

2012-13

72ND ANNUAL REPORT

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

(Rs. in Lakhs)

	Year Ended									
	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04
SHARE CAPITAL	2789	3289	3289	3289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	34458	33168	29542	27189	22780	17697	12984	9625	8610	8084
NET WORTH	37247	36457	32831	30478	24069	18986	14273	10914	9899	9373
FIXED ASSETS (NET)	60639	54374	50668	33448	13147	12653	11704	7572	6850	7091
GROSS INCOME	88464	72654	37626	42289	41788	41604	30051	20680	16863	14722
GROSS PROFIT	11348	15208	8224	11052	11369	11284	8321	3448	2445	1386
DEPRECIATION	3197	2935	1233	1056	914	858	618	519	494	667
INTEREST	3812	3795	1394	949	671	692	444	444	489	584
PROFIT BEFORE TAX	4339	8478	5597	9047	9784	9734	7259	2485	1462	135
PROFIT AFTER TAX	3046	6153	4135	6002	6591	6654	4829	1750	967	117
EARNINGS PER SHARE(Rs)**	2.16	4.56	2.99	45.88	51.13	51.62	37.46	13.58	7.50	0.91
BOOK VALUE PER SHARE(Rs)**	27.34	26.73	23.92	220.93	186.72	147.27	110.72	84.66	76.79	72.71
DIVIDEND ON EQUITY(%)	100	150	100	100	100	100	100	50	30	10
DEBT EQUITY RATIO	0.54	0.51	0.71	0.33	0.27	0.15	0.21	0.39	0.03	0.05

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

(Rs. in Lakhs)

	Year Ended									
	31-3-13	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04
SHARE CAPITAL	2789	3289	3289	3289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	47574	46890	41684	33434	26791	19601	13532	9219	7846	7092
NET WORTH	50363	50179	44973	36723	28080	20890	14821	10508	9135	8381
FIXED ASSETS (NET)	67124	61561	57821	40750	22401	20084	18377	14391	14247	15604
GROSS INCOME	109862	115004	72100	69471	60401	58059	42575	28835	23604	17898
GROSS PROFIT	18316	23625	15288	17298	15428	14462	11150	5338	4314	2606
DEPRECIATION	4442	4104	2233	2167	2015	1605	1312	1262	1221	1430
INTEREST	3971	4154	1565	1336	1279	912	923	908	688	1017
PROFIT BEFORE TAX	9903	15367	11490	13795	12134	11945	8915	3168	2405	159
PROFIT AFTER TAX	6524	10605	7874	9076	8118	8022	5945	2133	1602	136
EARNINGS PER SHARE(Rs)**	4.89	8.01	5.89	69.7	62.98	62.23	46.12	16.55	12.43	1.06
BOOK VALUE PER SHARE(Rs)**	37.91	37.38	33.33	269.38	217.84	162.06	114.98	81.52	70.87	65.02
DIVIDEND ON EQUITY(%)	100	150	100	100	100	100	100	50	30	10
DEBT EQUITY RATIO	0.39	0.38	0.53	0.42	0.07	0.17	0.38	0.26	0.20	0.09

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

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

**Dr. V.L. DUTT**  
Chairman and Managing Director

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

**Smt. KAVITHA D. CHITTURI**  
Executive Director

**Sri. V. GANDHI**  
Technical Director

### INDEPENDENT DIRECTORS

**Dr. A. RAMAKRISHNA**

**Sri. V.H. RAMAKRISHNAN**

**Sri. O. SWAMINATHA REDDY**

**Sri. VIJAY SANKAR**

### CHIEF FINANCIAL OFFICER

**Sri. M.R. RAMACHANDRAN**

### AUDITORS

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

### BANKERS

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

### COMPANY SECRETARY

**Sri. Y. VIJAYA KUMAR**

### COST AUDITORS

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

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

### INTERNAL AUDITORS

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

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

### REGISTERED AND CORPORATE OFFICE

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

### REGISTRAR & SHARE TRANSFER AGENTS

**M/s INTEGRATED ENTERPRISES (INDIA) LIMITED**

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

## PLANT LOCATIONS

### CEMENT

**Macherla** - 522426  
Guntur District, Andhra Pradesh

**Muktyala** - 521175  
Krishna District, Andhra Pradesh

### HYDEL

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

### THERMAL

**Macherla** - 522426, Guntur District, AP

### ENGINEERING

**Tiruvottiyur** - 600 019  
Chennai, Tamilnadu

**Arakonam** - 631 004  
Mosur Road, Ekhunagar, Tamilnadu

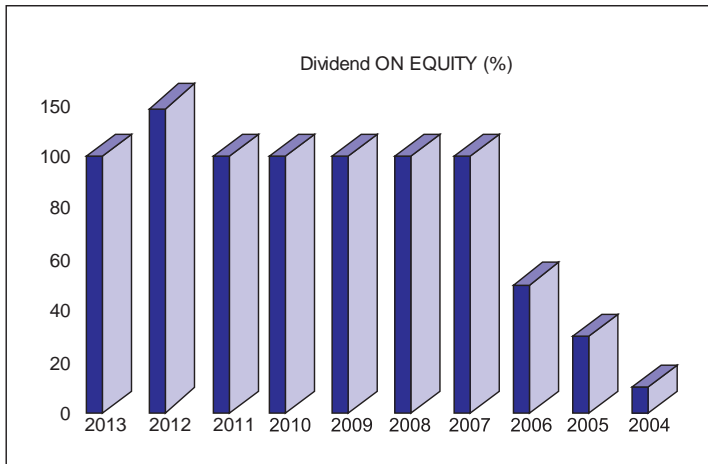
### WIND POWER

Uthumalai Village, Tirunelveli District, Tamilnadu

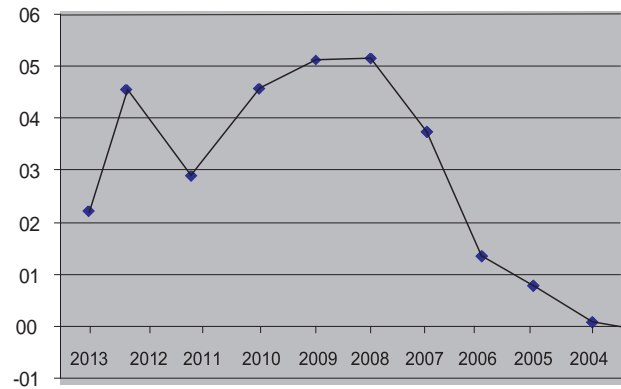
### BIOTECH

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

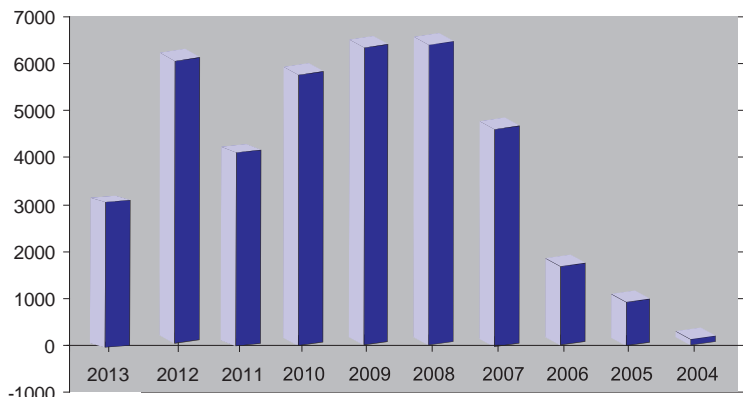
# At a Glance



**Dividend History**



**Earnings Per Share (EPS)**



**Profit after Tax (Rs. in Lakhs)**

(Not to Scale)

# Notice of Annual General Meeting

**NOTICE is hereby given that the 72nd Annual General Meeting of the company will be held on Thursday 8th August 2013. at 10-45 a.m at the Registered Office of the company at “Ramakrishna Buildings” No. 2, Dr. P.V.Chेरian Crescent, Egmore, Chennai-600008, to transact the following business:**

## ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.

2) To declare dividend on 12% Redeemable, Cumulative, Non-convertible Preference shares of Rs.10/- each and to confirm the Interim Dividend paid.

3) To confirm the Interim Dividend of Re.0.50 per share (50%) paid during the year and to declare Final Dividend of Re. 0.50 per share (50%) on Equity shares of Re.1/- each for the Financial year 2012-2013.

4) To appoint a Director in the place of Sri.O.Swaminatha Reddy, 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.O.Swaminatha Reddy, who retires by rotation be and is hereby re-appointed as a Director of the Company liable to retire by rotation”

6) To appoint a Director in the place of Sri.Vijay Sankar, 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.Vijay Sankar, who retires by rotation be and is hereby re-appointed as a Director of the Company liable to retire by rotation”

7) To appoint Auditors and to fix their remuneration, 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. Brahmayya & 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.”

## Notes:

1) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Company’s Registered Office not less than FORTY-EIGHT HOURS before the meeting.

2) Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.

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(s) to attend and vote on their behalf at the Meeting to the Company or the Registrar and Share Transfer Agent.

4) The Register of Directors Shareholding, maintained under Section 307 of the Companies Act, 1956



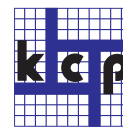
will be available for inspection by the members at the meeting.

