with statutory/ government authorities	**146.00**	140.07	**3,645.95**	4,767.08
Gratuity Planned Assets (Net)	**-**	-	**82.79**	129.82
Others	**-**	-	**6.54**	0.92
(E)	**5,703.80**	3,013.21	**5,911.74**	7,167.08
Total [A+B+C+D+E]	**7,364.72**	5,141.67	**5,911.74**	7,168.91

15) TRADE RECEIVABLE AND OTHER ASSETS

15.1) TRADE RECEIVABLES	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Unsecured, considered good				
unless stated otherwise				
Outstanding for a period exceeding six months				
from the date they are due for payment				
Secured, considered good	**-**	-	**210.42**	251.59
Unsecured, considered good	**158.44**	56.02	**208.15**	82.71
Doubtful	**-**	-	**-**	-
	158.44	56.02	**418.57**	334.30
Provision for Doubtful Receivables	**-**	-	**-**	-
(A)	**158.44**	56.02	**418.57**	334.30
Other Receivables				
Secured, considered good	**-**	-	**359.81**	600.25
Unsecured, considered good	**-**	-	**2,242.95**	661.33
Doubtful	**-**	-	**-**	-
	-	-	**2,602.76**	1,261.58
Provision for Doubtful Receivables	**-**	-	**-**	-
(B)	**-**	-	**2,602.76**	1,261.58
Total [A+B]	**158.44**	56.02	**3,021.33**	1,595.88

15.2) OTHER ASSETS	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Unsecured, considered good				
unless stated otherwise				
Non-current Bank balances	**-**	-	**-**	-
[A]	**-**	-	**-**	-
Unamortized expenditure	**-**	-	**-**	-
[B]	**-**	-	**-**	-
Others				
Interest accrued on fixed deposits	**-**	-	**31.42**	3.05
Interest accrued on other deposits	**-**	-	**40.85**	61.95
Dividend receivable on investment	**-**	-	**-**	632.90
Non trade receivables(interest)				
From - Joint Venture	**-**	-	**1.07**	82.54
- Others	**-**	-	**-**	3.20
Others -Earnest Money Deposit	**11.08**	5.23	**-**	-
[C]	**11.08**	5.23	**73.35**	783.64
Total [A+B+C]	**11.08**	**5.23**	**73.35**	**783.64**

16) CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
NIL	-	-
Total	-	-

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

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Raw materials and components at Cost (includes in transit Rs.15.97 lakhs)		
(31st March 2015:Rs.9.13 lakhs)	**967.57**	1,609.48
Work-in-progresss		
: At Cost	**5,610.69**	5,757.06
Finished goods		
:At Cost (Includes in transit Rs. Lakhs NIL)	**760.13**	1,167.58
(includes in transit for 31st March 2015 : Rs 22.81 Lakhs)		
: At Estimated Realisable Value	-	-
Stores and spares at Cost (includes in transit Rs. 3.41 lakhs)	**4,754.04**	6,257.04
(includes in transit for 31st March 2015 : Rs.17.46 lakhs)		
Total	**12,092.43**	14,791.16

18) CASH AND BANK BALANCES

PARTICULARS	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Cash and Cash Equivalents :				
Balances with Banks:				
On Current Accounts	-		**234.91**	1,273.36
Deposits with original maturity of less than 3 months	-		**6.11**	421.53
Cheques/drafts on hand	-		**106.35**	183.67
Unpaid matured deposits	-		**6.70**	8.60
Cash on hand	-		**12.19**	8.44
	-		**366.26**	1,895.61

CASH AND BANK BALANCES (Continued)

PARTICULARS	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Other Bank Balances :				
Deposits with original maturity for more than 12 months	-	-	-	-
Earmarked balances with banks - Unclaimed dividends	-	-	**248.93**	132.03
Deposits with original maturity for more than 3 months but less than 12 months	-	-	**754.45**	331.31
Margin money deposit	-	-	**518.25**	922.49
	-	-	**1,521.63**	1,385.83
Amount disclosed under Non-Current Assets-(note15.2)	-	-	-	-
Total	-	-	**1,887.89**	3,281.44

19) REVENUE FROM OPERATIONS

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Revenue from operations		
Sale of products	**84,315.86**	67,424.92
Sale of services	**384.42**	930.14
Other operating revenue		
Scrap sales	**25.09**	30.76
Packing & Forwarding	**9.53**	4.55
VAT Incentives	**1,059.98**	896.32
Interest Income on - Bank deposits	**245.71**	91.31
Interest from customers on overdue	**8.48**	134.09
Others	**61.58**	69.52
Rent Recovery	**88.67**	87.04
Revenue from operations (Gross)	**86,199.32**	69,668.65
Less: Excise Duty	**11,220.00**	8,945.89
Revenue from operations (Net)	**74,979.32**	60,722.76

20) OTHER INCOME

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Dividend income on		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	**-**	626.26
Investment in joint venture - Fives Cail KCP Ltd.,	**-**	40.00
Long-term investments	**12.77**	0.74
Net gain on sale of Assets	**-**	0.13
Other Non-operating income*	**370.16**	557.30
Total	**382.92**	1,224.43

Other Non Operating Income (*)	This year Rs. Lakhs	Previous year Rs. Lakhs
Unclaimed balance Credited Back	**8.39**	81.49
Excess Provision In Earlier Years Credited Back	**146.95**	168.05
Claims Received	**-**	1.32
Duty Drawback	**18.92**	24.80
Difference In Exchange-(Net)	**4.79**	10.89
Liquidated Damages Recovered From Suppliers	**49.72**	26.20
Miscellaneous Receipts	**113.05**	167.69
Misc.Scrap Sales	**28.33**	76.86
Total	**370.16**	557.30

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Inventory at the beginning of the year	**1,609.48**	795.65
Add: Purchases	**8,055.30**	4,344.09
Add: Cost of Raw materials produced	**12,054.64**	10,147.17
	21,719.41	15,286.90
Less: Inventory at the end of the year	**967.57**	1,609.48
Cost of Raw material and components consumed	**20,751.84**	13,677.43

Details of Raw material and components consumed	This year Rs. Lakhs	Previous year Rs. Lakhs
i) Cement Division		
Limestone	**12,303.35**	8,749.04
Laterite	**583.60**	590.18
Fly Ash	**745.34**	691.89

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

PARTICULARS	This year Rs.	Previous year Rs.
Gypsum	**1,592.98**	1,477.45
Dolamite	**-**	8.12
	15,225.27	11,516.68
ii) Thermal Power Unit		
Coal	**3,715.87**	875.83
iii) Engineering Unit		
Iron and Steel,Nickel,Scrap and Equipments	**1,777.22**	1,284.92
iv) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	**32.74**	-
v) Hotel		
Provisions	**0.74**	-
Total	**20,751.84**	13,677.43

DETAILS OF INVENTORY	This year Rs. Lakhs	Previous year Rs. Lakhs
Raw materials and components		
Limestone	**406.81**	655.52
Laterite	**45.98**	52.58
Fly Ash	**6.13**	5.82
Gypsum	**82.96**	282.96
Coal	**398.17**	597.63
Iron and Steel,Nickel,Scrap and Equipments - In Transit	**15.97**	9.13
Others	11.56	5.84
Total	**967.57**	1,609.48

22) (INCREASE) / DECREASE IN INVENTORIES

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs	(Increase)/ Decrease Rs.
Inventories at the end of the year			**2015-16**
Work in progress	**5,610.69**	5,757.06	146.36
Finished goods	**760.13**	1,167.58	407.46
	6,370.82	6,924.64	553.82
Inventories at the beginning of the year			**2014-15**
Work in progress	**5,757.06**	4,600.58	(1,156.48)
Finished goods	**1,167.58**	1,001.24	(166.34)
Total	**6,924.64**	**5,601.82**	(1,322.82)

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

DETAILS OF INVENTORY	This year Rs. Lakhs	Previous year Rs. Lakhs
Work-in-progress		
Raw meal	**130.19**	109.62
Clinker	**1,206.19**	1,583.54
Engineering goods	**4,274.31**	4,063.90
Total	**5,610.69**	5,757.06
Finished goods		
Cement	**579.43**	687.55
Engineering	**-**	22.81
Power - Banked Units	**156.55**	457.23
Bricks	**24.14**	-
Total	**760.13**	1,167.58

23) EMPLOYEE BENEFIT EXPENSES

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Salaries, Wages and Bonus	**5,603.32**	4,347.82
Contribution to Provident Fund and other Funds	**452.29**	418.28
Gratuity Expenses	**63.61**	0.93
Staff Welfare Expenses	**511.64**	491.20
Total	**6,630.87**	5,258.24

24) FINANCE COSTS

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Interest	**4,438.20**	4,800.77
Other Borrowing Costs	**102.73**	85.63
Total	**4,540.92**	4,886.41

25) DEPRECIATION AND AMORTIZATION EXPENSES

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Depreciation of Tangible Assets	**3,895.86**	3,419.07
Amortization of intangible assets	**15.74**	11.61
Total	**3,911.60**	3,430.68

26) OTHER EXPENSES

PARTICULARS		This year Rs. Lakhs	Previous year Rs. Lakhs
Consumption of stores and spares		**3,738.37**	3,863.97
Consumption of loose tools		**129.90**	123.06
Sub-contracting expenses		**1,166.57**	993.57
Power and fuel	17,581.75		
Less : Self Consumption of Power Generated Internally	(5,674.64)	**11,907.11**	14,373.93
Wheeling / Banking Charges		**50.17**	99.96
Freight and forwarding charges		**9,866.57**	8,821.89
Rent		**156.82**	145.75
Rates and taxes		**285.62**	838.10
Insurance		**81.18**	70.30
Repairs and maintenance			
To Plant & Machinery		**899.65**	902.74
Buildings		**301.48**	250.06
Other Assets		**205.10**	194.72
Advertising and sales promotion		**1,143.93**	538.28
Sales commission		**136.28**	74.24
Travelling and conveyance		**213.54**	195.16
Communication costs		**84.14**	95.38
Printing & Stationery		**73.66**	75.36
Professional Consultancy and legal fees		**404.53**	300.85
Directors' sitting fees		**10.80**	10.60
Cement Cess		**11.45**	10.36
Payment to auditors (Refer details below)		**38.56**	32.78
Bad debts/advances written off		**5.33**	4.93
Assets Written Off		**1.20**	5.63
Loss on sale of fixed assets (net)		**25.59**	19.70
Loss on sale of Stores & Spares		**-**	72.43
Performance and Delivery Guarantee Claims		**245.49**	185.63
(Increase)/decrease of excise duty on inventory		**(37.66)**	37.52
Corporate Social Responsibility Activities		**82.57**	77.12
Miscellaneous expenses		**1,148.56**	1,032.83
		32,376.49	33,446.87

PAYMENT TO AUDITORS

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
As Auditor:		
Audit Fee	**16.00**	14.00
Tax Audit Fee	**3.50**	3.50
Certification and Other fees	**10.78**	7.42
In other Capacity:		
Trust Audit fee	**0.25**	0.25
Service tax	**-**	0.03
Fees for Cost Auditor	**5.10**	5.14
Reimbursement of expenses	**2.93**	2.44
Total	**38.56**	32.78

27) CONTINGENT LIABILITIES

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
A. Claims against the Company / Disputed liabilities not acknowledged		
a) In respect of Statutory levies	**3,899.97**	3,703.06
b) In respect of Contractual levies	**146.17**	68.27
c) In respect of others	**1,726.57**	1,715.06
B. Guarantees		
a) Guarantees to Banks and Financial Institutions	**1,836.66**	1,344.98
b) Performance Bank Guarantees	**480.78**	390.38
C. Other Commitments		
- Foriegn Currency Exposure that are not hedged by derivative Instruments		
i) Export Receivables	**42.59**	171.67
ii) Import creditors Payable	**-**	**5.87**

28) COMMITMENTS

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**214.88**	1,028.23
b) Uncalled liability on Shares and Other Investments Partly paid	**-**	-
c) Other commitments - Sales contracts	**9,196.99**	7,697.38
- Export Obligation under EPCG Scheme	**716.31**	**191.85**
- Derivative Commitments	**-**	**-**

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
29) Exceptional Item Comprises of the following :		
Loss on sale of Fixed Asset	-	124.37

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

31) VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
a) Raw Materials and Stock-in-Trade	**2,191.38**	1,261.92
b) Components, Spares parts and Consumables	**5,084.80**	8,260.32
c) Tools	-	1.29
d) Capital goods	**394.92**	411.44

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

PARTICULARS	This year Rs. Lakhs	This year (%)	Previous year Rs. Lakhs	Previous year (%)
a) Raw materials				
(i) Imported	**4,026.53**	19.40	**1,429.07**	10.45
(ii) Indigenous	**16,725.31**	80.60	**12,248.36**	89.55
	20,751.84		**13,677.43**	
b) Spare parts and components (debited to respective heads)				
(i) Imported	**8,420.43**	53.78	**9,941.64**	73.79
(ii) Indigenous	**7,235.32**	46.22	**3,530.93**	26.21
	15,655.75		**13,472.58**	

