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KEY FINANCIAL HIGHLIGHTS - THE K.C.P LTD

(Rs. in Lakhs)

	Year Ended									
	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03	31-3-02	31-3-01
SHARE CAPITAL	3289	1289	1289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	27189	22780	17697	12984	9625	8610	8084	8112	8435	8740
NET WORTH	30478	24069	18986	14273	10914	9899	9373	9401	9724	10029
FIXED ASSETS (NET)	33448	13147	12653	11704	7572	6850	7091	7556	8146	8686
GROSS INCOME	42289	41788	41604	30051	20680	16863	14722	14353	14092	13954
GROSS PROFIT	11052	11369	11284	8321	3448	2445	1386	1123	2734	2543
DEPRECIATION	1056	914	858	618	519	494	667	688	695	701
INTEREST	949	671	692	444	444	489	584	774	1051	1255
PROFIT BEFORE TAX	9047	9784	9734	7259	2485	1462	135	-339	988	587
PROFIT AFTER TAX	6002	6591	6654	4829	1750	967	117	-178	790	567
EARNINGS PER SHARE (Rs.)	45.88	51.13	51.62	37.46	13.58	7.50	0.91	-1.38	6.13	4.40
BOOK VALUE PER SHARE (Rs.)	236.45	186.72	147.27	110.72	84.66	76.79	72.71	72.93	75.43	77.79
DIVIDEND ON EQUITY (%)	100	100	100	100	50	30	10	10	20	11
DEBT EQUITY RATIO	0.33	0.27	0.15	0.21	0.39	0.03	0.05	0.13	0.23	0.35

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

(Rs. in Lakhs)

	Year Ended									
	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03	31-3-02	31-3-01
SHARE CAPITAL	3289	1289	1289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	33434	26791	19601	13532	9219	7846	7092	6728	7015	7942
NET WORTH	36723	28080	20890	14821	10508	9135	8381	8017	8304	9231
FIXED ASSETS (NET)	40750	22401	20084	18377	14391	14247	15604	16648	18823	18488
GROSS INCOME	69471	60401	58059	42575	28835	23604	17898	17477	13888	148196
GROSS PROFIT	17298	15428	14462	11150	5338	4314	2606	2821	2380	2432
DEPRECIATION	2167	2015	1605	1312	1262	1221	1430	1655	745	805
INTEREST	1336	1279	912	923	908	688	1017	1456	1581	1571
PROFIT BEFORE TAX	13795	12134	11945	8915	3168	2405	159	-290	54	56
PROFIT AFTER TAX	9076	8118	8022	5945	2133	1602	136	-167	167	212
EARNINGS PER SHARE (Rs.)	81.17	62.98	62.23	46.12	16.55	12.43	1.06	-1.30	1.30	1.64
BOOK VALUE PER SHARE (Rs.)	316.57	241.26	177.34	125.98	89.47	76.61	69.98	67.36	70.66	77.85
DIVIDEND ON EQUITY (%)	100	100	100	100	50	30	10	10	20	11
DEBT EQUITY RATIO	0.42	0.07	0.17	0.38	0.26	0.20	0.09	0.15	0.84	0.79

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

DUTT V.L
Chairman and Managing Director

INDIRA DUTT V.L
Joint Managing Director

KAVITHA D. CHITTURI
Executive Director

GANDHI V.
Technical Director

INDEPENDENT DIRECTORS

KOTESWARA RAO P.

RAMAKRISHNA A.

RAMAKRISHNAN V.H.

SWAMINATHA REDDY O.

CHIEF FINANCIAL OFFICER

RAMACHANDRAN M.R.

COMPANY SECRETARY

VIJAYA KUMAR Y.

AUDITORS

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

COST AUDITORS

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

BANKERS

BANK OF BARODA
BANK OF INDIA
CANARA BANK
HDFC BANK LTD

INTERNAL AUDITORS

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

REGISTERED AND CORPORATE OFFICE

"RAMAKRISHNA BUILDINGS"
2, DR. P.V. CHERIAN CRESCENT
EGMORE, CHENNAI - 600 008
Ph: 66772600 Fax: 66772620
E-MAIL: corporate@kcp.co.in

REGISTRAR & SHARE TRANSFER AGENTS

M/S INTEGRATED ENTERPRISES (INDIA) LIMITED
II FLOOR "KENCES TOWERS"
NO.1 RAMAKRISHNA STREET
NORTH USMAN ROAD, T. NAGAR
CHENNAI - 600 017
Ph: 28140801 Fax: 28142479
Website: www.iepindia.com

PLANT LOCATIONS

CEMENT

Macherla - 522426
Guntur District, Andhra Pradesh
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

BIO TECH

Plot No.14, S.P.Biotech Park, Genome Valley,
Turkapally (village) - 500078,
Shameerpet (Mandal), R.R.District, AP

Notice to Shareholders

NOTICE is hereby given that the Sixty Ninth Annual General Meeting of the Members of The K.C.P Limited will be held on Wednesday, 28th July, 2010 at the Registered Office of the Company at "Ramakrishna Buildings", No. 2, Dr. P.V. Cherian Crescent, Egmore, Chennai-600 008 at 11 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on 12% Redeemable, Cumulative, Non-convertible Preference Shares.
3. To confirm the Interim Dividend paid on Equity shares of the Company for the year 2009-10 and to declare a final dividend on Equity shares.

4. To appoint a Director in place of Sri.V.H.Ramakrishnan, who retires by rotation and being eligible, offers himself for re-appointment and for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.

"RESOLVED THAT Sri. V.H. Ramakrishnan, who retires by rotation be and is hereby re-appointed as a Director of the Company liable to retire by rotation"

5. To appoint a Director in place of Sri.A.Ramakrishna, who retires by rotation and being eligible, offers himself for re-appointment and for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.

"RESOLVED THAT Sri. A. Ramakrishna, who retires by rotation, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

6. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration and for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**.

"RESOLVED THAT M/s. Brahmaya & Co.,Chartered Accountants, Vijayawada be and are hereby re-appointed as the Statutory Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors on mutually agreed terms and conditions."

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company, the classification of 2,00,00,000 (Two crores) unclassified and unissued shares of Rs.10/-(Rupees ten only) each forming part of the Authorised Share Capital of the Company into 2,00,00,000 (Two crores) Redeemable, Cumulative, Non-Convertible, Preference shares of Rs.10/- (Rupees ten only) each by the Board of Directors of the Company be and is hereby approved and ratified".

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorised to take all such steps and actions and give such directions as may be in their absolute discretion deemed necessary and to settle any question that may arise in this regard, to make relevant changes in Memorandum and Articles of Association of the Company and to file necessary forms with Registrar of Companies."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act")

and the provisions of Article 63 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, each of the 1,28,97,748 (one crore twenty eight lakhs ninety seven thousand seven hundred and forty eight) issued equity shares of the nominal value of Rs.10/-(Rupees ten only) each in the Authorised Share Capital of the Company be sub-divided into 12,89,77,480 (Twelve crores eighty nine lakhs seventy seven thousand and four hundred and eighty) equity shares of Re. 1/- (Rupees one only) each and each of the 2,21,02,252 (Two crores twenty one lakhs two thousand and two hundred and fifty two) unclassified shares of Rs.10/-(Rupees Ten only) each in the Authorised share capital into 22,10,22,520 (Twenty two crores ten lakhs twenty two thousand and five hundred twenty) unclassified shares of Rs.1/-(Rupees one only) each and the Clause V (being Capital Clause) of the Memorandum of Association and Article 5 of the Articles of Association of the Company be altered accordingly.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and/or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Share Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or executive(s) or Company Secretary, to give effect to the aforesaid resolution.”

“FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and they are hereby authorised to take all such steps and actions and give such directions as may be in their absolute discretion deemed necessary and to settle any question that may arise in this regard, to make

relevant changes in Memorandum and Articles of Association of the Company and to file necessary forms with Registrar of Companies.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of all our earlier resolutions and pursuant to the provisions of Sections 16, 31 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following.”

V. The Authorised Capital of the Company is Rs.55,00,00,000 (Rupees Fifty five crores only) divided into 12,89,77,480 (Twelve crores eighty nine lakhs seventy seven thousand and four hundred and eighty) equity shares of Re. 1/- (Rupees one only) each, 2,00,00,000 (Two crores) Redeemable, Cumulative, Non-Convertible Preference shares of Rs.10/- each (Rupees Ten only) and 22,10,22,520 (Twenty two crores ten lakhs twenty two thousand and five hundred twenty) unclassified shares of Rs.1/-(Rupees one only) each; with power to the Board, to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to classify and re-classify from time to time such shares into any class of shares.

“FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and they are hereby authorised to take all such steps and actions and give such directions as may be in their absolute discretion deemed necessary and to settle any question that may arise in this regard and to file necessary forms with Registrar of Companies.”

10. To consider and, if thought fit, to pass, with or without modification (s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of all earlier resolutions and pursuant to the provisions of Sections 31, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the existing Article 5 of the Articles of Association of the Company be and is hereby substituted by the following.

‘5. The Authorised Capital of the Company is Rs.55,00,00,000 (Rupees Fifty five crore) divided into 12,89,77,480 (Twelve crores eighty nine lakhs seventy seven thousand and four hundred and eighty) equity shares of Re. 1/- (Rupees one only) each, 2,00,00,000 (Two crores) Redeemable, Cumulative, Non-Convertible Preference shares of Rs.10/- each (Rupees Ten only) and 22,10,22,520 (Twenty two crores, ten lakhs, twenty two thousand and five hundred twenty) unclassified shares of Rs.1/-(Rupees one only) each; with power to the Board, to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to classify and re-classify from time to time such shares into any class of shares.

“FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorised to take all such steps and actions and give such directions as may be in their absolute discretion deemed necessary and to settle any question that may arise in this regard and to file necessary forms with Registrar of Companies.”

NOTES:

1. A member eligible to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member. Proxies in order to be effective must be received not less than 48 hours before the Meeting at the Company or the Registrar and Share Transfer Agent’s Office.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto. Brief profiles of the Directors proposed to be reappointed / appointed are provided in Directors Report forming part of the Annual Report.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting to the Company or the Registrar and Share Transfer Agent.
4. Members / Proxies are requested to bring with them the duly filled in Attendance Slips sent herewith for attending the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th July, 2010 to 28th July, 2010 (both days inclusive)
6. Shareholders who have not yet encashed their dividend warrants for the years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2008-09 and 2009-10, may approach the Company for revalidation, issue of duplicate warrants etc. quoting the Folio Number/Client ID. Please note that as per Section 205A of the Companies Act 1956, dividend which remains unpaid/unclaimed over a period of 7 years has to be transferred by the Company to the Investor Education & Protection Fund (IEPF) and no claim shall lie for such unclaimed dividends from IEPF by the members.
7. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent.

Place: Chennai
Date: 28th, May, 2010

For and on behalf of the Board

(V. L. DUTT)

Chairman and Managing
Director

Annexure to Notice

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of The Companies Act, 1956)

Item No.7:

At the 68th Annual General Meeting of the Company held on 27/07/2009, the Authorised Share Capital of the Company of Rs. 5,50,00,000 equity shares of Rs.10/- each was re-classified into 1,28,97,748 equity shares of Rs.10/- each and 4,21,02,252 unclassified shares of Rs.10/- each with power to the Board of Directors of the Company to classify and re-classify the said unclassified and unissued shares forming part of the Authorised share capital into any class of shares.

In the meeting held on 29/10/2009 The Board had classified 2,00,00,000 (Two crores) of the unclassified and unissued shares of Rs.10/- each into 2,00,00,000 (Two crores), Redeemable, Cumulative, Non Convertible Preference shares of Rs.10/-each and the said preference shares were issued and allotted to M/s Tata Capital Limited.

Your Directors commend the resolution for your approval.

Interest of Directors:

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.'

Item No.8:

Shareholders are aware that the equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and "permitted for trading" on the Bombay Stock Exchange Limited, Mumbai (BSE). The shares are actively traded on both the Exchanges.

The market price of the shares of the Company has witnessed significant spurt over the last 3 years. With a view to improve the liquidity of the Company's shares in the stock markets and to make it affordable and in more conveniently marketable lots for the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 28th May 2010, considered it desirable to sub-divide the existing nominal value of Rs.10/- (Rupees Ten only) of the equity and un-classified portion of the Authorised Share Capital of the Company into Re.1/ (Rupee One only).

The present nominal value of each equity and un-classified share of Rs.10/-(Rupees ten only) per share will, consequent to the sub-division, be divided into 10 (Ten) equity shares of Rs.1/-(Rupee one only) each. It is proposed that new share certificates with new distinctive numbers giving effect to the above sub-division of the issued equity shares will be issued to the shareholders against surrender of the existing share certificates.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association and Article 5 in the Articles of Association of the Company relating to equity shares and unclassified shares also need relevant amendment to give effect to the sub-division.

Your Directors commend the resolution for your approval.

Interest of Directors:

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Item No.9:

Consequent to (a) the classification of 200,00,000 (Two crore) un classified shares of Rs.10/-(Rupees ten only) forming part of the Authorised Share Capital of the Company into 200,00,000(Two crore) Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-(Rupees ten only) each and (b) the sub-division of 1,28,97,748 (One crore twenty eight lakhs ninety seven thousand seven hundred and fourty eight) Equity Shares of Rs.10/- (Rupees ten only) each into 12,89,77,480 (Twelve crore eighty nine lakhs seventy seven thousand and four hundred and eighty) equity shares of Rs.1/- (Rupee one only) each, and 2,21,02,252 (Two crores twenty one lakhs, two thousand and two hundred fifty two) unclassified shares of Rs.10/- (Rupees ten only) each into 22,10,22,520/- (Twenty two crores ten lakhs twenty two thousand five hundred and twenty) unclassified shares of Rs.1/- (Rupee one only) each, the existing

clause V of the Memorandum of Association of the Company is to be altered as set out in the resolution against this item.

Your Directors commend the resolution for your approval.

Interest of Directors:

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Item No.10

Consequent to the alteration in Clause V of the Memorandum of Association of the Company, the Articles of Association is also proposed to be altered by deleting the existing Article 5 and substituting the

same with new Article 5 as set out in the resolution against this item.

Your Directors commend the resolution for your approval.

Interest of Directors:

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

Place: Chennai
Date: 28th, May, 2010

For and on behalf the Board



(V. L. DUTT)

Chairman and Managing
Director

Board of Directors

Dr. V.L. Dutt
Chairman and Managing Director



Smt. V.L. Indira Dutt
Joint Managing Director

Smt. Kavitha Dutt Chitturi
Executive Director



Sri. V. Gandhi
Technical Director

Sri. O. Swaminatha Reddy
Director



Sri. V.H. Ramakrishnan
Director

Sri. A. Ramakrishna
Director



Sri. Pinnamaneni Koteswara Rao
Director

Corporate Social Responsibility

Corporate Social Responsibility is now more relevant than ever. For long, it has been helping us build trust with our communities. The rapid societal changes in the era of globalisation and the incumbent challenges that need immediate attention have been making it imperative on corporates to take up social responsibilities in a big way. Your company has been tending to all its communities long before this trend caught up with others.

At KCP, economic, social and environmental responsibility forms an integral part of its business.

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



Environment protection

At KCP, environment program includes setting new targets for energy efficiency, reducing the use of natural resources, promoting the use of alternative fuels and materials, extending waste heat recovery systems, utilisation of waste products and re-engineering the processes and products to reduce energy consumption.

At all of your Company's Units we adopt clean technologies and processes that combine both economic progress and sustainable environment. All units of the Company are ISO 9001:2008 Certified.

Our Cement unit in Macherla was adjudged 2nd best at the state level and bagged 2nd prize on Energy Conservation for the year of 2008-09.

In its quest to maintain the ecological balance, KCP is developing a Green Belt in and around Macherla. Planting of saplings on a monthly basis apart from planting additional saplings on special occasions is being taken up on a serious scale. Hundreds of saplings have been planted so far to develop the greenery in Macherla and its surroundings. The program of planting saplings has been vigorously pursued this year too.

The KCP Management donated 5000 saplings to Green Team Jaggaiahpet on the eve of Anti Pollution day on 02.12.2009.

A Helping Hand

In October 2009, when nature's fury by way of floods submerged many areas in and around Muktyala where our new cement plant is about to be commissioned, your company took a very humanitarian decision to lend a helping hand to the marooned people. Many affected people were convinced to vacate their villages and take shelter in our plant premises. Food and other essential and relief material was supplied to all the people. The Government of Andhra Pradesh expressed its happiness over our timely assistance rendered to these victims of the floods.

When people belonging to its nearby villages faced similar fate due to the floods, the Macherla cement production unit took up the task of providing utensils to the affected people and also distributed food packets to them.

Health Programmes:



Healthcare and wellbeing of the community has always been in the forefront of KCP's scheme of things. Many health camps were held for the benefit of the local community.

Macherla cement unit organised a Bone Mineral Density Tests Medical Camp at its Medical Center. This programme was conducted by UNICHEM Company of Mumbai. More than 500 people attended the Camp.

Several programs to create awareness on swine flu and other diseases were held apart from eye camps.

The New Cement Unit organized a Free Medical Camp on 27th January 2010 at Muktyala Village. Reputed Doctors and Eye Specialists attended on around 250 patients throughout the day, and a number of them were referred for surgery at the Vijayawada Govt Hospital at Company's expense. Medicines were distributed to all the patients, free of cost along with free spectacles to the needy.

The community hall at our Engineering Unit in Tiruvottiyur, like in the past so many years, has been allowed to be used by the Government officials to carry out their pulse polio vaccination programme.

Drinking Water:

A drinking water plant that can generate 2000 ltrs of clean water per hour by reverse osmosis process was commissioned to provide safe drinking water to the people of Polepalli.

Infrastructure:

This year also the management of your company has made repair works to chariot of Lord Chennakesava Swamy in Macherla on the occasion of Lord Chennakesava Swamy Radhosthavam.



KCP has been donating cement bags to various infrastructural development activities in the area. These include building or renovating temples, mosques and repairs to some of the local body offices, police stations, etc. and laying of cement roads, etc.

At Muktyala, when your company came to know that the peer chavadi was in a dilapidated condition, it was renovated and handed over to the villagers in a record time of 2 months.

A new church was built in S C Colony in Muktyala by your company which was declared opened by the Local M.L.A. Sri T. Rajagopal. This church was completed in just 15 days.

Other Activities:

Our Engineering Unit at Tiruvottiyur distributed free water sachets to the devotees at the local Vadivudai Amman Koil temple during Maasi Maasam (Tamil Calendar). This unit has been rendering this service every year for many years.

It is KCP's firm belief to improve and improvise on these activities of social responsibility and expand the scope of their coverage to other areas in a phased manner.

September 14th is being celebrated as Environment Day. Saplings are being planted in and around the Engineering Unit factory premises.



Directors' Report

Dear Shareholders,

- Your Directors have pleasure in submitting their Annual Report together with the Audited Accounts of your company for the financial year ended 31st March, 2010.

2. Financial Results

(Rs. In Lakhs)

Particulars	For the year ended		For the year ended	
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
	Stand Alone		Consolidated (GROUP)	
Gross Turnover	41,175	40,046	68,362	58,501
Profit for the year (PBDIT)	11,053	11,369	17,298	15,427
Less a) Interest and finance charges	949	671	1,336	1,279
b) Depreciation	1,057	914	2,167	2,014
Profit before Tax	9,047	9,784	13,795	12,134
c) Provision for current tax	3,000	3,200	3,166	3,285
d) Fringe Benefit Tax	-	30	-	-
e) Deferred Tax	45	17	79	22
f) Minority share of profit	-	-	1,485	793
Add Refund of Income Tax	-	54	-	54
Net Profit	6,002	6,591	9,065	8,088
Add excess provision /Deferred tax credit	-	-	11	30
Add Surplus brought forward from earlier year	2,347	2,264	5,167	3,557
Less Amount available for appropriations	8,349	8,855	14,243	11,675
Transfer to General Reserve	4,000	5,000	4,000	5,000
Dividend-Preference Shares	74	-	74	-
Interim Dividend- Equity Shares	967	967	967	967
Dividend proposed –Equity Shares	322	322	322	322
Tax on distributed Profits – Equity	219	219	219	219
Tax on Distributed Profits - Preference	12	-	12	-
Surplus carried to next year	2,755	2,347	8,649	5,167

Segment wise Sales performance:

(Rs. In Lakhs)

Particulars	2009-2010		2008-2009	
	Sales Value	% to Total Sales	Sales Value	% to Total Sales
Engineering	16,594.33	40.30%	14,626.08	36.52%
Cement	24,058.00	58.43%	24,962.81	62.33%
Power	47.56	0.12%	35.60	0.09%
Others	475.26	1.15%	421.82	1.06%
Total	41,175.15	100.00%	40,046.31	100.00%

Authorised Share Capital:

In pursuance of the approval of the shareholders at the Annual General Meeting on 27th July, 2009, the Authorised Share Capital of the company was restructured as under:

The total number of 5,50,00,000 shares of Rs. 10/ each was divided into 1,28,97,748 (One crore twenty-eight lakhs ninety seven thousand seven hundred and forty eight) Equity shares of Rs. 10/ each and 4,21,02,252 (Four crores twenty one lakhs two thousand two hundred and fifty two) Unclassified Shares of Rs. 10/ each with power to the Board to divide the shares in the capital for the time being into several classes and attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined and to classify and re-classify them from time to time.

Issue of Preference Shares:

Shareholders at the Annual General Meeting held on 27th July 2009 had authorized the Board of Directors to offer and issue 2,00,00,000 (Two crores) Redeemable, cumulative, Non-convertible, Preference Shares of Rs. 10/ each at a coupon rate to be fixed by the Board in one or more tranches for cash at par or premium on private placement basis to promoters and their group, associates and /or to any other financial institution/banks/companies subject to certain conditions. In pursuance of the same, 2,00,00,000 shares out of the Unclassified and Unissued shares of Rs 10 each were classified by the Board at their meeting held on 29th October 2009, as Redeemable, Cumulative, Non convertible Preference shares of Rs 10/- each. Accordingly, during the year under review, the Board issued to M/s Tata Capital Ltd, on the basis of a Subscription Agreement, 2,00,00,000 12% Non Convertible Redeemable, Cumulative Preference Shares of Rs 10/- each on private placement basis and the allotment was completed on 9th December 2009.