- 5) The Register of Contracts, maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the Registered office of the Company.
- 6) Pursuant to the provisions of Section 154 of the Companies Act, 1956, The Register of Members and Share Transfer Books of the Company will remain closed from 1st August, 2013 to 8th August, 2013 (both days inclusive).
- 7) Dividend as recommended by the Board of Directors of the Company, if declared at the meeting, will be payable on or after 23rd August, 2013 to those members whose name appear on the Register of Members as on the Record Date.
- 8) Pursuant to the provisions 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 Agents.
- 9) Members must quote their Folio Number/ Demat Account number and contact details such as email address, contact number etc in all correspondence with the Company/Registrar and Share Transfer Agents.
- 10) As per the Circular No.MRD/Dop/Cir-05/2009 Dt. May 20, 2009 issued by the Securities Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore the transferee(s)/ legal heirs are requested to furnish a copy of their PAN to the Registrar and Share Transfer Agents.

#### 11) Payment of dividend through ECS:

We recommend to our valued shareholders to make use of Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS Scheme) of Reserve Bank of India (RBI) for dividend payment. A shareholder availing this Scheme can receive dividend directly into his bank account and avoid hassles relating to handling of physical warrants besides elimination of risk of loss in postal transit/fraudulent encashment of warrants. In view of the conveniences which ECS/NECS offer, we request you to register the same by sending a duly signed request letter along with a cancelled cheque to our Registered office/ Registrar & Share Transfer Agents M/s Integrated Enterprises (India) Limited for shares held in physical form. In case shares are held in electronic form, the same may be registered with your Depository Participant (DP).

- 12) Members are requested to address all correspondences, including dividend matters to the Registrar & Share Transfer Agents, Integrated Enterprises (India) Limited, II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Ph No.044-28140801-803, Fax No. 044-28142479, email : yuvraj@integratedindia.in.
- 13) Shareholders who have not yet encashed their dividend warrants for the years 2005-06, 2006-07, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 may approach the Company for Revalidation, issue of duplicate warrants etc.quoting the Folio Number/Client ID. Please note that as per Section 205A and 205C 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.



Information in respect of such unclaimed dividend when due for transfer (immediately) to the IEP Fund is given below:-

Financial Year	Dividend details	Dividend Declaration Date	Due date for remittance to IEPF
2005-06	Final Dividend	27 <sup>th</sup> September, 2006	26 <sup>th</sup> September, 2013
2006-07	Interim/Final Dividend	14 <sup>th</sup> March, 2007	13 <sup>th</sup> March, 2014
2007-08	First Interim Dividend	20 <sup>th</sup> July, 2007	19 <sup>th</sup> July, 2014
	Second Interim Dividend	31 <sup>st</sup> October, 2007	30 <sup>th</sup> October, 2014
	Third Interim Dividend	28 <sup>th</sup> January, 2008	27 <sup>th</sup> January, 2015
	Final Dividend	25 <sup>th</sup> September, 2008	24 <sup>th</sup> September, 2015

14) Members seeking any information relating to the Accounts may write to the Company at “Ramakrishna Buildings” 2 Dr. P.V. Cherian Crescent, Egmore, Chennai-600008, Ph No.044-66772622, Fax No. 044-66772620, email :investor@kcp.co.in, for the attention to Company Secretary at least seven days before the date of the Annual General Meeting.

For and on behalf of the Board of Directors

**Place:** Chennai  
**Date:** 17th May, 2013

**V.L. DUTT**  
Chairman and Managing Director



**Details of Directors Seeking Re-appointment at the Annual General Meeting**

<b>Name of the Director</b>	<b>Vijay Sankar</b>	<b>O. Swaminatha Reddy</b>
Date of Birth	26/12/1972	25/12/1930
Date of Appointment	07/11/2011	14/03/1991
Qualification	M.B.A., ACA	B.Com (Hons),, ACA
List of outside Chairmanships / Directorships	<ol style="list-style-type: none"> <li>1. Sanmar Holdings Limited-Director</li> <li>2. SHL Securities (Alpha) Limited-Director</li> <li>3. Sanmar Consolidations Limited-Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Sagar Cements Ltd-Chairman</li> <li>2. TCI Finance Ltd.,-Chairman</li> <li>3. Sagar Power Ltd-Chairman</li> <li>4. TCI Developers Ltd-Director</li> <li>5. Transport Corporation of India Ltd-Director</li> <li>6. Surana Ventures Ltd-Director</li> <li>7. Bhagyanagar India Ltd-Director</li> <li>8. K.M.. Power Pvt. Ltd - Director</li> <li>9. Thembu Power Pvt. Ltd - Director</li> <li>10. E.P.R. Gene Technologies Pvt. Ltd - Director</li> <li>11. E.P.R. Pharmaceuticals Pvt. Ltd - Director</li> <li>12. E.P.R. Centre for Cancer Research and Biometrics Pvt - Director</li> </ol>
Chairman / Member of the Committee of the Board of Directors of the Company	<ol style="list-style-type: none"> <li>1. Audit Committee-Member</li> <li>2. Investment Committee – Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Audit Committee-Chairman</li> <li>2. Investment Committee-Chairman</li> <li>3. Remuneration Committee- Chairman</li> <li>4. Stakeholders Relationship committee - Chairman</li> </ol>
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he is a Director	-	<p style="text-align: center;"><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Sagar Cements Ltd – Chairman</li> <li>2. Transport Corporation of India Ltd – Chairman</li> <li>3. M/s. Bhagyanagar India Ltd – Chairman</li> <li>4. Surana Ventures Ltd – Chairman</li> <li>5. TCI Developers Ltd - Member</li> </ol>

Note: Pursuant to Clause 49 of the Listing Agreement Chairmanship/membership of the Audit Committee and Shareholder’s Committee alone have been considered

# Board of Directors



**Sri. V.H. Ramakrishnan**

**Sri. O. Swaminatha Reddy**

**Smt. V.L. Indira Dutt**

**Dr. V.L. Dutt**

**Dr. A. Ramakrishna**

(Sitting Left to Right)

**Sri. V. Gandhi**

**Smt. Kavitha Dutt Chitturi**

**Sri. Vijay Sankar**

(Standing Left to Right)





**Cement Production Unit - II, Muktyala**



**Engineering Unit, Thiruvottiyur**



**Cement Production Unit - I, Macherla**

# Corporate Social Responsibility

The rapid societal changes in the era of globalisation and the incumbent challenges that need immediate attention have been making it imperative on corporations to take up social responsibilities in a big way. KCP has always believed in a sustainable responsible business. Its social performance over the years has been the proof of its corporate conscience. Your company has always been in the forefront in tending to all its communities long before this trend caught up with other. As part of its societal obligations your company has been in constant touch with the communities in which it has been operating.

For long, it has been helping us build trust with our communities. Corporate Social Responsibility, as can be seen globally, is gradually emerging as a mainstream activity where it was once practised as a tokenism.

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. Total expenditure incurred on CSR activities by your company is Rs. 23 lakhs.

Following is a brief note on KCP fulfilling its part of the social responsibilities in year 2012 – 13.

## Health



KCP and Rotary Club of Macherla jointly organized pulse polio immunization programme in January and February, 2013 in Rural Villages of Macherla, Veldurthy, Durgi Mandals and Macherla Town. KCP Coordinators and medical staff participated in this programme.

Your company distributed bread and fruits to the patients at Govt. General Hospital in Macherla. Clothes were distributed and lunch was provided to poor people of leprosy colony in Macherla in November 2012.

Your Cement Unit in Muktyala spent Rs. 25000/- on conducting mobile health camps on various occasions at various locations in and around Ramakrishnapuram.

The maintenance expenditure this year for the ambulance provided by your company to the people of Muktyala was Rs. 1.20 lakhs.

## Environment



Your company planted 500 saplings in June, 2012 in mines and Govt. I.T.I College, Macherla. On the occasion of 63rd Vanamohostavam, KCP planted 1000 Nos. of saplings in Mines. On 14th September your company planted 100 saplings in S.K.B.R. Junior College, Macherla and 100 saplings at Terala Mines.



**Infrastructure**

Construction of Toilets at Government High School in Gandrai coming under Muktyala Cement Unit.



Your company erected a Cross Bar at 'T' Junction near Nagarjuna Sagar and has undertaken Motor repair works for supplying Drinking Water in Macherla Town.

Macherla Cement Unit laid a water pipeline of about 250 metres from PWD guest house to P-Type quarters to facilitate drinking water supply to around 500 people of the area.

Rs. 2.40 lakhs was spent on maintenance of R.O. water treatment plant operating in Muktyala.

The local park in Muktyala, built by your company, was maintained at a cost of Rs. 1.20 lakhs.

**Education**



Barefoot Managers training program for graduates of surrounding villages in Muktyala



Women Skill Development programmes conducted in Muktyala in Tailoring & Fashion designing.



You company sponsored a seminar on violence against women and challenges faced by them conducted by Confederation of Indian Industry.



A sum of Rs. 5 lakhs was spent on maintenance of school bus for children in Muktyala.

# Directors' Report

## Dear Shareholders,

Your Directors have pleasure in presenting their 72nd Annual Report on the Business and Operations of the company together with the Audited Accounts for the financial year ended 31st March, 2013.