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

Particulars	This year Rs. Lakhs	Previous year Rs. Lakhs
a) Salaries, Wages & Bonus	**288.25**	245.18
b) Contribution to P.F. & Other Funds	**30.67**	21.89
c) Workmen & Staff welfare expenses	**22.19**	41.36
d) Power & Fuel consumed	**156.72**	150.60
e) Stores & Spares consumed	**228.10**	146.91
f) Royalty	**2,014.53**	1,537.46
g) Taxes & Licences	**28.85**	28.10
h) Repairs to Building & Roads	**27.96**	9.16
i) Repairs to Machinery	**153.97**	98.36
j) Repairs to Other Assets	**7.66**	2.10
k) Insurance	**3.76**	3.23
l) Lime Stone Freight	**3,874.61**	2,753.11
m) Lime Stone Loading	**3,259.01**	2,390.43
n) Lime Stone Digging	**1,381.06**	855.55
o) Lime Stone - Hire Charges for Shovel and Water tank	**82.41**	90.13
p) Lease rentals & Others	**494.90**	488.65
	12,054.64	8,862.22

34) EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
a) Travelling expenses	**6.27**	7.59
b) Membership	**3.65**	3.22
c) Other matters- Seminars	**-**	3.32
d) Commission	**6.11**	-

35) EARNINGS IN FOREIGN EXCHANGE

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
a) F.O.B value of goods exported during the year	**2,319.79**	1,975.77
b) Interest and Consultancy	**-**	-
c) Income from Service charge	**0.75**	2.94
d) Income from Investments held in Foreign Companies	**12.14**	626.26

36) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
a) Number of Non Resident Shareholders	**286**	153
b) Number of Equity Shares held by them	**2,929,498**	2,386,533
c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	**Nil**	Nil
(2) Tax Deducted at Source	**Nil**	Nil
(3) Year to which dividend relates	**Nil**	Nil
Note: Dividend remitted to Non-resident shareholders in Indian currency only.		

37) REVENUE EXPENDITURE CAPITALISED DURING THE YEAR

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
Opening unallocated capital expenditure	**2,067.68**	2,642.89
Add:		
Salaries,Wages & Bonus	**228.97**	113.04
Contribution to Provident fund and Family Pension Scheme	**28.74**	8.91
Staff Welfare Expenses	**64.00**	7.92
Stores and Spares Consumed	**10.73**	113.83
Power	**58.80**	36.71
Insurance	**11.86**	7.49
Repairs to Building	**21.53**	14.37
Repairs to Other Assets	**0.03**	0.59
Payment to auditors	**0.25**	0.80
Professional Fees	**94.37**	78.19
Travelling Expenses	**12.30**	15.45
Security Charges	**27.29**	35.26
Rates & taxes	**124.30**	4.92
Interest on Fixed Loan	**649.72**	872.55
Depreciation	**8.67**	7.37
Miscellaneous expenses	**41.09**	112.27
Net expenditure during trial run period	**-**	421.29
	3,450.34	**4,493.84**
Less:		
Interest Received	**1.98**	2.10
Miscellaneous Income	**23.93**	5.47
	3,424.43	4,486.28

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
Less:		
Capitalised/Allocated to Fixed Assets	**3,041.13**	2,418.60
Closing Unallocated Capital Expenditure	**383.30**	2,067.68
	3,424.43	**4,486.28**
b) Net expenditure during trial run production - Captive Power Plant		
Raw material consumed	-	**593.02**
Stores & Spares consumed	-	**2.52**
Salaries & Wages	-	**28.47**
contribution to Providend and other funds	-	**2.74**
staff welfare expenses	-	**2.03**
Power & Fuel	-	**20.33**
Repairs to other Assets	-	**0.90**
Professional Fee	-	**0.40**
Statutory Audit Fee	-	**0.23**
Travelling Expenses	-	**2.47**
Security Services	-	**12.39**
Insurance	-	**3.48**
Interest Paid to Bank & Others	-	**322.87**
Miscellaneous expenses	-	**0.93**
Depreciation	-	**1.42**
	-	**994.18**
Less:		
Sales - Internal Transfer	-	**571.76**
Fly Ash Sales	-	**0.52**
Rent recovery	-	**0.07**
Misc.Income	-	**0.33**
Net expenditure during trial run period	-	**421.51**
Less:		
Closing stock of Fly Ash	-	**0.22**
Net Income/Expenditure during trial period :	-	**421.29**

38) SALES

PARTICULARS	2015-16 Rs. Lakhs	2014-15 Rs. Lakhs
Finished goods sold (inclusive of Excise duty/Service tax)		
Cement	**75,430.08**	62,789.85
Heavy Engineering products	**6,617.25**	4,121.29
Electrical Energy	**2,198.09**	513.78
Service Receipts	**384.42**	930.14
Others	**1,569.48**	1,313.60
Total	**86,199.32**	69,668.65

39) EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
i) Net Profit after tax as per Profit and Loss Statement	**4,286.02**	1,586.58
ii) Net Profit attributable to Equity Shareholders	**4,286.02**	1,506.73
iii) Weighted Average number of equity shares used as denominator for calculating EPS	**1,289.21**	1,289.21
iv) Basic and Diluted Earnings per share (Rs.)	**3.32**	1.17
v) Nominal value per each Equity share (Rs.)	**1**	1

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

PARTICULARS	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs	As at 31st March, 2015 Gratuity Rs. Lakhs	As at 31st March, 2015 Leave Benefits Rs. Lakhs
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year as per last financial statements	**973.27**	441.29	**1,049.25**	422.43
Less : Prior Period Adjustment	**(9.17)**	-	**-**	-
Present value of obligations as at beginning of the year	**964.10**	441.29	**1,049.25**	422.43
Interest cost	**71.44**	31.57	**82.69**	31.80
Current service cost	**66.64**	163.77	**67.53**	271.38
Benefits paid	**119.96**	73.05	**111.39**	49.79
Acturial loss/gain on Obligation	**39.93**	25.58	**(114.82)**	(234.53)

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs	As at 31st March, 2015 Gratuity Rs. Lakhs	As at 31st March, 2015 Leave Benefits Rs. Lakhs
Present value of obligations as at end of the year	**1,022.16**	589.16	**973.27**	441.29
b) Reconciliation for fair value of plan assets				
Fair value of plan assets at the beginning of the year as per last Financial Statements	**1,103.08**	-	**1,031.45**	-
Less : Prior Period Adjustment	**(1.73)**	-	**-**	-
Fair value of plan assets at the beginning of the year	**1,101.35**	-	**1,031.45**	-
Expected return on Plan Assets	**89.86**	-	**92.08**	-
Contributions	**33.61**	73.05	**90.93**	-
Benefits paid	**119.96**	73.05	**111.39**	-
Acturial gain on Plan Assets	**0.08**	-	**-**	-
Fair value of Plan Assets at the end of the year	**1,104.94**	-	**1,103.08**	-
c) Expenses recognised in statement of Profit and Loss A/c				
Current Service Cost	**66.64**	163.77	**67.53**	271.38
Interest cost	**71.44**	31.57	**82.69**	31.80
Expected return on Plan Assets	**89.86**	-	**92.08**	-
Net acturial gain/loss recognised in the year	**39.85**	25.58	**(114.82)**	(234.53)
Expense to be recognised in the Statement of Profit and Loss	**88.07**	220.92	**(56.68)**	68.65
d) Net Liablity recognised in the Balance Sheet				
Present value of obligations as at the end of the year	**1,022.16**	589.16	**973.27**	441.29
Fair value of Plan Assets as at the end of the year	**1,104.94**	-	**1,103 .08**	-
Funded status	**(82.79)**	589.16	**(129.82)**	441.29
Net Asset/liability recognised in the Balance Sheet	**(82.79)**	589.16	**(129.82)**	441.29
e) Acturial Assumptions as at 31st March ,				
Discount rate	**7.9%**	7.9%	**8%**	8%
Salary escalation	**5%**	5%	**5%**	5%
Attrition rate	**1-3%**	3%	**1-3%**	3%
Expected Return on Plan Assets	**8.5%**		**8%**	
Mortality	**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 13.14 lakhs (Rs.13.14 lakhs)

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

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

PARTICULARS	As at 31st March, 2016 (Rs. Lakhs)	As at 31st March, 2015 (Rs. Lakhs)
Equity and Liabilites		
a) Shareholders's Funds	**40.00**	40.00
b) Reserves and Surplus	**803.13**	622.25
c) Non-Current Liabilities	**151.69**	144.73
d) Current Liabilities	**3,025.41**	2,997.73
Total	**4,020.23**	3,804.71
Assets:		
a) Non-Current Assets	**189.97**	266.70
b) Current Assets	**3,830.26**	3,538.02
Total	**4,020.23**	3,804.71

PARTICULARS	As at 31st March, 2016 (Rs. Lakhs)	As at 31st March, 2015 (Rs. Lakhs)
Performance of the Company		
Revenue	**9,534.61**	4,473.39
Expenses:		
Cost of material consumed	**6,844.96**	3,588.29
Increase/Decrease in Inventories of FG and WIP	**441.31**	(369.80)
Depreciation of Plant and Machinery	**17.11**	13.70
Employee Benefit Expense	**400.47**	341.68
Other expenses	**1,416.97**	779.62
Finance Costs	**79.76**	67.31
Total	**9,200.59**	4,420.81
Profit before tax	**334.02**	52.58
Income-tax expense	**(104.99)**	(19.32)
Profit after tax	**229.02**	33.26

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

A). List of Related parties

Subsidiary Company	KCP Vietnam Industries Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	Dr. V.L. Dutt - Chairman and Managing Director Smt. V.L. Indira Dutt - Joint Managing Director Smt. Kavitha D Chitturi - Executive Director Sri V.Gandhi - Technical Director Sri. G. N. Murty - Chief Financial Officer Sri. Y. Vijaya Kumar - Company Secretary
Relatives of Key Managerial Personnel	**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. Anupama - Daughter
Companies/Trusts controlled by Key Managerial Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (P) Limited BGE Engineering (India) Private Limited V. Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru Fives Combustion Systems Pvt.Ltd

B. Transactions with the related parties:

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Goods					
KCP Vietnam Industries Limited	14.97				
	(73.47)				
Fives Cail KCP Limited		1,960.58			
		(250.30)			
Services -Rendered					
Fives Cail KCP Limited		81.70			
		(87.26)			
V. Ramakrishna Sons Pvt Limited					0.15
					(0.14)
KCP Technologies Limited					1.52
					(1.42)
V. Ramakrishna Charitable Trust					0.15
					(0.14)
Services -Received					
KCP Technologies Limited					13.67
					(15.21)
Interest Received					
Fives Cail KCP Limited		-			
		(120.38)			
Divdend Income					
KCP Vietnam Industries Limited	-				
	(626.26)				
Fives Cail KCP Limited		-			
		(40.00)			
Loans/Deposits received					
Dr V L Dutt			-		
			(33.50)		

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt V L Indira Dutt			10.00		
			(10.00)		
Smt Kavitha D Chitturi			-		
			(31.53)		
VL Dutt (HUF)				-	
				(600.00)	
Kum.Shivani Dutt Chitturi				13.00	
				(197.00)	
Smt. S. R.V. Rajyalakshmamma				-	
				(37.50)	
Purchase of Goods					
Fives Cail KCP Limited		19.11			
		(328.93)			
KCP Technologies Limited					-
					(2.52)
Fives Combustion Systems Pvt Ltd.					108.43
					-
Remuneration paid					
Dr V L Dutt			289.44		
			(109.56)		
Smt V L Indira Dutt			217.08		
			(82.17)		
Smt Kavitha D Chitturi			108.54		
			(46.44)		
Sri V .Gandhi			108.54		
			(43.50)		
Interest paid					
Dr V L Dutt			133.69		
			(133.52)		

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt V L Indira Dutt			42.69		
			(48.42)		
Smt Kavitha D Chitturi			29.27		
			(29.82)		
Other Relations					
Kum. Shivani D. Chitturi				22.72	
				(19.77)	
VL Dutt (HUF)				66.17	
				(63.08)	
Smt. S. R. V. Rajyalakshmamma				4.14	
				(3.94)	
V. Ramakrishna Sons Pvt Limited					50.00
					(57.36)
Dividend paid					
Dr V L Dutt			105.10		
			(6.01)		
Smt V L Indira Dutt			53.63		
			(3.06)		
Smt Kavitha D Chitturi			16.63		
			(0.90)		
Sri V .Gandhi			0.04		
			(0.00)		
Other Relations					
Sri.Ravi Chitturi				-	
				(0.05)	
Kum.Shivani Dutt Chitturi				22.75	
				(1.30)	
Smt.S R V Rajyalakshmamma				0.01	
				(0.00)	