Proposal for sub-division of the Equity and Unclassified Shares:

Considering the need for ensuring improved marketability of the company's equity shares which are listed for the benefit of the retail investor and convenience of better trading of the same, the Directors are of the view that the Equity and unclassified shares in the authorised, issued share capital of the company which are of the face value of Rs.10/- each should be subdivided into Equity and unclassified shares both of Rs.1/- each. Accordingly, suitable resolutions

to amend the relevant clauses of the Memorandum and Articles of Association of the company are being proposed at this Annual General Meeting and are recommended for approval by the shareholders. The Company will obtain necessary approvals from the appropriate authorities where necessary and notify Stock Exchanges etc. in this regard.

Dividend on Preference Share Capital:

Your Directors recommend a maiden dividend of 12% on the Preference Share Capital of the company on a proportionate basis from the date of allotment. The amount of such dividend is Rs 74.30 lacs for the year.

Dividend on Equity Shares:

The Board, based on the performance of the company, had declared and paid three interim dividends of 25% each during the financial year making a total of 75% (Rs.7.50 per share). Your Directors are now pleased to recommend a final dividend of 25% (Rs.2.50 per share) making a total equity dividend of 100% (Rs.10/- per share) for the year. The total payment excluding Dividend Distribution Tax thereon will be Rs. 1,289 Lacs which is the same as in the previous year.

Reserves:

Your company proposes to transfer from out of the profits for appropriation an amount of Rs 4,000 lacs to General Reserve leaving a sum of Rs 2,755 lacs in Surplus Account to be carried forward to the next year.

After the above appropriations, the total reserves of the Company as on 31st March 2010, stand at Rs. 27,189 lacs.

Credit Rating:

The Credit Rating assigned by CRISIL to the company at A- Stable for Term loans and Cash Credit facilities and P2+for Non Fund Based limits remains unchanged.

Fixed Deposits:

The Company's Scheme of Fixed Deposits both under the Fixed and the Cumulative deposit category met with overwhelming response from the shareholders and public alike. The Company thanks the deposit holders for the confidence reposed by them. As at the end of the year on 31st March 2010, the total Fixed Deposits stood at Rs. 62,24,91,000/- compared to Rs. 13,91,50,000/ as on 31st March 2009. As on 31st March 2010, Fixed Deposits matured and unclaimed were Rs.52,07,000/- from 183 depositors. Since

then, Fixed Deposits of Rs.16,75,000/- relating to 53 depositors have been renewed and Fixed Deposits of Rs. 4,11,000/- of 13 depositors repaid.

Projects on hand:

Greenfield Expansion: Muktyala Cement Project

The 1.52 million tons capacity plant being set up at an estimated cost of Rs 352 crores at Muktyala, Krishna District, A.P has progressed well and is expected to be commissioned by September 2010. The Plant is one of the most modern plants of its kind in India with state-of-the-art technology enabling considerable reduction in labour, power and other production costs. Among other statutory approvals, the unit has received the requisite clearance from the Ministry of Forests and Environment Protection and the final approval from the State Pollution Control Board is in the final stages and expected shortly.

Modernization/Expansion: Engineering Unit:

The first phase of the project, namely debottlenecking of the operations has been completed as per schedule. The second phase consisting of the expansion of the Foundry will be taken up on receipt of approvals for civil works for the building from the concerned authorities. Orders for the equipment for this Phase, which are subject to short delivery periods, will be placed thereafter and the expansion completed by the end of the current financial year.

Diversification: Hotel Project at Hyderabad:

As had been reported earlier, the company had proposed to enter the Hospitality sector by putting to use the valuable land available at Hyderabad. A business class Hotel in the three/four Star category has been planned to be set up at the said land. The Hotel is expected to cost Rs. 63.02 crores without taking into account any cost for the land. Financial Closure for the project has been completed with Indian Overseas Bank, Chennai sanctioning a Term loan of Rs 45 crores. The balance of Rs. 18.02 crores is to be sourced from internal generations of the company.

Final building plans have been submitted to the Greater Hyderabad Municipal Corporation and approval for the demolition of the existing structure at the site has been obtained and has been completed. The building permit for commencement of civil works is expected shortly. In the meanwhile, Consultants for Project Management, MEP services, Structural engineering, Kitchen and F&B areas etc have been appointed and are at work to finalise the various aspects of the proposed Hotel. The contract for Civil work has been

awarded and the Project is scheduled to be complete in all respects and the Hotel commissioned within a period of 24 months. Discussions are also being carried on with the reputed Hotel Chains for franchise options and assistance in technical management and marketing of the hotel.

Proposal for a Captive Power Plant:

As part of economising the operations at the New Cement Plant at Muktyala and to ensure continuous supply of adequate quantity of quality power for the unit, a proposal to set up a Captive Power Plant, as a natural backward integration, with a capacity of 2x 18 MW is under active consideration of the company. While initial estimates indicate that the Capital Cost would be around Rs. 160 crores, a Detailed Project Report to study the technical and economic feasibility has been commissioned with a leading Consultancy organization and the same is expected to be submitted shortly. A decision in this regard will be taken after studying the said Report.

Proposal for Cement Packing Units:

With a view to take cement nearer to the consumer and take advantage of logistics in movement of the product, a few packaging units with cement silos are being planned nearer to the consumer bases at Vijayawada and other markets. The cost of establishing such units are marginal and substantial saving in marketing costs are expected to flow with quicker movement of the product to benefit the ultimate consumer.

Corporate Social Responsibility:

The Ministry of Corporate Affairs has brought out a set of voluntary Guidelines, 2009 for responsible business which will add value to the operations and contribute towards the long term sustainability of their business. These guidelines are expected to enable business to focus as well as contribute towards the interests of the stakeholders and the Society. As part of the same, companies are encouraged to introduce in their Corporate Social Responsibility programme, the following matters:

- Care for all Stakeholders
- Ethical Functioning
- Respect for Workers' Right and Welfare
- Respect for Human rights
- Respect for Environment
- Activities for social and Inclusive Development.

The Company's Corporate Social Responsibility (CSR) philosophy focuses on growing the business while ensuring that the concerns encompassing natural environment as well as the communities that live within its areas of operation are suitably addressed. An overview of the activities of the company in the area of CSR is given separately.

Management Discussions and Analysis:

Details of Management discussions and analysis for each segment of the company's business are presented separately for ease of access and study.

Insurance and Risk Policy:

All the Insurable interests of your Company including inventories, buildings, plant & machinery etc. are adequately covered to take care of all the normal risks. The company presently has in place a detailed Risk policy covering the various aspects and action is taken accordingly.

Details of Retiring Directors:

Sri V H Ramakrishnan and Sri A Ramakrishna, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief profiles of the retiring Directors, Sri V H Ramakrishnan and Sri A Ramakrishna are furnished below:

- a) Sri V H Ramakrishnan is a Chartered Accountant and a Cost Accountant by qualification. He is a retired General Manager of Bank of India with more than 36 years of experience in industrial finance, international banking and other related areas in India and abroad. He is on the panel for Nominee Directors of IDBI and other Financial Institutions.
- b) Sri A Ramakrishna is a Structural Engineer by profession and has over 41 years experience in field of management and technology. He retired as President and Deputy Managing Director of Larsen and Toubro Ltd.

Detailed Profile of Retiring Directors:

Name of Director	Sri.V.H.Ramakrishnan	Sri.A.Ramakrishna
Date of Birth	13-04-1941	20-12-1939
Date of Appointment	28-01-2005	28-01-2005
Expertise in specific general functional area	Chartered and Cost Accountant and Former Banker	Structural engineer and Management consultant
Number of shares held in the Company	Nil	Nil
List of outside Chairmanships/ Directorships held	1) Canara Robeco Asset Management Company Ltd. Mumbai – Director 2). Andhra Bank - Director	1) GVK Jaipur Expressway Private Limited - Director 2) Andhra Sugars Limited - Director 3) Madras Cements Limited – Director 4) Ramco Industries Limited – Director 5) GVK Power and Infrastructure Limited – Director 6) GVK Gautami Power Limited – Director 7) International Infrastructure Consultants Pvt. Ltd – Director

		8) GVK Industries Ltd – Director 9) SPEL Semiconductor Ltd – Director 10) Teesta Urja Limited – Director 11) Taj GVK Hotels and Resorts Limited – Director 12) The Andhra Petrochemicals Limited – Director 13) Brigade Enterprises Limited – Director
Chairman/Member of the Committee of the Board of Directors of the Company	1). Audit Committee –member 2). Shareholders grievance Committee –Member 3). Remuneration Committee – Member 4). Investment Committee –Member	1). Audit Committee –Member 2). Shareholders grievance Committee –Member 3). Remuneration Committee – Member 4). Investment Committee –Member
Chairman/Member of the Committee of the Board of Directors of other Public Limited Companies in which he is a Director	1) Andhra Bank-Remuneration Committee of the Board -Member 2) Share Transfer Committee-Member 3) Management Committee-Member 4) Risk Management Committee-Member 5) Customer Services Committee-Member	1) GVK Jaipur Expressway Private Limited – Audit Committee- Member 2) Madras Cements Limited – Audit & Compensation Committee- Member 3) Ramco Industries Limited – Audit Committee- Member 4) GVK Power and Infrastructure Limited – Audit Committee- Member 5) GVK Gautami Power Limited – Audit Committee- Member 6) SPEL Semiconductor Ltd – Audit Committee- Member 7) Teesta Urja Limited – Audit Committee- Member 8) Taj GVK Hotels and Resorts Limited – Audit Committee- Member 9) Brigade Enterprises Limited – Audit Committee- Member

Director's Responsibility Statement:

The Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same.
2. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2010 and of the profit of the company for the year ended as on date .

3. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
4. They have prepared the Annual Accounts on a going concern basis.

Auditors:

M/s Brahmayya and Co, Chartered Accountants, Vijayawada, Auditors of the company retire at the conclusion of the ensuing Annual General Meeting. They are, however eligible for reappointment. They have furnished a certificate to the effect that their appointment will be in accordance with the limits specified in sub section (IB) of Section 224 of the Companies Act 1956.

The Board recommends their reappointment as Auditors of the company to hold office till the conclusion of the next Annual General Meeting.

Cost Auditors:

Pursuant to the directives from the Central Government and provisions of Section 233B of the Companies Act 1956, M/s Narasimhamurthy & Co. Cost Accountants, Hyderabad have been appointed, as Cost Auditors of the company subject to the approval of the Central Government for the ensuring year to conduct the cost audit of the cement units of the company.

International Financial Reporting Standards (IFRS):

The application of International Financing Reporting Standards (IFRS) in the preparation of annual accounts of companies to ensure common reporting formats globally has been engaging the attention of the Government of India. A detailed time table has been drawn up in consultation with the various interests, for the companies to make their Financial Statements IFRS-compliant.

Under the above timeframe, your company will come under Phase-III, namely, "Listed companies which have a net worth of Rs. 500 crores or less will convert their opening Balance Sheet as at 1st April, 2014, if the financial year commences on or after 1st April, 2014, whichever is later, in compliance with the notified accounting standards which are convergent with IFRS".

The company is taking earnest steps to comply with the time table and has plans to take on hand,

preliminary steps in time to be ready for the convergence without any difficulty.

Human Resources:

Industrial Relations in the company, across all its units, have remained cordial throughout the year. The employees have always been a pillar of strength to the company. Your Directors appreciate the significant contribution made by the employees to the operations of your company during the year.

The information required on particulars of employees as per Sec. 217 (2A) of the Companies Act 1956, read with Companies, (Particulars of Employees) Rules, 1975 forms part of this report.

Subsidiary company:

The Company has received exemption from the Government of India vide letter of the Ministry of Corporate Affairs vide letter No. 47/209/2010-CL-III under Section 212 (8) of the Companies Act, 1956 from publishing the Balance Sheet and other statements as per Section 212 of the said Act of its subsidiary company, M/s KCP Vietnam Industries Ltd. Vietnam for the financial year 2009-10. However, a statement giving certain information as required in the said exemption letter is placed along with the Consolidated Accounts.

The company will provide to any shareholder, on request and without any cost, the Balance Sheet and other particulars and statements of accounts of the subsidiary company, M/s KCP Vietnam Industries Ltd. Vietnam as per Section 212 of the Companies Act, 1956.

Consolidated Financial Statements:

As required by Accounting Standard – 21 and Listing Agreement with exchanges, the audited consolidated financial statements of the Company and its subsidiary are attached which also includes the company's share in the Joint Venture Fives-cail KCP Ltd.

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

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

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.

Safety and Pollution Control:

The various units of the company are fully compliant with pollution control measures as directed by the statutory authorities and had the necessary approvals from them. In particular, the new Cement Plant coming up at Mukthiyala has also obtained approval relating to Pollution Control.

Adequacy of Internal control systems:

Your Directors place considerable emphasis on the internal control systems prevalent in the company and its working which is constantly reviewed and management information statements and information generated for analysis and action.

These systems are supplemented and supported with the appointment of external professional firms of Chartered Accountants, namely M/s R G N Price & Co, Chennai and M/s M Bhaskara Rao & Co, Hyderabad. They undertake regular and periodical audits of the financial aspects besides the performance and adherence to internal controls, prescribed manuals and regulatory orders relating to tracking of transactions, selective audit of authorization and sanctions of expenditure such as purchases within the units, stocking of materials, maintenance of stock records etc. They regularly visit the factories and audit the self-regulatory norms prescribed and follow up of recorded suggestions to enhance compliance etc. Detailed reports are presented by both the firms to the Audit Committee at regular intervals, interact with its members on their audit and the reports and analyse risks and their management.

Risk Management System:

Your company which is operating in various business segments and in different cities and countries is aware

of the necessity to take steps to recognize, analyse and mitigate risks, potential and apparent. A comprehensive Risk Policy is in place and every Unit including the Corporate Office has a Risk Management Committee to constantly study the prevalence of risks and suggest steps to mitigate the same. Mitigation includes timely recognition of the risks and action taken to eliminate, minimize their effect or provide for compensatory mechanisms to supplement any financial losses likely to be caused thereby.

Corporate Governance:

The Company has fully complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges. It keeps track of changes in this regard and is constantly taking steps to fall in line to comply with such new provisions as and when they are promulgated or announced by the authorities from time to time.

A separate detailed Report on matters governing Corporate Governance is annexed as part of this Annual Report together with the report of the Auditors on its compliance.

Particulars of Employees:

The information required under Section 217(2A) of the Act and the Rules made thereunder, is provided in an Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Acknowledgements:

Your Directors wish to thank the Central and State Governments, Financial Institutions, Banks, Government authorities, customers, vendors and shareholders for their continued co-operation and support extended. We wish to whole heartedly thank our employees for their sincere and devoted contribution to the company's continued good performance.

Ladies and gentlemen, your involvement as shareholders is deeply valued. Your Directors look forward to your continuing support in all their endeavours.

Place: Chennai
Date: 28th, May, 2010

For and on behalf the Board



(V. L. DUTT)

Chairman and Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Overall Company performance

(Rs. in lakhs)

FINANCIAL YEAR	2009-2010	2008-2009
Sales	41,175	40,046
Profit before depreciation interest & tax (RBDIT)	11,053	11,369
Profit(+)/Loss(-) after tax	6,002	6,591
Current ratio	2.21	2.25
Debt equity ratio	0.33	0.27
Inventory Turnover (times)	4.91	5.12

The overall performance of the company has kept pace with that of the previous year, notwithstanding the much discussed slow down in the economy which was a global phenomenon. The cement unit, in particular, witnessed wide disparity in demand in some parts of the year with margins coming under substantial pressure. The quick correction in economic growth in the country and the management of its own market in this sphere with well oriented policies arrested the fall in selling prices to a large extent and helped in containing the unit's overall Profitability during the year within the reasonable levels.

The performance of the Engineering Division, which also underwent phases of slow deliveries of products due to the global meltdown, acquitted itself well with persistent marketing efforts on the domestic front with higher dispatches and improved order book position. The Profitability also improved over the last year making for overall retention at last year's levels. Presently, the export performance is encouraging and the current year has indications of continued good results.

CEMENT DIVISION

Operational Performance:

FINANCIAL YEAR	2009-2010	2008-2009
Cement produced (MT)	8,07,646	7,20,143
Capacity Utilization (%)	122.37	109.11
Clinker produced (MT)	6,39,411	6,03,921
Clinker purchased (MT)	93,640	22,831
Cement sold (MT)	8,07,646	7,23,124
Turnover (Rs. In lakhs)	24,058	24,963
Segment Profit (Rs.in lakhs)	3,468	4,302

Overview:

The profile of the Cement industry world over is one of a crucial player in infrastructural development. India, ranked as it is, as the second largest in cement production, has a tremendous future and this is well proven by the activity in the domestic area with new capacities, expansions, consolidation moves etc. The level of consumption of cement is an important indicator of economic growth and the economic life of the people. This industry has been given a significant place in the scheme of priorities for facilitating investment process in the industrial development.

Cement Industry is highly fragmented in India with clusters of cement plants near the source of limestone deposits. Being so, the price realization in the five zones of the country (North, East, South, West and Central) is always markedly different with very high prices prevailing in the North and East as compared to the others. Even within these zones, cement price realisation witness wide disparities depending on seasonal factors of demand and supply. The political situation in certain States and the shadow of economic slowdown also had their share in depression of selling prices during the last two quarters of the year that has just passed. The progress of a rally in prices is in no measure due to the very quick recovery of the economy in India thanks to the various corrective measures of the Government of India at the right time.

The sentiment that the proposed addition to existing production capacity by the players in South India could lead to a pressure in selling prices viewed from the context of the situation of peak-level prices in the year 2008-09, has given way to the realisation that the industry has to rise to meet the situation and ensure that demand does not remain static. There is need to create demand across the public and private sectors, of which there is substantial potential due to the large gap in the creation of infrastructure to global standards. With the policies of the Government supporting the intent to go in for large scale development of infrastructure, which alone will keep afloat and improve economic growth, the industry is well poised

for growth and the producers ought to be innovative in playing their part in this endeavor.

Manufacturers are conscious of these needs and are evolving ways and means to move closer to the consumer to ensure faster delivery of cement at minimum cost and avoiding costly and complicated logistics.

Outlook

Under normal circumstances, given a static market and lack of developmental measures from the Government, the materialisation of additional capacities would lead to a pressure on prices and bring down the capacity utilisation levels which would impact working results. It has however emerged that the slowdown in demand was only in the medium term and that given the emphasis of infrastructural development, demand will keep pace with supply of which there is evidence in the recovery of the economy and gradual rise in selling prices.

Your company is seized of the situation and with the expected additional production from its Muktyala unit to commence production from about September 2010, is taking all necessary initiatives to market its production at optimum prices.

Risks:

Optimal use of the new Capacity utilization especially in the South zone would be a major challenge for the market players. This is greatly dependant on the expected resurgence of the economy which has shown tremendous growth in the first quarter as seen from figures given out by the government. The growth momentum is expected to accelerate considerably in the ensuing months and reach level that were projected before the advent of the slow down. Cement, due to its volume and bulk, is a product in which transport costs play a significant part in the cost to companies. Various alternate measures of reducing dependence on road transport including by rail, mini-trucks etc. are continuously being explored to overcome such risks.

The Railways have also been approached for a solution to the problem of paucity of rakes for transport and this is also being looked into.

POWER

A HYDEL:

Operational Performance

FINANCIAL YEAR	2009-2010	2008-2009
Hydel Power generation (in KWH)	3,67,42,900	3,72,47,400
Usage (KWH)	3,63,15,240	3,42,97,104
Turnover (Rs. in lakhs)	984.03	946.83
Segment Profit in (Rs. in lakhs)	298	351

Overview:

Hydel power is consumed on a captive basis in the Cement unit to which the power generated is wheeled through the APTRANSCO subject to payment of wheeling charges. Electricity not wheeled to the cement unit if any, at the end of 12 months can be sold to the grid to be paid for at the purchase price as per the terms of the agreement with Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO).

Though there has been a marginal fall in the total number of days during which power was generated, the copious flow of water during the period enabled the company to relatively generate more electricity.

Risks:

Hydel power, dependent on water released by the State Government based on the monsoon, is normally generated for about 7 months in a year. Monsoon therefore plays a very significant role and any deficit of rains can have a direct bearing in the release of water for power generation. However, the company has been taking sufficient steps to ensure that the flow is optimally utilised by adequate maintenance of its Plant and equipment to increase generating capacity and also by ensuring the strengthening of the bunds and maintenance work.

B.THERMAL ENERGY GENERATION UNIT, MACHERLA (Waste Heat Recovery):

FINANCIAL YEAR	2009-2010	2008-2009
WHR Power generation (in KWH)	1,32,89,600	1,37,88,800
Usage (KWH)	1,32,89,600	1,37,88,800
% of utilisation	100%	100%
Turnover (Rs. in lakhs)	358.82	379.19
Segment Profit (Rs. in lakhs)	109.23	139.95

Overview:

Waste Heat Recovery to tap the energy otherwise sent into the environment is a vital feature of economising operations in cement units which also greatly contributes in the protection of the environment. As a result, the company was also able to earn and convert carbon credits (under Voluntary Emission Reduction (VER)) for the period prior to the period of registration and bank the units pending a recovery of the prices of carbon credits in the global market. Various steps have been taken to ensure proper maintenance of the equipments.

Risks:

The latest technology has undergone a metamorphosis with the trend now being to go in for a sixth stage Preheater. Nevertheless, the company has been able to show profitable operations coupled with the possibility of carbon credits accruing under Carbon Emission Reduction (CER) from the date of registration i.e. 19th November 2008. This is expected to be realized in the current year depending upon the prevailing price of the same in the international markets.

C. WIND POWER GENERATING UNIT:

Operational Performances :

FINANCIAL YEAR	2009-2010	2008-2009
Units generated (KWH)	93,24,851	79,09,322
Capacity Utilisation	87.65%	75.32%
Segment Turnover (Rs. in lakhs)	332.16	302.59
Segment Profit (Rs. in lakhs)	24.88	20.38

Overview:

The power generated from Windmills is wheeled to the Engineering unit of the company at Tiruvottiyur in accordance with the Agreement with the Electricity Board for the same which also provides for payment of wheeling charges. The operations from this unit has been in line with the previous year and the company has ensured preventive maintenance of its facilities through the O&M arrangement with the vendor who

manages the operation of the three units of 1.25MW each.