## Financial Results

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

(Rs. In Lacs)

Particulars	For the year ended		For the year ended	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
	Standalone		Consolidated (Group)	
<b>Revenue from operations</b>	<b>81,701</b>	68,725	<b>125493</b>	110557
Profit for the year (PBDIT)	<b>11,349</b>	15,208	<b>18316</b>	23625
<b>Less: a) Interest and Finance charges</b>	<b>3812</b>	3795	<b>3971</b>	4154
b) Depreciation	<b>3198</b>	2935	<b>4442</b>	4104
Profit before Tax	<b>4339</b>	8478	<b>9903</b>	15367
c) Current tax	<b>871</b>	1675	<b>1177</b>	1983
d) Deferred Tax	<b>866</b>	1701	<b>667</b>	1685
e) Tax provision for earlier years	<b>8</b>	28	<b>8</b>	28
f) Minority share of profit	<b>-</b>	-	<b>1980</b>	2146
<b>Add:</b>				
a) Refund of Income Tax	<b>8</b>	10	<b>9</b>	11
b) MAT Entitlement	<b>444</b>	1070	<b>444</b>	1070
<b>Profit for the year</b>	<b>3046</b>	6153	<b>6524</b>	10605
Add: Surplus brought forward from earlier year	<b>5234</b>	4108	<b>15580</b>	13228
Amount available for appropriations	<b>8280</b>	10201	<b>22104</b>	23833
<b>Less:</b>				
Transfer to Preference Capital Redemption Reserve	<b>700</b>	500	<b>700</b>	500
Transfer to General Reserve	<b>450</b>	2000	<b>2191</b>	2119
Proposed Dividend – Preference Shares	<b>55</b>	240	<b>55</b>	240
Proposed Final Dividend – Equity Shares	<b>645</b>	322	<b>645</b>	322
Proposed Special Dividend – Equity Shares	<b>-</b>	645	<b>-</b>	645
Interim Dividends Paid – Equity Shares	<b>645</b>	967	<b>4271</b>	4074
Interim Dividends Paid – Preference Shares	<b>166</b>	-	<b>166</b>	-
Tax on Distributed Profits – Equity shares	<b>209</b>	314	<b>209</b>	314
Tax on Distributed Profits – Preference shares	<b>36</b>	39	<b>36</b>	39
<b>Surplus at the end of the year</b>	<b>5374</b>	5234	<b>13831</b>	15580

**Year in retrospect:****Cement**

Notwithstanding the higher volume of Cement sold, operations were deeply impacted by the following:

- ❖ High incidence of power cost on account of purchase of power under Open Access resulting from monthly 12 days Power Holiday in the State of Andhra Pradesh for most part of the year.
- ❖ Higher consumption of outside power due to inadequate generation of power from the Captive Hydel plant.
- ❖ Higher logistic costs due to the spread of the cement despatches across various States .

**Engineering:**

- ❖ Continuance of the recessionary trends which has affected the operations of the Engineering Division.
- ❖ Customers have either not taken delivery of the materials ordered or in some cases deferring / cancelling the order

**Outlook:****Cement:**

Given the slight moderation in credit growth in the housing and commercial real estate sector, growth of demand may be expected to be between 5%- 8% in year 2013. With the expected stabilization in demand, capacity utilizations may have bottomed out. But South Zone based companies especially those from Andhra Pradesh may continue to experience pressure on capacity utilization. This is due to the demand-supply gap in the region.

**Engineering:**

Government's focus on infrastructure development is expected to keep demand for the engineering sector high. Continued growth of manufacturing sector and favorable regulatory policies would further propel the sector's growth in the long run. The slowdown it appears may just be over and the fortune of the Indian engineering industry is likely to look up.

**Dividend from subsidiary**

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

**Dividend on Preference Share Capital**

Your Directors recommend a dividend of 12% on the Rs 1500 lacs Preference Share Capital of the company for the year 2012-13. On 08/12/2012 the company has redeemed Rs. 500 lacs preference share capital, along with the corresponding interim dividend for the entire preference share capital of Rs 2000 lacs till the date of the redemption amounting to Rs 165.69 lacs and further an amount of Rs 55.72 lacs being the preference dividend for the balance period on the reduced capital has been provided.

**Redemption of Preference Shares**

Pursuant to the Share subscription agreement dated 23rd November, 2009, entered with M/s Tata Capital Financial Services Limited (earlier Tata Capital Limited), Rs.700 Lacs preference share capital is due for redemption in December 2013. In compliance with the provisions of the Companies Act, 1956, the same amount has been transferred to the Capital Redemption Reserve created for the purpose.

**Dividend on Equity Shares**

During the year two interim dividends of Re.0.25 per share (i.e. Re.0.50 per share) was declared and paid. The Board of Directors has recommended a final dividend of Rs. 0.50 per share (i.e 50 per cent) to the members for their approval. The final dividend, if approved, will be paid to members within the period stipulated by the Companies Act, 1956.

**Transfer to Reserves**

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

To Preference Capital Redemption Reserve	Rs. 700 lacs
(under the provisions of the Companies Act, 1956)	
To General Reserve	Rs. 4500 lacs

This will leave Rs 5374 lacs in the Surplus Account to be carried forward to the next year.

The total amount in General Reserve as on 31st March 2013, after the proposed appropriation, would stand at Rs.27450 lacs.

**Management Discussion and Analysis Report**

All matters pertaining to Industry structure and developments, opportunities and threats, segment/



product wise performance, outlook, risks and concerns, internal control and systems, etc are discussed in Management Discussion and Analysis report forms part of this report.

### **Fixed Deposits:**

The total amount of Fixed Deposits outstanding as on 31st March, 2013 was Rs.6650.98 lacs (Rs.6824.18, lacs on 31-3-2012) and Fixed Deposits matured and remained unclaimed were Rs.133.97 lacs from 268 depositors. As on the date of this report, Fixed Deposits relating to 58 depositors amounting to Rs. 3.93 lacs/- have been renewed and Fixed Deposits of Rs. 20.75 Lacs of 13 depositors repaid.

Depositors have been intimated regarding the maturity of deposits with a request to either renew or claim their deposits.

As per the provisions of Section 205C of the Companies Act, 1956, deposits remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, during the year, an amount of Rs. 2.18 lacs has been transferred to the IEPF.

### **Corporate Social Responsibility (CSR)**

CSR has been defined as the “continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”

Such a practice cannot have a Sustainable Development without taking along the rural populace in the path of development.

CSR is not a new concept to the company, the CSR activities are long being guided by the vision of the Founder Chairman Sri V.Ramakrishna. The long cherished aim of the company has also been to maintain integrity with which a company governs itself, fulfills its mission, lives by its values, engages with its stakeholders, measures its impact and reports on its activities in a transparent manner.

A Committee of Board consisting of Dr.A. Ramakrishna, Sri Vijay Sankar apart from Smt V L Indira Dutt Joint Managing Director and Smt Kavitha D Chitturi Executive Director has been formed to monitor the

CSR activities and suggest further improvement to make it more productive.

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

### **Directors**

The Board of Directors deeply regrets the sad demise of Sri.P.Kotewararao an Independent Director of the company on 27th September, 2012. The Board of Directors would like to place on record its sincere gratitude to Sri.P.Kotewararao and appreciates the contribution made by him during his long association with the Company.

Sri. O Swaminatha Reddy and Sri. Vijay Sankar Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible; offer themselves for reappointment.

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

### **Auditors**

M/s Brahmayya & CO, Chartered Accountants, Vijayawada, Statutory Auditors of the company 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 if made, will be in accordance with the limits specified in sub section (IB) of Section 224 of the Companies Act .1956

The Board recommends the reappointment of M/s Brahmayya & CO Vijayawada, as Auditors of the company to hold office till the conclusion of the next Annual General Meeting.

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

### **Cost Auditors**

The Central Government has approved the appointment of M/s Narsimhamurthy and Co, Cost Accountants,

Hyderabad and M/s Mahadevan & Co, Chennai as the Cost Auditors for the Cement units for the year 2012-13.

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

The Cost Audit Reports/Cost compliance audit reports for the year 2011-12 were filed by the Cost Auditors within the due date.

### Particulars of Employees

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 is provided in **Annexure-1** which forms part of this report.

### Subsidiary company

The Company has fulfilled all the conditions prescribed under Section 212(8) of the Companies Act 1956 read with General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 to avail exemption from publishing the Balance Sheet and other statements of its subsidiary company, M/s KCP Vietnam Industries Ltd. Vietnam for the financial year 2012-13. However, a statement giving certain information as required in the said circular 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. The Annual Accounts of the subsidiary will also be available for inspection at the Registered Office of the Company.

### Consolidated Financial Statements

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

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

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

### Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, relevant amounts (Dividend and Deposits) which remained unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

### Corporate Governance:

Pursuant to clause 49 of the listing agreement executed with the Stock Exchanges, A Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

### Human Resource Development

It is rightly said that "machines are important in the production process but the man behind the machines is more important". He transforms the lifeless factors of production into useful products.

Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement. Human Resource Development is the integrated use of training, organizing, and providing career development efforts to improve individual, group and organizational effectiveness. HRD develops the key competencies that enable individuals in organizations to perform current and future jobs through planned learning activities

The company and its workforce go together. Since its inception, each and everyone associated with it has been a driving force to catapult its growth to where it is today. The company is proud of its people and are focussed towards enriching their careers in terms of

professional and personal development. It strives to bring the best and leaves no stone unturned to ensure that their growth is in line with that of the organisation.

It is also equally important to retain the human force available and to this end the company has been devising attractive remuneration package within the legal framework to ensure that the workforce is happy and contented. It recognises the fact Productivity is best brought out when the workforce is taken care of properly.

The total number of employees as an Date is 1566.

### **Director's Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, 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, 2013 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.