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt.Uma S Vallabhaneni				2.85	
				(0.16)	
Smt.Rajeswary Ramakrishnan				4.10	
				(0.23)	
Smt.Kamala Devi Valluri				0.09	
				(0.00)	
Sri.V Praveen Kumar				0.04	
				(0.00)	
Smt.Anupama				0.04	
				(0.00)	
V. Ramakrishna Sons Pvt Limited					681.74
					(38.96)
The Jeypore Sugar Company Ltd.					4.87
					(0.28)
VRK Grandsons Investment (Private) Limited					167.62
					(9.58)
Dr V L Dutt (HUF)				1.99	
				(0.11)	
Loans/Deposit Repaid					
Dr V L Dutt			-		
			(33.50)		
Smt. VL Indira Dutt			60.00		
			(70.00)		
Smt Kavitha D Chitturi			-		
			(91.53)		
V. Ramakrishna Sons Pvt Limited					-
					(115.00)
Dr V L Dutt(HUF)				-	
				(380.00)	
Smt.S R V Rajyalakshmamma				-	
				(37.50)	
Kum.Shivani Dutt Chitturi				-	
				(162.00)	

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Rent Paid					
Smt V L Indira Dutt			56.60		
			(44.35)		
Smt Kavitha D Chitturi			4.90		
			(4.82)		
Other Relations					
Smt.Uma.s.Vallabhaneni				73.98	
				(58.00)	
Smt. S R V Rajyalakshmamma				10.02	
				(7.83)	
Smt.V.Rama Kumari				53.61	
				(42.06)	
Bala Tripurasundari Ammavaru Temple					74.38
					(58.36)
Sri.V.Chandra kumar				33.36	
				(23.12)	
Balances as at 31.03.2016					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	2,371.44				
	(2,371.44)				
Fives Cail KCP Limited		40.00			
		(40.00)			
Receivable - Trade dues/others					
KCP Vietnam Industries Limited	0.81				
	(0.81)				
Fives Cail KCP Limited		215.31			
		(81.98)			
KCP Technologies Limited					2.29
					(0.97)
Dividend Receivable					
KCP Vietnam Industries Limited	-				
	(632.26)				

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Receivable - Rent					
Fives Cail KCP Limited		1.07			
		(0.56)			
Receivable rent advance					
Sri.V.Chandra kumar				-	
				(1.84)	
Share capital in KCP held by					
Dr. VL Dutt			60.06		
			(60.06)		
Smt. VL Indira Dutt			30.64		
			(30.64)		
Smt. Kavitha D Chitturi			9.50		
			(9.00)		
Sri V. Gandhi			0.02		
			(0.02)		
Other Relations					
Kum.Shivani Dutt Chitturi				13.00	
				(13.00)	
Smt.Rajeswary Ramakrishnan				2.34	
				(2.34)	
Smt.S R V Rajyalakshmamma				0.01	
				(0.01)	
Smt.Uma S Vallabhaneni				1.63	
				(1.63)	
Sri.Ravi Chitturi				-	
				(0.50)	
Smt.Anupama				0.02	
				(0.02)	
Smt.Kamala Devi Valluri				0.05	
				(0.05)	
Sri.V Praveen Kumar				0.02	
				-	
V. Ramakrishna Sons Pvt Limited					389.56
					(389.56)

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
The Jeypore Sugar Company Ltd.					2.78
					(2.78)
VRK Grandsons Investment (Private) Limited					95.78
					(95.78)
Dr. VL Dutt (HUF)				1.14	
				(1.14)	
Loans/Advances held					
Fives Cail KCP Limited		92.42			
		(191.22)			
Dr V L Dutt			1,300.00		
			(1,300.00)		
Smt V L Indira Dutt			420.00		
			(470.00)		
Smt Kavitha D Chitturi			280.00		
			(280.00)		
V. Ramakrishna Sons Pvt Limited					500.00
					(500.00)
Deposits held with the company					
Dr V L Dutt			33.50		
			(33.50)		
Smt Kavitha D Chitturi			11.53		
			(11.53)		
Other Relations					
VL Dutt[HUF]				600.00	
				(600.00)	
Kum.Shivani Dutt Chitturi				210.00	
				(197.00)	
Smt.S R V Rajyalakshmamma				37.50	
				(37.50)	
Commission payable					
Sri. V L Dutt			216.74		
			(36.99)		
Smt. V. L. Indira Dutt			131.49		
			(6.83)		

Transactions with the related parties (Continued)

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt Kavitha D Chitturi			49.49		
			-		
Sri V .Gandhi			44.79		
			-		
Payable-Trade Dues					
Smt. VL Indira Dutt			13.85		
			(12.55)		
Smt Kavitha D Chitturi			1.12		
			(1.10)		
Fives Combustion Systems Pvt Ltd.					2.09
					-
Other Relations					
Smt.S R V Rajyalakshmamma				2.45	
				(2.22)	
Smt.V.Rama Kumari				13.13	
				(11.90)	
Sri.V.Chandra kumar				5.91	
				(5.21)	
Smt.Uma.s.Vallabhaneni				14.48	
				(13.06)	
Bala Tripurasundari Ammavaru Temple					15.68
					(9.76)

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

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
a. The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
- Principal	**4.94**	16.36
- Interest	**-**	-
b. The amount of interest paid by the buyer in terms of Section 6 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each acccounting year.	**-**	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the apppointed day during the year) but without adding the interest specified under MSMED Act,2006	**-**	-

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amout of further interest remaining due and payable even in the succeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductcible expenditure under Sectioin 23 of the MSMDED Act, 2006.	-	-
Note: For the purpose of the above details, of the status of the supplier's under the Act has to be determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the company and its auditors.		

44) CASH AND BANK BALANCES INCLUDES

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them	**514.18**	922.49
Deposits maintained as per the provisions of Section 73(2)(C) of the Companies Act, 2013 and Rules made there under.	**754.45**	752.85
Balances held with Banks towards Unclaimed Dividends	**230.51**	132.03

45) 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, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
1) Depreciation	**10,699.64**	8,466.07
2) Items u/s 43B of the Income Tax Act,1961	**648.51**	409.07
3) Unabsorbed losses under the Income Tax Act 1961	**1,330.79**	1,459.14
Net Deferred Tax liability	**8,720.34**	6,597.86

46) Corporate Social Responsibility (CSR)

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

(in cash) Rs. Lakhs

Gross amount required to be spent by the company during the year	44.67	84.83
Less: Amount spent by the company during the year towards CSR	82.57	77.12
Amount yet to be spent by the company	-	7.71

47) As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable loses on long term contracts at its Engineering Unit and made provision for an amount of Rs.168.20 lakhs (Previous Year : Rs.40.26 lakhs)

48) Extra-ordinary item

Pending finalisation of insurance claims on account of Chennai floods, expenditure incurred upto 31.03.2016 on restoration works of Rs.584.31 lakhs has been acounted as Extra-ordinary Expenses and the adhoc amount Rs.500 lakhs received from Insurance company has been deducted there from.

49)
- ✤ Amounts have been rounded off to nearest Rs. Lakhs.
- ✤ Figures in brackets indicate those for the previous year.
- ✤ Figures for the previous have been regrouped, wherever necessary to make them comparable.

(FOR AND ON BEHALF OF THE BOARD)

As per our report annexed
for 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	**G.N. MURTY** Chief Financial Officer	**Y. VIJAYAKUMAR** Company Secretary

Place: Chennai
Date: 27th May, 2016

The K.C.P. Limited Group

Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of The KCP Limited, Chennai

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of The KCP Limited (the "Company"), its subsidiary and its joint venture as at March 31,2016,(collectively referred to as "the Group"),which comprise the Consolidated Balance sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements::

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of other auditor, on the financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the consolidated state of affairs of the Group, and jointly controlled entity as at 31st March, 2016, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements /financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/financial information reflect total assets of Rs.53179.05 Lakhs as at 31st March 2016, total revenues of Rs. 46010.23 Lakhs and net cash flows amounting to Rs. (4317.20) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the subsidiary's share of net profit of Rs.4820.37 Lakhs for the year ended 31st March 2016, as considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor

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

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, we report to the extent applicable,that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act;
   f) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A", and:
   g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
      i. The Consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and jointly controlled entity -- Refer Note 2.4 to the Consolidated financial statements;;
      ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts – Refer Note 2.17to the Consolidated financial statements; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Place: Chennai
Date: 27th May, 2016

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of The KCP Limited ("the Holding Company") and its jointly controlled entity, which are companies incorporated in India, as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one jointly controlled entity, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S

Place: Chennai

Date: 27th May, 2016

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

BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	Notes	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**1,289.21**	1,289.21
Reserves and Surplus	4	**60,226.50**	51,896.20
Minority Interest	4.1	**12,170.20**	9,526.45
		73,685.90	62,711.86
Non-Current Liabilities			
Long-term Borrowings	5	**33,439.31**	31,828.80
Trade Payables	6.1	**271.26**	157.45
Deferred Tax Liability (Net)	7	**8,668.65**	6,474.60
Other Long-term Liabilities	6.2	**6,419.01**	6,577.84
long-term Provisions	8.1	**476.09**	449.61
		49,274.32	45,488.30
Current Liabilities			
Short-term Borrowings	9	**5,199.98**	4,322.79
Trade Payables	10.1		
Due to Micro and Small Enterprises		**83.36**	16.75
Due to Others		**7,136.17**	6,675.88
Other Current Liabilities	10.2	**22,421.52**	18,145.52
Short term Provisions	8.2	**1,719.49**	2,310.82
		36,561.52	31,471.77
TOTAL		**159,520.74**	139,671.93
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	**85,061.29**	64,349.52
Intangible Assets	12	**170.71**	51.34
Capital Work in Progress		**12,087.97**	12,141.23
Non-current Investments	13	**479.59**	479.07
Long term Loans and Advances	14.1	**7,532.54**	5,336.72
Trade Receivables	15.1	**158.44**	56.02
Other Non- Current assets	15.2	**11.08**	29.23
		105,501.62	82,443.14
Current Assets			
Current Investments	16	**-**	-
Inventories	17	**21,990.20**	23,055.55
Trade Receivables	15.1	**14,126.54**	6,597.55
Cash and Bank Balances	18	**4,499.82**	10,109.72
Short term Loans and Advances	14.2	**13,315.60**	17,340.57
Other Current Assets	15.2	**86.96**	125.39
		54,019.12	57,228.79
TOTAL		**159,520.74**	139,671.93
III. 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

G.N. MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Rs. Lakhs	Notes	This Year Rs. Lakhs	Previous Year Rs. Lakhs
INCOME				
Revenue from operations		19		
Group Companies	131,383.77			
Less:Excise Duty	11,220.00			
			120,163.77	114,537.10
Joint Venture	9,591.87			
Less:Excise Duty	155.65		9,436.22	4,230.29
Revenue from operations (Net)				
Other Income		20		
- Group Companies			383.84	1,226.59
- Joint Venture			90.74	227.49
Total Revenue (I)			130,074.57	120,221.46
EXPENSES				
Cost of Raw Materials & Components Consumed		21	58,685.89	50,375.53
[Increase]/Decrease in Inventories of finished goods,Work-in-progress and traded goods		22	(122.02)	4,296.36
-Group companies		23	8420.55	6789.72
-Joint Venture			400.47	341.68
Finance Costs		24		
-Group companies			5,153.83	5,055.84
-Joint Venture			79.76	90.64
Depreciation and Amortization expense		25		
-Group companies			4,811.83	4,807.26
-Joint Venture			17.11	13.70
Other expenses		26	38,465.87	40,220.69
Total Expenses (II)			115,913.29	111,991.42
Profit/(Loss) before Exceptional and Extraordinary items and Tax			14,161.28	8,230.04
Add : Exceptional Items (Net) - Group Companes			-	(124.37)
Profit/(Loss) before Extraordinary items and tax			14,161.28	8,105.67
Add : Extraordinary Items - Group Companes			(84.32)	-
Profit/(Loss) before tax			14,076.96	8,105.67
Add: Refund of Income Tax			-	-
Less: Provision for Taxation-Current				
- Group Companies			1,392.00	1,009.67
- Joint Venture			68.80	10.60
Less: Provision for Taxation-Deferred				
- Group Companies			2,122.49	834.37
- Joint Venture			71.56	24.15
Less: Short / (Excess) Provision of Income Tax of earlier years credited back			96.62	(76.66)
Add: MAT Credit Entitlement			1,420.10	497.18
Profit / (Loss) from continuing operations (A)			11,745.60	6,800.71
Profit / (Loss) from discontinuing operations			-	(83.46)
Less : tax expense of discontinuing operations			-	(28.37)
Profit / (Loss) from discontinuing operations (B)			-	(55.09)
(A) + (B)			11,745.60	6,745.62
Less: Minority Interest			2,410.19	1,708.59
Profit/[loss] for the year			9,335.41	5,037.03
Earnings per equity share [nominal value of share Re.1 /-] [31st March 2015 : Re. 1/-]each				
Basic and diluted:			7.24	3.84
Computed on the basis of total profit for the year				
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES		2		
The accompanying notes are an integral part of the Financial Statements.				