Risks:

The velocity of wind is a major factor in the power generation from this mode. Though the area is ideal, the wind velocity is neither uniform nor continuous. Optimisation of generation during the advantageous periods is vital and the company takes steps to ensure the same. The O & M agreement also provides for necessary penalties for shortfalls from defined and set standards.

ENGINEERING DIVISION

Operational Performance:

(Rs. in lakhs)

FINANCIAL YEAR	2009-2010	2008-2009
Turnover :		
Domestic	12,337	10,836
Export	4,257	3,790
Segment Profit	5,971	5,556

Overview:

Given the limited areas of availability of natural resources in the country, the manufacture of engineering products such as Capital Goods was given great emphasis by the Government of India even in the initial stages of the planning process since the dawn of independence. The Engineering Industry is one of the earliest to be developed in the country. However, with many policies which were bound by industrial licensing and other restrictive measures, real growth could take place only after the liberalisation process was set in motion in 1990-91.

While this Sector had its place in the country's GDP from earlier days, the qualitative quantum growth in recent years has brought it into the global focus. Exports have grown exponentially with leaders in technological arena looking to India for sourcing many products for consumption in their own plants. The real key may be said to be in achieving maximum import substitution and export promotion.

The company, well aware of the above factors had given an impetus to this segment from the days of its inception with constant upgrading of technology,

continuous installation and replacement of modern machinery and equipment all of which have resulted in the creation of a versatile Engineering Unit. The versatility of the Engineering Unit due to the strength of its facilities has been ranked as one of the few companies capable of designing and producing certain specific products for industry such as huge gears. The unit has therefore emerged as one of the few that are capable of designing, planning and producing goods for a varied segment of the industrial sector such as sugar, cement, power, chemical and atomic industries.

Risks:

However, the raw materials used are substantially of domestic origin and in some instances, need to keep pace in quality with international standards, particularly, in terms of dimensional tolerances and metallurgical properties which can affect the quality of the final product. In addition, there are other disadvantages in the form of external factors and costs like inadequate and low quality power, infrastructure, high cost of finance and inefficiencies in logistics such as warehousing, transportation and distribution. There also exist price disadvantages due to taxation issues which are beyond the control of the producers and suppliers of such raw materials. These factors result in the distortion of production cost being suffered by the domestic capital goods industry and thereby lack of a level playing ground. The global economic slowdown has witnessed delays or shelving of many large projects making some investments redundant. Capital outlays have been cut and many customers are cash strapped.

The company has, even from the last two years, given adequate consideration to most of these problems and has taken on hand a major modernization and expansion programme as informed last year. The completion of this programme will result in bringing down costs of production by reducing bottlenecks and streamlining processes as also enhance the capacity to produce large castings to meet the growing requirements of some of the industrial sectors like sugar, cement etc. Based on the initiatives taken and coupled with the inherent skills in manufacturing and marketing, it is expected that this Unit will be able to maintain growth in its Order Book position.

BIOTECH UNIT AT HYDERABAD:

Operational Performance:

FINANCIAL YEAR	2009-2010	2008-2009
Production (Kgs)	27,865	64,952
Turnover : (Rs in lakhs)	468.85	414.71
Domestic	255.49	134.50
Export	213.36	280.21
Segment Profit (Rs in lakhs)	-69.68	-590.15

Overview:

The division was beset with very low raw material availability at very high prices. Though selling prices were better than in the previous year, the issue concerning raw material prevented the division from maximising its operations with the result that the production was much lower than the previous year. The division has however been able to reduce the cost of Interest and finance charges. The company is striving to make the unit profitable which was the objective of the merger of the unit with the company.

While the amalgamation of the unit with this company under the Companies Act, 1956 is complete, the Income-tax Act, 1961 provides for the set off of carry forward losses and unabsorbed depreciation of the erstwhile subsidiary company against the profits, subject to certain conditions. One of the major conditions is that the division should achieve a production level of at least 50% of the installed capacity within four years from the date of amalgamation and also to maintain the same in the fifth year for this purpose. The company is earnestly striving to achieve the requisite production level of 50% in the current year, 2010-11 which is the fourth year. Considering the nature of the industry and its reliance on agricultural products as raw materials, the company proposes to make an application to the Central Government seeking a relaxation of the quantum and/or time for meeting the above requirements as permitted under the law.

Risks:

Being agro-based, vagaries of the monsoon and consequent availability of the raw materials affect the operations. Global demand for the finished goods also has its hand on the profitable operations as the bulk is exported.

Outlook :

Biotech, being a sunrise industry and also being agricultural based, holds lot of potential and needs to be properly nurtured to become profitable over a period of time. The current year promises to be good with the monsoon expected to be normal making for comfortable availability of raw materials. Operations from the Biotech Unit are therefore expected to show an improved performance.

Joint Venture**Fives Cail KCP Limited:**

During the year under review, Fives Cail KCP Ltd., a Joint venture of this company with Fives Cail of France, has reported a Net Profit of Rs. 491 Lacs on Sales of Rs. 16012 Lacs. Considering the good performance of the sugar industry in recent times and the many efforts at consolidation and expansion of capacities, it is expected that this company, which is engaged in the sale of machinery and equipment and provision of technology to the sugar industry, will continue to progress well and increase its turnover and its profits in the coming years. As a matter of caution, it has to be recorded that the policies of the Government of India in regard to the sugar industry in various controls, import of raw sugar at low prices with duty exemptions etc. will have their effect on the performance of this company also.

Subsidiary:**KCP Vietnam Industries Limited**

Particulars	12 months ended March 2010	12 months ended March 2009
Crushing Capacity (TPD)	5,000	5,000
Cane Crushed (Mts)	5,56,697	6,55,281
Sugar produced (Mts)	57,939	65,936
Recovery Rate (%)	8.90	9.09
Average Sales Realization (Rs/mt)	31,535	23,137
Profit before Tax (Rs in lakhs)	4,580	2,437

During the year under review the Dong Xuan Sugar factory expansion project for a capacity of 1000 TPD was taken up.

The subsidiary had initially been given registration under the foreign Investment Law . the company has now received the Registration under Enterprise Law 2005 which facilitates the company to enter into all the business areas allowed under the Law in Vietnam.

Overview:

Turbulence in weather conditions during the part of the year on account of a local storm impacted the operations and led to crop damage and resulted in lower output of sugarcane as also rate of recovery. However, the increase in selling prices of sugar, both in the domestic and international markets neutralized the negative impact and brought in improved financial results.

The company is pursuing its application to the specified authority in Vietnam for the setting up of a 16MW Co-generation plant which is under process. Further steps in respect of the Project such as selection of equipment, funding, negotiation and entering into a Power Purchase Agreement would be taken up after the formal approval by the authorities.

Risks:

Sugar industry has always been cyclical and is vulnerable to the vagaries of the climatic conditions and resultant impact on prices and profitability. The company is getting itself geared to ride this pattern with a mix of other related byproducts which will act as an insulation to the fluctuations of the main product, namely sugar.

Sudalagunta Sugars Limited:

The balance of the investment in the company has been liquidated and realisation obtained.

Place: Chennai
Date: 28th May, 2010

(FOR AND ON BEHALF OF THE BOARD)



(V.L. DUTT)
Chairman and Managing Director

Annexure 1

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

As a responsible Corporate Citizen Energy conservation has been given top priority across all divisions and units of the Company

Some of the initiatives taken by various units of the Company during the year 2009-10 are as follows:

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

Engineering unit:

- ❖ Fixing of Variable voltage frequency devices in all induction motors.
- ❖ The total HP of the motors modified so far is 1000 HP and the energy saving per hour is 80 kwh.
- ❖ 1000 lights were replaced with energy saving Electronic ballast. The energy saving is 1900 kwh per day.

Cement Production Unit:

- ❖ Provided 8 no's of VFD with AC motors in place of DC motors, thereby power saving of 0.38 KWH/MT of cement achieved.
- ❖ 60 nos. of CLF bulbs replaced in place of ordinary bulbs, thereby power saving of 0.08 KWH/MT of cement achieved.
- ❖ Cement mill No. 2, 3 & 4 CA Fans dampers removed, thereby power saving of 0.21 KWH/MT of cement achieved.
- ❖ Dry fly ash conveying roots blower & Kiln coal firing roots blower speed optimized, there by power saving of 0.62 KWH/MT of cement achieved.

(b). Additional Investments and Proposal for reduction of consumption of energy:

Engineering Unit:

- ❖ To fix variable voltage frequency devices for all the remaining motors
For a total HP of 1000 and the saving would be 80 kwh per hour. Approx. cost is
Rs. 20 lacs

Cement Unit:

- ❖ Planning to arrange 7 nos. of VFD drives with AC motors. Estimated cost : Rs.15 lakhs. Estimated power saving: 0.23 KWH/MT of cement.
- ❖ Re circulation system in raw mill circuit. Estimated cost : Rs.15 lakhs. Estimated power saving: 1 KWH/MT of cement.

(c). Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The measures as (a) have helped in reduction of power consumption to the extent indicated and utilisation of waste and proposals as in (b) shall continue to help in reduction of power and fuel consumption.

(d). Total energy consumption and energy consumption per unit of production

As per Form 'A' of this Annexure

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts made in technology absorption – as per Form 'B' of this Annexure

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on foreign exchange earnings and outgo is provided in page number 65 in Notes forming part of Accounts.

FORM - B
(See Rule 2)

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R&D)**1. Benefits derived as a result of the R&D**

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

2. Future plan of action

- a) Capability development for characterisation of waste fuels.
- b) Understanding and linking process parameters to environmental emissions.
- c) Develop low energy cement.

3. Expenditure on R&D

	(Rs)	
	2009-10	2008-09
a. Capital Expenditure	-	-
b. Recurring Expenditure	2,39,338	2,07,444
c. Total expenditure	2,39,338	2,07,444
d. Total R&D expenditure as % of turnover	0.006	0.006

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief, made towards technology absorption, adaptation and innovation:**

- ❖ Training of plant and R&D personnel in absorption of specific skills in use of alternative fuels.
- ❖ Participation in international and national conferences / seminars.

2. Benefits derived as a results of the above efforts:

- ❖ Improvement in cement manufacturing process for increased use of alternative fuels.
- ❖ Reduction in cost of cement production and impact on environment protection.

FORM A
(SEE RULE 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY
CEMENT UNIT, MACHERLA .

POWER AND FUEL CONSUMPTION	CURRENT YEAR 2009 - 10	PREVIOUS YEAR 2008 - 09
1. ELECTRICITY		
A). PURCHASED FROM APSEB		
Unit K.W.H	1,86,05,806	2,18,30,217
Total Amount Rs.	7,57,81,915	8,47,17,976
Rate/Unit Rs.	4.07	3.88
B). OWN GENERATION		
1) THROUGH DIESEL GENERATOR		
Unit K.W.H	6,63,244	2,74,442
Units per Ltr.of Diesel Oil	3.58	3.31
Cost/Unit Rs.	14.97	20.82
2) THROUGH HYDEL POWER		
Unit K.W.H	3,49,64,753	3,01,81,190
Total Amount Rs.	9,37,78,715	8,30,73,084
Cost/Unit Rs.	2.68	2.75
3) THROUGH W H R POWER		
Unit K.W.H	1,11,97,748	1,17,98,200
Total Amount Rs.	3,02,33,920	3,24,45,053
Cost/Unit Rs.	2.70	2.75
2. COAL (SPECIFY QUANTITY AND WHERE USED)		
Qty Tonnes	1,11,883	1,21,234
Total cost Rs.	43,13,31,938	54,11,68,931
Average rate Rs.	3855.21	4463.84
3. DIESEL OIL		
Qty (Ltrs)	4,500	8,000
Total cost Rs.	1,55,259	2,86,835
Average Rate Rs.	34.50	35.85
4. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity KWH	86.16	91.86
Coal	0.175	0.179
Others (Specify)	-	-

ANNEXURE 2

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report

Employed throughout the year ended 31st March, 2010 and were in receipt of remuneration aggregating not less than Rs. 24,00,000(PA).

Sl. No.	Particulars	1	2	3	4
1	Name	Sri. A.V. Sivarama Prasad	Sri. K. Ramakrishna	Sri. S. Harinatha Babu	Sri. M.R. Ramachandran
2.	Designation	Vice President (HRD & S)	Vice President (CMU)	General Manager (CPU)	Chief Financial Officer
3.	Qualification	B.E. (Mech). Ph.D.	B.Sc PGDMSM, (Exec-MBA)	Dip. Electrical Engineering	ACA, ACS, CWA
4.	Experience	23 years	25 years	32 years	30 years
5	Date of Commencement of Employment	01/12/1997	22/04/1991	01/07/1978	08/08/2008
6	Salary in Rs.	32,67,565	27,39,690	22,79,845	22,36,249
7	Commission in Rs.	-	-	-	-
8	Benefits in Rs.	3,64,401	3,18,906	3,18,906	2,90,615
9	Total Remuneration in Rs.	36,31,966	30,58,596	25,98,751	25,26,864
10	Nature of employment	Contractual	Contractual	Contractual	Contractual
11	Date of Birth	24/09/1959	03/06/1964	01/04/1957	21/09/1954
12	Particulars of previous employment				
	Name of the Employer	Tata Consultancy Services	Annapurna Cement	-	Empee Sugars & Chemicals Limited
	Designation & period of employment	Consultant-10 years	3 years	-	1 ½ years Vice President –Finance & Secretary
13	Number of shares held in the Company	350	NIL	NIL	NIL
14	Relationship with the Directors	NIL	NIL	NIL	NIL

Report on Corporate Governance

Corporate governance is the set of rules, customs, policies and laws affecting the way the company is directed, administered or managed

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that

- Effective Corporate Governance is an essential component of a successful enterprise in a globalised economy.
- Value addition through wider consultations and compliance of standards sharpens the organizational skills to achieve results better than before.
- Appropriate disclosures to shareholders ensure adequate information to assess and match risk of and reward from the enterprise.
- Consequently, Corporate Governance delivers a cohesive group of shareholders who cherish similar values, share similar perspectives and expect similar returns.

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 being managed by 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 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. As on 31st March, 2010, the Board has 8 (eight) members, comprising of 4 (four) Executive Directors (including Chairman & Managing Director) and 4 (four) Non-executive Independent Directors.

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

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which they are Directors.

The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreement.

During the year SIX Board meetings were held on the following dates:

06/04/2009, 28/05/2009, 27/07/2009, 17/08/2009, 29/10/2009, 28/01/2010.

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

Board Meetings/AGM - Attendance & Directorships/Committee Memberships

The names and categories of the Directors of the Company on 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:

Directors	No. of Board Meetings attended out of 6 Meetings held during the year	Attendance at last AGM (25-09-2009)	* No. of other Directorships		* No. of other Board Committees in which Director is a member / Chairman		No. of shares held by Directors
			Chairman	Member	Chairman	Member	
Non-Executive Independent Directors:							
Sri Pinnamaneni Koteswara Rao	5	P	1				1,920
Sri V.H. Ramakrishnan	5	P		2			-
Sri A. Ramakrishna	5	P		11	1	7	-
Sri O. Swaminatha Reddy	5	p	4	4	4		-
Executive Promoter Directors:							
Dr. V.L. Dutt, Chairman & Managing Director	6	P	1	1		1	5,49,325
Smt. V.L. Indira Dutt, Joint Managing Director	6	P	1	1			2,80,374
Smt. Kavitha D Chitturi, Executive Director	6	P					59,975
Executive Non Promoter Directors							
Sri V. Gandhi, Technical Director	6	P		1			204

* Represents directorships and memberships of audit and investors grievance committees, in public limited companies governed by the Companies Act, 1956.

Code of Conduct.

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

Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct.

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.

b) Remuneration of Directors

i) Remuneration to Non-Executive Directors.

During the year, non-executive Directors were paid sitting fees of Rs. 10,000/- (Rupees Ten Thousand only) each for every meeting of the Board and Committees

of the Board attended by them till 28/05/2009. The revision in sitting fees was discussed and approved in the Board meeting held on 28/05/2009 and with effect from the Board and Audit Committee meetings held on 27/07/2009, the sitting fees for attending Board and Audit Committee meetings was increased to Rs.20,000/- (Rupees twenty thousand only) which is within the limits prescribed under the provisions of the Companies Act, 1956.

The details of sitting fees paid to Non- Executive Directors for the year 2009-2010 (for attending the Board Meetings, Audit Committee meetings, Remuneration Committee Meeting and Share Allotment Committee Meeting) are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	1,60,000/-
Sri. Pinnamaneni Koteswara Rao	1,50,000/-
Sri. O. Swaminatha Reddy	1,60,000/-
Sri. A. Ramakrishna	1,50,000/-

(ii) Remuneration to Executive Directors

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

Particulars of their remuneration for the year ended 31st March, 2010 are given below :

Particulars of Executive Directors	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman & Managing Director	23,70,909	2,19,60,297	2,43,31,206
Smt. V.L. Indira Dutt Joint Managing Director	24,94,334	2,18,36,872	2,43,31,206
Smt. Kavitha Dutt Chitturi Executive Director	18,78,484	78,53,998	97,32,482
Sri. V. Gandhi Technical Director	22,77,184	74,55,298	97,32,482

II. COMMITTEES OF THE BOARD

A. Audit Committee

BROAD TERMS OF REFERENCE

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

During the year, four Audit Committee meetings were held on the following dates :

28/05/2009, 27/07/2009, 29/10/2009, 28/01/2010.

The Audit Committee comprises 4 Non-Executive Independent Directors and an Executive Director. The Committee was chaired by a Non-Executive 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 Sec 292A of the Companies Act, 1956.

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

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri O. Swaminatha Reddy - Chairman	4	4
Sri V.H. Ramakrishnan	4	4
Sri A. Ramakrishna	4	3
Sri. Pinnamaneni Koteswara Rao	4	4
Executive Promoter Director :		
Smt Kavitha D Chitturi	4	4

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

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements of the Company before submission to the Board of Directors. It has also reviewed the financial and other specified information of subsidiary Company. It has reviewed the Internal Audit reports and discussed the same with them and the concerned officers of the Company, to address the matters contained therein. It has also taken on record the appointment of the Statutory Auditors, Cost Auditors and recommended to the Board the remunerations payable to them, and also to the Internal Auditors.

Sri O. Swaminatha Reddy, the Chairman of the Audit Committee, attended the Annual General Meeting of the Company held on 27th July 2009.

B. 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 Committee did not have an occasion to meet during the year, 2009-10.

The Investment Committee comprises the following 3 Non-Executive Independent Directors. The Committee was chaired by an Independent Director, Sri. O.Swaminatha Reddy.

Non-Executive Independent Directors :

Sri O. Swaminatha Reddy - Chairman

Sri V.H. Ramakrishnan

Sri A. Ramakrishna

C. Share Transfer, Transmission and issue of share certificate committee

This Committee is constituted to approve transfer and transmission of shares.

During the year, 12 meetings of Share Transfer, Transmission and issue of share certificate Committee were held on the following dates:

24/04/2009, 25/05/2009, 30/06/2009, 27/07/2009, 28/08/2009, 30/09/2009, 06/11/2009, 07/12/2009, 31/12/2009, 05/02/2010, 08/03/2010, 31/03/2010.

The Committee comprising of the following executives of the Company

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

Sri. M.R. Ramachandran - Chief Financial Officer

Sri. Y. Vijayakumar – Company Secretary

Sri. S. Nandkumar – Senior Manager – Accounts – RO

Sri. S. Sankaran – Senior Manager – Legal – RO

D. Shareholders' / Investors' Grievance Committee

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

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

Sri O.Swaminatha Reddy, Chairman

Sri V.H. Ramakrishnan, Member

Sri A. Ramakrishna, Member

As per the confirmation received from M/s. Integrated Enterprises India Limited. The Company's Registrar and share transfer Agents, no complaints are pending as on 31-03-2010.

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

Remuneration Committee

This Committee evaluates the financial position and state of affairs of the Company vis-à-vis the prevailing comparable remuneration structure of managerial personnel in other Companies and determines the remuneration and benefits for Board Members. The Committee met on 28/05/2009 during the year, 2009-10.

The Remuneration Committee comprises the following Independent Directors:

Sri O.Swaminatha Reddy, Chairman

Sri V.H. Ramakrishnan, Member

Sri A. Ramakrishna, Member

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

III. SHAREHOLDER INFORMATION

1. Ensuing Annual General Meeting

Date and Time : Wednesday, 28th July 2010 at 11.00 a.m.

Venue : "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008

2. Financial Year : April 1st to March 31st

3. Financial Calendar :

1st Quarter – 1st April to 30th June – Last week of July

2nd Quarter – 1st July to 30th September – Last week of October

3rd Quarter – 1st October to 31st December – Last week of January

4th Quarter – 1st January to 31st March – Last week of May (audited)

4. Book Closure : 17th July 2010 to 28th July 2010 (Both days inclusive)

5. Dividend Payment Date : On or before 27th August, 2010

6. Address for correspondence : Secretarial Dept. Regd Office.

7. 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	INE 805C01010
Central Depository Services (India) Ltd	INE 805C01010

The Company has paid the listing fees to the National Stock Exchange of India Limited (NSE) for the year 2010-2011.