### **Acknowledgements**

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

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

For and on behalf of the Board of Directors

**Place:** Chennai  
**Date:** 17th May, 2013

**V.L. DUTT**  
Chairman and Managing Director

# Management Discussion and Analysis

## Overall Company performance

(Rs. in lakhs)

FINANCIAL YEAR	2012-2013	2011-2012
Revenue from operations	81,701	68,725
Profit before depreciation, interest and tax	11,349	15,208
Profit(+)/Loss(-) after tax	3,046	6,153
Debt equity ratio	0.54	0.51
Inventory Turnover (times)	6.96	4.63

The company's operations were deeply affected by a combination of the following factors:

- Continuing drop in the selling prices of cement throughout the Southern Zone and more so especially in the State of Andhra Pradesh, has resulted in the huge drop in realization of the product.
- Non Availability and disruption of power caused by the Power holiday of 12 days in a month imposed by the State Government leading to a substantial increase in power cost for the cement units as power had to be purchased under open Access.
- Inadequate monsoon led to poor storage of water in the reservoirs and hence the canals were starved of water which further contributed to the higher power cost.
- Sluggish demand for cement in the Andhra Pradesh Market led to the company stepping up sales in other states resulting in a steep increase in logistics costs.
- The continuing recessionary trend hampered the operations of the Engineering Division with many customers either deferring their orders or even cancelling the same.

Notwithstanding the above factors of negativity, the stabilization of the prices of imported coal for cement production and the dividend from the subsidiary have

significantly contributed to maintain the operations reasonably profitable for the company as a whole.

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

## CEMENT DIVISION:

### Operational Performance:

FINANCIAL YEAR	2012-2013	2011-2012
Cement produced (MT)	1,728,281	1,288,007
Capacity Utilization (%)	78.92%	69.47%
Clinker produced (MT)	1,551,444	1,243,267
Cement sold (MT)	1,724,569	1,265,354
Turnover (Rs. In lacs)	70,846	54,232
Segment Profit (Rs.in lacs)	-1662	2741

The Muktyala cement saw its full year of operations during the year under review with its production of about 1,145,429 Mts representing about 75.60% of its capacity.

### Overview:

Cement is one of the core industries which plays a vital role in the growth and development of a nation. The Cement industry which is positioned second globally occupies an important place in the Indian economy. Keeping in line with the technological advancement, the Indian cement industry has transited itself into a more matured one. The year witnessed a situation where the increased production base did not result into higher demand on account of various issues both those that were peculiar to the area under operation and those which were overall affecting the industry as a whole. The demand for cement also varied significantly between the five zones of the country namely East, West, South, North and Central with the South zone also varying between the States. Andhra Pradesh witnessed a lull demand because of certain state specific issues and the shortage of sand for a portion of the year. This necessitated the company to look outside the State resulting in steep increase in logistics costs.

Some of the negative factors which significantly affected the operations were the following:

- Disruptions in power supply due to Power holiday in almost all states which in Andhra Pradesh is to an extent of nearly 12 days every month for most part of the year leading to a situation wherein the company was forced to buy power from other sources at a much higher costs.
- The company's captive Hydel plant which supplies power to the Macherla Cement Unit has not been able to get sufficient generation due to the inadequate monsoon which also led to purchase of power from other sources..
- Plethora of new levies in the Fuel Supply Agreement by the concerned Distribution Companies like the one levied for their own usage of the imported coal in power generation. However we have contested the matter though payment has been made under protest and charged.

#### Outlook:

Cement demand in India will be driven by a high push from the residential and infrastructural sectors. Factors that will influence this trend in coming years will be increasing per capita income, nuclear families, rapid urbanization and government stimulus to various rural and affordable housing schemes. According to India's 12th Five-Year Plan (2012-17) document, the two segments most important to construction activity are infrastructure and housing. Since infrastructure spending is expected to go up to 9% of gross domestic product (GDP) or USD 1 trillion for the Plan period (2012-17), this will translate into double-digit growth for the demand of cement.

#### Risks:

Availability of quality power shall be a major deterrent in ensuring the development of this industry in the future years. It is expected that the various mega power projects would be implemented expeditiously so that the country as a whole does not suffer for want of quality power.

The regional variations in prices would continue - with the South being the most vulnerable and the North and the West being relatively resilient.

Although demand conditions are expected to be strong and prices stable at higher than current levels,

however in the short term, cement manufacturers might face relatively higher pressures on cash flows.

#### POWER DIVISION:

##### A) HYDEL POWER UNIT:

##### Operational Performance:

FINANCIAL YEAR	2012-2013	2011-2012
Hydel power generation (in KWH)	<b>3,762,100</b>	36,885,854
Usage (KWH)	<b>11,661,143</b>	40,539,375
Turnover (Rs. lacs)	<b>457.06</b>	1207.42
Segment Profit (Rs. lacs)	<b>-462</b>	407

#### Overview:

Hydro power is generated by using electricity generators to extract energy from moving water. Historically people used the power of rivers for agriculture and wheat grinding. Today, rivers and streams are re-directed through hydro generators to produce energy.

The inadequate monsoon in 2012 resulted in a steep fall in the units generated resulting in losses for the division. When in use, electricity produced by dam systems do not produce green house gases. They do not pollute the atmosphere.

New environmental laws affected by the danger of global warming have made energy from small hydel-power plants more relevant. These smaller plants can serve the energy needs of many power intensive units and hence reduce dependence on the grid.

#### Risks:

Availability of water to drive the hydel plants remain the major uncertainty in this division. A good monsoon is the prerequisite for having sufficient water in the canal. As most of the rivers especially in the south are only rain fed, generation of power is possible for a period of about 200 days in a year. The dams from where the water flows into these canals need to be suitably maintained and even increase of capacity



need to be considered subject to the environment and other attendant issues.

**B) THERMAL ENERGY GENERATION UNIT**

(Waste Heat Recovery):

**Operational Performance**

FINANCIAL YEAR	2012-2013	2011-2012
WHR power generation (KWH)	1,16,81,500	1,32,43,200
Usage (KWH)	1,16,81,500	1,32,43,200
Turnover (Rs lacs)	464	393
Segment Profit (Rs lacs)	136	144

**Overview:**

The launch of low carbon technology roadmap has opened new avenues for the Indian cement manufacturers in their quest for improving energy efficiency and bringing down the carbon footprint.

New mechanisms emerging from the climate negotiations, such as new market mechanisms and climate finance, combined with India’s PAT scheme or REC (Renewable Energy Certificate)scheme could allow for financing of CO2 reduction options in the cement industry. The industry should be actively engaged in the development of international mechanisms to ensure the creation of a viable funding path for low-carbon investment.

- Low-cost financing or blended financing (a blend of commercial and concessional finance) to make low-carbon initiatives financially viable, including mechanisms to support higher costs of retrofits.
- Raising awareness in India of existing funding mechanisms; for example, the World Bank’s energy efficiency funds, IFC blended financing options, and BEE’s energy efficiency incentivisation schemes.
- Continuing and improving of the CDM (Clean Development Mechanism) to simplify procedures and reduce transaction costs, thereby facilitating the funding of energy efficiency, alternative fuel use, clinker

substitution projects, and the adoption of CCS in the cement industry.

- Allocating of international and national funding sources for the demonstration of a CO2 capture project. Though enough CERs (Carbon Emission Rights) are available they are not been able to sell the same on account of the depressed market for CERs especially from Waste Heat Energy Schemes.
- Funding of research institutes to advance demonstration projects for algal growth.

**Risks:**

Proper maintenance of the equipments is very vital to harness such energy and they are also quite expensive.

**C) WIND POWER GENERATING UNIT:**

**Operational Performance**

FINANCIAL YEAR	2012-2013	2011-2012
Power generated (KWH)	82,02,641	75,81,223
Segment Turnover (Rs lacs)	397	304
Segment Profit (Rs lacs)	185	134

**Overview:**

Wind power, as an alternative to fossil fuels, is plentiful, renewable, widely distributed, clean, produces no greenhouse gas emissions during operation and uses little land. The effects on the environment are generally less problematic than those from other power sources. Wind power is very consistent from year to year but has significant variation over shorter time scales. Compared to the environmental impact of traditional energy sources, the environmental impact of wind power is relatively minor in terms of pollution. Wind power consumes no fuel, and emits no air pollution, unlike fossil fuel power sources

The company’s wind energy plant operated at nearly 70% capacity and during the year the entire debt had been paid and has become a debt free division.

### Risks:

The need to depend on the O&M (Operation and Maintenance) service provider is a factor that needs to be reckoned with .

Further high wheeling costs also prove a deterrent for the economical operations of the Windmills.

## ENGINEERING DIVISION

### Operational Performance:

FINANCIAL YEAR	2012-2013	2011-2012
Domestic (Rs lacs)	<b>9,185</b>	13,753
Export (Rs lacs)	<b>1,335</b>	338
Segment Profit (Rs lacs)	<b>2677</b>	3343

### Overview:

The engineering industry in India manufactures a variety of products with heavy engineering goods accounting for a majority of production. Most of the leading players in the heavy engineering segment manufacture high value engineering goods with high end technology. The requirements of huge capital investments acts as a entry barrier.

The existence of the continuing global meltdown has greatly impacted the Indian scenario as it is not insulated and need to face the challenges. The performance of the engineering sector is linked to the performance of the end user industries. Order book size also determines the performance of the company in the short to medium-term Though the order book position has been satisfactory, there have been instances where the customers have either delayed taking the materials or have just deferred the order. Given the circumstances, the operations of this segment has not been up to the anticipated level. However with the signs of the recovery of the global economy, it is expected that the division would show improved performance in the coming years.

### Risks:

Notwithstanding the various merits of this industry, the following risks still persist:

- Long product development cycle
- Unorganized vendor base
- Fluctuation in Raw Material prices
- Risks on account of delay and cancellation of orders

The Government on its part has been instrumental in providing a platform for the growth of this industry.

Tariff protection on capital goods has been withdrawn. This has reduced the customs duty on a range of engineering equipments.