(FOR AND ON BEHALF OF THE BOARD)

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

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Chairman and Managing Director

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Joint Managing Director

KAVITHA D CHITTURI
Executive Director

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N. MURTY
Chief Financial Officer

Place: Chennai
Date: 27th May, 2016

GROUP

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

PARTICULARS	31st March, 2016 Rs. Lakhs	31st March, 2015 Rs. Lakhs
(A) Cash flow from operating activities		
Profit before tax from continuing operations	**14,076.96**	8,105.67
Profit before tax from discontinuing operations	**-**	(83.46)
Profit before tax	**14,076.96**	8,022.21
Adjustments for :		
Depreciation/amortization on continuing operation	**4,828.94**	4,820.96
Depreciation/amortization on discontinuing operation	**-**	-
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	**1.20**	5.63
Loss/[profit] on sale of fixed assets	**25.53**	138.56
Unrealised foreign exchange loss	**(4.79)**	(10.89)
Interest expense	**5,168.46**	5,126.83
Interest income	**(499.87)**	(522.72)
Dividend income	**(12.77)**	(667.00)
Operating profit before working capital changes	**23,583.66**	16,913.60
Movements in working capital:		
Adjustments for Increase / (Derease) in operating liabilities :		
Increase/[decrease] in trade payables	**826.05**	(2,105.19)
Increase/[decrease] in long term provisions	**19.53**	27.58
Increase/[decrease] in short-term provisions	**(1,782.28)**	143.21
Increase/[decrease] in other current liabilities	**4,625.55**	262.68
Increase/[decrease] in other long-term liabilities	**(158.83)**	(313.56)
Adjustments for Decrease / (Increase) in operating assets :		
Decrease/[increase] in trade receivables	**(7,816.74)**	3,608.41
Decrease/[increase] in inventories	**1,065.35**	3,632.98
Decrease/[increase] in long term loans and advances	**699.06**	(435.12)
Decrease/[increase] in short-term loans and advances	**3,087.83**	(1,764.04)
Decrease/[increase] in other current assets	**727.06**	1.32
Decrease/[increase] in other non-current assets	**(5.85)**	77.34
Cash generated from/[used in] operations	**24,870.37**	20,049.19
Direct taxes paid [net of refunds]	**(1,429.45)**	(1,143.15)
Foreign exchange difference	**705.48**	482.84
Net cash flow from/[used in] operating activities (A)	**24,146.40**	19,388.89
(B) Cash flows from investing activites		
Purchase of fixed assets, including intangible assets, CWIP and Capital Advances	**(25,386.97)**	(6,062.78)
Proceeds from sale of fixed assets	**25.63**	295.46
Purchase of non-current investments	**(0.51)**	(0.70)
Interest received	**499.87**	522.72
Dividends received from subsidiary company	**12.77**	667.00
Net cash flow from/[used in] investing activities (B)	**(24,849.22)**	(4,578.30)
(C) Cash flows from financing activities		
Proceeds from long term borrowings	**9,611.16**	9,508.93
Repayment of long term borrowings	**(7,639.13)**	(5,261.26)
Proceeds from short term borrowings	**927.20**	(29.19)
Repayment of short term borrowings	**(50.00)**	(5,862.63)
Repayment of preference capital	**-**	(800.00)
Interest paid	**(5,168.46)**	(5,126.83)
Dividends paid	**(2,256.12)**	(264.92)
Tax on dividend paid	**(331.72)**	(47.33)
Net cash flow from/[used in] in financing activities [C]	**(4,907.08)**	(7,883.24)
Net increase/[decrease] in cash and Bank Balances (A+B+C)	**(5,609.90)**	6,927.34
Cash and Bank Balances at the beginning of the year	**10,109.72**	3,182.37
Cash and Bank Balances at the end of the year	**4,499.82**	10,109.72
Components of cash and Bank Balances		
Cash on hand	**23.72**	29.63
Cheques/drafts on hand	**106.35**	183.67
With banks on current account	**2,476.12**	3,129.74
On Deposit account	**1,644.70**	6,634.64
Unpaid Dividend accounts	**248.93**	132.03
Total Cash and Bank Balances (Note 18)	**4,499.82**	10,109.72

(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

G.N. MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

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 2016.

2. Principles of consolidation

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

2.1. Foreign Exchange Transactions

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

b) At each Balance Sheet date

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

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

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

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

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

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

PARTICULARS	ASSET Rs. Lakhs	LIABILITY Rs. Lakhs
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting others		
Group Companies		10,699.64
Joint Venture	4.20	
Disallowance under Sec. 43B		
Group Companies	648.51	
Joint Venture	47.50	
Unabsored Loss		
Group Companies	1,330.79	
Joint Venture		
	2,031.00	**10,699.64**
Net Deferred Tax Liability as on 31.03.2016		**8,668.65**

2.3. Movement in Translation Reserve

PARTICULARS	Majority Rs. Lakhs	Minority Rs. Lakhs	Total Rs. Lakhs
Opening Balance (Cr)	750.57	375.28	1,125.85
Movement due to Non Monetary items-			
Capital, Reserves, Opening Stock etc. (Cr)	467.12	233.56	700.68
Closing Balance (Cr)	1,217.69	608.84	1,826.53

2.4. Contingent Liabilities

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
a. Claims against the company / disputed liabilities not acknowledged		
Statutory Levies - Group Companies	**3,899.97**	3,703.06
- Joint venture	**13.14**	13.14
Contractual Levies-Group Companies	**146.17**	68.27
Others - Group companies	**1,726.57**	1,715.06
- Joint venture	**-**	-
b. Guarantees		
Corporate Guarantees issued by the Company to Customers		
- Group Companies	**1,836.66**	1,344.98
- Joint Venture	**232.94**	326.67
Guarantees issued by Bankers on behalf of the Company		
- Group Companies	**480.78**	390.38
- Joint Venture	**2,726.50**	2,348.34

2.5. Exceptional Item Comprises of the following :

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Loss on sale of Fixed Asset - Group Companies	**0.00**	124.37

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

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
a) Salaries, Wages & Bonus	**288.25**	245.18
b) Contribution to P.F. & Other Funds	**30.67**	21.89
c) Workmen & Staff welfare expenses	**22.19**	41.36
d) Power & Fuel consumed	**156.72**	150.60
e) Stores & Spares consumed	**228.10**	146.91
f) Royalty	**2,014.53**	1,537.46
g) Taxes & Licences	**28.85**	28.10
h) Repairs to Building & Roads	**27.96**	9.16
i)Repairs to Machinery	**153.97**	98.36
j) Repairs to Other Assets	**7.66**	2.10
k) Insurance	**3.76**	3.23
l) Lime Stone Freight	**3,874.61**	2,753.11
m) Lime Stone Loading	**3,259.01**	2,390.43
n) Lime Stone Digging	**1,381.06**	855.55
o) Lime Stone - Hire Charges for Shovel and Water tank	**82.41**	90.13
p)Lease rentals & Others	**494.90**	488.65
	12,054.64	8,862.22

2.7. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR:

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
a) Opening unallocated capital expenditure	**2,067.68**	2,642.89
Add:		
Salaries, Wages & Bonus	**228.97**	113.04
Contribution to Provident Fund and Family Pension Scheme	**28.74**	8.91
Staff welfare Expenses	**64.00**	7.92

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Stores and Spares consumed	**10.73**	113.83
Power	**58.80**	36.71
Insurance	**11.86**	7.49
Repairs to Building	**21.53**	14.37
Repairs to Other Assets	**0.03**	0.59
Payment to auditors	**0.25**	0.80
Professional Fees	**94.37**	78.19
Travelling Expenses	**12.30**	15.45
Security Charges	**27.29**	35.26
Rates & taxes	**124.30**	4.92
Interest on Fixed Loan	**649.72**	872.55
Depreciation	**8.67**	7.37
Miscellaneous expenses	**41.09**	112.27
Net expenditure during trial run period	**0.00**	421.29
	3,450.34	4,493.84
Less:		
Interest Received	**1.98**	2.10
Miscellaneous Income	**23.93**	5.47
	3,424.43	4,486.28
Less:		
Capitalised/Allocated to fixed assets	**3,041.13**	2,418.60
Closing unallocated Capital Expenditure	**383.30**	2,067.68
	3,424.43	4,486.28
b) Net expenditure during trial run production - Captive Power Plant		
Raw material consumed		593.02
Stores & Spares consumed		2.52
Salaries & Wages		28.47
Contribution to Providend and other funds		2.74
Staff Welfare Expenses		2.03
Power & Fuel		20.33
Repairs to other Assets		0.90
Professional Fee		0.40
Statutory Audit Fee		0.23

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Travelling Expenses		2.47
Security Services		12.39
Insurance		3.48
Interest Paid to Bank & Others		322.87
Miscellaneous expenses		0.93
Depreciation		1.42
		994.18
Less:		
Sales - Internal Transfer		571.76
Fly Ash Sales		0.52
Rent recovery		0.07
Misc.Income		0.33
Net expenditure during trial run period		421.51
Less:		
Closing stock of Fly Ash	-	0.22
Net (Income) / Expenditure during trial period :	-	421.29

2.8. SALES

PARTICULARS	This year Rs. Lakhs	Previous year Rs. Lakhs
Finished goods sold (inclusive of Excise duty/Service tax)		
Cement	**75,430.08**	62,789.85
Heavy Engineering products	**15,015.09**	7,788.12
Electrical energy	**2,198.09**	513.78
Sugar	**45,854.10**	53,776.34
Service Receipts	**724.17**	1,299.91
Others	**1,754.11**	1,606.72
Total	**140,975.64**	127,774.71

2.9. EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
i) Net Profit after tax as per Profit and Loss Statement	**9,335.41**	5,037.03
ii) Net Profit attributable to Equity Shareholders	**9,335.41**	4,948.15
iii) Weighted Average number of equity shares used as denominator for calculating EPS	**1,289.21**	1,289.21
iv) Basic and Diluted Earnings per share (Rs)	**7.24**	3.84
v) Nominal value per each Equity share (Rs)	**1**	1

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

PARTICULARS	**As at 31st March, 2016 Gratuity** Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs	**As at 31st March, 2015 Gratuity** Rs. Lakhs	As at 31st March, 2015 Leave Benefits Rs. Lakhs
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year as per last Financial Statements	973.27	441.29	1,049.25	422.43
Less: Prior Period Adjstments	-9.17	0.00	0.00	0.00
Present value of obligations as at beginning of the year				
- Group Companies	**964.10**	441.29	**1,049.25**	422.43
- Joint Venture	**32.88**	27.62	**33.44**	18.42
Interest cost				
- Group Companies	**71.44**	31.57	**82.69**	31.80
- Joint Venture	**2.63**	2.08	**2.68**	1.68
Current service cost				
- Group Companies	**66.64**	163.77	**67.53**	271.38
- Joint Venture	**3.10**	11.32	**3.38**	19.31
Benefits paid				
- Group Companies	**119.96**	73.05	**111.39**	49.79
- Joint Venture	**-0.24**	-3.21	**4.34**	0.99
Acturial loss/gain on obligation				
- Group Companies	**39.93**	25.58	**-114.82**	-234.53
- Joint Venture	**4.63**	1.35	**-2.67**	-10.81

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs	As at 31st March, 2015 Gratuity Rs. Lakhs	As at 31st March, 2015 Leave Benefits Rs. Lakhs
Present value of obligations as at end of the year				
- Group Companies	**1,022.16**	589.16	**973.27**	441.29
- Joint Venture	**43.01**	39.17	**32.49**	27.62
b) Reconciliation for fair value of plan assets				
Fair value of plan assets at the beginning of the year as per last Financial Statements	**1103.08**	-	**1,031.45**	-
Less: Prior Period Adjstments	**-1.73**	-	**-**	-
Fair value of plan assets at the end of the year				
- Group Companies	**1,101.35**	-	**1,031.45**	-
- Joint Venture	**35.99**	-	**35.79**	-
Expected return on plan assets				
- Group Companies	**89.86**	-	**92.08**	-
- Joint Venture	**3.26**	-	**2.91**	-
Contributions				
- Group Companies	**33.61**	73.05	**90.93**	-
- Joint Venture	**3.40**	3.21	**0.46**	-
Benefits paid				
- Group Companies	**119.96**	73.05	**111.39**	-
- Joint Venture	**-0.24**	-3.21	**4.34**	-
Acturial gain on plan assets				
- Group Companies	**0.08**	-	**-**	-
- Joint Venture	**-**	-	**-**	-
Fair value of plan assets at the end of the year				
- Group Companies	**1,104.94**	-	**1,103.08**	-
- Joint Venture	**42.42**	-	**34.82**	-
c) Expenses recognised in statement of Profit & Loss A/c				
Current service cost				
- Group Companies	**66.64**	163.77	**67.53**	271.38
- Joint Venture	**3.10**	11.32	**3.38**	19.31
Interest cost				
- Group Companies	**71.44**	31.57	**82.69**	31.80
- Joint Venture	**2.63**	2.08	**2.68**	1.68
Expected return on plan assets				
- Group Companies	**89.86**	0.00	**92.08**	0.00
- Joint Venture	**3.26**	0.00	**2.91**	0.00