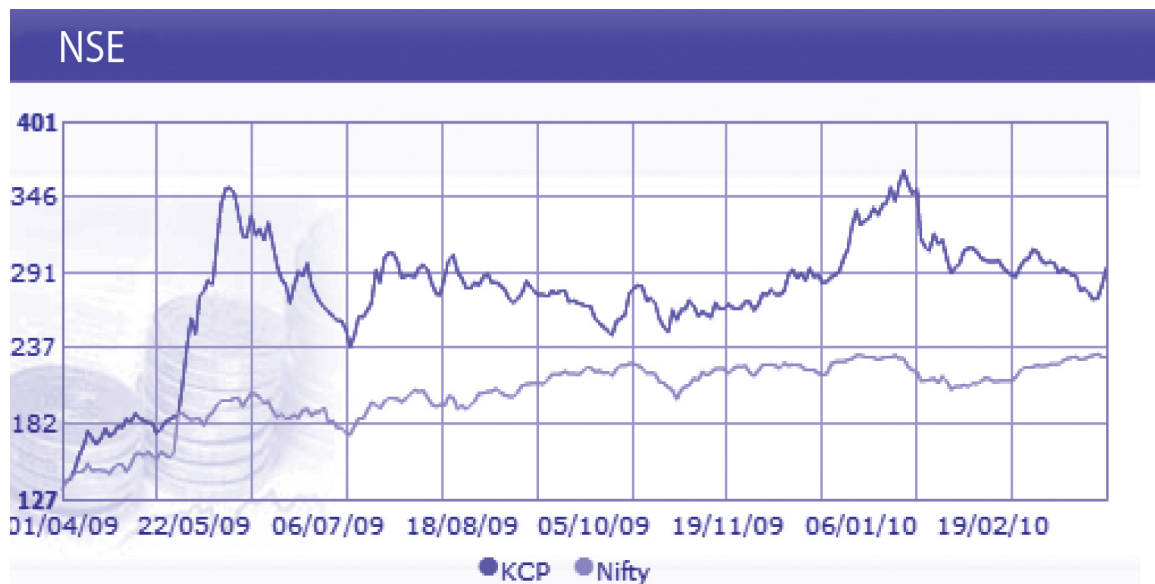
8. Share Price Data

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2009	197.80	128.90
May 2009	309.95	166.00
June 2009	368.00	268.10
July 2009	320.00	227.25
August 2009	323.70	261.10
September 2009	297.00	265.00
October 2009	295.00	243.50
November 2009	279.85	255.00
December 2009	314.80	268.00
January 2010	399.40	261.55
February 2010	329.50	280.10
March 2010	315.00	268.25

9. Relative Stock Performance :

The KCP Limited price Vs NSE Nifty



For the period 01.04.2009 – 31.03.2010

10. Registrars & Share Transfer Agents For demat & physical shares:

Integrated Enterprises India Limited
II Floor, "Kences Towers"
No.1, Ramakrishna Street, North Usman Road
T.Nagar, Chennai 600 017.
Ph : 2814 0801
Email: sureshbabu@iepindia.com
www.iepindia.com

11. Share Transfer System :

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

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

In addition, a Secretarial Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

12. Distribution of Shareholding as on March 31st, 2010

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
1 – 500	15,409	90.19	14,08,758	10.93
501 – 1000	783	4.58	5,79,321	4.49
1001 – 2000	407	2.38	5,79,848	4.50
2001 – 3000	151	0.88	3,71,864	2.88
3001 – 4000	79	0.46	2,77,438	2.15
4001 – 5000	58	0.34	2,70,193	2.10
5001 – 10000	96	0.56	6,63,589	5.15
Above 10001	102	0.70	87,41,105	67.80
TOTAL	17,085	100	1,28,92,116	100

13. Categories of Shareholding as on March 31st, 2010

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	128	73,859	0.5729
Bank Foreign	1	50	0.0004
Foreign Institutional	1	50	0.0004
Indian Financial Institutions	14	2,62,132	2.0333
Indian Promoters	26	59,64,124	46.2618
Mutual Funds & UTI	6	3,76,650	2.9215
NRI / OCBs	285	2,32,698	1.8050
Private Corporate Bodies	377	4,26,006	3.3044
Indian Public	16,244	55,52,016	43.0652
Trusts	3	4,531	0.0351
TOTAL	17,085	1,28,92,116	100

14. Dematerialization of Shares and Liquidity

Out of the total Equity Capital 56,29,327 Equity shares are held in dematerialized form with NSDL and CDSL as on March 31st, 2010.

15. The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments that are outstanding at the Balance Sheet Date.

16. Plant Locations :

CEMENT	Macherla - 522426 Guntur District, Andhra Pradesh Muktyala - 521175 Krishna District, Andhra Pradesh
ENGINEERING	Tiruvottiyur Chennai 600 019. Tamilnadu Mosur Road Ekhunagar, Arakonam 631 004 Tamilnadu
ELECTRICITY ENERGY	
HYDEL UNIT	B.No. AE-1, NSP Colony Nekarikallu 522 615, Guntur District, AP
WIND POWER	Uthumalai Village Tirunelveli District, Tamilnadu
THERMAL UNIT	Macherla - 522426, Guntur District, AP
BIO TECH	Plot No.14, S.P.Biotech Park Genome Valley, Turkapally (village) – 500078 Shameerpet (Mandal), R.R.District, AP

17. Compliance Certificate of the Auditors

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2009, September 30, 2009, December 31, 2009 and March 31, 2010. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the stock exchanges. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors/officers /designated employees. Under this Code, they are prohibited to deal in shares of the Company during the closure of Trading Window and other specified period(s).

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.

Donations to V Ramakrishna Charitable Trust:

V Ramakrishna Charitable Trust, a public charitable trust, has proposed to erect a modern state-of-the-art Cultural-cum-Convention Centre with an area of about 75000 square feet, on land owned by it, for the conduct of cultural activities and a Corporate Centre to be called "VELAGAPUDI RAMAKRISHNA-KCP CULTURAL AND CONVENTION CENTRE". The Cost of the Centre is estimated at about Rs. 10 crores. The income from the Centre will enhance its charitable activities. Considering that the Centre is being put up to honour and perpetuate the memory of the founder of this Company, your Board of Directors thought it fit to associate in the Project fully and have, during the year under review, donated a sum of Rs. 4 crores which together with donations made in previous years, makes a total of Rs. 8.80 crores.

IV. OTHER DISCLOSURES

1. During the year there were no materially significant related party transactions that might have had potential conflict with the interest of the company at large.
2. During the last three years, there were no instances of non compliance by the company, with any statutory matters concerning capital markets, nor were any penalties or strictures imposed on it with regard thereto by any concerned regulatory authorities.
3. The company does not have a whistle-blower policy. However, the company does not deny any of its personnel, access to the audit committee.
4. The Company has, to the best of its understanding, complied with all the mandatory requirements of Clause 49 of the Listing Agreement. With regard to the non-mandatory requirements, in addition to the matters already implemented as reported herein elsewhere,
 - There were no qualifications by the auditors that are material in nature, and the company is taking corrective steps in response to the observations if any made by the auditors.

- All the Directors of the company have considerable experience and expertise as directors in this company and other companies, and hence in the opinion of the Board no further training or evaluation is considered necessary for them.
 - For the time being there is no ceiling on the tenure of the non-executive directors.
5. During the year the Company has issued 200,00,000 12% Redeemable, Cumulative, Non-convertible preference shares of Rs.10/- each to M/s Tata Capital Limited, at par on private placement and preferential allotment basis.
 6. Adoption of Non-mandatory requirements of clause 49 of the listing agreement are being reviewed by the Board from time to time.

1. Details of Annual General Meetings & Special Resolutions :

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

Year	AGM	Location	Date	Time	Special Resolutions considered thereof	Result
2007	66th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	13/08/2007	3.00 p.m	Appointment of Auditors	Passed
2008	67th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	25/09/2008	11.00 a.m	-	-
2009	68th	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	27/07/2009	11.00 a.m	Resolution for Alteration in capital clause of the Memorandum of Association.	Passed
					Resolution for Alteration in capital clause of the Articles of Association.	Passed
					Resolution for Issue of 200,00,000, Redeemable, Cumulative, Non-convertible Preference Shares of Rs.10/- each.	Passed

(b) During the year 2009-10, no special resolution was passed through Postal Ballot. As of now there is no proposal for passing any Special Resolution through Postal Ballot.

(c) No EGM was held by the company during the financial year ended 31st March 2010.

Subsidiary Company

The Audit Committee reviews the financial statements of the subsidiary Company KCP Vietnam Industries Limited.

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

2. Means of Communication

The quarterly unaudited financial results and the annual audited financial results, Intimation of Board Meeting date, Record Date, Book Closure and dividend declaration notices are normally published in a leading business daily, viz. Business Line (English) and in Dinamani (Tamil):

The company does not send a half yearly declaration of its financial performance to each household of its shareholders.

The quarterly financial results, annual reports and the share holding pattern etc. are posted on the Company's website at www.kcp.co.in. The Company has not issued any official news release, nor made any presentations to the investors about its financial results during the year. A management discussion analysis of relevant matters forms part of the Report of the Board of Directors.

As per Clause 51 of the Listing Agreement financial results and quarterly compliance reports on corporate governance will be posted on Corporate Filing and Dissemination System (CFDS) at their portal www.corpfiling.co.in.

The Company Secretary as the Compliance Officer is responsible for filing the above information in the CFDS system.

ECS MANDATE

In order to enable us to serve our investors better, we request the shareholders to avail "Electronic Clearing Service"(ECS) available in all RBI centers for receiving the dividend by direct electronic credit to the bank account. ECS besides ensuring immediate credit of the dividend amount, provides protection against fraudulent interception and encashment of dividend warrants or damage to dividend warrants in transit or problem of revalidation/issuance of duplicate dividend warrants, and ECS mandate does not entail any cost. Option of availing this facility may be informed to Integrated Enterprises (India) Limited, in respect of the shares held in physical form and to the respective Depository Participant (DP) in respect of shares held in electronic form.

DEMATERIALISATION OF SHARES

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

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

The following are the benefits of Dematerialisation:

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

Place : Chennai
Date : 28th May, 2010



(V.L. DUTT)

CHAIRMAN AND MANAGING DIRECTOR

Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by The KCP Limited for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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

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

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.

Place: Chennai
Date: 28th May, 2010

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



T. V. RAMANA
Partner

(ICAI MEMB.NO.200523)

Declaration under clause 49 of the Listing Agreement

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 affirmed compliance with the Code of Conduct of the Company during the year ended 31.03.2010.

Place: Chennai
Date: 28th May, 2010

For THE K.C.P LIMITED
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 March 31, 2010 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

Place: Chennai
Date: 28th May, 2010

For The KCP Limited

V.L. Dutt
Chairman and Managing Director

For The KCP Limited

M.R. Ramachandran
Chief Financial Officer

Auditors' Report

To
The Shareholders of
The K.C.P Limited
Chennai

We have audited the attached Balance Sheet of The KCP Limited, as at 31st March 2010, its Profit and Loss Account for the year ended on that date annexed thereto, and its cash-flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company

so far as appears from our examination of such books;

- c. The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Profit and Loss account and the Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010,
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date,
 - iii. In the case of the cash-flow statement, of the cash-flows of the company for the year ended on that date

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S


T.V. RAMANA
Partner

(ICAI Memb.No.200523)

Place: Chennai
Date: 28th May, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- 1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- 1.2 According to the information and explanations furnished to us, the company has physically verified some of its fixed assets during the year, in accordance with a phased programme of verification, which, in our opinion, is reasonable, having regard to the size of the company and the nature of the assets. As per the said information and explanations, no material discrepancies were noticed on such verification carried out during the year.
- 1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year.
- 2.1 According to the information and explanations furnished to us, the company has physically verified its inventories during the year. In our opinion, the frequency of such verification is reasonable.
- 2.2 In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 According to the information furnished to us, the company is maintaining proper records of its inventory and the discrepancies if any noticed on verification between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the company has, at the date of the Balance Sheet under report, taken loans aggregating to Rs.16.25 crores from three directors, Rs.0.91 crores from a relative of the director and Rs. 6.10 crores from a company, covered by the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties listed in the registers maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company

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

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the company at its cement and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the company has generally been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- 9.2 There were no undisputed statutory dues mentioned in the preceding paragraph in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 9.3 According to the information furnished to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

S. No	Nature of Dues	Applicable Statute	Amount (in Rs.)	Pending Before
1.	Excise duty and related demands	Central Excise Act 1944	65,89,231	Commissioner of Appeals
2.	Wealth Tax	Wealth Tax Act 1957	13,51,416	Commissioner of Appeals
3.	Sales tax and related demands	Sales tax Acts of various state Govts.	11,02,03,845	Various appellate authorities

10. According to the information and explanations furnished to us by the company, it had no accumulated losses at the end of the financial year, and it did not incur cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, and according to the information and explanations furnished to us, the term loans taken by the company have been applied for the purpose for which they were raised.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long-term investment.
17. According to the information and explanations furnished to us, the company has not made any

preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.

18. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
19. The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys does not arise during the year.
20. According to the information and explanations furnished to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

Place: Chennai

Date: 28th May, 2010

For BRAHMAYYA & Co
Chartered Accountants
Firm Regd No 000513S



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

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	Schedule	AS AT 31-03-2010		AS AT 31-03-2009	
		Rs.	Rs.	Rs.	Rs.
(I) SOURCES OF FUNDS:					
1. Shareholders' Funds:					
(a) Capital	A	32,89,21,160		12,89,21,160	
(b) Reserves & Surplus	B	2,71,88,86,005		2,27,80,45,750	
			3,04,78,07,165		2,40,69,66,910
2. Loan Funds:					
(a) Secured Loans	C	1,09,75,56,770		42,46,25,054	
(b) Unsecured Loans	D	94,24,91,000		24,96,50,000	
			2,04,00,47,770		67,42,75,054
3. Deferred Tax Liability (Net)					
(a) Deferred Tax Liability		18,99,93,263		18,81,68,563	
(b) Less: Deferred Tax Asset		69,85,219	18,30,08,044	96,30,766	17,85,37,797
Total			5,27,08,62,979		3,25,97,79,761
(II) APPLICATION OF FUNDS:					
1. Fixed Assets:					
(a) Gross Block	E	2,62,57,66,517		2,45,30,23,516	
(b) Less: Depreciation		1,32,70,98,099		1,22,28,26,158	
(c) Net Block		1,29,86,68,418		1,23,01,97,358	
(d) Capital Work-in-progress		2,04,60,88,031		8,45,22,923	
			3,34,47,56,449		1,31,47,20,281
2. Investments	F		24,78,53,895		25,98,41,121
3. Current Assets, Loans and Advances:					
(a) Inventories	G1	83,82,25,792		78,11,44,195	
(b) Sundry Debtors	G2	56,99,14,170		64,07,38,692	
(c) Cash and Bank Balances	G3	69,19,31,367		70,86,27,189	
(d) Other Current Assets	G4	62,83,993		3,03,21,601	
(e) Loans and Advances	H	99,43,19,066		86,42,72,425	
		3,10,06,74,388		3,02,51,04,102	
Less: Current Liabilities and Provisions:					
(a) Liabilities	I-1	1,01,85,84,412		92,51,73,926	
(b) Provisions	I-2	40,38,37,341		41,47,11,817	
		1,42,24,21,753		1,33,98,85,743	
Net Current Assets			1,67,82,52,635		1,68,52,18,359
Total			5,27,08,62,979		3,25,97,79,761

Notes, Schedules & Statement on Accounting Policies form an integral part of the Balance Sheet
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS		Rs.	Schedule	This Year	Previous Year
				Rs.	Rs.
INCOME FROM:					
Sale of Products and Services		4,11,75,16,744			
Less: Excise Duty & Cess		39,80,01,473		3,71,95,15,271	3,49,13,83,706
Other Income			1	11,13,56,358	17,42,41,060
				3,83,08,71,629	3,66,56,24,766
EXPENDITURE ON:					
Materials Consumed			2	82,15,17,068	63,48,28,009
Payments and Benefits to Employees			3	35,63,41,038	29,90,03,065
Manufacturing, Selling, Administrative and other expenses			4	1,53,77,96,072	1,58,37,81,476
Rates and Taxes (excluding income-tax)				99,59,973	1,10,69,211
Interest and Finance charges				9,49,13,752	6,71,17,142
Depreciation				10,56,62,113	9,14,15,260
				2,926,190,016	2,68,72,14,163
Profit/(Loss) for the year:					
Add: Refund of Income Tax				90,46,81,613	97,84,10,603
Less: Provision for Current Tax					54,25,419
Deferred Tax				30,00,00,000	32,00,00,000
Fringe Benefit Tax				44,70,247	17,28,206
				-	30,00,000
Profit/(Loss) after Taxation					
Balance brought forward from last Year				60,02,11,366	65,91,07,816
				23,46,71,581	22,63,95,076
				83,48,82,947	88,55,02,892
Appropriations (See Directors' Report)					
	This Year	Previous Year			
	Rs.	Rs.			
Less: Transfer to General Reserve	40,00,00,000	50,00,00,000		40,00,00,000	50,00,00,000
Proposed Dividend	3,22,30,290	3,22,30,290		3,22,30,290	3,22,30,290
Proposed Dividend on 12% Preference Share Capital	74,30,137	-		74,30,137	-
Interim Dividend paid	9,66,90,870	9,66,90,870		9,66,90,870	9,66,90,870
Tax on distributed Profits	2,30,19,814	2,19,10,151		2,30,19,814	2,19,10,151
Balance carried forward to next Year				27,55,11,836	23,46,71,581
Basic Earnings per equity share of Rs.10 each -(EPS)					
(See Note no. 24)				45.88	51.12

Notes, Schedules & Statement on Accounting Policies form an integral part of the Profit and Loss Account

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
“SHARE CAPITAL”
Schedule ‘A’

PARTICULARS	AS AT	AS AT
	31-03-2010	31-03-2009
	Rs.	Rs.
Authorised:		
1,28,97,748 Equity Shares of Rs.10/-each	12,89,77,480	55,00,00,000
2,00,00,000 Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
2,21,02,252 Unclassified Shares of Rs.10/- each	22,10,22,520	-
	55,00,00,000	55,00,00,000
Issued:		
1,28,97,748 Equity Shares of Rs.10/-each	12,89,77,480	12,89,77,480
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
	32,89,77,480	12,89,77,480
Subscribed and Paid-up:		
1,28,92,116 Equity Shares of Rs.10/-each fully paid	12,89,21,160	12,89,21,160
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
Total taken to Balance Sheet	32,89,21,160	12,89,21,160

Note: 1. Of the above subscribed and paid up equity shares, 1,26,65,220 shares represent Bonus Shares allotted as fully paid up, by capitalisation of Profits / Reserves.

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

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

“RESERVES & SURPLUS”
Schedule ‘B’

PARTICULARS	AS AT	Added during	Withdrawn	AS AT
	31-03-2009	the year	during the	31-03-2010
	Rs.	Rs.	year	Rs.
			Rs.	
Capital Reserve - on reorganisation	2,79,91,144	-	-	2,79,91,144
Capital Subsidy	50,00,000	-	-	50,00,000
On Amalgamation	1,03,83,025	-	-	1,03,83,025
General Reserve	2,00,00,00,000	40,00,00,000	-	2,40,00,00,000
Surplus in Profit and Loss Account	23,46,71,581			27,55,11,836
Total taken to Balance Sheet	2,27,80,45,750			2,71,88,86,005

“SECURED LOANS”*Schedule ‘C’*

PARTICULARS	AS AT	AS AT
	31-03-2010 Rs.	31-03-2009 Rs.
I. Short-Term Loans:		
a) From banks secured by pari passu first charge on the Current Assets and pari passu second charge on the Fixed Assets of the Macherla Cement Division	11,11,18,943	14,04,44,837
b) From a bank secured by first charge on movable, immovable properties and current assets of the Biotech division	1,01,28,986	2,31,76,251
c) From a bank secured by pari passu first charge on the current assets and pari passu second charge on the fixed assets of the Engineering division	4,20,75,961	6,07,88,272
II. Long-Term Loans :*		
a) From banks secured by pari passu first charge on the fixed assets and pari passu second charge on the current charge on the current assets of Macherla Cement Division.	-	3,83,23,694
b) From a bank secured by first charge on the Windmill Division of the company.	9,14,40,000	12,19,20,000
c) From a bank secured by first charge on movable, immovable properties and current assets of the Biotech division.	2,39,72,000	3,99,72,000
d) From banks secured by pari passu first charge on the Fixed Assets and pari passu second charge on the Current Assets of the Engineering Division.	1,20,49,112	-
e) From banks secured by pari passu first charge on the Fixed Assets, pari passu second charge on the Current Assets and a charge on the leasehold rights of the lease hold lands of the Mukthyala Cement Division.	77,31,06,422	-
f) Foreign Currency Loan - Buyers credit from a bank secured by pari passu first charge along with other lenders on the existing and proposed assets of the Engineering project at Tiruvottiyur Chennai and Cement Project at Muktyala.	3,36,65,346	
Total taken to Balance Sheet	1,09,75,56,770	42,46,25,054

* Amount Repayable within 1 Year Rs. 464.80 Lakhs

“UNSECURED LOANS”*Schedule ‘D’*

PARTICULARS	AS AT	AS AT
	31-03-2010 Rs.	31-03-2009 Rs.
ii) From Banks	10,00,00,000	-
i) Fixed Deposits * (including Rs.35,03,000/- (Rs.35,03,000/-) from Directors.)	62,24,91,000	13,91,50,000
ii) From Directors	15,90,00,000	7,90,00,000
iii) Inter Corporate Loan	6,10,00,000	3,15,00,000
Total taken to Balance Sheet	94,24,91,000	24,96,50,000

* Amount Repayable within 1 Year Rs. 2714.57 Lakhs

Schedule 'E'

"Fixed Assets"

S. No	DESCRIPTION	GROSS BLOCK						DEPRECIATION				NET BLOCK	
		Cost upto 31.03.2009	Additions during the year	Deductions during the year	Cost upto 31.03.2010	Total Depreciation upto 31.03.2009	For the Year	On Deletions	Total Depreciation upto 31.03.2010	As at 31.03.2010	As at 31.03.2009		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1.	Lands	2,76,00,258	4,87,660	1,44,490	2,79,43,428	-	-	-	-	2,79,43,428	2,76,00,258		
2.	(a) Buildings	24,56,22,407	1,68,60,950	16,11,255	26,08,72,102	9,15,75,470	72,56,826	1,78,034	9,86,54,262	16,22,17,840	15,40,46,936		
	(b) Leasehold Buildings	15,47,500	-	-	15,47,500	4,37,566	25,224	-	4,62,790	10,84,710	11,09,934		
3.	Tramways & Railway Sidings	67,94,361	-	-	67,94,361	58,63,532	3,22,732	-	61,86,264	6,08,097	9,30,829		
4.	Plant & Machinery												
	Owne	2,06,57,60,015	13,62,94,838	21,61,959	2,19,98,92,894	1,07,08,33,836	9,24,08,985	18,63,469	1,16,13,79,352	1,03,85,13,542	99,49,26,180		
5.	Furniture, Fixtures & Office Equipments	3,49,91,290	24,79,900	8,58,304	3,66,12,886	2,32,62,966	21,30,535	8,02,412	2,45,91,089	1,20,21,797	1,17,28,324		
6.	Vehicles & Earthmoving Equipments												
	Owne	6,48,49,228	2,38,08,827	24,13,166	8,62,44,889	2,87,61,911	60,88,458	12,91,731	3,35,58,638	5,26,86,251	3,60,87,317		
7.	Research & Development Equipments	44,68,457	-	-	44,68,457	7,00,877	1,74,827	-	8,75,704	35,92,753	37,67,580		
8.	Patents	13,90,000	-	-	13,90,000	13,90,000	-	-	13,90,000	-	-		
	Grand Total	2,45,30,23,516	17,99,32,175	71,89,174	2,62,57,66,517	1,22,28,26,158	10,84,07,587	41,35,646	1,32,70,98,099	1,29,86,68,418	1,23,01,97,358		
	Previous Year	2,32,10,80,498	13,95,66,774	76,23,756	2,45,30,23,516	1,13,77,81,960	9,18,28,428	67,84,230	1,22,28,26,158	1,23,01,97,358	1,18,32,98,534		

"INVESTMENTS"

Schedule 'F'

PARTICULARS	Details Rs.	AS AT 31-03-2010 Total Rs.	AS AT 31-03-2009 Total Rs.
I. SHARES OF COMPANIES:			
1. Trade Investments:			
(a) Unquoted Equity Shares - Fully paid:			
i) 4,00,000 Shares of Rs.10/- each in Fives Cail KCP Limited	40,00,000		40,00,000
ii) 12,00,000 Equity Shares of Rs.10/- each in Sudalagunta Sugars Limited (Sold during the year)	-		1,20,00,000
(A)		40,00,000	1,60,00,000
2. Non-Trade Investments:			
(a) Quoted Equity Shares -Fully Paid:			
(i) 350 Shares of Rs.10/- each in ICICI Bank Limited	18,005		18,005
(ii) 360 Shares of Rs.10/- each in State Bank of India	1,25,400		1,25,400
(iii) 100 Shares of Rs. 10 each in Industrial Finance Corporation of India	3,500		3,500
(iv) 14,240 shares of Rs.10/- each in Industrial Development Bank of India	11,57,000		11,57,000
		13,03,905	
(B)		13,03,905	13,03,905
(b) Unquoted Equity Shares - Fully Paid:			
(i) 30 Equity Shares of Rs.10/-each in Andhra Pradesh Heavy Machinery & Engineering Company Limited	300		
Less : Written off to the extent of	299	1	1
(ii) 5,00,000 Equity Shares of Rs.10/- each in Somayajulu & Company Limited.		50,00,000	50,00,000
(iii) 1,00,000 shares of Rs.10/- each in Prudential Mouli Sugars Ltd.	10,00,000		
Less : Written off to the extent of	9,99,999	1	1
In Subsidiary companies:			
(iv) 83,99,760 Equity Shares of US\$ 1 each, KCP Vietnam Industries Ltd, Vietnam.		23,71,43,668	23,71,43,668
(C)		24,21,43,670	24,21,43,670

Schedule 'F' (Contd.)