### Outlook:

The Engineering Goods sector is expected to grow in future and has a positive outlook owing to infrastructure development, favourable governmental policies and new investment in mega power projects, oil and gas sector and petro chemical industries. Export market offer more opportunities to explore and India's contribution to this sector is expected to significantly grow in the coming years once the recession fades. A key driver for increased engineering exports is the trend towards shifting of global manufacturing bases to countries like India that offer lower costs and good engineering talent. This trend is expected to continue and boost exports of engineering goods from India over the next 5 years. Engineering design services such as new product development, product improvement are increasingly getting outsourced to Asian countries which throw a lot of challenges and scope as well.

## BIOTECH UNIT:

### Operational Performance:

FINANCIAL YEAR	2012-2013	2011-2012
Production (Kgs)	-	59,997
Turnover : (Rs. In lacs)	<b>204.30</b>	238.90
Domestic	<b>187.55</b>	94.74
Export	<b>16.75</b>	144.16
Segment Profit (Rs. in lacs)	<b>(132.00)</b>	(125.26)

### Overview:

The company has proposed to exit from this segment and obtained the consent of the members by way of postal ballot. The company is also proposing to do further reprocessing/contract manufacturing /operational lease as a parallel measure while it is in the process of identifying such potential proposers in the year 2013/14.

The company has fulfilled all the requirements stipulated under Section 72 a of the Income Tax Act 1961 that were imposed at the time of merger with the company. The company has already taken steps to liquidate the stocks and realise the debts.



**JOINT VENTURE:****Fives Cail KCP Limited:****Operational Performance:**

FINANCIAL YEAR	2012-2013	2011-2012
Turnover (Rs. lacs)	<b>4,393</b>	20,156
Profit before Tax (Rs. lacs)	<b>-1,707</b>	631

The Joint Venture's operations were deeply impacted by the steep fall in sales and also with the following factors:

- Some of the contracts suffered huge overruns that has to be borne by the unit
- Delay in the collection of receivables resulting in their accumulation
- Provision of interest to creditors for delayed payments
- High incidence of transport costs of the materials to the overseas customers
- Increase in the other input costs.

**Risks:**

This unit being dependent on the fortunes of the sugar industry is affected by the rise and fall of this industry. Further all risks associated with the sugar also affect the growth of the unit.

**Outlook:**

With the expected easing of some of the controls existing in the sugar industry, more growth may be anticipated which augurs well for the unit.

**Subsidiary:****KCP Vietnam Industries Limited:****Operational Performance:**

Particulars	12 months ended 31st March, 2013	12 months ended 31st March, 2012
Crushing Capacity (TPD)	<b>6,000</b>	6,000
Cane Crushed ( Mts)	<b>8,38,332</b>	8,95,424
Sugar produced (Mts)	<b>88,280</b>	83,359
Recovery Rate (%)	<b>8.68</b>	8.53
Average Sales Realization (Rs /mt)	<b>45,314</b>	44,668
Profit before Tax (Rs. lacs)	<b>6,245</b>	6,636

**Overview:**

During the year company operated with a total crushing capacity of 6000 TCD (Son Hoa Unit – 5000 TCD and Dong Xuan Unit – 1000 TCD). The total cane crushed was 838,332 Mts with a recovery rate of 8.68% and the refined sugar produced was 88,280 MTs which includes sugar processed from raw sugar of 16,729 MTs.

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

The sugar price was in downtrend and higher sales elevated the turnover whereas increased input costs affected the returns compared to last year.

The weather during the year is more favorable than last year and it is expected to maintain the sugarcane yield with improved quality compared to last season. It is estimated that the sugarcane availability will be higher for the next year. Due to economic downturn and surplus sugar supply over the world, prices are expected to continue their downward trend during the year 2013 at least for most part of the year.

The company has declared 38.75% dividend on its paid-up equity share capital of the company during the year.

**Risks:**

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

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

**Risk Management:**

“Risk management” is a term that leaves little to the imagination - the task of risk management stresses

the company's management and owners to manage, and minimize, risk in every possible area of company operations.

The company recognises that there are five basic steps for implementing risk management across a department, process, or company.

- assess the risk and put each risk into a category.
- analyze each category of risk and come up with scenarios to evaluate what would happen if the risk became real.
- evaluate each risk in terms of inherent riskiness within the business operations that can help a company know where to start in addressing identified risks.
- apply a treatment for those risks identified as in need of immediate or longer term addressing across the process, department, or company.
- conduct on-going performance audits to see how well existing and potential risks have been addressed or mitigated in the longer term.

Risks associated could be defined as follows:

- Environmental, Economic and Regulatory Risks
- Operational Risks
- Finance Risks
- Legal and Human Resource Risks

The company is in the process of outlining the modalities of implementing its already existing Risk Management Policy to cover all anticipated risks and also enlist measures to overcome them.

**Place:** Chennai

**Date:** 17th May, 2013

### Occupational Health and Safety

An Occupational Health and Safety Management System (OHSMS) promotes a safe and healthy working environment. Managing the spectrum of staff related risks in the workplace will enable the organization to control insurance costs and increase performance from its existing operations.

The company on its part has been recognises the importance of OHS and the main focus in occupational health is on three different objectives:

- (i) the maintenance and promotion of workers' health and working capacity;
- (ii) the improvement of working environment and work to become conducive to safety and health and
- (iii) development of work organizations and working cultures in a direction which supports health and safety at work and in doing so also promotes a positive social climate and smooth operation and may enhance productivity of the undertakings.

### Cautionary Statement:

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

For and on behalf of the Board of Directors

**V.L. DUTT**

Chairman and Managing Director

# Annexures to the Directors' Report

## ANNEXURE 1

Statement showing particulars of Employees of the Company as required under Sec. 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Report of the Board of Directors for the year ended 31st March, 2013.

Sl. No.	Particulars	1	2	3	4
1	Name	Dr. V.L. Dutt	Smt. V.L. Indira Dutt	Smt. Kavitha D. Chitturi	Sri. V. Gandhi
2.	Designation	Chairman and Managing Director	Joint Managing Director	Executive Director	Technical Director
3.	Qualification	Grad.B.I.M.	B.A.,	Grad. In Business Management, PGDHR	B.E. (MET)
4.	Experience	54 years	18 years	15 years	35 years
5	Date of Commencement of Employment	3.4.1970	1.7.1996	1.10.1999	25.01.2006
6	Salary in Rs.	72,00,000/-	60,00,000	24,00,000	24,00,000
7	Commission in Rs.	1,21,29,019/-	56,25,836/-	22,95,104	30,35,200/-
8	Benefits in Rs.	75,465	29,27,527	25,81,578	18,41,482
9	Total Remuneration in Rs.	1,94,04,484	1,45,53,363	72,76,682	72,76,682
10	Nature of employment	Contractual	Contractual	Contractual	Contractual
11	Date of Birth	27/12/1937	14/09/1940	17/05/1971	04/03/1949
12	Particulars of previous employment-Name of the Employer	V. Ramakrishna Sons Private Ltd	Nil	Nil	Fives Cail KCP Limited
13	Designation & period of Previous employment	Administrative Director – 12 years	Nil	Nil	General Manager (PPC)- 7 years

## Annexure 2

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

### A. Conservation of Energy

#### a) Energy conservation measures taken and impact of the measures:

##### Cement Unit – I, Macherla:

- ❖ Arranged VFD (Variable Frequency Drive) for WHR boiler feed water pump to control the drum level in place of valve control, which resulted in energy saving of 6500 units/month.
- ❖ Arranged VFD (to reduce the speed) for WHR Condensate extraction pump (CEP) at TG house to open the Outlet valve fully, which resulted in energy saving of 3500 units/month.
- ❖ Arranged VFD for Primary Air Fan to reduce speed of the fan directly instead of reducing the speed by belt pulley, which resulted in energy saving of 7200 units/month.

##### Cement Unit - II, Muktyala:

- ❖ By Stabilizing and operating kiln at 4600 TPD (Designed Capacity 4000 TPD) for clinker production and by optimizing cooler resulted in reduction of both specific Fuel and Energy consumption per ton of clinker than supplier guaranteed.
- ❖ By operating all equipments like Raw mill, Coal mill, Kiln and Cooler in Fuzzy Logic system helped to operate the plant in an Energy efficient and consistent way.
- ❖ In order to reduce the Electrical Energy consumption some of the equipments Damper control drives were changed to VFD drives.
- ❖ By Installing Solar Water heater system in the Colony

##### Engineering Unit:

- ❖ Conventional SV lamps were replaced with energy saving Induction lamps for high bay and street lighting
- ❖ Window type ACs were replaced with energy saving 3 star Split ACs
- ❖ Compressors were replaced with VVFD (Variable Voltage and Frequency Drive) drive for energy efficiency and power factor improvement
- ❖ Some of the old motors were replaced with Energy efficient Eff2 motors

#### b) Additional Investments and Proposal for reduction of consumption of energy and Impact of the measures:

##### Engineering Unit:

- ❖ Proposed to add one more Automatic Power Factor Controller with harmonic filter for sub-station.
- ❖ Proposed to install Energy Saver for all the welding machines to arrest the wastage.

##### Cement Unit - II, Muktyala:

- ❖ Installation of 1.15 MW Solar Power Plant which would provide Energy
- ❖ Proposed Installation of Solar Street lights in colony in a phased manner

#### c) Impact of the above measures for reduction of Energy Consumption and Consequent impact on Cost of Production.

- ❖ The measures stated in points (a) and (b) above would further improve the Energy efficiency of the Units.