EMPLOYEE BENEFITS (Continued)

PARTICULARS	As at 31st March, 2016 Gratuity Rs. Lakhs	As at 31st March, 2016 Leave Benefits Rs. Lakhs	As at 31st March, 2015 Gratuity Rs. Lakhs	As at 31st March, 2015 Leave Benefits Rs. Lakhs
Net acturial gain/loss recognised in the year				
- Group Companies	**39.85**	25.58	**-114.82**	-234.53
- Joint Venture	**4.63**	1.35	**-2.67**	-10.81
Expense to be recognised in the Profit & Loss a/c				
- Group Companies	**88.07**	220.92	**-56.68**	68.65
- Joint Venture	**7.11**	14.75	**0.48**	10.18
d) Net Liablity recognised in the Balance Sheet				
Present value of obligations as at the end of the year				
- Group Companies	**1,022.16**	589.16	**973.27**	441.29
- Joint Venture	**43.01**	39.17	**32.49**	27.62
Fair value of plan Assets as at the end of the year				
- Group Companies	**1,104.94**	0.00	**1,103.08**	0.00
- Joint Venture	**42.42**	0.00	**34.82**	0.00
Funded status				
- Group Companies	**-82.79**	589.16	**-129.82**	441.29
- Joint Venture	**-0.59**	39.17	**-2.33**	27.62
Net Asset/liability recognised in the Balance Sheet				
- Group Companies	**-82.79**	589.16	**-129.82**	441.29
- Joint Venture	**-0.59**	39.17	**-2.33**	27.62
e) Acturial Assumptions				
Assumptions as at 31st March ,				
Discount rate	**7.9%**	7.9%	**8%**	8%
Salary escalation	**5%**	5%	**5%**	5%
Attrition rate	**1-3%**		**1-3%**	
Expected return on plan assets	**8.50%**		**9.4%**	
Mortality	**LIC 94-96**		**LIC 94-96**	

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

2.11 Extra-ordinary Items

Pending finalisation of Insurance claims on account of of Chennai floods, expenditure incurred upto 31.03.2016 on restoration works of Rs. 584.31 lakhs has been accounted as Extraordinary Expenses and the adhoc amount of Rs.500.00 lakhs received from Insurance Company has been deducted therefrom.

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

A). List of Related parties:

Key Managerial Personnel (KMP)	**Dr. V.L. Dutt** - Chairman and Managing Director, The K.C.P. Ltd **Smt. V.L. Indira Dutt** - Joint Managing Director, The K.C.P. Ltd **Smt. Kavitha D Chitturi** - Executive Director, The K.C.P. Ltd **Sri. V. Gandhi** - Technical Director, The K.C.P. Ltd **Sri. K.B. Pranesh** - Managing Director, Fives Cail KCP Ltd **Sri. G.N Murty** - Chief Financial Officer, The K.C.P. Ltd **Sri. Y.Vijaya Kumar** - Company Secretary , The K.C.P. Ltd
Relatives of Key Managerial Personnel	**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. Anupama - Daughter **Sri. K.B. Pranesh -** Smt. Sobana Pranesh - Wife
Companies/Trusts controlled by Key Managerial Personnel/ Relatives	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (Pvt) Limited BGE Engineering (India) Private Limited V Ramakrishna Charitable Trust A Trust in the name of Bala Tripurasundari Ammavaru
Associates/Companies with substantial interest - Joint Venture	Fives Cail, France Fives Fletcher (Subsidiary of Fives Cail, France) Fives Combustion System Pvt Limited

B. Transactions with the related parties:

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sale of Goods				
Fives Cail, France - Joint Venture				2.51
				-
Fives Cail KCP Ltd	1,176.35			
	(150.18)			
Services -Rendered				
V. Ramakrishna Sons Pvt Limited				0.15
				(0.14)
KCP Technologies Limited				1.52
				(1.42)
V. Ramakrishna Charitable Trust				0.15
				(0.14)
Fives Cail KCP Ltd	49.02			
	(52.36)			
Services - Received				
KCP Technologies Limited - Group Companies				13.67
				(15.21)
KCP Technologies Limited - Joint Venture				0.14
				(0.53)
Fives Cail, France - Joint Venture				10.00
				-
Loans/Deposits received				
Dr V L Dutt		-		
		(33.50)		
Smt V L Indira Dutt		10.00		
		(10.00)		
Smt Kavitha D Chitturi		-		
		(31.53)		
VL Dutt (HUF)			-	
			(600.00)	
Kum.Shivani Dutt Chitturi			13.00	
			(197.00)	

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt. S. R.V. Rajyalakshmamma			-	
			(37.50)	
Purchase of Goods				
KCP Technologies Limited - Group Companies				-
				(2.52)
Fives Cail, France - Joint Venture				-
				(582.27)
Fives Fletcher - Joint Venture				-
				(36.49)
Fives Cail KCP Ltd.	4,792.66			
	(550.26)			
Fives Combustion Systems Pvt Ltd.				108.43
				-
Royalty Paid				
Fives Cail, France - Joint Venture				91.26
				(13.99)
Remuneration paid				
Dr V L Dutt		289.44		
		(109.56)		
Smt V L Indira Dutt		217.08		
		(82.17)		
Smt Kavitha D Chitturi		108.54		
		(46.44)		
Sri V .Gandhi		108.54		
		(43.50)		
Sri K.B. Pranesh - Joint Venture		22.03		
		(16.35)		
Interest paid				
Dr V L Dutt		133.69		
		(133.52)		
Smt V L Indira Dutt		42.69		
		(48.42)		
Smt Kavitha D Chitturi		29.27		
		(29.82)		

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Other Relations				
Kum. Shivani D. Chitturi			22.72	
			(19.77)	
VL Dutt (HUF)			66.17	
			(63.08)	
Smt. S R V Rajyalakshmamma			4.14	
			(3.94)	
V. Ramakrishna Sons Pvt Limited				50.00
				(57.36)
Dividend paid				
Dr V L Dutt		105.10		
		(6.01)		
Smt V L Indira Dutt		53.63		
		(3.06)		
Smt Kavitha D Chitturi		16.63		
		(0.90)		
Sri V .Gandhi		0.04		
		(0.00)		
Sri K.B. Pranesh - Joint Venture		-		
		(0.29)		
Other Relations				
Sri.Ravi Chitturi			-	
			(0.05)	
Kum.Shivani Dutt Chitturi			22.75	
			(1.30)	
Smt.S R V Rajyalakshmamma			0.01	
			(0.00)	
Smt.Uma S Vallabhaneni			2.85	
			(0.16)	
Smt.Rajeswary Ramakrishnan			4.10	
			(0.23)	
Smt.Kamala Devi Valluri			0.09	
			(0.00)	

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sri.V Praveen Kumar			0.04	
			(0.00)	
Smt.Anupama			0.04	
			(0.00)	
V. Ramakrishna Sons Pvt Limited				681.74
				(38.96)
The Jeypore Sugar Company Ltd.				4.87
				(0.28)
VRK Grandsons Investment (Private) Limited				167.62
				(9.58)
Dr V L Dutt (HUF)			1.99	
			(0.11)	
Fives Cail, France - Joint Venture				-
				(16.00)
Loans/Deposit Repaid				
Dr V L Dutt		-		
		(33.50)		
Smt V L Indira Dutt		60.00		
		(70.00)		
Smt Kavitha D Chitturi		-		
		(91.53)		
V. Ramakrishna Sons Pvt Limited				-
				(115.00)
Dr V L Dutt (HUF)			-	
			(380.00)	
Smt.S R V Rajyalakshmamma			-	
			(37.50)	
Kum.Shivani Dutt Chitturi			-	
			(162.00)	
Rent Paid				
Smt V L Indira Dutt		56.60		
		(44.35)		
Smt Kavitha D Chitturi		4.90		
		(4.82)		

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Other Relations				
Smt.Uma.s.Vallabhaneni			73.98	
			(58.00)	
Smt. S R V Rajyalakshmamma			10.02	
			(7.83)	
Smt.V.Rama Kumari			53.61	
			(42.06)	
Bala Tripurasundari Ammavaru Temple				74.38
				(58.36)
Sri.V.Chandra kumar			33.36	
			(23.12)	
Balances as at 31.03.2016				
Loans/Advances given				
Fives Cail KCP Ltd	25.53			
	(1,350.05)			
Receivable - Trade dues/others				
KCP Technologies Limited				2.29
				(0.97)
Fives Cail KCP Ltd	129.83			
	(49.19)			
Fives Cail, France - Joint Venture				-
				(8.80)
Receivable - Rent				
Fives Cail KCP Ltd	0.64			
	(0.34)			
Receivable rent advance				
Sri.V.Chandra kumar			-	
			(1.84)	
Share capital in KCP held by				
Dr V L Dutt		60.06		
		(60.06)		
Smt V L Indira Dutt		30.64		
		(30.64)		

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt Kavitha D Chitturi		9.50		
		(9.00)		
Sri V .Gandhi		0.02		
		(0.02)		
Other Relations				
Kum.Shivani Dutt Chitturi			13.00	
			(13.00)	
Smt.Rajeswary Ramakrishnan			2.34	
			(2.34)	
Smt.S R V Rajyalakshmamma			0.01	
			(0.01)	
Smt.Uma S Vallabhaneni			1.63	
			(1.63)	
Sri.Ravi Chitturi			-	
			(0.50)	
Smt.Anupama			0.02	
			(0.02)	
Smt.Kamala Devi Valluri			0.05	
			(0.05)	
Sri.V Praveen Kumar			0.02	
			-	
V. Ramakrishna Sons Pvt Limited				389.56
				(389.56)
The Jeypore Sugar Company Ltd.				2.78
				(2.78)
VRK Grandsons Investment (Private) Limited				95.78
				(95.78)
Dr. VL Dutt (HUF)			1.14	
			(1.14)	
Fives Cail, France - Joint Venture				16.00
				(16.00)

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Loans/Advances held				
Dr V L Dutt		1,300.00		
		(1,300.00)		
Smt V L Indira Dutt		420.00		
		(470.00)		
Smt Kavitha D Chitturi		280.00		
		(280.00)		
V. Ramakrishna Sons Pvt Limited				500.00
				(500.00)
Fives Cail KCP Ltd.	55.45			
	(114.73)			
Deposits Received				
Dr V L Dutt		33.50		
		(33.50)		
Smt Kavitha D Chitturi		11.53		
		(11.53)		
Other Relations				
VL Dutt[HUF]			600.00	
			(600.00)	
Kum.Shivani Dutt Chitturi			210.00	
			(197.00)	
Smt.S R V Rajyalakshmamma			37.50	
			(37.50)	
Royalty Payable				
Fives Cail, France - Joint Venture				91.26
				(35.74)
Commission payable				
Sri. V L Dutt		216.74		
		(36.99)		

Transactions with the related parties (Continued)

PARTICULARS	Joint Venture (60%)	KMP	Related parties other relations	Companies Controlled by KMP
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Smt. V. L. Indira Dutt		131.49		
		(6.83)		
Smt Kavitha D Chitturi		49.49		
		-		
Sri V .Gandhi		44.79		
		-		
Sri K.B. Pranesh - Joint Venture		4.86		
		(0.25)		
Payable-Trade Dues				
Fives Cail, France - Joint Venture				27.69
				(24.00)
Smt. V. L. Indira Dutt		13.85		
		(12.55)		
Smt Kavitha D Chitturi		1.12		
		(1.10)		
Fives Combustion Systems Pvt Ltd.				2.09
				-
Fives Cail KCP Ltd	149.16			
	(15.38)			
Other Relations				
Smt.S R V Rajyalakshmamma			2.45	
			(2.22)	
Smt.V.Rama Kumari			13.13	
			(11.90)	
Sri.V.Chandra kumar			5.91	
			(5.21)	
Smt.Uma.s.Vallabhaneni			14.48	
			(13.06)	
Bala Tripurasundari Ammavaru Temple				15.68
				(9.76)

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

PARTICULARS	As at 31st March 2016 Rs. Lakhs	As at 31st March 2015 Rs. Lakhs
a. The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
- Principal	4.94	16.36
- Interest	-	-
b. The amount of interest paid by the buyer in terms of Section 6 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each acccounting year.	-	15.00
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the apppointed day during the year) but without adding the interest specified under MSMED Act,2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amout of further interest remaining due and payable even in the succeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductcible expenditure under Sectioin 23 of the MSMDED Act, 2006.	-	-

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

2.14. CASH AND BANK BALANCES INCLUDE:

PARTICULARS	As at 31st March, 2016 Rs. Lakhs	As at 31st March, 2015 Rs. Lakhs
Fixed Deposit Receipts lodged with Bankers for BG & LC's issued by them	**873.37**	922.49
Deposits maintained as per the provisions of Section 73 (2)(c)of the Companies Act 2013 and Rules made there under.	**754.45**	752.85
Balances held with banks towards Unclaimed Dividends	**230.51**	132.03

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

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

(in cash) Rs. Lakhs

PARTICULARS	31st March, 2016 Rs. Lakhs	31st March, 2015 Rs. Lakhs
Gross amount required to be spent by the company during the year	**44.67**	84.83
Less: Amount spent by the company during the year towards CSR	**82.57**	77.12
Amount yet to be spent by the company	**-**	7.71

2.16 As per section 143(3)(j) of the Companies Act 2013 and Rule 11 of the Companies (Audit and Auditors) Rules, 2014, the company estimated material foreseeable losses on long-term contracts at its Engineering unit and made provision for an amount of Rs.168.20 Lakhs (Previous year : Rs.40.26 Lakhs).