PARTICULARS	Details Rs.	AS AT 31-03-2010 Total Rs.	AS AT 31-03-2009 Total Rs.
II. OTHER INVESTMENTS:			
(a) Quoted:			
Unit Trust of India			
(Earmarked towards deposits under Companies(Acceptance of Deposits) Rules , 1975)			
19,308.531 (18,433.029) UTI Balanced Fund Units of Rs.10/- each 875.502 Units reinvested during the year		4,06,320	3,93,546
	(D)	4,06,320	3,93,546
Total taken to Balance Sheet	(A+B+C+D)	24,78,53,895	25,98,41,121
NOTES:			
1. All the above are long term investments.			
2. Aggregate values of quoted investments :			
At Cost		17,10,225	16,97,451
At Market value		31,55,583	14,17,320
3. Aggregate cost of unquoted investments			
		24,61,43,670	25,81,43,670

“CURRENT ASSETS”**INVENTORIES***Schedule 'G-1'*

PARTICULARS	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
(as certified by the Managing Director)		
(1) Stores and Spares at Cost	33,53,50,006	281,434,919
(2) Stores and Raw Materials in transit at Cost	3,79,63,687	33,53,118
(3) Stocks-in-trade		
a) Raw Materials at cost	2,12,79,436	5,74,47,455
b) i) Finished Goods at Cost	1,11,53,192	1,60,33,020
ii) Finished Goods at Estimated Realisable Value	2,19,17,545	2,79,06,155
c) Work-in-progress		
At Cost	37,47,69,970	38,93,88,898
At Estimated Realisable Value	3,57,91,956	55,80,630
Total taken to Balance Sheet	83,82,25,792	78,11,44,195

“SUNDRY DEBTORS”*Schedule ‘G-2’*

PARTICULARS	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
Sundry Debtors		
(A) Debts outstanding for a period exceeding six months: Considered Good		
(a) Fully Secured:	8,56,764	18,67,304
(b) Unsecured :	6,30,97,279	13,37,04,190
	6,39,54,043	13,55,71,494
(B) Other Debts Considered Good		
(a) Fully Secured	84,84,170	42,44,997
(b) Unsecured (includes Rs. 65,61,772/- (Rs.31,21,352) due from subsidiary company)	49,74,75,957	50,09,22,201
Total taken to Balance Sheet	56,99,14,170	64,07,38,692

“CASH AND BANK BALANCES”*Schedule ‘G-3’*

PARTICULARS	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
(1) Cash /Cheques on hand	94,02,560	88,04,646
(2) At Scheduled Banks:		
i) in Fixed Deposits	61,58,77,895	62,99,43,324
ii) in Current Accounts	6,66,50,912	6,98,79,219
Total taken to Balance Sheet	69,19,31,367	70,86,27,189

“OTHER CURRENT ASSETS”*Schedule ‘G-4’*

PARTICULARS	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
Interest accrued (includes Rs.4,63,430/- (Rs.17,82,158/-) from Subsidiary company)	62,83,993	3,03,21,601
Total taken to Balance Sheet	62,83,993	3,03,21,601

“LOANS AND ADVANCES”

Schedule “H”

PARTICULARS	AS AT	
	31-03-2010 Rs.	31-03-2009 Rs.
(1) Advances, (unsecured , recoverable in cash or in kind , for value to be received)		
Considered Good	34,92,90,280	
Considered Doubtful	-	
	<u>34,92,90,280</u>	
Less : Provision for Doubtful Advances	-	34,92,90,280
(2) Prepaid Expenses		1,50,98,987
(3) Indirect Taxes paid in advance		15,55,17,857
(4) Direct Taxes paid in advance		36,59,61,051
(5) Income-tax deducted at source		4,55,94,890
(6) Deposits recoverable		3,25,13,127
(7) Claims recoverable		25,96,852
(8) Loans to Subsidiary Company (To KCP Vietnam Industries Limited)		2,77,46,022
Total taken to Balance Sheet		99,43,19,066
		30,84,39,615
		93,54,303
		3,65,08,057
		34,64,40,569
		3,20,75,292
		3,39,37,766
		33,60,863

“CURRENT LIABILITIES AND PROVISIONS”*Schedule “I-1”*

PARTICULARS	AS AT	AS AT
	31-03-2010	31-03-2009
	Rs.	Rs.
A. CURRENT LIABILITIES:		
(1) a. Sundry Creditors - Due to Micro and Small Enterprises	23,01,280	25,59,791
b. Sundry Creditors - Due to Others (includes Rs. 5,91,06,464/- (Rs.6,66,52,258/-)due to wholetime directors)	52,81,23,485	39,10,26,178
(2) Advances received against sales	38,88,90,156	46,06,90,495
(3) Trade Deposits	6,32,50,000	4,83,30,000
(4) Deposits from Contractors and others	3,65,698	2,90,500
(5) Security Deposits from staff	65,000	85,000
(6) Unclaimed Dividends	1,12,39,019	97,23,629
(7) Interest accrued but not due on loans	1,48,29,471	70,21,982
(8) Due to Superannuation and Gratuity Trusts	94,98,557	48,78,726
(9) Due to Investor Education and Protection Fund *	21,746	5,67,625
Total taken to Balance Sheet	1,01,85,84,412	92,51,73,926

* Since remitted

Schedule “I-2”

PARTICULARS	AS AT	AS AT
	31-03-2010	31-03-2009
	Rs.	Rs.
B. PROVISIONS:		
(1) For Income Tax ,Wealth Tax & Fringe Benefit Tax	33,15,58,442	35,07,63,259
(2) For Proposed Dividend	3,96,60,427	3,22,30,290
(3) For Tax on Distributed Profits	65,87,200	54,77,538
(4) For Leave Encashment	1,67,43,722	1,39,94,163
(5) For Retirement Gratuity (Net of value of plan assets)	92,87,550	1,22,46,567
Total taken to Balance Sheet	40,38,37,341	41,47,11,817

Signature to Schedules A to I-2
(FOR AND ON BEHALF OF THE BOARD)As per our report annexed
for BRAHMAYYA & CO
Chartered Accountants
Firm Regn No.000513S**V.L. DUTT**
Chairman and Managing
Director**V.L. INDIRA DUTT**
Joint Managing Director**KAVITHA D CHITTURI**
Executive Director**T.V. RAMANA**
Partner
(ICAI Memb.
No.200523)**O. SWAMINATHA REDDY**
Director**V. GANDHI**
Technical Director**M.R. RAMACHANDRAN**
Chief Financial Officer**Y. VIJAYAKUMAR**
Company SecretaryPlace: Chennai
Date: 28th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT**“OTHER INCOME”***Schedule-1*

PARTICULARS	This Year Rs.	Previous Year Rs.
(1) Interest received from Banks and others (Tax deducted on above Rs.64,90,214/ (Previous year Rs. 141,76,665)	5,27,51,837	7,42,80,806
(2) Dividends Received (Gross)		
-From Trade Investments	-	1,76,00,000
-From Non-Trade Investments	66,344	40,070
(3) Rents received	32,22,360	33,37,777
(4) Miscellaneous Receipts	51,00,195	1,60,66,588
(5) Profit on sale of Assets	4,44,336	10,39,842
(6) Unclaimed balances credited back	12,84,465	21,83,574
(7) Bad Debts recovered	2,86,73,512	-
(8) Provisions no longer required credited back	1,98,13,309	99,00,872
(9) Difference in exchange (Net)	-	4,97,91,531
Total taken to Profit and Loss Account	11,13,56,358	17,42,41,060

“MATERIALS CONSUMED”*Schedule-2*

PARTICULARS	Details Rs.	This Year Rs.	Details Rs.	Previous Year Rs.
Opening Stocks:				
Raw materials	5,74,47,453		1,78,72,844	
Work-in-Progress	39,49,69,528		32,35,14,233	
Finished goods	4,39,39,175		6,48,53,396	
		49,63,56,156		40,62,40,473
ADD:				
i) Purchases of				
Raw materials & Components	55,78,28,441		47,39,41,783	
ii) Cost of raw materials produced	23,23,86,667	79,02,15,108	25,28,12,301	72,67,54,084
		1,28,65,71,264		1,13,29,94,557

Schedule-2 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Details Rs.	Previous Year Rs.
LESS:				
Closing Stocks:				
Raw materials	2,12,79,436		5,74,47,453	
Work-in-Progress	41,05,61,926		39,49,69,528	
Finished goods	3,30,70,737		43,939,175	
		46,49,12,099		49,63,56,156
Excise Duty differential on Opening/ Closing Stocks of Finished goods				
		-1,42,097		-18,10,392
Total taken to Profit and Loss Account		82,15,17,068		63,48,28,009

“PAYMENTS AND BENEFITS TO EMPLOYEES”**Schedule-3**

PARTICULARS	This Year Rs.	Previous Year Rs.
Salaries, Wages and Bonus	26,63,37,829	23,60,10,043
Contribution to Provident Fund and Family- Pension Scheme	1,34,57,042	1,21,80,598
Contribution to Superannuation Funds	3,06,38,696	59,00,430
Contribution to Gratuity Funds	85,95,029	1,12,39,090
Workmen and Staff Welfare expenses	3,73,12,442	3,36,72,904
Total taken to Profit and Loss Account	35,63,41,038	29,90,03,065

“MANUFACTURING, SELLING, ADMINISTRATIVE AND OTHER EXPENSES”**Schedule-4**

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Manufacturing:			
Stores and Spares (including Packing- Materials) consumed		34,26,07,425	31,73,54,792
Sub-contracted works		11,92,52,710	9,08,79,075
Power and Fuel	74,99,90,729		
Less: Self consumption of Power generated internally	16,27,45,616	58,72,45,113	70,16,75,710
Insurance		47,87,774	49,19,371
Research & Development		6,05,735	5,42,342

Schedule-4 (Contd.)

PARTICULARS	Rs.	This Year Rs.	Previous Year Rs.
Repairs to Buildings		2,91,09,879	3,01,29,652
Repairs to Machinery		8,28,28,406	8,00,57,031
Repairs to Other Assets		2,14,64,736	3,19,22,366
	(A)	1,18,79,01,778	1,257,480,339
Selling:			
Advertisement		3,52,44,946	1,18,80,016
Loading, Unloading, Transport etc		7,79,08,806	6,84,85,738
Commission on Sales		26,15,238	19,48,387
	(B)	11,57,68,990	8,23,14,141
Administrative:			
Rent		49,77,059	47,56,186
Payments to Auditors (see note No.15(a))		15,01,953	16,25,074
Directors' Sitting Fee		6,20,000	4,16,250
Managerial Remuneration (see note no.16(ii))		6,81,27,376	7,36,75,140
Miscellaneous Expenses		12,52,04,894	11,60,42,438
	(C)	20,04,31,282	19,65,15,088
Other Items:			
Warranty Claims		1,71,16,326	3,36,51,231
Provision for doubtful advances		-	-
Bad debts and irrecoverable advances written off		4,76,794	1,33,19,461
Discarded assets written off		15,69,832	1,40,270
Loss on sale of assets		4,41,789	3,45,946
Difference in exchange (Net)		1,40,89,281	-
Investments written off		-	15,000
	(D)	3,36,94,022	4,74,71,908
Totals taken to Profit and Loss Account	(A+B+C+D)	1,53,77,96,072	1,58,37,81,476

Signatures to Schedules 1 - 4
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

Financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting practices.

2. FIXED ASSETS

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

3. 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.

4. 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.

5. 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.

6. 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 generation units of the Company sold to its other units is accounted at the tariff rates charged by the State Electricity Board. Such earnings are adjusted to the power charges.

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

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

7. 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

8. ACCOUNTING FOR DERIVATIVES

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

9. EMPLOYEE BENEFITS

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

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

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

c) Post-Employment Benefits:

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

(ii) Defined Benefit plans:

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

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

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

10. DEPRECIATION

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

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

11. 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.

12. 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.

13. 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.

14. BORROWING COSTS

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.

15. 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.

16. 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.

17. TAXATION

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

- Deferred tax resulting from timing differences between taxable and accounting income is accounted for using the tax rates and laws

that are enacted or substantively enacted as on the balance sheet date.

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

18. 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.

19. 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.

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

Notes Forming Part of the Accounts

BALANCE SHEET

PARTICULARS		31st March,2010 Rs.	31st March,2009 Rs.
1.	Claims against the Company not admitted		
	Statutory Levies	8,72,68,559	7,20,93,231
	Contractual Levies	-	-
	Others	5,43,85,657	5,96,33,429
2.	Estimated amount of contracts remaining to be executed on Capital account and not provided for	73,97,96,633	3,46,64,62,494

3. No provision has been made in accounts towards probable liability upto Jute year ended 30th June, 1998, if any, that may arise as a result of non-compliance with the requirements of Jute Packaging Materials (Compulsory Use of Packaging Commodities) Act,1987, consequent to differing decisions of different courts and also the representations of industry before the Government, since the same is not ascertainable at this stage.
4. Fixed Assets : Lands includes 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-E1, dt. 23.10.2002 in favour of company.
5. In compliance with Accounting Standard (AS-22) "Accounting for Taxes on Income" major components of deferred tax assets and liabilities arising on account of timing differences are :

PARTICULARS	ASSETS	LIABILITIES
1. Depreciation		18,99,93,263
2. Items u/s 43 B of the Income Tax Act, 1961	69,85,219	
	69,85,219	18,99,93,263
Net deferred tax liability as on 31.03.2010		18,30,08,044

6. Advances include Rs. 7,01,370/- (8,22,675) being the value of Land measuring 62.56 Acres (73.38 Acres) registered in the name of the company, for exchange to the Andhra Pradesh State Government under the re-afforestation programme in compensation for getting the mining lands in favour of Company.

7. Cash and Bank balances include
- Rs.1,50,000/- (Rs.1,50,000/-) on account of Staff Security Deposit.
 - Rs.1,14,36,780 /- (Rs.1,02,52,198/-) towards Unclaimed Dividends.
 - Rs.9,40,02,895 /- (Rs.1,56,55,187/-) representing Fixed Deposit Receipts lodged with Bankers as securities against Guarantees issued by them.
 - Rs.2,30,06,320/- (Rs.1,63,93,546/-) deposited as per provisions of 58A of the Companies Act 1956 and the Rules made there under.
8. Disclosures on payments and dues to "suppliers" as defined in Micro, Small and Medium enterprises Development Act 2006 ('The Act').

PARTICULARS		31-03-2010 (Rs.)	31-03-2009 (Rs.)
1.	Amount remaining unpaid, beyond the appointed/agreed date at the end of the year,		
	(a) Principal amount of bills to be paid	3,02,414	49,356
	(b) Interest due thereon	2,838	1,942
2.	(a) Payments made to suppliers, during the year, but beyond appointed/agreed day Interest thereon in terms of Sec 16 of the Act	82,31,848	38,84,656
	(b) Interest paid alongwith such payments during the year	-	-
	(c) Interest due and payable at the end of the year, on such payments made during the year.	51,258	39,386
3.	Amount of interest, for the year, U/s.16 of the Act, including that accrued and remaining unpaid, at the end of the year.	51,258	41,328
4.	Total amount of interest, u/s.16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year	51,258	41,328

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.

PROFIT AND LOSS ACCOUNT:

9. Sale of Products and Services (including Excise Duty/Service Tax)

PARTICULARS	Quantity	31-03-2010 Value (Rs.)	Quantity	31-03-2009 Value (Rs.)
Cement (MT)	8,07,646	2,40,58,00,607	7,23,124	2,49,62,81,350
Heavy Engineering Products *		1,46,24,56,956		1,27,90,55,984
Service Receipts		19,69,76,179		18,35,52,512
Electrical Energy (KWH)	14,86,032	47,56,219	13,11,123	35,59,843
Others		4,75,26,783		4,21,82,303
		4,11,75,16,744		4,00,46,31,992

* Unit quantification not possible.

Note: (a) Sale of Products includes:

- (1) Machinery and components valued at Rs.9,14,97,995/- (Rs.1,19,34,324/-) supplied by Engineering Unit to the other units of the Company.
- (2) Cement Quantity 22,015 MT (1,877 MT) valued at Rs.4,19,42,013/- (Rs.58,27,699/-) used internally.
- (3) Excise Duty Rs.39,63,63,125/-(Rs.51,18,37,598/-) and Service Tax Rs.16,38,348/- (Rs.14,10,688/-).
- (4) Electrical energy 14,86,032 KWH (13,11,123 KWH) valued at Rs.47,56,219/- (Rs.35,59,843/-) adjusted towards wheeling and banking charges, by the buyer Electricity Company.

(b) Sale of products does not include:

Electrical Energy generated by Hydel unit 3,54,74,979 KWH (3,34,94,412 KWH) valued at Rs.9,61,11,615/- (Rs.9,24,74,377/-), Wind Power Unit situated at Thirunelveli (Uthumalai village), 81,17,120 KWH [74,60,665] valued at Rs.3,07,52,081/- [Rs. 2,87,38,805/-] and Power generated from Waste Heat Recovery Plant 1,32,89,600 KWH[1,37,88,800 KWH] valued at Rs3,58,81,920/- [Rs. 3,79,19,205/-] used internally.

10. Raw Material Consumed:

PARTICULARS	Quantity	This Year Value	Quantity	Prev. Year Value
	(MT.)	(Rs.)	(MT.)	(Rs.)
i) Cement				
Limestone	8,32,635	24,42,07,116	7,72,758	24,42,83,397
Laterite	41,063	2,94,43,913	59,426	3,79,51,359
Fly Ash	75,350	7,14,49,727	75,143	5,82,60,242
Gypsum	38,568	6,07,26,732	35,914	5,56,02,295
Iron Ore	16,214	1,12,72,979	11,857	82,17,480
Clinker	93,640	18,50,24,857	22,831	5,42,87,234
ii) Engineering Unit				
Iron and Steel, Nickel , Scrap and Equipments	7,932	20,28,97,715	6,783	19,61,84,549
iii) Bio Products	568	2,13,60,086	1,224	3,23,92,919
Total		82,63,83,125		68,71,79,475

11. Opening and Closing Stock of Finished Goods:

Products	Units	Opening Stock				Closing Stock			
		This Year		Previous year		This year		Previous Year	
		Qty	Rs.	Qty	Rs.	Qty	Rs.	Qty	Rs.
Cement	(MT)	670	15,18,279	3,650	80,97,392	670	14,37,053	670	15,18,279
Industrial Machinery and Equipment	(Not quantifiable)		17,88,688		17,88,688		8,97,525		17,88,688
Electrical Energy *	(KWH)	72,43,765	1,27,26,053	16,79,633	26,92,941	77,59,468	1,23,10,116	72,43,765	1,27,26,053
Bio products	(Kg)	54,079	2,79,06,155	24,139	5,22,74,395	36,091	1,84,26,043	54,079	2,79,06,155
Total			4,39,39,175		6,48,53,416		3,30,70,737		4,39,39,175

* The Closing Stock units of 3,50,461 were not valued based on the TNERC (Tamilnadu Electricity Regulatory Commission) order MP 10, 11, 12 of 2010 dated 29.03.2010 which was contested by the Company.