## FORM A

**Form of Disclosure of Particulars with respect to Conservation of Energy  
CEMENT PRODUCTION UNITS, MACHERLA AND MUKTYALA .**

POWER AND FUEL CONSUMPTION	CURRENT YEAR 2012 - 13		PREVIOUS YEAR 2011 - 12	
	Macherla	Muktyala	Macherla	Muktyala
<b>1. ELECTRICITY</b>				
<b>A). PURCHASED FROM APTRANSCO</b>				
Units (K.W.H)	2,08,68,061	7,37,80,808	1,10,65,637	6,13,16,351
Total Amount Rs.	13,23,91,325	34,69,81,520	5,56,36,590	23,54,40,010
Rate/Unit Rs.	6.34	4.70	5.03	3.84
<b>B). PURCHASED FROM OPEN AXIS</b>				
Units (K.W.H)	49,88,125	1,54,96,518		
Total Amount Rs.	2,93,88,253	9,34,16,693		
Rate/Unit Rs.	5.89	6.03		
<b>C). OWN GENERATION</b>				
<b>1) THROUGH DIESEL GENERATOR</b>				
Units (K.W.H)	21,51,771		1,19,987	-
Units per Ltr.of Diesel Oil	3.31		2.59	-
Cost/Unit Rs.	16.08		40.76	-
<b>2) THROUGH HYDEL POWER</b>				
Units (K.W.H)	1,09,04,670		3,89,51,451	-
Total Amount Rs.	4,22,13,813		11,48,36,645	-
Cost/Unit Rs.	3.87		2.95	-
<b>3) THROUGH W H R POWER</b>				
Units (K.W.H)	1,04,85,457		1,15,00,497	-
Total Amount Rs.	4,13,23,782		3,39,08,139	-
Cost/Unit Rs.	3.94		2.95	-
<b>2. COAL (SPECIFY QUANTITY AND WHERE USED)</b>				
Qty (Tonnes)	84,663	1,45,145	1,04,577	1,13,143
Total cost Rs.	50,56,39,595	93,60,47,907	58,56,45,318	67,58,59,762
Average rate Rs.	5,972	6,449	5,600.12	5,973.52
<b>3. DIESEL OIL</b>				
Qty (Ltrs )	18,720	6,06,437	3,500	3,97,218
Total cost Rs.	8,57,670	3,05,97,913	1,50,018	1,74,35,712
Average Rate Rs.	45.82	50.46	42.86	43.89
<b>4. CONSUMPTION PER UNIT OF PRODUCTION</b>				
Electricity (KWH)	88.3	82.06	93.56	94.02
Coal	0.15	0.14	0.172	0.166
Others (Specify)	-	-	-	-

## FORM - B

### Form for disclosure of particulars with respect to Absorption

#### RESEARCH AND DEVELOPMENT (R&D)

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

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

##### 2. Future plan of action

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

##### 3. Expenditure on R&D

Particulars	2012-13 Rs	2011-12 Rs
a) Capital Expenditure	-	-
b) Recurring Expenditure	2,92,124	98,060
<b>c) Total expenditure</b>	<b>2,92,124</b>	<b>98,060</b>
d) Total R&D expenditure as % of turnover	0.004	0.001

# Report on Corporate Governance

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

## The Company's philosophy on code of Governance

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

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

The report on Corporate Governance is divided into four parts:

- I. Board of Directors
- II. Committees of the Board
- III. Shareholders' information
- IV. Other disclosures

## I. BOARD OF DIRECTORS

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

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

Sri.Pinnamaneni Koteswararao, an independent Director and member of the Audit Committee has passed away on 27/09/2012.

### 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, 2013, the Board has 8 (Eight) members, comprising of 4 (four) Executive Directors (including Chairman and 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.

### Board Independence

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



## b) Board Meetings

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

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

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

In the Financial year 2012-13, the Board met Seven times, the Board meetings were held on the following dates: 21/04/2012, 28/05/2012, 13/08/2012, 17/09/2012, 25/10/2012, 07/12/2012 and 08/02/2013

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

## c) Details of Board members and attendance of Directors at the Board Meetings and at the last Annual General Meeting (71<sup>st</sup> AGM)

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

Director	No. of Board Meetings attended out of 7 Meetings held during the year	Attendance at last AGM (13/08/2012)	*No. of other Directorships		* No. of other Board Committees in which Director is a member / Chairman		No. of shares held by Directors (Equity Shares of Re.1/- each)
			Chairman	Member	Chairman	Member	
Non-Executive Independent Directors:							
Sri O. Swaminatha Reddy	5	P	3	4	4	1	Nil
Sri V.H. Ramakrishnan	6	P	-	1	-	-	Nil
Dr. A. Ramakrishna	6	P	-	11	1	9	Nil
Sri. Vijay Sankar	7	p	-	3	-	-	Nil
Sri. Pinnamaneni Koteswara Rao**	2	P	-	-	-	-	19,200
Executive Promoter Directors:							
Dr. V.L. Dutt, Chairman and Managing Director	7	P	1	1	-	1	57,13,212
Smt. V.L. Indira Dutt, Joint Managing Director	7	P	1	1	-	-	29,65,990
Smt. Kavitha D Chitturi, Executive Director	7	P	-	-	-	-	7,50,000
Executive Non Promoter Directors:							
Sri V. Gandhi, Technical Director	7	P	-	1	-	-	2,040

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

(\*\*Sri.Pinnamaneni Koteswara Rao passed away on 27/09/2012.)

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

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

- 1) Annual Operating plans and budgets and any updates.
- 2) Capital budgets and any updates

- 3) Corporate resource allocation
- 4) Quarterly results for the Company and its operating divisions or business segments
- 5) Annual review of accounts and ensuring adoption of the same by shareholders.
- 6) Minutes of meetings of the audit committee and other committees of the Board.
- 7) The information on recruitment and remuneration of senior officers just below the board level, including appointment and removal of the Chief Financial Officer and the Company Secretary.
- 8) Details of joint venture or collaboration agreements, if any.
- 9) Review of Subsidiaries' functioning.
- 10) Risk evaluation and control.

#### e) Code of Conduct

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

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

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

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

#### Conflict of Interests

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

#### Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is applicable to all Directors and such

Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

## 2. COMMITTEES OF THE BOARD

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

The Board has currently the following Committees:

#### a) Audit Committee

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

The Audit Committee met four times during the year on 28/05/2012, 13/08/2012, 25/10/2012 and 08/02/2013.

The Audit Committee comprises 4 Non-Executive Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. O. Swaminatha Reddy, a Chartered Accountant by qualification. In the opinion of the Board of Directors, all the members of the Audit Committee are financially literate, and also have accounting or related financial management experience.

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

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

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri O. Swaminatha Reddy - Chairman	4	4
Sri V.H. Ramakrishnan	4	4
Dr. A. Ramakrishna	4	3
Sri. Pinnamaneni Koteswara Rao**	4	2
Sri. Vijay Sankar	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.

### BROAD TERMS OF REFERENCE

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

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

Sri O. Swaminatha Reddy, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 13/08/2012.

### Internal Controls:

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

### 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 Investment Committee met two times during the year on 13/08/2012 and 08/02/2013.

The Investment Committee comprises the following 4 Non-Executive Independent Directors.

Non-Executive Independent Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy – Chairman	2	2
Sri V.H. Ramakrishnan – Member	2	2
Dr. A. Ramakrishna – Member	2	2
Sri. Vijay Sankar - Member	2	2

The Committee was chaired by an Independent Director, Sri. O. Swaminatha Reddy.

### c) Finance Sub-Committee

The Company has a Finance Sub-Committee, which comprises of the following Members:

Dr. V L Dutt, Chairman
Smt. V.L. Indira Dutt, Member
Smt. Kavitha D. Chitturi, Member
Sri V. Gandhi, Member
Dr. A. Ramakrishna, Member
Sri. Vijay Sankar, Member

#### d) Corporate Social Responsibility (CSR) committee

The Company has a Corporate Social Responsibility committee, which comprises of the following Members:

Smt. V.L. Indira Dutt, Chairperson

Smt. Kavitha D. Chitturi, Member

Dr. A. Ramakrishna, Member

Sri. Vijay Sankar, Member

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

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

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

30/04/2012, 01/06/2012, 30/06/2012, 06/08/2012, 04/09/2012, 26/09/2012, 15/10/2012, 02/11/2012, 15/11/2012, 06/12/2012, 24/12/2012, 11/01/2013, 04/02/2013, 12/03/2013, 27/03/2013.

The Committee comprises of the following executives of the Company:

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

Sri. M.R. Ramachandran - Chief Financial Officer

Sri. Y. Vijayakumar – Company Secretary

Sri. S. Nandkumar – DGM – Finance

#### f) Stakeholders Relationship Committee

This 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

Dr. 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 31-03-2013. The Board has designated Mr.Y.Vijayakumar, Company Secretary, as the Compliance officer of the Company.

#### g) Nomination and Remuneration Committee

This Committee evaluates the financial position and state of affairs of the Company vis-à-vis the prevailing comparable remuneration structure of managerial personnel in other Companies and determines the remuneration and benefits for Board Members. The Committee did not have an occasion to meet during the year, 2012-2013.

The Remuneration Committee comprises the following Independent Directors:

Sri O.Swaminatha Reddy, Chairman

Sri V.H. Ramakrishnan, Member

Dr. A. Ramakrishna, Member

#### Remuneration policy

##### (i) Remuneration to Non-Executive Directors.

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

During the year Non-executive Directors of the Company were paid sitting fees of Rs. 20,000/- (Rupees twenty thousand only) each for every meeting of the Board and Audit Committees of the Board attended by them. For Investment Committee Meeting Rs. 10,000/- (Rupees ten thousand only) was paid as sitting fees. The Sitting fee is well within the limits prescribed under the provisions of the Companies Act, 1956.