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

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

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount Rs. Lakhs	As % of consolidated profit or loss	Amount Rs. Lakhs
Parent				
The KCP Limited	49.31	36,332.18	36.49	4,286.02
Subsidiary				
Foreign				
KCP Vietnam Industries Limited	33.03	24,340.39	41.04	4,820.37
Minority Interest in the subsidiary	16.52	12,170.20	20.52	2,410.19
Joint Venture (as per proportionate consolidation)				
Indian				
Fives Cail KCP Limited	1.14	843.13	1.95	229.02
Total	**100**	**73,685.90**	**100**	**11,745.60**

3) SHARE CAPITAL

PARTICULARS	As At 31st March, 2016 Rs. Lakhs	As At 31st March, 2015 Rs. Lakhs
Authorised Share Capital:		
35,00,00,000(31st March 2015 : 35,00,00,000) Equity shares of Re.1/- each	**3,500.00**	3,500.00
2,00,00,000 (31st March 2015 :2,00,00,000) preference shares of Rs.10/- each	**2,000.00**	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31st March 2015 : 12,89,77,480) equity shares of Re.1/- each	**1,289.77**	1,289.77
2,00,00,000 (31st March 2015 : 2,00,00,000) 12% Redeemable cumulative		
Non-convertible Preference shares of Rs.10/- each	**2,000.00**	2,000.00
	3,289.77	3,289.77
Subscribed and paid-up :		
12,89,21,160 (31st March 2015 :12,89,21,160) Equity shares of Re.1/- each	**1,289.21**	1,289.21
Total Issued, Subscribed and paid-up Capital	**1,289.21**	1,289.21

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

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) Equity shares of Re.1/- each fully paid - 30.22% (30.22%)
2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) Equity shares of Re.1/- each fully paid- 7.43% (7.43%)
3. 3. SBI Emerging Business Fund - 34,35,000 (92,93,792) Equity shares of Re.1/- each fully paid up- 2.66% (7.21%)

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 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Equity Share Capital at the beginning of the Year	**1,289.21**	1,289.21
12% Redeemable cumulative Non-convertible Preference shares at the beginning of the year	**-**	800.00
Less: NIL 12% Redeemable cumulative Non-convertible Preference shares of Rs 10 each redeemed during the year (80,00,000 shares in previous year)	**-**	800.00
Issued Subscribed and Fully paid up capital at the end of the year	**1,289.21**	1,289.21

4) RESERVES AND SURPLUS

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Capital Reserve		
Capital Redemption Reserve		
Balance as per Last Financial Statements	**2,000.00**	2,000.00
Add: Amount Transferred from Surplus Balance in Statement of Profit and Loss	**-**	-
	2,000.00	2,000.00
Capital Reserve On Reorganisation	**279.91**	279.91
Capital Reserve on Consolidation of Subsidiary	**9,548.48**	9,548.48
Capital Subsidy	**50.00**	50.00
On Amalgamation reserve	**103.83**	103.83
Total capital Reserve	**9,982.23**	9,982.23
General Reserve		
Balance as per the last Financial Statements		
Group Companies	**27,450.00**	27,450.00
Joint Venture	**438.02**	438.02
Add : Amount transferred from Surplus Balance in the Statement		
Group Companies	**-**	-
Joint Venture	**41.33**	-
Closing Balance	**27,929.34**	27,888.02

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Other Reserves		
Translation reserve		
Opening Balance	**750.57**	**435.93**
Additions/(Deletions) during the year	**467.12**	**314.64**
Closing Balance	**1,217.69**	750.57
Surplus/(Deficit) In The Statement Of Profit And Loss		
Balance as per the last Financial Statements		
Group Companies	**11,091.16**	14,128.25
Joint Venture	**184.24**	150.98
Add : Profit for the year		
Group Companies	**9,106.39**	5,003.77
Joint Venture	**229.02**	33.26
	20,610.80	19,316.26
Less : Appropriations		
Proposed Dividend - Group Company (Previous year Rs.0.75)	**-**	966.91
- Joint Venture - Amount per share Rs.10/-	**40.00**	-
Interim Dividend Paid - Amount Per share Rs.1/-	**1,289.21**	636.74
Dividend on 12% Preference Shares	**-**	66.28
Tax on Distributed Profits		
Group Company	**134.88**	210.41
Joint Venture	**8.14**	-
Transfer to Capital Redemption Reserve	**-**	-
Transfer to Capital Reserve / Bonus Shares	**-**	6,160.53
Transfer to General Reserve-Group companies	**-**	-
Joint Venture	**41.33**	-
Total Appropriations	**1,513.57**	8,040.86
Net Surplus In Statement Of Profit And Loss	**19,097.24**	11,275.39
Total Reserves And Surplus Taken To Balance Sheet	**60,226.50**	51,896.20

4.1) MINORITY INTEREST	Figures as at the end of the previous reporting period 31.03.2015 Rs. Lakhs	Additions Rs. Lakhs	Deductions Rs. Lakhs	Figures as at the end of current reporting period 31.03.2016 Rs. Lakhs
Share Capital of KCP Vietnam Industries Limited 101,61,668 Equity shares (101,61,668 shares) held by minority shareholders	5,959.96	-	-	**5,959.96**
Profit &Loss account	3,191.21	2,410.19	-	**5,601.39**
Translation Reserve	375.28	233.56		**608.84**
Total	9,526.45	2,643.75	-	**12,170.20**

5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion		Current maturities	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Term Loans				
Group companies				
From Banks (Secured)	**27,923.01**	27,127.39	**6,433.93**	5,656.00
Total	**27,923.01**	27,127.39	**6,433.93**	5,656.00
Other Loans and advances: Deposits (unsecured)-Group Companies				
Deposits from directors	**45.03**	45.03	**-**	-
From Others	**5,471.27**	4,656.38	**2,859.57**	3,275.98
	5,516.30	4,701.41	**2,859.57**	3,275.98
Total Amount	**33,439.31**	31,828.80	**9,293.50**	8,931.98
The above amount includes				
Secured Borrowings	**27,923.01**	27,127.39	**6,433.93**	5,656.00
Unsecured Borrowings	**5,516.30**	4,701.41	**2,859.57**	3,275.98
Amount disclosed under the head				
"Other Current Liabilities"(Note 10)	**-**	-	**-**	-
Net Amount	**33,439.31**	31,828.80	**9,293.50**	8,931.98

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

b) The long 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.

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

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

c) Additional Term loan of Rs.14.73 crores obtained for Hotel Project is repayable in 28 quarterly instalments of Rs.0.53 crores after holiday period of 18 months.

d) First installment of repayment commenced in May 2015.

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

b) The long Terms loans obtained for the 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 installment of Repayment commenced in March'2015.

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

b) The long Terms loans obtained for Cement Plant at Macherla are repayable in 28 Quarterly Installments of Rs 0.75 crores each with an initial moratorium peroid of two years from the date of first disbursement. Repayments started from November 2014.

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

b) During the year, the Company has pre-paid Rs.10 crores of loan amount ahead of repayment schedule.

c) The balance loan is repayable in 4 equal half yearly instalments of Rs. 0.50 crores from June, 2015.

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

b) This loan is repayable in 20 quarterly instalments of Rs.2.80 crores after 2 years moratorium. First Instalment of Repayment falls due in June, 2016.

5.7 a) Term Loan of Rs.40 crores obtained for shoring up working capital is secured by Exclusive charge on Hydel Division assets and property at Chennai. The rate of interest of the abovesaid loan is Base Rate plus margin 2.25%

b) This loan is repayable in 20 quarterly instalments of Rs.2 crores after 2 years moratorium. First instalment falls due in May 2017.

c) During the year, the Company has pre-paid Rs.10 crores of loan amount ahead of repayment schedule.

6) OTHER LONG TERM LIABILITIES:

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
6.1) Trade payables		
Group Companies	**271.26**	157.45
Joint Venture	**-**	-
Total	**271.26**	157.45
6.2) Others		
Outstanding Liabilities for Expenses		
Group Companies	**1,042.98**	1,034.56
Joint Venture	**119.64**	119.64
Retention Money Payable		
Group Companies	**9.40**	150.50
Joint Venture	**-**	-
Trade Deposits		
Group Companies	**2,190.82**	2,253.67
Deposits Payable-Contractors		
Group Companies	**189.90**	141.90
Others		
Group companies	**2,866.27**	2,877.57
Joint venture	**-**	-
Total	**6,419.01**	6,577.84

7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Deferred Tax Liability		
Fixed assets: Impact of difference between Tax Depreciation and		
Depreciation/Amortisation charged for the financial reporting others		
Group Companies	**10,699.64**	8,466.07
Gross deferred Tax Liability	**10,699.64**	8,466.07
Deferred Tax Asset		
Fixed assets: Impact of difference between Tax Depreciation and		
Depreciation/Amortisation charged for the financial reporting others		
Joint Venture	**4.20**	3.41
Disallowance under Sec. 43B		
Group Companies	**648.51**	409.07
Joint Venture	**47.50**	45.41

DEFERRED TAX LIABILITY (NET) (Continued)

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Unabsorbed Loss		
Group Companies	**1,330.79**	1,459.14
Joint Venture	**-**	74.43
Gross Deferred Tax Asset	**2,031.00**	1,991.47
Net Deferred Tax Liability	**8,668.65**	6,474.60

8) PROVISIONS

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Provision for Employee Benefits:				
Provision for Gratuity				
Group companies	**-**	-	**-**	-
Joint Venture	**-**	**-**	**0.59**	-
Provision for Leave Benefits				
Group companies	**444.05**	424.52	**145.11**	16.77
Joint Venture	**32.04**	25.09	**7.12**	2.53
	476.09	449.61	**152.82**	19.30
Other Provisions				
Provision for Wealth tax	**-**	-	**12.59**	19.81
Provision for Income tax	**-**	-	**-**	-
Group companies	**-**	-	**1,467.44**	544.90
Joint Ventuire	**-**	-	**38.49**	77.80
Proposed equity dividend	**-**	-	**40.00**	1,289.76
Provision for tax on Distributed Profits	**-**	-	**8.14**	196.84
Provision for National/State Mineral Fund	-	-	**-**	**162.41**
	-	-	**1,566.67**	2291.52
	476.09	449.61	**1,719.49**	2,310.82

GROUP

9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31.03.2016 Rs. Lakhs	AS AT 31.03.2015 Rs. Lakhs
Cash credit from Banks		
Secured		
Group Companies	**2,179.12**	1,602.13
Joint Venture	**520.86**	170.66
Unsecured		
Loan Repayable on Demand (Unsecured)		
- from Directors	**2,000.00**	2,050.00
Inter-corporate Deposits repayable on demand	**500.00**	500.00
	5,199.98	4,322.79
The above amount includes		
Secured Borrowings	**2,699.98**	1,772.79
Unsecured Borrowings	**2,500.00**	2,550.00

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%	**-**	456.53
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%	**805.79**	538.96
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%	**775.74**	606.64
iv) 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 Captive Power Plant Unit. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%	**597.58**	-
v) Cash Credit from a Bank secured by hypothecation of work-in-progress, finished goods, raw materials, stores and spares and book debts of the Joint Venture Company. The rate of interest of the abovesaid loan is Base Rate plus margin 2.25%	**520.86**	170.66

10) OTHER CURRENT LIABILITIES:

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
10.1) Trade payables		
Due to Micro and Small Enterprises		
Group Companies	**16.67**	11.33
Joint Venture	**66.68**	5.42
Due to Others		
Group Companies	**6,264.78**	6,106.69
Joint Venture	**871.39**	569.20
	7,219.53	6,692.64
10.2) Other Liabilities:		
Current maturities of long term borrowings (Note 5.3)		
Group Companies	**9,293.50**	8,931.98
Interest accrued but not due on borrowings-Group Companies	**238.38**	274.66
Interest accrued and due on borrowings-Group Companies	**96.97**	217.55
Advance from customers		
Group Companies	**4,252.62**	3,098.47
Joint Venture	**998.09**	2,045.31
Unpaid dividend		
Group Companies	**230.51**	132.03
Others		
Group Companies	**6,940.98**	3,351.73
Joint Venture	**370.46**	93.79
	22,421.52	18,145.52