12. Particulars regarding Capacity and Production:

Class of Goods	CAPACITY		ACTUAL PRODUCTION	
	Licensed	Installed	31-03-2010	31-03-2009
a) Electrical Energy				
Hydel Power	8.25 MWH	8.25 MWH	3,67,42,900 KWH	3,72,47,400 KWH
Wind Power	3.75 MWH	3.75 MWH	93,24,851 KWH	79,09,322 KWH
Waste Heat Recovery Unit	2.585 MWH	2.35 MWH	1,32,89,600 KWH	1,37,88,800KWH
b) Cement		6,60,000 TPA	807,646	720,143
c) Industrial Machinery and equipments.	-	Not quantifiable	-	Not quantifiable
d) Bio products				
Chilly Oleoresin and Colour	36,000 KG	36,000 KG	27,326 KG	62,899 KG
Curcummin powder	54,000 KG	54,000 KG	160 KG	1,399 KG
Annato Dye	9,000 KG	9,000 KG	379KG	654 KG

13. (a) "Materials Consumed" - Cost of raw materials (Limestone for Cement Factory) produced includes among others

PARTICULARS	31-03-2010 Rs.	31-03-2009 Rs.
(a) Salaries,Wages and Bonus	1,21,83,757	1,15,38,496
(b) Contribution to Provident funds	26,67,425	9,77,755
(c) Contribution to Gratuity	4,62,930	7,51,756
(d) Workmen and Staff Welfare Expenses	23,66,553	19,83,936
(e) Stores and Spares Consumed	1,36,83,110	1,52,11,484
(f) Power and Fuel	58,03,335	66,12,558
(g) Royalty	5,14,71,614	4,20,48,100
(h) Rates and Taxes	9,85,449	31,18,766
(i) Repairs to Building and Roads	11,74,617	12,64,801
(j) Repairs to Machinery	72,75,801	84,02,014
(k) Repairs to Other Assets	2,73,018	2,57,048
(l) Insurance	1,62,564	1,65,146
(m) Lime Stone Freight	6,85,80,991	9,10,70,741
(n) Lime Stone Loading	4,44,45,574	5,39,78,923
(b) "Power and Fuel" - includes the following expenditure among others incurred in Generation of Power.		
(a) Salaries,Wages and Bonus	14,06,175	12,83,342
(b) Contribution to Provident fund	2,70,398	1,40,450
(c) Contribution to Gratuity funds	48,557	76,981
(d) Workmen and Staff Welfare Expenses	92,417	1,02,506
(e) Power and Fuel	4,42,874	6,20,885
(f) Stores and Spares Consumed	63,67,817	29,61,009
(g) Repairs to Building and Roads	1,28,089	12,902
(h) Repairs to Machinery	5,61,625	32,245
(i) Taxes and Licences	12,400	3,100
(j) Insurance	2,16,236	2,39,250
(k) Repairs to Other Assets	1,676	24,193

14. (a) "Payment to Auditors" (net of service tax for which input credit was/to be availed by the Company) comprise :

PARTICULARS	31-03-2010	31-03-2009
	Rs.	Rs.
For Statutory Audit	8,00,000	8,00,000
For Taxation matters (including tax audits)	1,25,000	1,65,618
For Certification and other services	3,57,500	4,45,000
For Company law matters	10,000	10,000
For Audit of Gratuity and Superannuation Trusts	25,000	25,000
Out of pocket expenses	59,453	53,861
	13,76,953	14,99,479
Fees for Cost Audit	1,25,000	1,25,000
Fees for Certification and Other Services	-	-
Out of pocket expenses	-	595
Total	15,01,953	16,25,074
(b) "Miscellaneous Expenses" include: Donations	4,05,60,000	3,00,00,000
(c) Interest paid includes:		
On Fixed Loans (includes Rs.3,46,698/-(Rs 3,09,985) paid to Managing Director and other Wholetime Directors)	5,33,92,069	4,14,71,623
On other Loans from Managing Director and Other Whole-time Directors	1,22,16,439	69,33,854
(d) Revenue expenditure capitalised during the year		
Opening unallocated capital expenditure	1,65,37,249	-
Add:		
Salaries, Wages & Bonus	1,45,88,064	38,38,747
Contribution to Provident Fund and Family Pension scheme	6,48,635	1,52,048
Staff Welfare expenses	21,39,672	2,04,065
Stores and spares consumed	10,09,671	4,27,619
Power	64,76,818	1,59,903
Insurance	8,71,914	3,38,408
Repairs to Building	1,43,331	2,30,030
Repairs to Machinery	3,120	16,578
Repairs to Other assets	2,46,647	1,64,572
Rent	1,50,000	10,753
Professional fees	1,35,33,453	56,73,206
Travelling expenses	10,55,853	13,03,027
Security charges	54,42,106	21,33,912
Rates & Taxes	20,40,861	60,282
Interest on Fixed Loans	2,43,98,572	-

Miscellaneous expenses	1,86,65,478	14,10,930
Depreciation	27,45,474	4,13,169
Closing unallocated capital expenditure	11,06,96,918	1,65,37,249

15. Remuneration to Managing Director and Whole Time Directors:

(i) Computation of Net Profit in accordance with sec 349 of the Companies Act, 1956.

PARTICULARS	Rs.	Rs.
Profit for the year as per Profit and Loss account		90,46,81,613
Add:		
Directors' sitting fee	6,20,000	
Remuneration to Managing Director and Whole Time Directors	6,81,27,376	
Profit on sale of Assets allowable as per Section 349	2,63,568	6,90,10,944
		97,36,92,557
Less:		
Profit on Sale of assets as per P & L A/c	4,44,336	4,44,336
Adjusted net profit for the year		97,32,48,221

(ii) Details of Remuneration to Managing Director and other Whole Time Directors

PARTICULARS	31-03-2010 Rs.	31-03-2009 Rs.
Salary	64,20,000	49,46,129
House Rent Allowance	6,00,000	6,00,000
Company's Contribution to Provident Fund	4,89,600	3,91,935
Company's Contribution to Superannuation Fund	6,12,000	4,89,750
Company's Contribution to Gratuity Fund	4,04,252	4,77,161
Personal Accident Insurance Premium	26,032	33,182
Medical Expenses	31,073	10,582
Other Perquisites	4,37,955	74,143
Commission	5,91,06,464	6,66,52,258
	6,81,27,376	7,36,75,140

- Note: (1) Commission provided to the Wholetime directors represents the balance amount of aggregate remuneration payable to them, not exceeding 2.5% each to the Managing Director and Joint Managing Director and 1% each to the Executive Director and Technical Director, on the profits computed as above, in accordance with the terms of their appointments.
- (2) The cost to the company of the non-monetary perquisites allowed during the year to the Whole Time Directors in addition to the remuneration paid above works out to Rs.70,519/-. The value of the said perquisites computed in accordance with Income Tax Rules 1962 ,works out to Rs.4,42,669/-.

16. C.I.F Value of Imports made by the Company during the year

PARTICULARS	31-03-2010 Rs.	31-03-2009 Rs.
(i) Raw Materials	79,74,812	1,17,43,874
(ii) Components and Spare Parts	36,35,812	66,13,239
(iii) Tools	6,25,428	-
(iv) Capital Goods	8,20,94,810	2,81,44,700

17. Expenditure in Foreign Currency during the financial year on account of:

PARTICULARS	31-03-2010 Rs.	31-03-2009 Rs.
(i) Foreign Travel (excluding tickets)	10,11,863	17,57,914
(ii) Membership	41,494	1,46,019
(iii) Subscriptions	14,494	-

18. Earnings in Foreign Exchange:

PARTICULARS	31-03-2010 Rs.	31-03-2009 Rs.
(i) F.O.B. value of goods exported during the year	43,82,67,497	37,40,45,462
(ii) Guarantee commission	-	4,98,166
(iii) Interest and consultancy	38,69,016	82,58,013
(iv) Income from service charges	3,80,242	32,98,928

19. Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:

PARTICULARS	31-03-2010		31-03-2009	
	Rs.	%	Rs.	%
(a) Raw Materials				
(i) Imported	82,70,311	1.00	1,19,12,313	1.91
(ii) Indigenous	81,81,12,814	99.00	61,07,64,600	98.09
	82,63,83,125	100.00	62,26,76,913	100.00
(b) Spare parts and components (debited to respective heads)				
(i) Imported	96,18,498	2.25	58,14,554	1.46
(ii) Indigenous	41,77,82,797	97.75	39,21,97,050	98.54
	42,74,01,295	100.00	39,80,11,604	100.00

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

A. List of Related parties

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

B. Transactions with the related parties:

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Sale of Goods					
KCP Vietnam Industries Limited	6,78,73,889				
Fives Cail KCP Limited		17,79,75,910			
The Jeypore Sugar company Ltd					34,84,236
Services Received					
KCP Vietnam Industries Limited	16,14,392				
Fives Cail KCP Limited		84,75,832			
V Ramakrishna Sons Private Limited					2,880
KCP Technologies Limited					2,10,000
Interest Received					
KCP Vietnam Industries Limited	26,40,773				
Fives Cail KCP Limited		1,56,92,368			
Loans received back					
KCP Vietnam Industries Limited	6,64,09,939				
Loans received					
Dr V L Dutt			5,30,00,000		
Smt V L Indira Dutt			3,20,00,000		
Smt Kavitha D Chitturi			1,15,00,000		
V Ramakrishna Sons Private Limited					2,95,00,000
Donations					
V Ramakrishna Charitable Trust					4,00,00,000
Purchase of Goods					
Fives Cail KCP Limited		46,47,804			
Remuneration paid					
Dr V L Dutt			2,43,31,206		
Smt V L Indira Dutt			2,43,31,206		
Smt Kavitha D Chitturi			97,32,482		
Sri V .Gandhi			97,32,482		

(Contd.)					
Interest paid					
Dr V L Dutt			72,60,166		
Smt V L Indira Dutt			33,82,603		
Smt Kavitha D Chitturi			19,20,368		
Other Relations				7,19,382	
V Ramakrishna Sons Private Limited					44,07,808
Dividend paid					
Dr V L Dutt			54,92,750		
Smt V L Indira Dutt			28,03,240		
Smt Kavitha D Chitturi			5,99,750		
Sri V .Gandhi			2,040		
Other Relations				17,59,635	
V Ramakrishna Sons Private Limited					3,87,44,450
The Jeypore Sugar company Ltd					2,78,370
VRK Grandsons Investment (P) Limited					95,78,330
Loans paid/ given					
Dr V L Dutt			65,00,000		
Smt Kavitha D Chitturi			1,00,00,000		
Rent Paid					
Smt V L Indira Dutt			1,986		
Other Relations				9,993	
Balances as at 31.03.2010					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	23,71,43,668				
Fives Cail KCP Limited		40,00,000			
Loans/Advances given					
KCP Vietnam Industries Limited	2,77,46,022				
Fives Cail KCP Limited		5,02,776			
Receivable - Trade dues					
KCP Vietnam Industries Limited	62,87,785				
Fives Cail KCP Limited		13,91,63,506			
KCP Technologies Limited					93,438
Receivable - Interest					
KCP Vietnam Industries Limited	4,63,430				
Fives Cail KCP Limited		1,41,23,132			

<i>(Contd.)</i>					
Receivable Others					
KCP Vietnam Industries Limited	2,73,987				
Fives Cail KCP Limited		30,000			
Share capital in KCP held by					
Dr V L Dutt			54,93,250		
Smt V L Indira Dutt			28,03,740		
Smt Kavitha D Chitturi			5,99,750		
Sri V .Gandhi			2,040		
Other Relations				17,59,020	
V Ramakrishna Sons Private Limited					3,87,44,950
The Jeypore Sugar company Ltd					2,78,370
VRK Grandsons Investment (P) Limited					95,78,330
Loans/Advances received					
KCP Vietnam Industries Limited	4,28,946				
Fives Cail KCP Limited		3,00,32,300			
Dr V L Dutt			9,70,00,000		
Smt V L Indira Dutt			4,55,00,000		
Smt Kavitha D Chitturi			1,65,00,000		
V Ramakrishna Sons Private Limited					6,10,00,000
Deposits Received					
Dr V L Dutt			33,50,000		
Smt Kavitha D Chitturi			1,53,000		
Other Relations				90,79,000	
Payable-Trade Dues					
The Jeypore Sugar company Ltd					1,05,249

- 21 . a. The Company has a 40% interest in its joint venture entity Fives Cail KCP Ltd a company incorporated in India.
- b. The Company's share (at 40%) of the contingent liabilities of Fives Cail KCP Ltd at the Balance Sheet date works out to Rs. 94,54,117/- (Rs.Nil/-).
- c. The Company's share (at 40%) of the capital commitments of Fives Cail KCP Ltd at the Balance Sheet date works out to Rs. 9,20,072/- (Rs.Nil/-)
- d. The Interest of the Company (at 40%) in the aggregate amount of the assets, income and expenses of Fives Cail KCP Ltd was as follows:

PARTICULARS	31.03.2010 Unaudited	31.03.2009
	(Rs. Thousands)	(Rs. Thousands)
(a) Total Assets	5,65,321	5,91,030
(b) Total Liabilities	5,65,321	5,91,030
SOURCES OF FUNDS		
(a) Paid up Share Capital	4,000	4,000
(b) Reserves and Surplus	43,848	33,440
(c) Secured Loans	11,762	11,265
(d) Deferred Tax Liability	-	-
(e) Current Liabilities & Provisions	5,05,711	5,42,325
APPLICATIONS OF FUNDS		
(a) Net Fixed Assets	5,911	4,273
(b) Current Assets	5,59,362	5,84,057
(c) Deferred tax Asset	47	2,701
(d) Profit & Loss Account	-	-
PERFORMANCE OF COMPANY		
(a) Turnover	6,29,809	5,25,441
(b) Other Income	10,669	14,186
(c) Total Expenditure	6,20,824	5,48,301
(d) Profit/Loss Before Tax	19,653	-8674
(e) Profit/Loss After Tax	12,548	-6064

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

PARTICULARS	Gratuity	Compensated Absences
	Rs.	Rs.
a) Reconciliation for present value of obligations		
Present value of obligations as at beginning of the year	6,58,22,088	1,39,94,163
Interest Cost	52,65,767	10,18,081
Current Service Cost	36,25,699	21,27,229
Benefits paid	50,77,901	3,81,824
Actuarial loss on obligation	59,82,603	7,77,575
Present value of obligations as at the end of the year	7,56,18,256	1,67,43,722

(Contd.)

PARTICULARS	Gratuity	Compensated Absences
	Rs.	Rs.
b) Reconciliation for Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	5,35,75,521	-
Expected return on plan assets	57,81,290	-
Contributions	1,20,51,992	-
Benefits paid	50,77,901	-
Actuarial gain on plan assets	-	-
Fair value of plan assets at the end of the year	6,63,30,902	-
c) Expenses Recognised in statement of Profit & Loss a/c		
Current Service cost	36,25,699	21,27,229
Interest Cost	52,65,767	10,18,081
Expected return on plan assets	57,81,290	-
Net Actuarial loss recognised in the year	59,82,603	7,77,575
Expenses to be Recognised in the profit & loss account	90,92,779	39,22,885
d) Net Liability Recognised in the Balance Sheet		
Present value of obligations as at the end of the year	7,56,18,256	1,67,43,722
Fair value of plan assets as at the end of the year	6,63,30,706	-
Funded status	92,87,550	-
Net Liability Recognised in the Balance Sheet	92,87,550	1,67,43,722
e) Actuarial Assumptions		
Assumptions as at	31/03/2010	31/03/2009
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	4.5%
Attrition rate	1-3%	1-3%
Expected return on plan assets	9.40%	8.00%
Mortality	LIC 94-96	LIC 94-96
	Mortality Rates	Mortality Rates

23. The company has entered into the following derivative instruments for hedging purpose associated with foreign currency fluctuations related to certain firm commitments and is not intended for trading or speculation. The period end foreign exchange exposures that have been hedged by a derivative instrument are stated below

Currency	Amount	Indian Rupees Equivalent (Rs lakhs)
US Dollar	5,64,320	256
Euro	1,32,308	83

24. Computation of Earnings per Share

	This Year Rs.	Previous Year Rs.
Profit after Tax	60,02,11,366	65,91,07,816
Less: Dividend on Preference Shares	74,30,137	-
Less: Tax thereon	12,34,071	-
Profit available for Equity Share holders	59,15,47,158	65,91,07,816
No. of Equity Shares	1,28,92,116	1,28,92,116
Earnings per Share	45.88	51.12

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

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
 Chairman and Managing
 Director

V.L. INDIRA DUTT
 Joint Managing Director

KAVITHA D CHITTURI
 Executive Director

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

O. SWAMINATHA REDDY
 Director

V. GANDHI
 Technical Director

**M.R.
 RAMACHANDRAN**
 Chief Financial Officer

Y. VIJAYAKUMAR
 Company Secretary

Place: Chennai
 Date: 28th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	PARTICULARS	2010			2009
		ADD	LESS	TOTAL	
A	CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.	Rs.	Rs.
	Net Profit before Tax			90,46,81,613	97,84,10,603
				90,46,81,613	97,84,10,603
	ADJUSTMENTS FOR				
	Depreciation	10,56,62,113			9,14,15,260
	Foreign Exchange Difference(Nett)	1,40,89,281			-4,97,91,531
	Profit/Loss on Sale/ conversion of Assets	4,41,789	4,44,336		-6,93,896
	Assets written off	15,69,832			1,40,270
	Profit/Loss on Sale of Investment				15,000
	Interest (Nett)	4,21,61,915			-71,63,664
	Dividend Received		66,344		-1,76,40,070
		16,39,24,930	5,10,680	16,34,14,250	1,62,81,369
	OPERATING PROFIT BEFORE WORKING CAPITAL :			1,06,80,95,863	99,46,91,972
	Trade and other Receivables		6,85,54,369.00		-35,85,95,932
	Inventories		5,70,81,597.00		-15,99,98,354
	Trade Payables & Provision	9,32,01,028			21,33,49,630
		9,32,01,028	12,56,35,966	-3,24,34,938	-30,52,44,656
	CASH GENERATED FROM OPERATIONS			1,03,56,60,925	68,94,47,316
	Direct Taxes refunds received/ Paid		3,51,831,747	-35,18,31,747	-3,27,26,44,14
				68,38,29,178	36,21,82,902
	CASH FLOW BEFORE EXTRAORDINARY ITEMS				
	Foreign Exchange Difference		1,40,89,281		4,97,91,531
			1,40,89,281	-1,40,89,281	4,97,91,531
	NET CASH FROM OPERATING ACTIVITIES (A)			66,97,39,897	41,19,74,433
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of /Additions to Fixed Assets		17,97,43,560		-13,95,66,774
	Capital Work-in-Progress		1,95,92,32,803		-21,50,978
	Purchase of investments		12,774		
	Sale of Investments	1,20,00,000			1,74,00,000
	Repayment of Loan by subsidiary company	6,64,09,938			5,31,23,542
	Sale of Fixed Assets	12,97,646			13,90,193
	Interest Received	5,27,51,837			7,42,80,806
	Dividend Received	66,344			1,76,40,070
		13,25,25,765	2,13,89,89,137	-2,00,64,63,372	2,21,16,859
	NET CASH USED IN INVESTING ACTIVITIES (B)			-2,00,64,63,372	2,21,16,859
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Long Term Borrowings (Secured)	67,29,31,716			10,46,82,934
	Dividends Paid		12,89,21,160		-12,89,21,160
	Tax on Distributed Profits		2,19,10,151		-2,19,10,151
	Interest Paid		9,49,13,752		-6,71,17,142
	Increase in capital	20,00,00,000			
	Long Term Borrowings (Unsecured)	69,28,41,000			57,10,000
		1,56,57,72,716	24,57,45,063	1,32,00,27,653	-10,75,55,519
	NET CASH USED IN FINANCING ACTIVITIES (C)			1,32,00,27,653	-10,75,55,519
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)			-1,66,95,822	32,65,35,773
	Opening Cash Balance			70,86,27,189	38,20,91,416
	Closing Cash Balance			69,19,31,367	70,86,27,189

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

Statement under section 212 of the Companies Act, 1956 in respect of subsidiary company

KCP Vietnam industries limited

1. The company earned a net profit of VND 205018397000 (Rs. 4455.16 lakhs) for the year ended 31st March, 2010, and posted a net profit of VND 33,60,78,62,9000 (Rs. 5806.77 lakhs) from the date of inception.
2. During the year, there is no change in the Share Capital of the company.
3. Holding Company's interest continued to be the same as at 31st March, 2010
4. No part of the above profit has been dealt with in the Holding Company's accounts.

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT

Chairman and Managing Director

V.L. INDIRA DUTT

Joint Managing Director

KAVITHA D CHITTURI

Executive Director

O. SWAMINATHA REDDY

Director

V. GANDHI

Technical Director

M.R. RAMACHANDRAN

Chief Financial Officer

Y. VIJAYAKUMAR

Company Secretary

Place: Chennai

Date: 28th May, 2010

Disclosure of Information relating to Subsidiary Company

(Statement pursuant to exemption granted by the Ministry of Corporate Affairs Under Section 212 (8) of the Companies Act, 1956 for the year ended 31st March 2010)

Sl. No.	Name of the Subsidiary company	Country	Reporting Currency	Exchange Rate US \$/ Rupees	Capital	Reserves	Total Assets	Total Liabilities	Investments other than Investments in Subsidiaries	Turnover	Rs. in Lakhs			
											Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
1.	KCP Vietnam Industries Ltd.	Vietnam	Vietnam Dong	44.67	2371.44	5806.77	18090.01	18090.01	Nil	21558.84	4580.86	125.70	4,455.16	Nil

Note: Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Overseas Subsidiary company have been given based on the exchange rate at year end March 31, 2010 for balance sheet items and average rate during the year 2009-2010 for profit and loss account items.

THE K.C.P LIMITED GROUP

CONSOLIDATED FINANCIAL STATEMENTS

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AUDITORS' REPORT TO THE DIRECTORS OF THE KCP LTD.

To
The Board of Directors
The KCP Limited
Chennai

1. We have examined the attached consolidated Balance Sheet of The KCP Limited, its subsidiary, and its Joint venture (unaudited) as at March 31, 2010, the consolidated Profit and Loss Account and the consolidated Cash flow statement for the year then ended. These consolidated financial statements are the responsibility of The KCP Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
 3. We did not audit the financial statements of KCP Vietnam Industries Ltd, the subsidiary company whose accounts were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the consolidate statements referred to above, in respect of KCP Vietnam Industries Limited, is based solely on the reports of the other auditors, and on the information and explanations for the purpose of the consolidation referred to herein, furnished to us by the KCP Limited.
 4. We report that the consolidated financial statements have been prepared by the Company
- in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited/ unaudited financial statements of The KCP Limited, its joint venture and its subsidiary, as explained in paragraph 3 above, included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of separate audit reports, wherever furnished to us, on the individual audited financial statements of The KCP Limited, its joint venture and its aforesaid subsidiary as explained in paragraph 3 above, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet of the consolidated state of affairs of The KCP Limited, its joint venture and its subsidiary as at March 31, 2010;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of The KCP Limited, its joint venture and its subsidiary for the year then ended, and
 - c) in the case of the consolidated Cash flow statement of the consolidated cash flows of The KCP Limited, its joint venture and its subsidiary for the year ended on that date.