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

The details of Sitting fees paid to Non Executive Directors for the year 2012-2013 (for attending the Board Meetings, Audit Committee meetings and

Investment Committee Meeting are given below:

Particulars	Sitting fees paid
Sri. V. H. Ramakrishnan	Rs. 2,20,000/-
Sri. Pinnamaneni Koteswara Rao**	Rs. 80,000/-
Sri. O. Swaminatha Reddy	Rs. 2,00,000/-
Dr. A. Ramakrishna	Rs. 2,00,000/-
Sri. Vijay Sankar	Rs. 2,40,000/-

## (ii) Remuneration to Executive Directors

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

Particulars of their remuneration for the year ended 31st March, 2013 are given below:

Particulars of Executive Directors	Salary and Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. V.L. Dutt Chairman and Managing Director	72,75,465	1,21,29,019	1,94,04,484
Smt. V.L. Indira Dutt Joint Managing Director	89,27,527	56,25,836	1,45,53,363
Smt. Kavitha Dutt Chitturi Executive Director	49,81,578	22,95,104	72,76,682
Sri. V. Gandhi Technical Director	42,41,482	30,35,200	72,76,682

## 4. GENERAL SHAREHOLDER INFORMATION

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

<b>Date</b>	Thursday 08th August, 2013
<b>Time</b>	10.45 a.m.
<b>Venue (Registered Office)</b>	“Ramakrishna Buildings”, No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008.

## 2. Financial Calendar: Key Financial Reporting Dates for the Financial year 2013-14

First Quarter ending 30th June, 2013	Within Forty five Days from the end of the Quarter
Second Quarter ending 30th September, 2013	Within Forty five Days from the end of the Quarter
Third Quarter ending 31st December, 2013	Within Forty five Days from the end of the Quarter
Fourth Quarter ending 31st March, 2014	Within Sixty Days from the end of the Financial year

**3. Dates of Book Closure:** Thursday, 1st August, 2013 to Thursday 8th August, 2013 (Both days inclusive)

**4. Dividend Payment Date:** On or after 23rd August, 2013

## 5. Listing on Stock Exchanges:

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

The Company has paid the listing fees to the National Stock Exchange of India Limited (NSE).

## 6. Share Price Data

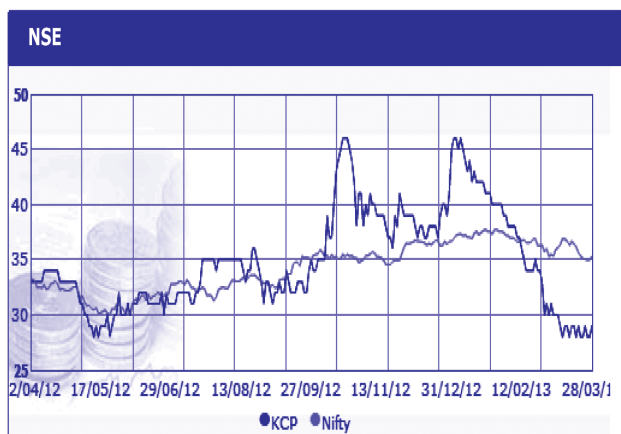
### NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2012	35.60	31.15
May 2012	34.90	27.20
June 2012	32.10	29.25
July 2012	35.70	28.15
August 2012	37.00	30.45
September 2012	35.95	30.40
October 2012	46.85	33.90
November 2012	41.50	36.05
December 2012	46.40	36.60
January 2013	47.50	38.50
February 2013	39.85	29.30
March 2013	31.45	27.00



### 7. Relative Stock Performance Chart:

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



### 8. Registrar and Share Transfer Agents

#### For demat and physical shares:

M/s. Integrated Enterprises India Limited  
 II Floor, "Kences Towers"  
 No.1, Ramakrishna Street  
 North Usman Road  
 T. Nagar, Chennai 600 017.  
 Ph: 28140801/803  
 E-mail: yuvraj@integratedindia.in  
 Website: www.integratedindia.in

### 9. Share Transfer System:

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

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

### 10. Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2013 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	15,465	91.89	1,12,12,695	8.70
5001-10000	603	3.58	43,82,408	3.40
10001-20000	351	2.09	49,31,342	3.83
20001-30000	134	0.80	32,74,316	2.54
30001-40000	72	0.43	25,24,218	1.96
40001-50000	47	0.28	21,71,499	1.68
50001-100001	72	0.43	50,09,235	3.89
Above 100001	86	0.50	9,54,15,447	74.00
TOTAL	16,830	100.00	12,89,21,160	100.00

### 11. Equity Shareholding as on 31st March, 2013 by Category

Category	No. of Share holders	No. of Shares	% Share holding
Clearing Member	91	4,70,555	0.37
Bank Foreign	1	500	0.00
Foreign Institutional	1	500	0.00
Indian Financial Institutions	14	13,86,493	1.08
Indian Promoters	24	6,04,39,078	46.88
Mutual Funds and UTI	10	1,46,30,669	11.35
NRI / OCBs	203	23,17,297	1.80
Private Corporate Bodies	298	17,84,513	1.38
Indian Public	1,61,74	4,78,51,245	37.12
Trusts	2	40,310	0.03
TOTAL	16,830	12,89,21,160	100

## 12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2013

SL No	NAME OF THE SHARE HOLDER	NUMBER OF SHARES	%
1	SBI Emerging Businesses Fund	83,45,318	6.47
2	HDFC Trustee Company Limited A/c HDFC Growth Fund	38,34,152	2.97
3	Reliance Capital Trustee Co. Ltd A/c Reliance Small Cap Fund	20,00,000	1.55
4	The New India Assurance Company Limited	13,02,930	1.01
5	G.V. Reddy (DR)	12,87,250	1.00
6	Sakunthala Devi Boppana	10,37,410	0.80
7	Boppana Vinay Kumar	9,35,250	0.73
8	Padmini Rajan	8,67,790	0.67
9	Anumolu Raghava Ramakrishna	8,49,900	0.66
10	Raavi Sobhanadri Chowdary	8,28,717	0.64
	TOTAL	2,12,88,717	16.51

## 13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital 117570974 Equity Shares are held in dematerialized form with NSDL and CDSL as on 31<sup>st</sup> March 2013.

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

## 14. Reconciliation of Share Capital Audit Report:

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

## 15. Plant Locations :

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

## 16. Compliance Certificate of the Auditors:-

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement 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, 2012, September 30, 2012, December 31, 2012 and March 31, 2013. 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.

## 17. Risk Management:

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



**18. Other Disclosures:**

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

**19. Other Information**

**1. Details of Annual General Meetings and 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
2010	69 <sup>th</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	28/07/2010	11.00 a.m.	Resolution for alteration of Capital Clauses in Memorandum of Association	Passed
					Resolution for alteration of Capital Clause in Articles of Association	Passed
2011	70 <sup>th</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	27/07/2011	10.45 a.m.	-	-
2012	71 <sup>st</sup>	"Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent Egmore, Chennai 600 008	13/08/2012	10.15 a.m.	Resolution for reclassification of unclassified shares	Passed

(b) No EGM was held by the company during the financial year ended 31st March 2013.

(c) Postal Ballot:

During the year the Company had obtained the approval of its members under Section 192A of the Companies Act, 1956, pertains to Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for the sale, transfer or otherwise disposal of the part or whole of the Biotech Unit of the company located at Alexandria Knowledge Park, Genome Valley, Turkapally Village, Shameerpet Madal, RR District, Andhra Pradesh.

#### Voting Pattern and Procedure for Postal Ballot:

1. The Board of Director of the Company at their meeting held on 7<sup>th</sup> December 2012 appointed Sri. R. Balasubramaniam as the Scrutinizer for conducting the Postal Ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on 28<sup>th</sup> January 2013 the last date and time fixed by the company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on 1<sup>st</sup> February 2013 at the Registered Office of the Company as per the Scrutinizer Report as under:

	No. of postal ballot forms	No. of shares
Total postal ballots Received	711	6,12,84,079
Number of invalid postal ballots	5	56,071
Number of valid postal ballots forms received	706	6,12,28,008
Votes in favour of the Resolution	683	6,12,18,153
Votes against the Resolution	23	9,855

Accordingly, the Ordinary Resolution indicated above has been passed by the requisite majority.

#### Subsidiary Company

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

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

#### 2. Means of Communication

- (i) The Board of Directors of the Company considers and approves all quarterly and Annual Financial results in the Pro-forma prescribed by Clause 41 of the Listing Agreement.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a National English newspaper. In addition, the same are published in local language (Tamil) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website- [www.kcp.co.in](http://www.kcp.co.in)
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

#### Nomination:

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

#### Dematerialisation of Shares:

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

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

The following are the benefits of Dematerialisation:

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

#### **Unclaimed share certificates lying With Company / R&T agent**

SEBI vide its notification dated 16.12.2010 has made it mandatory for every listed Company, which has issued shares in physical mode in past and

where such share certificates could not reach the concerned shareholder due to insufficient/incorrect information or for any other reasons, to send at least three reminders to such shareholders whose shares have remained unclaimed as above and in case no response is received from concerned shareholder, such unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and kept in a separate Demat Account. Pursuant to above Notification, Company's R&T agent has sent first reminder to all such shareholders whose share certificate(s), are lying undelivered with Company / R&T agent.

In case no response is received from these shareholders even after the second and third reminder, Company / Registrar & Share Transfer Agents (RTA) shall transfer all such shares to "Unclaimed Suspense Account".