11) FIXED ASSETS and 12) INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NETT BLOCK	
	Cost upto 31st March 2015	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31st March 2016	Exchange difference	Depreciation upto 31st March 2015	Depreciation For the Year	Total Depreciation For the Year	Total Depreciation upto 31st March 2016	As at 31st March 2016	As at 31st March 2015
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1 Lands												
Group companies	2,682.69	-	-		2,682.69						2,682.69	2,682.69
2. (a) Buildings												
Group companies	10,854.12	8,112.17	3.49	66.64	19,029.43	25.34	2,440.79	354.89	2.98	2,818.03	16,211.40	8,413.33
Joint Venture	72.36				72.36		60.67	1.11	-	61.77	10.59	11.70
(b) Leasehold Buildings												
Group companies	15.48	-	-		15.48		5.87	0.23		6.10	9.37	9.61
3 Roads												
Group companies	933.49	37.53	-		971.02		702.60	90.94		793.54	177.48	230.88
4 Plant and Machinery												
Owned												
Group companies	83,601.67	14,458.21	0.56	452.04	98,511.35	361.67	33,382.78	3,952.92	0.46	37,696.90	60,814.46	50,218.89
Joint Venture	1.05				1.05		0.59	0.11		0.70	0.35	0.45
5 Furniture,Fixtures												
Owned												
Group companies	482.27	1,590.61	2.94	1.77	2,071.71	1.65	298.29	31.37	2.58	328.74	1,742.97	183.98
Joint Venture	4.75		-		4.75		3.98	0.26	-	4.24	0.51	0.77
6 Motor Vehicles												
Group companies	1,948.70	103.48	124.62	4.21	1,931.77	3.42	968.85	208.20	74.75	1,105.73	826.04	979.85
Joint Venture	17.81	-	-		17.81		5.75	3.70	-	9.46	8.36	12.06
7 Railway Siding, Locomotives												
Group companies	106.83	-	-		106.83		67.96	3.11		71.06	35.76	38.87
Joint Venture					-					-	-	
8 Ropeway Structures												
Group companies	136.12	-	-		136.12		132.24	-		132.24	3.88	3.88
Joint Venture					-					-	-	
9 Office Equipment												
Group companies	213.99	63.73	0.58	2.68	279.82	2.11	158.83	20.24	0.48	180.70	99.12	55.16
Joint Venture	11.64	2.28	1.91		12.01		9.56	1.44	1.77	9.23	2.78	2.08
10 Computer & Data Processing Units												
Group companies	514.41	115.43	0.86		628.98		412.45	45.03	0.63	456.85	172.13	101.97
Joint Venture	57.64	1.44	4.93		54.14		44.59	6.95	4.80	46.75	7.39	13.04
11 Laboratory Equipment												
Owned												
Group companies	110.31	-	-		110.31		73.26	8.11		81.37	28.93	37.05
Joint Venture					-					-	-	
12 Electrical Installation & Equipment												
Group companies	2,171.79	1,061.65	4.26		3,229.18		908.04	181.06	3.35	1,085.75	2,143.43	1,263.75
Joint Venture	2.68				2.68		0.95	0.48		1.43	1.25	1.73
13 Hydraulic Works, Pipeline & Sluices												
Group companies	89.16	0.31	-		89.48		1.39	5.67		7.07	82.41	87.77
Joint Venture										-	-	
14 Patents												
Group companies	9.00	-	-		9.00		9.00	-		9.00	-	-
Joint Venture										-	-	
15 Intangible Asset												
Group companies	72.64	137.53	-	0.38	210.55	0.38	25.57	15.74		41.69	168.86	47.07
Joint Venture	63.27	0.63			63.90		59.00	3.05		62.04	1.85	4.27
Grand Total	104,173.87	25,684.98	144.16	527.72	130,242.41	394.57	39,773.01	4,934.62	91.80	45,010.40	85,232.01	64,400.86
1. Group companies	103,942.67	25,680.64	137.32	527.72	130,013.72	394.57	39,587.92	4,917.51	85.23	44,814.78	85,198.94	64,354.75
2 Joint Venture	231.20	4.34	6.84	-	228.69	-	185.09	17.11	6.57	195.62	33.07	46.11
Grand Totals	104,173.87	25,684.98	144.16	527.72	130,242.41	394.57	39,773.01	4,934.62	91.80	45,010.40	85,232.01	64,400.86

Note:) Depreciation for the year includes an amount of Rs. 8.67 Lakhs (Rs. 4.96 Lakhs) capitalised during the year.
During the year an amount of Rs.97.01 Lakhs has been adjusted against Scientific and Technology Development Fund.

13) NON-CURRENT INVESTMENTS

PARTICULARS	As At 31.03.2016 Rs. Lakhs	As At 31.03.2015 Rs. Lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Common Stock (unquoted)		
1640 Non-voting common stock of BGE Global Inc., par value $0.01 per share	**77.00**	77.00
Preferred Shares (unquoted)		
750 Non-voting Preferred stock of BGE Global Inc., par value $0.01 per share	**385.00**	385.00
	462.00	462.00
Non-trade investments (valued at cost unless stated otherwise)		
Investment in Equity Instruments (quoted)		
100 (31st March 2015: 100) equity shares of Rs.10/- each,		
fully paid up in Industrial Finance Corporation of India.	**0.04**	0.04
14240 (31st March 2015: 14240) equity shares of Rs.10/- each,		
fully paid up in Industrial Development Bank of India.	**11.57**	11.57
Equity Shares (unquoted)		
30 (31st March 2015: 30) equity shares of Rs. 10/- each		
fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd.,	**0.00**	0.00
(Written off to the extent of Rs. 299/-)		
100000 (31st March 2015: 100000) equity shares of Rs. 10/- each		
fully paid up in Prudential Mouli Sugars Ltd.,	**0.00**	0.00
(Written off to the extent of Rs. 9,99,999/-)		
Other investments	**5.98**	5.47
	17.59	17.07
Total	**479.59**	479.07

14) LOANS AND ADVANCES

PARTICULARS	14.1 Non-current		14.2 Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Capital Advances				
Secured, considered good				
Group Companies	**-**	-	**-**	-
Unsecured, considered good				
Group Companies	**791.06**	1,172.82	**-**	-
(A)	**791.06**	1,172.82	**-**	-
Security Deposit				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good				
Group Companies	**869.86**	955.64	**-**	192.88
Doubtful	**-**	-	**-**	-
	869.86	955.64	**-**	192.88
Provision for doubtful security deposit		-	**-**	-
(B)	**869.86**	955.64	**-**	192.88
Loans and advances to related parties				
Unsecured, considered good	**-**	-	**-**	1.84
(C)	**-**	-	**-**	1.84
Advances recoverable in cash or kind				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good				
Group Companies	**-**	-	**-**	-
Joint Venture	**-**	-	6.34	8.30
Provision for Doubtful Advances	**-**	-	**-**	-
(D)	**-**	-	**6.34**	8.30
Other Loans and Advances				
MAT Credit				
Group Companies	**5,528.88**	2,847.19	**-**	-
Joint Venture	**103.65**	73.26	**-**	-
Advances to Trade Payables				
Group Companies	**-**	-	**7,497.06**	9,175.94
Joint Venture	**-**	-	**199.71**	476.81

LOANS AND ADVANCES (CONTINUED)

PARTICULARS	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Advance Income-tax				
Group Companies	-	-	**978.72**	1,438.60
Joint Venture	-	-	**129.35**	203.23
Duty Drawback Receivable				
Group Companies	-	-	-	-
Joint Venture	-	-	**35.63**	30.08
Prepaid expenses/				
Group Companies	**91.53**	147.67	**183.19**	237.72
Joint Venture	**1.56**	0.07	**16.45**	20.31
Loans and Advance to employees				
Group Companies	-	-	**34.49**	40.25
Joint Venture	-	-	**4.49**	10.41
Balances with Statutory/Government Authorities				
Group Companies	**146.00**	140.07	**3,649.26**	4,784.02
Joint Venture	-	-	**348.79**	437.80
Others				
Group Companies	-	-	**232.13**	229.82
Joint Venture	-	-	-	52.58
(E)	**5,871.61**	3,208.26	**13,309.26**	17,137.56
Total [A+B+C+D+E]	**7,532.54**	5,336.72	**13,315.60**	17,340.57

15) TRADE RECEIVABLE AND OTHER ASSETS

TRADE RECEIVABLES	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Group Companies	-	-	**210.42**	251.59
Joint Venture	-	-	**199.85**	608.23
Unsecured, considered good				
Group Companies	**158.44**	56.02	**208.15**	82.71
Joint Venture	-	-	-	-
Doubtful	-	-	-	-
	158.44	56.02	**618.43**	942.53
Provision for doubtful receivables	-	-	-	-
(A)	**158.44**	56.02	**618.43**	942.53
Other Receivables				
Secured, considered good				
Group Companies	-	-	-	-
Joint Venture	-	-	**359.81**	600.25

TRADE RECEIVABLE AND OTHER ASSETS (CONTINUED)

TRADE RECEIVABLES AND OTHER ASSETS	NON CURRENT		CURRENT	
PARTICULARS	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Unsecured, considered good				
Group Companies	-	-	**11,039.72**	4,419.55
Joint Venture	-	-	**2,108.59**	635.22
Doubtful		-	-	-
	-	-	**13,508.11**	5,655.02
Provision for doubtful receivables	-	-	-	-
(B)	-	-	**13,508.11**	5,655.02
Total [A+B]	**158.44**	56.02	**14,126.54**	6,597.55

15.2) OTHER ASSETS	Non-current		Current	
	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs	31st March 2016 Rs. Lakhs	31st March 2015 Rs. Lakhs
Unsecured, considered good unless stated otherwise				
Non-current Bank balances [Note 18]				
Group Companies				
Joint Venture	-	24.00	-	-
(A)	-	24.00	-	-
Unamortized expenditure				
Unamortized Premium on Forward Contract	-	-	-	-
Ancillary Cost of arranging the Borrowings	-	-	-	-
(B)	-	-	-	-
Others				
Interest accrued on fixed deposits-Group Companies	-	-	**31.42**	3.05
Interest accrued on fixed deposits-Joint Venture	-	-	**14.04**	6.80
Interest accrued on investments-Group Companies	-	-	**40.85**	61.95
Dividend receivable on investment in subsidiaries - Long Term-Group Companies	-	-	-	0.64
Non trade receivables(interest)				
From - Joint Venture	-	-	**0.64**	49.75
- Others	-	-	-	3.20
Others - Earnest Money Deposit				
Group Companies	**11.08**	5.23	-	-
Joint Venture	-	-	-	-
(C)	**11.08**	5.23	**86.96**	125.39
Total [A+B+C]	**11.08**	29.23	**86.96**	125.39

16) CURRENT INVESTMENTS

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Nil	-	-
	-	-

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

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Raw materials and components at Cost		
Group Companies	**967.57**	1,609.48
Joint Venture	**-**	-
(includes in transit for 31st March 2016 : Rs.15.97 Lakhs) (31st March 2015:Rs.9.13 Lakhs)		
Work-in-progresss		
Group Companies	**5,773.33**	5,863.47
Joint Venture	**106.51**	459.48
Finished goods		
Group Companies	**9,043.13**	8,389.66
Joint Venture	**35.05**	123.39
(includes in transit for 31st March 2016 : Rs.Nil) (31st March 2015:Rs.22.81 Lakhs)		
Stores and spares at Cost		
Group Companies	**5,956.62**	6,501.39
Joint Venture	**108.00**	108.70
(includes in transit for 31st March 2016 : Rs.3.41 Lakhs) (31st March 2015:Rs.140.84 Lakhs)		
Total	**21,990.20**	23,055.55

18) CASH AND BANK BALANCES

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Cash and Cash Equivalents :		
Balances with Banks:		
On current accounts		
Group Companies	**2,454.78**	3,072.99
Joint Venture	**21.34**	56.76
Deposits with original maturity of less than 3 months		
Group Companies	**6.11**	2,829.93
Cheques/Drafts on hand		
Group Companies	**106.35**	183.67
Unpaid matured deposits	**6.70**	8.60
Cash on hand		
Group Companies	**23.20**	28.81
Joint Venture	**0.51**	0.82
	2,619.00	6,181.58

CASH AND BANK BALANCES (Continued)

PARTICULARS	As At 31-03-2016 Rs. Lakhs	As At 31-03-2015 Rs. Lakhs
Other Bank Balances :		
Earmarked Balances with Banks - Unclaimed Dividends		
Group Companies	**248.93**	132.03
Deposits with original maturity for more than 3 months but less than 12 months		
Group Companies	**754.45**	2,651.01
Joint Venture	**-**	-
Margin Money Deposit		
Group Companies	**518.25**	922.49
Joint Venture	**359.19**	222.61
	1,880.82	3,928.14
Total	**4,499.82**	10,109.72