For BRAHMAYYA & CO
Chartered Accountants
Firm Regd No 000513S



(T. V. Ramana)
Partner

(ICAI Memb.No.200523)

Place: Chennai
Date: 28th May, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	Schedule	AS AT 31-03-2010		AS AT 31-03-2009	
		Rs.	Rs.	Rs.	Rs.
(I) SOURCES OF FUNDS:					
1. Shareholders' Funds:					
(a) Capital	A	32,89,21,160		12,89,21,160	
(b) Reserves & Surplus	B	3,34,34,10,399		2,67,90,60,521	
			3,67,23,31,559		2,80,79,81,681
2. Minority Interest	C		40,89,10,519		30,23,59,100
3. Loan Funds:					
(a) Secured Loans	D	1,63,66,77,171		1,02,65,48,656	
(b) Unsecured Loans	E	94,24,91,000		37,41,23,279	
			2,57,91,68,171		1,40,06,71,935
4. Deferred Tax Liability (Net)					
Deferred Tax Liability		19,00,53,489		18,82,12,860	
Less: Deferred Tax Asset		70,92,787	18,29,60,702	1,23,75,570	17,58,37,290
Total			6,84,33,70,951		4,68,68,50,006
(II) APPLICATION OF FUNDS:					
1. Fixed Assets:					
(a) Gross Block	F	3,90,74,53,813		3,99,80,43,860	
(b) Less: Depreciation		1,93,05,10,764		1,84,36,15,465	
(c) Net Block		1,97,69,43,049		2,15,44,28,395	
(d) Capital Work-in-Progress		2,09,80,19,222		8,56,98,991	
			4,07,49,62,271		2,24,01,27,386
2. Investments	G		67,39,133		1,87,48,120
3. Current Assets, Loans and Advances					
(a) Inventories	H-1	1,53,41,53,154		1,36,26,14,595	
(b) Sundry Debtors	H-2	93,31,81,383		96,61,55,343	
(c) Cash and Bank Balances	H-3	85,22,44,566		82,18,78,057	
(d) Other Current Assets	H-4	81,41,483		2,95,62,515	
(e) Loans and Advances	H-5	1,30,82,57,564		1,05,38,47,248	
		4,63,59,78,150		4,23,40,57,758	
Less: Current Liabilities and Provisions :					
(a) Liabilities	I-1	1,43,27,11,638		1,35,78,93,441	
(b) Provisions	I-2	44,15,96,965		44,81,89,817	
		1,87,43,08,603		1,80,60,83,258	
Net Current Assets			2,76,16,69,547		2,42,79,74,500
Total			6,84,33,70,951		4,68,68,50,006

Notes, Schedules & Statement on Accounting Policies form an integral part of the Balance Sheet
(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	Schedule	This Year			Previous Year		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME FROM:							
Sale of Products and Services							
Group Companies		6,20,22,10,803					
Less:Excise Duty		39,80,01,473		5,80,42,09,330		4,89,10,79,497	
Joint Venture		63,39,66,514					
Less:Excise Duty		60,16,648		62,79,49,866		44,27,72,080	
Other Income	1						
- Group Companies				11,09,71,357		17,58,73,848	
- Joint Venture						1,41,85,935	
				6,54,31,30,553		5,52,39,11,360	
EXPENDITURE ON:							
Materials Consumed	2			2,62,15,14,723		1,78,71,69,064	
Payments and Benefits to Employees	3			43,61,85,641		36,59,42,679	
Manufacturing,Selling,Administrative and other expenses	4			1,74,31,73,125		1,81,36,14,024	
Rates and Taxes (excluding income-tax)	5			1,24,13,659		1,43,75,003	
Interest & Finance Charges							
- Group Companies				13,09,63,274		12,58,97,141	
- Joint Venture				26,17,458		20,64,020	
Depreciation							
- Group Companies				21,36,40,965		19,95,66,093	
- Joint Venture				30,75,592		18,81,247	
				5,16,35,84,437		4,31,05,09,271	
Profit for the year:				13,79,546,116		1,21,34,02,089	
Add: Refund of Income Tax						54,25,419	
Less: Provision for Taxation-Current							
- Group Companies				31,25,69,735		32,85,64,122	
- Joint Venture				40,00,000			
Less: Provision for Taxation-deferred							
- Group Companies				44,70,247		17,28,206	
- Joint Venture				33,88,005		4,55,706	
				1,05,51,18,129		88,80,79,474	
Less: Minority Interest				14,85,05,661		7,93,67,202	
Add Excess Provision credited back				2,82,848		1,25,510	
Deferred tax credit				7,34,840		29,40,375	
Profit after taxation				90,76,30,155		81,17,78,157	
Balance brought forward from last Year				51,66,28,177		35,56,81,331	
				1,42,42,58,332		1,16,74,59,488	
Transfer to General Reserve							
- Group Companies				40,00,00,000		50,00,00,000	
- Joint Venture				-		-	
				1,02,42,58,332		66,74,59,488	
Less: Proposed Dividend				3,22,30,290		3,22,30,290	
- Proposed dividend on 12% preference Share capital				74,30,137			
- Joint Venture							
Interim Dividend Paid							
- Group Companies				9,66,90,870		9,66,90,870	
- Joint Venture				-		-	
Tax on distributed Profits							
- Group Companies				2,30,19,814		2,19,10,151	
- Joint Venture				-		-	
Balance carried forward to next Year				86,48,87,221		51,66,28,177	
Basic Earnings per equity share of Rs.10 each -(EPS)				81.17		62.97	
Net profit after tax Rs.1,05,51,18,130/- (Rs.80,87,12,272/-) / No.of equity shares 1,28,92,116(1,28,92,116)							

Notes, Schedules & Statement on Accounting Policies form an integral part of the Profit and Loss Account

(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
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O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**“SHARE CAPITAL”***Schedule ‘A’*

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
Authorised:		
1,28,97,748 Equity Shares of Rs.10/-each	12,89,77,480	55,00,00,000
2,00,00,000 Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
2,21,02,252 Unclassified Shares of Rs.10/- each	22,10,22,520	-
	55,00,00,000	55,00,00,000
Issued:		
1,28,97,748 Equity Shares of Rs.10/-each	12,89,77,480	12,89,77,480
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
	32,89,77,480	12,89,77,480
Subscribed and Paid-up:		
1,28,92,116 Equity Shares of Rs.10/-each fully paid	12,89,21,160	12,89,21,160
2,00,00,000 12% Redeemable, Cumulative, Non Convertible Preference Shares of Rs.10/-each	20,00,00,000	-
Total Taken To Balance Sheet	32,89,21,160	12,89,21,160

“RESERVES & SURPLUS”*Schedule ‘B’*

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
Capital reserve		
Group Companies		
On reorganisation	2,79,91,144	2,79,91,144
Capital Subsidy	50,00,000	50,00,000
Amalgamation Reserve	1,03,83,025	1,03,83,025
General Reserve		
- Group Companies	2,39,98,27,994	2,09,56,50,287
- Joint Venture	3,55,04,300	3,55,04,300

Translation Reserve	-183,286	-1,20,96,412
Surplus (i.e) Balance in Profit Loss Account		
- Group companies	85,65,43,819	51,86,92,240
- Joint Venture	83,43,403	-20,64,063
Total Taken To Balance Sheet	3,34,34,10,399	2,67,90,60,521

“MINORITY INTEREST”

Schedule ‘C’

PARTICULARS	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
Share capital in KCP Vietnam Industries Ltd 42,00,240 Equity shares (42,00,240 shares) held by minority shareholders	16,63,96,977	16,63,96,977
Profit and Loss Account	29,04,29,987	14,20,10,329
Translation Reserve	-4,79,16,445	-60,48,206
Total Taken To Balance Sheet	40,89,10,519	30,23,59,100

“SECURED LOANS”

Schedule ‘D’

PARTICULARS	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
I. Short-Term Loans:		
a) Working capital loans from Banks & Others		
- Group Companies	17,22,57,890	83,09,24,342
- Joint Venture	1,17,61,607	11,264,648
II. Long-Term Loans :		
From Financial institutions		
- Group Companies	1,45,26,57,674	18,43,59,666
- Joint Venture	-	-
Total Taken To Balance Sheet	1,63,66,77,171	1,02,65,48,656

“UNSECURED LOANS”

Schedule ‘E’

PARTICULARS	AS AT	AS AT
	31.03.2010	31.03.2009
	Rs.	Rs.
Group Companies		
From Banks	10,00,00,000	-
Fixed Deposits	62,24,91,000	13,91,50,000
From Directors	15,90,00,000	7,90,00,000
Intercorporate Loans	6,10,00,000	15,59,73,279
Total Taken To Balance Sheet	94,24,91,000	37,41,23,279

Schedule 'F'

"Fixed Assets"

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Cost upto 31.03.2009	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31.03.2010	Exchange difference	Total Depreciation upto 31.03.2009	Total Depreciation upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Lands										
- Group companies	3,02,44,882	4,87,660	1,44,490		3,05,88,052				3,05,88,052	3,02,44,882
2. (a) Buildings										
- Group companies	24,56,63,206	1,68,60,950	16,11,255		26,09,12,901		9,15,75,470	9,86,54,262	16,22,58,639	15,40,87,735
(b) Leasehold Buildings										
- Group companies	15,47,500				15,47,500		4,37,566	4,62,790	10,84,710	11,09,934
3. Tramways & Railway Sidings										
- Group companies	67,94,362				67,94,362		58,63,532	61,86,264	6,08,098	9,30,830
4. Plant & Machinery Owned										
- Group companies	3,58,94,49,049	16,23,18,594	21,61,959	29,29,03,328	3,45,67,02,356	12,68,77,811	1,67,89,75,282	1,75,03,95,451	17,06,30,69,05	1,91,04,73,768
5. Furniture, Fixtures & Office Equipment Owned										
- Group companies	4,10,52,696	29,06,379	8,58,304	12,42,334	4,18,58,437	12,01,715	2,94,16,234	2,97,69,030	1,20,89,407	1,16,36,462
- Joint Venture	45,83,350	14,05,725	3,961		59,85,114		28,12,661	38,10,294	21,74,820	17,70,689
- Joint Venture	1,28,932				1,28,932				1,28,932	1,28,932
6. Vehicles & Earthmoving Equipment Owned										
- Group companies	6,95,78,715	2,38,08,824	24,13,166		9,09,74,373		2,87,61,911	3,35,58,638	5,74,15,735	4,08,16,804
- Joint Venture	17,16,806	25,53,714	2,20,734		40,49,786		8,49,288	14,11,770	26,38,016	8,67,518
- Group companies										
7. Research & Development Equipment										
- Group companies	15,56,170				15,56,170		7,00,877	8,75,704	6,80,466	8,55,293
- Patents	23,49,325			2,60,736	20,88,588	2,60,737	23,49,325	20,88,588		
- Joint Venture	33,78,867	8,88,375			42,67,242		18,73,319	32,97,973	9,69,269	15,05,548
Grand Total	3,99,80,43,860	21,12,30,221	74,13,869	29,44,06,398	3,90,74,53,813	12,83,40,263	1,84,36,15,465	1,93,05,10,764	1,97,69,43,049	2,15,44,28,395
1. Group Companies	3,98,82,35,905	20,63,82,407	71,89,174	29,44,06,398	3,89,30,22,739	12,83,40,263	1,83,80,80,197	1,92,19,90,727	1,97,10,32,012	2,15,01,55,708
2. Joint Venture	98,07,955	48,47,814	2,24,695		1,44,31,074		55,35,268	85,20,037	59,11,037	42,72,687
Grand Totals	3,99,80,43,860	21,12,30,221	74,13,869	29,44,06,398	3,90,74,53,813	12,83,40,263	1,84,36,15,465	1,93,05,10,764	1,97,69,43,049	2,15,44,28,395

"INVESTMENTS"

Schedule 'G'

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
1. Trade Investments:		
(a) Quoted Equity Shares - Fully paid	1	1
(b) Unquoted Equity Shares - Fully paid:	-	1,20,00,000
2. Non-Trade Investments:		
(a) Quoted Equity Shares -Fully Paid:	13,03,905	13,03,905
(b) Unquoted Equity Shares - Fully Paid:	50,00,001	50,00,001
3. Other Investments	4,35,226	4,44,213
Total Taken To Balance Sheet	67,39,133	1,87,48,120

"CURRENT ASSETS"

Schedule 'H-1'

INVENTORIES

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
1) Stores and Spares		
- Group Companies	45,36,33,567	34,89,50,849
2) Raw Materials		
- Group Companies	2,12,79,436	5,74,47,455
- Joint Venture	9,23,79,996	9,08,20,890
3) i) Finished Goods at Cost		
- Group Companies	53,43,80,684	44,25,19,718
ii) Finished Goods at Market Value		
- Group Companies	2,19,17,545	2,79,06,155
4) Work-in-progress		
- Group Companies		
- At cost	37,47,69,970	39,49,69,528
- At Estimated Realisable value	3,57,91,956	-
Total Taken To Balance Sheet	1,53,41,53,154	1,36,26,14,595

“Sundry Debtors”*Schedule ‘H-2’*

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2010 Rs.	31.03.2009 Rs.
Debts outstanding for a period exceeding six months:			
(1) Considered Good			
(a) Fully Secured			
- Group Companies	8,56,764	-	18,67,304
(b) Unsecured			
- Group Companies	49,18,07,222	-	13,37,04,190
- Joint Venture	7,10,65,387	56,37,29,373	5,02,63,108
		56,37,29,373	18,58,34,602
(2) Other Debts-Considered Good			
(a) Fully Secured			
- Group Companies	84,84,170	-	42,44,997
(b) Unsecured			
- Group Companies	17,89,47,434	-	62,91,88,165
- Joint Venture	18,20,20,406	36,94,52,010	14,68,87,579
Total Taken To Balance Sheet		93,31,81,383	96,61,55,343

“CASH AND BANK BALANCES”*Schedule ‘H-3’*

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2010 Rs.	31.03.2009 Rs.
(1) Cash /Cheques on hand			
- Group Companies	1,57,25,705		93,85,056
- Joint Venture	2,53,452	1,59,79,157	2,11,257
(2) At Scheduled Banks:			
i) in Fixed Deposits			
- Group Companies	61,58,77,895		63,01,22,149
- Joint Venture	4,24,36,843	65,83,14,738	3,08,20,416
ii) in Current Accounts			
- Group Companies	17,51,91,476		11,00,06,714
- Joint Venture	27,59,195	17,79,50,671	4,13,32,465
Total Taken To Balance Sheet		85,22,44,566	82,18,78,057

“OTHER CURRENT ASSETS”*Schedule ‘H-4’*

PARTICULARS	AS AT	AS AT
	31.03.2010 Rs.	31.03.2009 Rs.
Interest accrued		
- Group Companies	62,83,993	2,85,39,443
- Joint Venture	18,57,490	10,23,072
Total Taken To Balance Sheet	81,41,483	2,95,62,515

"LOANS AND ADVANCES"

Schedule 'H-5'

PARTICULARS	Details Rs.	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
(1) Advances, (unsecured , recoverable in cash or in kind , for value to be received)			
Considered Good			
- Group Companies	53,63,63,606		46,63,35,897
- Joint Venture	7,50,11,532		5,89,39,464
		61,13,75,138	
Considered Doubtful			
- Group Companies			
Less : Provision For Doubtful Advances		-	-
		61,13,75,138	52,52,75,361
(2) Prepaid Expenses			
- Group Companies	1,50,98,987		93,54,303
- Joint Venture	27,33,721	1,78,32,708	66,82,226
(3) Excise Duty Paid In Advance			
- Group Companies	15,55,17,857		3,19,78,619
- Joint Venture	1,71,01,459	17,26,19,316	1,18,47,172
(4) Income-Tax / Wealth -Tax / Sales Tax Paid In Advance			
- Group Companies	36,59,61,051		34,64,40,569
- Joint Venture	5,60,07,977	42,19,69,028	5,11,76,874
(5) Income-Tax Deducted At Source			
- Group Companies	4,55,94,890		3,20,75,292
- Joint Venture	32,81,552	4,88,76,442	15,58,569
(6) Deposits Recoverable			
- Group Companies	3,25,47,815		3,39,82,678
- Joint Venture	1,26,735	3,26,74,550	13,200
(7) Claims Recoverable			
- Group Companies	25,96,852		33,60,863
- Joint Venture	3,13,530	29,10,382	1,01,522
Total Taken To Balance Sheet		1,30,82,57,564	1,05,38,47,248

"CURRENT LIABILITIES AND PROVISIONS"

Schedule 'I-1'

PARTICULARS	Details Rs.	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
A. CURRENT LIABILITIES:			
(1) Sundry Creditors			
- Group Companies	53,79,94,311		40,75,27,401
- Joint Venture	17,66,44,430	71,46,38,741	18,54,89,237
(2) Advances received against sales			
- Group Companies	37,64,48,290		46,02,61,549
- Joint Venture	24,11,43,938	61,75,92,228	23,18,52,635
(3) Trade Deposits			
- Group Companies		6,32,50,000	4,83,30,000
(4) Security Deposits from staff and others			
- Group Companies		16,41,876	24,92,193
(5) Interest accrued but not due on loans			
- Group Companies		1,48,29,471	70,21,982
(6) Due to Superannuation and Gratuity Trusts			
- Group Companies		94,98,557	48,78,726
(7) Unclaimed Dividend			
- Group Companies		1,12,60,765	1,00,39,718
Total Taken To Balance Sheet		1,43,27,11,638	1,35,78,93,441

PROVISIONS:

Schedule 'I-2'

PARTICULARS	Details Rs.	AS AT	AS AT
		31.03.2010 Rs.	31.03.2009 Rs.
(1) For Income Tax & Wealth Tax			
- Group Companies	34,29,22,934		35,16,37,005
- Joint Venture	2,58,09,801	36,87,32,735	3,20,25,225
(2) For Proposed Dividend			
- Group Companies		3,96,60,427	3,22,30,290
(3) For Tax on Dividend			
- Group Companies		65,87,201	54,77,538
(4) For Leave Encashment			
- Group Companies	1,67,43,722		1,39,94,163
- Joint Venture	5,85,330	1,73,29,052	5,79,029
(5) For Provision towards Gratuity			
- Group Companies		92,87,550	1,22,46,567
Total Taken To Balance Sheet		44,15,96,965	44,81,89,817

Signature to Schedules A to I-2

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

**M.R.
RAMACHANDRAN**
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**“OTHER INCOME”***Schedule-1*

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
(1) Interest received from Banks and others			
- Group Companies	4,78,49,479		7,56,86,178
- Joint Venture	9,70,181	4,88,19,660	1,28,10,401
(2) Dividends Received (Gross)		66,344	1,76,40,070
(3) Rents received		30,93,360	32,17,777
(4) Miscellaneous Receipts			
- Group Companies		50,65,698	1,62,51,667
(5) Profit on sale of Assets			
- Group Companies	4,44,336		10,39,842
- Joint Venture	18,035	4,62,371	2,499
(6) Unclaimed balances credited back			
- Group Companies		12,84,465	21,83,574
- Joint Venture		-	-
(7) Claims/refunds received			
- Group Companies		2,86,73,512	1,62,337
- Joint Venture			5,19,335
(8) Provision no longer required credited back			
- Group Companies	1,98,13,309		99,00,872
- Joint Venture	36,92,638	2,35,05,947	6,98,134
(9) Difference in Exchange (Net)			
- Group Companies		-	4,97,91,531
- Joint Venture		-	1,55,566
Total Taken To Profit & Loss Account		11,09,71,357	19,00,59,783

"MATERIALS CONSUMED"

Schedule-2

PARTICULARS	This Year Rs.	Previous Year Rs.
Opening Stocks:		
Raw materials		
- Group Companies	5,74,47,453	1,78,72,844
- Joint Venture	9,08,20,891	2,55,62,584
Work-in-Progress		
- Group Companies	39,49,69,528	32,35,14,233
Finished goods		
- Group Companies	47,04,25,873	22,43,22,098
	1,01,36,63,745	59,12,71,759
ADD:		
i) Purchases:		
Raw materials & Components		
- Group Companies	55,59,69,319	47,39,41,783
- Joint Venture	45,44,53,638	46,03,70,834
ii) Cost of raw materials produced		
- Group Companies	1,67,80,89,705	1,27,70,58,825
	2,68,85,12,662	2,21,13,71,442
	3,702,176,407	2,80,26,43,201
LESS:		
Closing Stocks: Raw materials		
- Group Companies	2,12,79,436	5,74,47,453
- Joint Venture	9,23,79,996	9,08,20,891
Work-in-Progress		
- Group Companies	41,05,61,926	39,49,69,528
Finished Goods		
- Group Companies	55,62,98,229	47,04,25,873
	1,08,05,19,587	1,01,36,63,745
Excise duty differential on Opening/Closing stocks of Finished Goods	-1,42,097	-18,10,392
Total Taken To Profit & Loss Account	2,62,15,14,723	1,78,71,69,064

“PAYMENTS AND BENEFITS TO EMPLOYEES”

Schedule-3

PARTICULARS	This Year	Previous Year
	Rs.	Rs.
Salaries, Wages and Bonus		
- Group Companies	31,60,82,113	27,82,40,037
- Joint Venture	1,61,13,618	1,31,48,901
Contribution to Provident Fund and Family Pension Scheme		
- Group Companies	1,62,62,501	1,44,35,119
- Joint Venture	14,71,442	13,49,803
Contribution to Superannuation Funds		
- Group Companies	3,06,38,696	59,00,430
Contribution to Gratuity Funds		
- Group Companies	85,95,029	1,12,39,090
- Joint Venture	-2,12,007	9,29,031
Workmen and Staff Welfare expenses		
- Group Companies	4,47,77,614	3,88,12,075
- Joint Venture	24,56,635	18,88,193
Total Taken To Profit & Loss Account	43,61,85,641	36,59,42,679

“MANUFACTURING ,SELLING, ADMINISTRATIVE AND OTHER EXPENSES”

Schedule-4

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Manufacturing:			
Stores and Spares (including Packing Materials) consumed.			
- Group Companies		36,72,74,183	37,30,62,216
Sub-contracted works			
- Group Companies		11,92,52,710	9,08,79,075
- Joint Venture		29,85,447	16,25,954
Power and Fuel			
- Group Companies	74,97,19,640		
Less:Self consumption of Power generated internally	15,88,24,476	59,08,95,164	70,72,03,950
Insurance			
- Group Companies		69,14,588	55,17,118
- Joint Venture		20,000	-
Research & Development			
- Group Companies		6,05,735	5,42,342
Technical fee and royalty			
- Group Companies		-	-
- Joint Venture		50,96,098	59,99,849
Repairs to Buildings			
- Group Companies		2,95,27,098	3,08,21,668
Repairs to Machinery			
- Group Companies		10,69,86,378	9,97,47,094
Repairs to Other Assets			
- Group Companies		2,44,47,718	3,43,69,264
	(A)	1,25,40,05,119	1,34,97,68,531
Selling:			
Advertisement			
- Group Companies		3,52,44,946	1,18,80,335
- Joint Venture		6,34,892	10,52,661
Loading,Unloading,Transport etc			
- Group Companies		13,23,76,986	12,15,37,899
- Joint Venture		1,72,75,743	58,01,489
Commission on Sales			
- Group Companies		26,15,238	19,48,387

Schedule-4 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
- Joint Venture		1,07,56,894	1,47,12,440
	(B)	19,89,04,699	15,69,33,211
Administrative:			
Rent			
- Group Companies		50,78,026	48,30,746
- Joint Venture		-	-
Payments to Auditors			
- Group Companies		16,53,674	16,33,629
- Joint Venture		2,06,340	2,20,084
Directors' Sitting Fee			
- Group Companies		6,20,000	4,16,250
Managerial Remuneration			
- Group Companies		6,81,27,376	7,36,75,140
- Joint Venture		14,69,342	6,58,320
Miscellaneous Expenses			
- Group Companies		15,67,68,997	15,92,59,949
- Joint Venture		1,92,77,180	1,48,42,297
	(C)	25,32,00,935	25,55,36,415
Other Items:			
Warranty Claims			
- Group Companies		1,71,16,326	3,36,51,231
- Joint Venture		31,52,000	33,83,981
Bad debts and irrecoverable advances written off			
- Group Companies		4,76,794	1,33,19,461
- Joint Venture		-	5,17,174
Discarded assets written off			
- Group Companies		15,69,832	1,40,270
Loss on sale of assets			
- Group Companies		4,41,789	3,45,946
- Joint Venture		13,404	2,804

Schedule-4 (Contd.)