19) REVENUE FROM OPERATIONS

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Revenue from Operations		
Sale of products:		
Finished goods		
Group Companies	**129,370.76**	121,101.14
Joint Venture	**9,197.04**	3,766.94
Sale of Services		
Group Companies	**382.06**	930.14
Joint Venture	**339.74**	369.77
Other Operating Revenue		
Scrap sales		
Group Companies	**25.09**	30.76
Joint Venture	**-**	17.35
Others		
Group Companies	**1,069.51**	900.87
Joint Venture	**19.09**	118.38
Interest Income on		
Bank Deposits		
Group Companies	**372.91**	165.30
Joint Venture	**27.96**	19.27
Others		
Group Companies	**99.00**	289.99
Joint Venture	**8.03**	-
Rents received	**64.45**	64.79
Revenue from Operations (Gross)		
Group Companies	**131,383.77**	123,482.99
Joint Venture	**9,591.87**	4,291.72

REVENUE FROM OPERATIONS (Continued)

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Less:Excise Duty		
Group Companies	**11,220.00**	8,945.89
Joint Venture	**155.65**	61.43
Revenue from Operations (Net)	**129,599.99**	118,767.39

20) OTHER INCOME

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Dividends Received on		
Current investments	**-**	-
Long Term Investments	**12.77**	667.00
Net gain on sale of Assets		
- Group Companies	**-**	0.13
- Joint Venture	**0.12**	5.38
Other Non-Operating Income (*)		
- Group Companies	**371.07**	559.46
- Joint Venture	**90.63**	222.10
Total Other Income	**474.58**	1,454.08
Note : (*) Other Non-Operating Income includes :		
Unclaimed balance Credited Back		
- Group Companies	**8.39**	81.49
- Joint Venture	**0.06**	50.04
Claims/refunds received		
- Group Companies	**-**	1.32
- Joint Venture	**-**	-
Duty Drawback		
- Group Companies	**18.92**	24.80
- Joint Venture	**87.48**	12.80
Provisions no longer required credited back		
- Group Companies	**146.95**	168.05
- Joint Venture	**-**	86.62
LD recovered from Suppliers		
- Group Companies	**49.72**	26.20
- Joint Venture	**3.09**	-
Difference in exchange (net)		
- Group Companies	**4.79**	10.89
- Joint Venture	**-**	72.64
Miscellaneous receipts		
- Group Companies	**142.30**	246.70
- Joint Venture	**-**	-
Total	**461.70**	781.56

21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Group Companies		
Inventory at the beginning of the year	**1,609.48**	795.65
Add:Purchases	**8,047.65**	5,613.39
Add:Cost of raw materials produced	**43,935.61**	42,087.79
	53,592.73	48,496.83
Less: Inventory at the end of the year	**967.57**	1,609.48
Cost of raw material and components consumed - Group Companies	**52,625.16**	46,887.36
Joint Venture		
Inventory at the beginning of the year	**108.70**	148.64
Add:Purchases	**6,060.04**	3,448.23
Less: Inventory at the end of the year	**108.00**	108.70
Cost of raw material and components consumed - Join Venture	**6,060.73**	3,488.17
Total Cost of raw materials and components consumed	**58,685.89**	**50,375.53**

22) (INCREASE)/DECREASE IN INVENTORIES

Particulars	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Inventories at the end of the year		
Traded goods	**-**	-
Work in progress		
Group Companies	**5,773.33**	5,863.47
Joint venture	**106.51**	459.48
Finished goods		
Group Companies	**9,043.13**	8,389.66
Joint venture	**35.05**	123.39
	14,958.01	14,836.00
Inventories at the beginning of the year		
Traded goods	**-**	-
Work in progress		
Group Companies	**5,863.47**	4,600.58
Joint venture	**459.48**	177.06
Finished goods		
Group Companies	**8,389.66**	14,318.70
Joint venture	**123.39**	36.01
	14,836.00	19,132.35
(Increase) / Decrease in Inventories	**(122.02)**	4,296.36

23) EMPLOYEE BENEFITS EXPENSES

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Salaries, Wages and Bonus		
Group Companies	**7,173.81**	5,685.09
Joint Venture	**338.85**	290.72
Contribution to Provident and other Funds		
Group Companies	**578.98**	513.83
Joint Venture	**29.82**	23.05
Gratuity Expense		
Group Companies	**63.61**	0.93
Joint Venture	**-**	-
Staff Welfare Expenses		
Group Companies	**604.15**	589.86
Joint Venture	**31.80**	27.91
Total	**8,821.02**	7,131.40

24) FINANCE COSTS

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Interest - Group Companies	**5,051.10**	4,970.21
- Joint Venture	**14.47**	13.41
Other Borrowing Cost		
- Group Companies	**102.73**	85.63
- Joint Venture	**65.29**	77.23
Total	**5,233.59**	5,146.48

25) DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Depreciation of Tangible Assets		
- Group Companies	**4,796.09**	4,795.65
- Joint Venture	**14.06**	11.55
Depreciation of Intangible Assets		
- Group Companies	**15.74**	11.61
- Joint Venture	**3.05**	2.15
Total	**4,828.94**	4,820.96

26) OTHER EXPENSES

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Consumption of Stores and Spares		
- Group Companies	**4,542.02**	5,032.85
- Joint Venture	**-**	-

OTHER EXPENSES (Continued)

PARTICULARS		This Year Rs. Lakhs	Previous Year Rs. Lakhs
Consumption of Loose tools			
- Group Companies		**129.90**	123.06
- Joint Venture		**-**	-
Sub-contracted works			
- Group Companies		**1,166.57**	993.57
- Joint Venture		**458.51**	270.00
(Increase)/Decrease of Excise duty on Inventory			
- Group Companies		**-37.66**	37.52
- Joint Venture		**-**	-
Power and Fuel			
- Group Companies	**17,701.92**		
Less:Self consumption of Power generated internally	**(5,674.64)**	**12,027.28**	14,446.78
- Joint Venture		**13.68**	11.17
Insurance			
- Group Companies		**119.42**	100.38
- Joint Venture		**2.04**	6.95
Research and Development			
- Group Companies		**838.14**	682.45
- Joint Venture		**-**	-
Technical fee and royalty			
- Group Companies		**-**	-
- Joint Venture		**101.40**	15.60
Repairs to Buildings			
- Group Companies		**341.58**	351.59
Repairs to Machinery			
- Group Companies		**1,734.87**	2,686.55
Repairs to Other Assets			
- Group Companies		**303.76**	267.33
Advertisement and Sales Promotion			
- Group Companies		**1,150.83**	553.17
- Joint Venture		**5.95**	2.83
Freight & Forwarding charges			
- Group Companies		**11,486.47**	10,625.98
- Joint Venture		**207.24**	159.14
Commission on Sales			
- Group Companies		**136.28**	74.24
- Joint Venture		**64.28**	16.57

OTHER EXPENSES (Continued)

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Wheeling charges		
- Group Companies	**50.17**	99.96
Rent		
- Group Companies	**158.71**	142.45
- Joint Venture	**0.39**	5.87
Payments to Auditors		
- Group Companies	**41.57**	32.78
- Joint Venture	**4.24**	3.57
Directors' Sitting Fee		
- Group Companies	**10.80**	10.60
Travelling and Conveyance		
- Group Companies	**246.91**	258.36
- Joint Venture	**79.84**	61.58
Communication costs		
- Group Companies	**94.20**	106.35
- Joint Venture	**8.27**	7.99
Printing and Stationary		
- Group Companies	**93.24**	103.92
- Joint Venture	**-**	-
Legal and Professional fees		
- Group Companies	**404.73**	302.25
- Joint Venture	**-**	-
Miscellaneous Expenses		
- Group Companies	**1,457.18**	1,313.98
- Joint Venture	**81.64**	80.39
Warranty Claims		
- Group Companies	**245.49**	185.63
- Joint Venture	**-**	31.44
Bad debts and Irrecoverable Advances Written off		
- Group Companies	**5.34**	4.93
- Joint Venture	**336.48**	5.80
Discarded Assets Written off		
- Group Companies	**1.20**	5.63
Loss on Sale of Assets		
- Group Companies	**25.59**	19.70
- Joint Venture	**0.06**	-

OTHER EXPENSES (Continued)

PARTICULARS	This Year Rs. Lakhs	Previous Year Rs. Lakhs
Loss on sale of Stores & Spares		
- Group Companies	**-**	72.43
Difference in Exchange (Net)		
- Group Companies	**-**	31.14
- Joint Venture	**17.17**	-
Rates and Taxes		
- Group Companies	**300.91**	869.20
- Joint Venture	**9.19**	6.99
Total	**38,465.87**	40,220.69

General:

- Amounts have been rounded off to nearest Rs. Lakhs.
- Figures in brackets indicate those for the previous year.
- Figures for the previous year have been regrouped, wherever necessary to make them comparable.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

G.N MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 27th May, 2016

SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2016

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	**15,900**	9,369	**76,590**	63,791	**7,885**	3,333	**46,010**	53,985	**331**	112	**-**	-	**146,716**	130,589
Less:Excise Duty	**644**	504	**10,712**	8,503	**-**	-	**-**	-	**20**	-	**-**	-	**11,376**	9,007
	15,256	8,865	**65,878**	55,288	**7,885**	3,333	**46,010**	53,985	**311**	112	**-**	-	**135,341**	121,582
Less:Inter Segment Sales	**15**	-	**19**	-	**5,683**	2,815	**-**	-	**23**	-	**(5,741)**	(2,815)	**(5,741)**	(2,815)
	15,241	8,865	**65,858**	55,288	**2,202**	518	**46,010**	53,985	**288**	112			**129,600**	118,767
Result														
Segment Result	**(530)**	(1,541)	**11,051**	7,174	**1,245**	1,413	**7,843**	5,777	**(83)**	-			**19,526**	12,822
Less: Unallocated Corporate Expenses									**131**	(430)			**131**	(430)
Operating Profit / (Loss)	**(530)**	(1,541)	**11,051**	7,174	**1,245**	1,413	**7,843**	5,777	**(214)**	430	**-**	-	**19,395**	13,252
Less:Interest Expenses													**(5,234)**	(5,146)
													14,161	8,106
Add : Income Tax Refund/Credited back													**-**	-
Mat Entitlement credit													**1,420**	493
Less: Income Taxes														
Net Current Tax liability													**(1,461)**	(1,016)
Net Deferred Tax Liability													**(2,194)**	(868)
Short/Excess provision for earlier years													**(97)**	77
Profit from Continuing Activities													**11,830**	6,792
Less : Extrodinary loss													**(84)**	**-**
Profit after extra-ordinary item													**11.746**	6,792
Profit/(Loss) from Discontinued Activities													**-**	(83)
Less : Current Tax of Discontinued Operations													-	(28)
Profit After Tax of Discontinued Operations													-	(55)
less: Minority share of profit / (Loss)													**(2,410)**	(1,709)
Net Profit													**9,335**	5,028
Other Information														
Segment Assets	**15,921**	13,969	**50,308**	56,651	**16,543**	16,948	**53,179**	33,178	**12,784**	9,121	**(2,613)**	(3,154)	**146,122**	126,712
Unallocated corporate Assets													**13,399**	12,116
Total Assets	**15,921**	13,969	**50,308**	56,651	**16,543**	16,948	**53,179**	33,178	**12,784**	9,121	**(2,613)**	(3,154)	**159,521**	138,828
Segment Liabilities	**7,536**	6,806	**25,873**	31,403	**7,205**	8,107	**19,040**	4,598	**6,102**	5,796	**(2,613)**	(743)	**63,144**	55,968
Unallocated Corporate liabilities													**22,691**	20,157
Minority Interest													**12,170**	9,526
Shareholders Funds													**61,516**	53,176
Total Liabilities	**7,536**	6,806	**25,873**	31,403	**7,205**	8,107	**19,040**	4,598	**6,102**	5,796	**(2,613)**	(743)	**159,521**	138,828
Capital Expenditure	**1,074**	126	**1,810**	985	**697**	10,551	**10,386**	18	**11,718**	75			**25,685**	11,755
Total Capital Expenditure														
Depreciation	**397**	373	**2,503**	2,421	**856**	265	**900**	1,377	**173**	385			**4,829**	4,821

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	83,590	64,783	106,342	105,650	15,299	11,737
South East Asia - Vietnam	46,010	53,985	53,179	33,178	10,386	18

Other disclosures:

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

Notes:

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GROUP

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Smt. ***Kavitha D Chitturi****, Executive Director and*
Shri. ***Jean - Michel Casse****, Sr. Vice President (Operations), Accor Hotels India*
at the inauguration of ***Mercure Hyderabad KCP****.*

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