PARTICULARS	Details Rs.	This Year Rs.	Previous Year Rs.
Investments written off			
- Group Companies		-	15,000
Difference in exchange (NET)			
- Group Companies		1,40,89,281	-
- Joint Venture		2,02,946	-
	(D)	3,70,62,372	5,13,75,867
Totals of (A+B+C+D) Taken To Profit & Loss Account		1,74,31,73,125	1,81,36,14,024

“RATES & TAXES (EXCLUDING INCOME TAX)”

Schedule-5

PARTICULARS	This Year Rs.	Previous Year Rs.
Rates and Taxes		
- Group Companies	1,18,05,469	1,39,33,523
- Joint Venture	6,08,190	4,41,480
Total Taken To Profit & Loss Account	1,24,13,659	1,43,75,003

Signature to Schedules 1 to 5
(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

**M.R.
RAMACHANDRAN**
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

Notes Forming Part of the Accounts

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 2010.

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.

3. FOREIGN EXCHANGE TRANSACTIONS

- A) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately with the difference in the rate of exchanges arising on actual receipt/payment during the year.
- B) At each Balance Sheet date
 - foreign currency monetary items are reported using the rate of exchanges on that date
 - foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- C) In respect of forward exchange contracts in the nature of hedges if any,
 - a. Premium or discount on the contract is amortised over the term of the contract,
 - b. Exchange differences on the contract are recognized as profit or loss in the period in which they arise
- D) In consolidating the transactions of the non-integral foreign operations of the group, in the group financial statements,

All the assets and liabilities of such operations are translated at the exchange rate on the date of the Balance Sheet

Income and expenses of such operations are translated at the yearly average rates.

The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the investment in such operations

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

PARTICULARS	ASSET Rs.	LIABILITY Rs.
1. Depreciation	-	18,99,93,263
Joint Venture	-	60,226
2. Items U/s 43 B of IT Act	69,85,219	-
Joint Venture	1,07,568	-
	70,92,787	19,00,53,489
Net deferred tax liability as on 31.03.2010		18,29,60,702

5. Movement in Translation Reserve

PARTICULARS	Majority Rs.	Minority Rs.	Total Rs.
Opening Balance (Dr)	-1,20,96,412	-60,48,206	-1,81,44,618
Movement due to Non Monetary items-			
Capital, Reserves, opening Stock etc. (cr)	1,19,13,126	-4,18,68,239	-2,99,55,113
Closing balance(Dr)	-1,83,286	-4,79,16,445	-4,80,99,731

6. Particulars disclosed pursuant to “AS-18 related party disclosures” :-

A. List of Related parties:

<p>Key Management Personnel (KMP)</p>	<p>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.K.B. Pranesh - Managing Director, Fives Cail KCP Ltd.</p>
<p>Relatives of Key Management Personnel</p>	<p>Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Smt. V.L. Indira Dutt - Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister Smt. Kavitha D Chitturi - Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband Sri. V.Gandhi - Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Anupama - Daughter Sri. N. Seshubabu - Daughter’s Husband</p>
<p>Companies controlled by Key Management Personnel/Relatives</p>	<p>KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. VRK Grandsons Investment (P) Limited V Ramakrishna Charitable Trust</p>

B. Transactions with the related parties:

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies Controlled by KMP/ relatives of KMP
Transactions during the year	Rs.	Rs.	Rs.
Sale of Goods			
The Jeypore Sugar company Ltd.			34,84,236
Service Charges Received			
V Ramakrishna Sons Private Limited			2,880
KCP Technologies Limited			2,10,000
Loans Received			
Dr. VL Dutt	5,30,00,000		
Smt. VL Indira Dutt	3,20,00,000		
Smt. Kavitha Dutt Chitturi	1,15,00,000		
V Ramakrishna Sons Private Limited			2,95,00,000
Donations			
V Ramakrishna Charitable Trust			4,00,00,000
Remuneration paid			
Dr. VL Dutt	2,43,31,206		
Smt. VL Indira Dutt	2,43,31,206		
Smt. Kavitha Dutt Chitturi	97,32,482		
Sri V. Gandhi	97,32,482		
Sri K.B. Pranesh	34,17,575		
Interest paid			
Dr. VL Dutt	72,60,166		
Smt. VL Indira Dutt	33,82,603		
Smt. Kavitha Dutt Chitturi	19,20,368		
Other relations		7,19,382	
V Ramakrishna Sons Private Limited			44,07,808
Dividend paid			
Dr. VL Dutt	54,92,750		
Smt. VL Indira Dutt	28,03,240		
Smt. Kavitha Dutt Chitturi	5,99,750		
Sri V. Gandhi	2,040		

(Contd.)		
Other relations		17,59,635
V Ramakrishna Sons Private Limited		3,88,74,450
The Jeypore Sugar Company Ltd.		2,78,370
VRK Grandsons Investment (P) Limited		95,78,330
Loans Given/paid		
Dr. VL Dutt	65,00,000	
Smt. Kavitha Dutt Chitturi	1,00,00,000	
Rent paid		
Smt. VL Indira Dutt	1,986	
Other relations		9,993
Balances as at 31.03.2010:		
Receivable - Trade dues		
KCP Technologies Limited		93,438
Share capital in KCP held by		
Dr. VL Dutt	54,93,250	
Smt. VL Indira Dutt	28,03,740	
Smt. Kavitha Dutt Chitturi	5,99,750	
Sri V. Gandhi	2,040	
Other relations		17,59,020
V Ramakrishna Sons Private Limited		3,87,44,950
The Jeypore Sugar Company Ltd.		2,78,370
VRK Grandsons Investment (P) Limited		95,78,330
Loans/Advance received		
Dr. VL Dutt	9,70,00,000	
Smt. VL Indira Dutt	4,55,00,000	
Smt. Kavitha Dutt Chitturi	1,65,00,000	
V Ramakrishna Sons Private Limited		6,10,00,000
Deposits received		
Dr. VL Dutt	33,50,000	
Smt. Kavitha Dutt Chitturi	1,53,000	
Other relations		90,79,000
Payable - Trade dues		
The Jeypore Sugar Company Ltd.		1,05,249

7. a. Claims against the Company not admitted

PARTICULARS	31st March, 2010 Rs.	31st March, 2009 Rs.
Statutory Levies - Group Companies	8,72,68,559	7,20,93,231
Others - Group companies	5,43,85,657	5,96,33,429
Joint venture	94,54,117	-

b. Share of Contingent Liability in Joint Venture

1. Corporate Guarantees issued by the Company to customers Rs. Nil (Rs.80,38,000/-)
2. Guarantees issued by bankers on behalf of the Company Rs. 2,20,22,459/- (Rs.23,64,74,578/-)
3. Estimate amount of contracts remaining to be executed on Capital account and not provided for Rs.9,20,072(Nil)

8. Particulars to be disclosed pursuant to Accounting Standard 17 “ Segment Reporting” are given in Annexure 1.

General:

Paise have been rounded off.

Figures in brackets indicate those for the previous year.

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

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing
Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

**M.R.
RAMACHANDRAN**
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	2010			2009
	ADD Rs.	LESS Rs.	TOTAL Rs.	Rs.
A). CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax			1,36,69,76,381	1,21,34,02,089
			1,36,69,76,381	1,21,34,02,089
ADJUSTMENTS FOR				
Depreciation	216,716,557		21,67,16,557	20,14,47,340
Foreign Exchange Difference(Net)	14,089,281		1,40,89,281	-4,99,47,097
Profit/Loss on Sale conversion of Assets		-7,178	-7,178	-6,93,591
Assets written off	15,69,832	-	15,69,832	1,40,270
Transferred to general Reserve	2,875,695	-	28,75,695	
Profit/Loss on Sale of Investment		-	0	15,000
Interest (Nett)	88,776,433	-	8,87,76,433	3,94,64,582
Dividend Received	-	-66,344	-66,344	-1,76,40,070
	324027798	-73522	32,39,54,276	17,27,86,434
OPERATING PROFIT BEFORE WORKING CAPITAL:			1,69,09,30,657	1,38,61,88,523
Trade and other Receivables	-	-151,415,001	-15,14,15,001	-57,25,50,886
Inventories	-	-171,538,559	-17,15,38,559	-48,53,96,552
Trade Payables & Provision	71,500,952		7,15,00,952	29,40,92,077
	71500952	-322953559	-25,14,52,607	-76,38,55,361
CASH GENERATED FROM OPERATIONS			1,43,94,78,050	62,23,33,162
Direct Taxes refunds received / Paid (Net)		366,595,425	-36,65,95,425	-33,79,69,117
			1,07,28,82,624	28,43,64,045
CASH FLOW BEFORE EXTRAORDINARY ITEMS				
Foreign Exchange Difference	267,620,056		26,76,20,056	4,99,47,097
NET CASH FROM OPERATING ACTIVITIES A			1,34,05,02,680	33,43,11,142
B). CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of / Additions to Fixed Assets		452,547,537	-45,25,47,537	-53,87,77,962
Capital Work-in-Progress		2,009,987,926	-2,00,99,87,926	97,67,942
Purchase of Investments		12,774	-12,774	
Repayment of Loan by subsidiary company	66,409,938		6,64,09,938	5,31,23,542
Sale of Fixed Assets	1,436,148		14,36,148	14,13,351
Sale of Investments	12,000,000		1,20,50,667	1,74,00,000
Interest Received	53,722,019		5,37,22,019	9,69,59,201
Dividend Received	66,344		66,344	1,76,40,070
Translation Difference	0		0	10,90,03,594
NET CASH USED IN INVESTING ACTIVITIES ... B			-2,32,88,63,121	-23,34,70,262
C). CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds of Long Term Borrowings (Secured)	672,931,716		67,29,31,716	49,04,89,381
Dividend Paid		128,921,160	-12,89,21,160	-14,65,21,160
Tax on Distributed Profits		21,910,151	-2,19,10,151	-2,49,01,271
Interest Paid		142,498,452	-14,24,98,452	-13,64,23,784
Increase in Capital	200,000,000		20,00,00,000	
Repayment of Long Term Borrowings (Unsecured)	439,124,996		43,91,24,996	57,10,000
	2,624,113,424	58,66,59,526	2,03,74,53,899	18,83,53,166
NET CASH USED IN FINANCING ACTIVITIES ... C			1,01,87,26,949	18,83,53,166
Net increase / (decrease) in cash and cash equivalents (A+B+C)			3,03,66,509	28,91,94,046
Opening Cash Balance			82,18,78,057	53,26,84,011
Closing Cash Balance			85,22,44,566	82,18,78,057

(FOR AND ON BEHALF OF THE BOARD)

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

V.L. DUTT
Chairman and Managing Director

V.L. INDIRA DUTT
Joint Managing Director

KAVITHA D CHITTURI
Executive Director

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

O. SWAMINATHA REDDY
Director

V. GANDHI
Technical Director

M.R. RAMACHANDRAN
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

Place: Chennai
Date: 28th May, 2010

SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2010

Annexure-I

Primary Segment Report - Business Segments

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	23,056	19,837	24,172	24,359	1,678	1,629	21,614	14,129	578	1,089			71,098	61,043
Less:Excise Duty	1,387	1,560	2,647	3,979			6		6				4,040	5,539
Less:Inter Segment Sales	0	18,277	21,525	20,380	1,678	1,629	21,614	14,129	572	1,089			67,058	55,504
Result	21,669	18,277	21,525	20,352	51	41	21,614	14,129	572	868			65,431	53,667
Segment Result	6,184	5,530	3,549	4,446	564	682	4,984	3,139	-150	0			15,281	13,797
Add: Unallocated Corporate Ex-penses													-150	-383
Operating Profit / (Loss)	6,184	5,530	3,549	4,446	564	682	4,984	3,139	150	0			15,131	13,414
Less:Interest Expenses													1,336	1,280
Add : Income Tax Refund/Credited Back													3	54
Less: Income Taxes														
Net Current Tax liability													3,166	3,289
Net Deferred Tax Liability													72	-12
Profit from Ordinary Activities													10,560	8,911
less: Minority share of profit / (Loss)													1,485	794
Net Profit													9,075	8,117
Other Information														
Segment Assets	22,075	23,125	33,240	9,123	5,185	5,567	18,090	17,379	923	3,048	2771	0	76,742	58,242
Unallocated corporate Assets													10,436	4,318
Total Assets	22,075	23,125	33,240	9,123	5,185	5,567	18,090	17,379	923	3,048	2771	0	87,178	62,560
Segment Liabilities	9,476	11,009	14,388	3,944	1,035	1,347	5,823	4,940	291	810	359	0	30,654	22,050
Unallocated Corporate liabilities													15,336	9,405
Minority Interest													4,089	3,024
Shareholders Funds	9,476	11,009	14,388	3,944	1,035	1,347	5,823	4,940	291	809		0	37,099	28,080
Total Liabilities	9,476	11,009	14,388	3,944	1,035	1,347	5,823	4,940	291	809		0	87,178	62,559
Capital Expenditure	997	1,146	19,966	138	58	11	772	1,657	302	44	0	0	22,095	3,071
Total Capital Expenditure	997	1,146	19,966	138	58	11	772	1,657	302	44	0	0	22,095	3,071
Depreciation	299	153	290	282	426	425	1,082	1,082	72	73			2,169	2,015

* Segment asset includes Rs. 24,834 Lakhs being the Capital work in progress of Muktyala Cement plant.

* Segment Liabilities includes Rs. 10,530 Lakhs being the liabilities incurred towards Muktyala Cement plant.

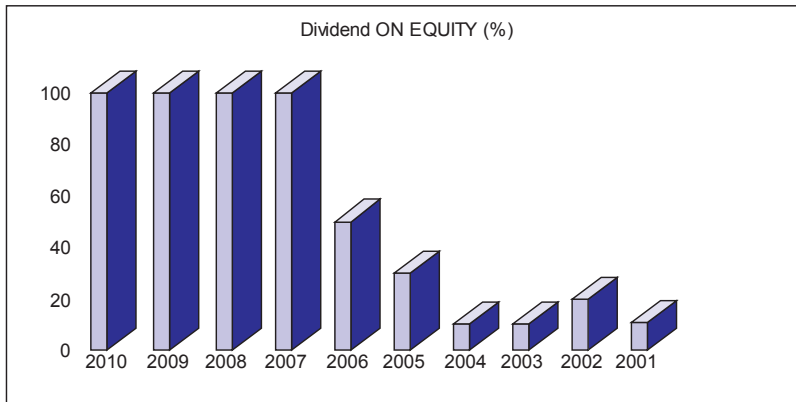
Secondary Segment Report - Geographical Segments

	Sales Revenue		Carrying amount of assets		Additions to Fixed Assets	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
India	43817	39538	69088	45181	21323	1339
South East Asia - Vietnam	21614	14129	18090	17379	772	1657

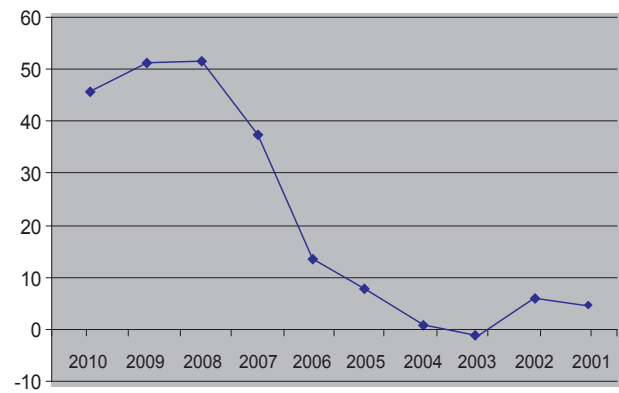
Other disclosures:

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 subsidiaries 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
4. Intersegment revenues are recognised at market price.

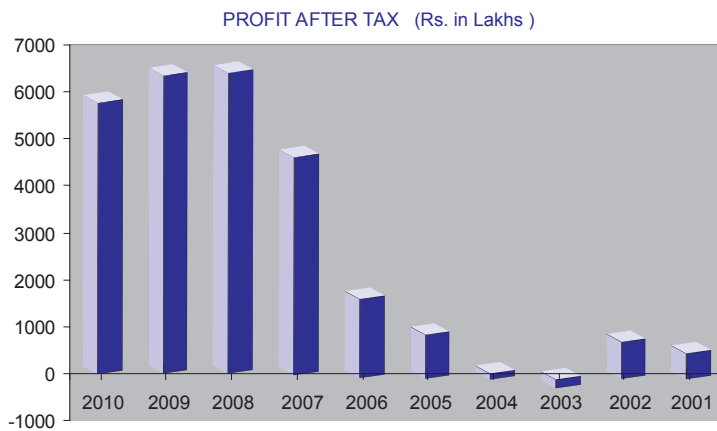
At a Glance

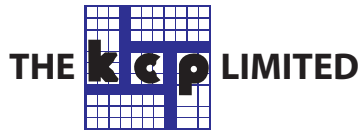


Dividend History



EPS





ADMISSION SLIP

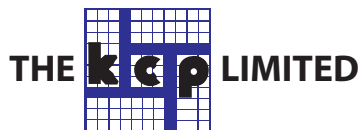
Regd. Office: 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008.

PLEASE COMPLETE THIS ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS	NO. OF SHARES	FOLIO NO./CLIENT ID NO
<p>69th ANNUAL GENERAL MEETING</p> <p>Date : WEDNESDAY 28TH JULY, 2010 Time: 11.00 A.M.</p> <p>Place: REGISTERED OFFICE "RAMAKRISHNA BUILDINGS"</p> <p>2, DR. P.V. CHERIAN CRESCENT, EGMORE, CHENNAI - 600 008</p>		

*If you intend to appoint a Proxy, please complete the Proxy below and deposit it at the Company's Registered Office 48 hours before the meeting. Please ensure that the Proxy brings this Admission slip with him for the meeting

Name of Proxy (if any) in block letters	Signature of Member(s) / proxy



PROXY FORM

	No. of Shares	Folio No./Client ID No.

Regd. Office: 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008

SERIAL NO.	RECEIVED ON	TIME	CODE

I/We of in the district of being a member/members of the above named company hereby appoint of in the district of or failing him of in the district of as my / our proxy to vote for me / us on my / our behalf at the 69th Annual General Meeting of the Company to be held at 11a.m. on Wednesday, 28th July 2010 and at any adjournment thereof.

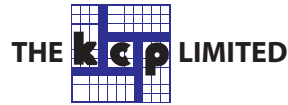
As witness my (our) hand(s) this day of 2010

Signed by the said

Affix
Rs.1/-
Revenue
Stamp

* This proxy form must be duly completed and received at the Company's Registered Office 48 hours before the commencement of meeting Proxy need not be a member of the Company





Members
Feedback Form
2009-2010

Name :e-mail id :

Address :

DP ID :

Client ID :

Folio No. :

(in case of physical holding)

No. of equity shares held :

(the period for which held)

Signature of member

		Excellent	Very Good	Good	Satisfactory	Unsatisfactory
Directors' Report and Management's Discussion and Analysis	Contents					
	Presentation					
Report on Corporate Governance	Contents					
	Presentation					
Shareholders' Referencer	Contents					
	Presentation					
Quality of Financial and non-financial information in the Annual Report	Contents					
	Presentation					
Information on Company's Website	Contents					
	Presentation					
INVESTOR SERVICES						
Turnaround time for response to Shareholder query						
Quality of response						
Timely receipt of Annual Report						
Conduct of Annual General Meeting						
Timely receipt of dividend warrants / payment through ECS						
Promptness in confirming demat/remat requests						
Overall rating						
views/Suggestions for improvement, if any						
.....						
.....						

Members are requested to send this feedback form to the address given overleaf.

To

**THE COMPANY SECRETARY
THE K.C.P LTD.
“RAMAKRISHNA BUILDINGS”
2, DR. P.V. CHERIAN CRESCENT
EGMORE, CHENNAI - 600 008**