As on 31st March, 2013, none of such shares were transferred to "Unclaimed Suspense Account".

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

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

For and on behalf of the Board of Directors

**Place:** Chennai

**Date:** 17th May, 2013

**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, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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

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

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

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

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

Place: Chennai  
Date: 17th May 2013

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

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

I, V.L. Dutt, Chairman and Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management Personnel of your Company have confirmed the compliance to the Code of Conduct of the Company during the year ended 31-03-2013.

Place: Chennai  
Date: 17th May, 2013

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, 2013 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: 17th May, 2013

**V.L. Dutt**  
**Chairman and Managing Director**

**M.R. Ramachandran**  
**Chief Financial Officer**

# Independent Auditors' Report

To the Members of The KCP Limited, Chennai

## Report on the Financial Statements:

We have audited the accompanying financial statements of The KCP Limited, Chennai which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility:

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion:

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

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our



- knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd No 000513S

Place: Chennai

Date: 17th May, 2013

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

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" 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 accounts.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act 1956, at the beginning of the year or during the year, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
- 3.2 According to the information and explanations furnished to us, the company has, at the date of the Balance Sheet under report, taken loans aggregating to Rs.20,75,03,000 from three directors, Rs.6,85,00,000 from two relatives of the director and Rs. 7,40,00,000 from a company, covered by the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the parties listed in the registers maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register

maintained under section 301 of the Companies Act, 1956 have been so entered.

- 5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A and 58AA of the Companies Act 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the company at its cement, engineering and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the company has generally been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax,

Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- 9.2 There were no undisputed statutory dues mentioned in the preceding paragraph in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 9.3 According to the information furnished to us, there were no amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

S. No	Nature of dues	Applicable statute	Amt. in Rs	Pending before
1	Excise duty and related demands	Central Excise Act 1944	101580392	Commissioner of Appeals
2	Sales tax and related demands	Sales tax Acts of various state Govts.	3821040	Various appellate authorities
3.	Forest Permit Charges	A.P. Forest Produce Rules 1970	9520355	Hon'ble High Court

10. According to the information and explanations furnished to us by the company, it had no accumulated losses at the end of the financial year, and it did not incur cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of dues to financial institutions, banks or debenture holders at the date of the Balance Sheet.
12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order,

2003 are not applicable to the company during the year under report.

14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other 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 furnished to us, there are guarantees to the extent of Rs. 1,02,00,000/- outstanding as at the year end that are given by the company for loans taken by two parties from a bank.
16. In our opinion, and according to the information and explanations furnished to us, the term loans taken by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that

funds raised on short-term basis have not been used for long-term investment.

18. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
20. The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys does not arise during the year.
21. According to the information and explanations furnished to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.

Place: Chennai

Date: 17th May, 2013

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd No 000513S

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

## BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	Notes	AS AT	AS AT
		31-03-2013	31-03-2012
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	27,89,21,160	32,89,21,160
Reserves and Surplus	4	3,44,58,26,089	3,31,68,42,075
		<b>3,72,47,47,249</b>	3,64,57,63,235
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	1,92,49,95,339	1,76,26,57,957
Trade Payables	6.1	26,07,721	33,28,788
Deferred Tax Liability (Net)	7	57,58,53,983	48,92,50,625
Other Long-Term Liabilities	6.2	28,61,41,876	19,14,12,580
Long-term Provisions	8.1	3,64,67,403	2,61,22,283
		<b>2,82,60,66,322</b>	2,47,27,72,233
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,18,68,69,180	82,44,20,099
Trade Payables	10.1	56,84,59,644	37,17,10,684
Other Current Liabilities	10.2	1,34,53,55,560	1,50,06,45,245
Short term Provisions	8.2	18,39,79,900	31,88,87,949
		<b>3,28,46,64,284</b>	3,01,56,63,977
<b>TOTAL</b>		<b>9,83,54,77,855</b>	9,13,41,99,445
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	5,06,63,62,975	5,20,99,09,060
Intangible Assets	12	-	-
Capital Work in Progress		99,74,87,829	22,75,25,326
Non-current Investments	13	28,89,81,241	28,89,59,669
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	14.1	31,57,01,973	14,17,93,316
Trade Receivables	15.1	1,17,14,266	1,12,46,914
Other Non-Current Assets	15.2	45,06,000	-
		<b>6,68,47,54,284</b>	5,87,94,34,285
<b>Current Assets</b>			
Current Investments	16	-	-
Inventories	17	1,18,35,66,227	1,48,39,55,072
Trade Receivables	15.1	48,20,98,583	74,37,56,275
Cash and Bank Balances	18	52,58,17,624	35,04,04,858
Short term Loans and Advances	14.2	87,81,83,348	64,32,77,469
Other Current Assets	15.2	8,10,57,789	3,33,71,486
		<b>3,15,07,23,571</b>	3,25,47,65,160
<b>TOTAL</b>		<b>9,83,54,77,855</b>	9,13,41,99,445
<b>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

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

**V.L. DUTT**  
Chairman and Managing Director

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

**KAVITHA D CHITTURI**  
Executive Director

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

**O. SWAMINATHA REDDY**  
Director

**V. GANDHI**  
Technical Director

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

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 17th May, 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	Notes	This Year	Previous Year
		Rs.	Rs.
<b>Income</b>			
Revenue from operations (Gross)	19	8,17,00,63,092	6,87,25,45,535
Less: Excise duty		1,17,30,08,799	86,77,76,739
Revenue from operations (Net)		6,99,70,54,293	6,00,47,68,796
Other Income	20	77,63,38,318	39,29,00,050
<b>Total Revenue (I)</b>		<b>7,77,33,92,611</b>	<b>6,39,76,68,846</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	21	1,52,08,13,825	1,31,36,10,485
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	22	-50,74,707	-11,11,65,484
Employee Benefits expense	23	51,25,47,830	52,59,36,844
Finance Costs	24	38,12,33,701	37,94,98,375
Depreciation and amortization expense	25	31,97,60,844	29,34,69,755
Other expenses	26	4,56,08,50,094	3,14,85,16,361
<b>Total Expenses (II)</b>		<b>7,29,01,31,587</b>	<b>5,54,98,66,336</b>
<b>Profit/(Loss) before Exceptional &amp; Extraordinary items and tax</b>		<b>48,32,61,024</b>	<b>84,78,02,510</b>
Less : Exceptional Items (Net)		- 4,93,18,500	-
<b>Profit/(Loss) before Extraordinary items and tax</b>		<b>43,39,42,524</b>	<b>84,78,02,510</b>
<b>Extraordinary Items</b>			
<b>Profit/(Loss) before tax</b>			
Add : Income Tax Refund		8,05,270	9,74,378
<b>Less : Tax expenses</b>			
Short /Excess provision of Income Tax of Eariler Years		8,41,395	28,48,366
Current tax		8,71,23,928	16,75,00,000
Deferred tax		8,66,03,358	17,01,08,967
Add: MAT credit entitlement		4,43,74,824	10,70,14,368
<b>Total tax expense</b>		<b>12,93,88,587</b>	<b>23,24,68,587</b>
<b>Profit/(Loss) for the year from continuing operations (A)</b>		<b>30,45,53,937</b>	<b>61,53,33,923</b>
<b>Earnings per equity share [nominal value of share Re.1 /-</b>		<b>2.16</b>	<b>4.56</b>
<b>[31st March 2012 : Re. 1/-]</b>			
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year		2.16	4.56
<b>STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		
The accompanying notes are an integral part of the Financial Statements.			

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Chairman and Managing Director

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

**KAVITHA D CHITTURI**  
Executive Director

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: 17th May, 2013



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	31-03-2013 Rs.	31-03-2012 Rs.
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	43,39,42,524	84,78,02,510
Profit before tax	43,39,42,524	84,78,02,510
Depreciation/amortization on continuing operation	31,97,60,844	29,34,69,755
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	3,23,898	6,66,148
Loss/[profit] on sale of fixed assets	2,04,83,004	-8,26,315
Unrealised foreign exchange loss	9,67,631	61,69,529
Interest expense	38,12,33,701	37,94,98,375
Interest income	10,56,95,873	6,31,15,111
Dividend income	43,89,51,874	28,41,41,880
Operating profit before working capital changes	56,91,62,585	1,16,88,36,583
Movements in working capital:		
Increase/[decrease] in trade payables	19,60,27,893	21,63,34,781
Increase/[decrease] in Long term provisions	1,03,45,120	13,47,03,007
Increase/[decrease] in short-term provisions	63,94,949	-
Increase/[decrease] in current liabilities	- 15,52,89,685	22,33,50,833
Increase/[decrease] in other long-term liabilities	9,47,29,296	-
Decrease/[increase] in trade receivables	26,11,90,340	-39,72,20,679
Decrease/[increase] in inventories	30,03,88,845	-40,60,60,592
Decrease/[increase] in loans and advances	-1,83,18,364	1,61,38,432
Decrease/[increase] in short-term loans and advances	-29,07,70,512	-
Decrease/[increase] in other current assets	-4,76,86,303	23,46,173
Decrease/[increase] in other non-current assets	-45,06,000	-
Cash generated from/[used in] operations	92,16,68,164	95,84,28,538
Direct taxes paid [net of refunds]	6,93,47,964	14,37,66,138
Foreign exchange difference	9,67,631	61,69,529
Net cash flow from/[used in] operating activities (A)	85,32,87,831	82,08,31,929
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	1,11,12,78,824	66,10,86,654
Proceeds from sale of fixed assets	2,96,70,375	29,61,016
Purchase of non-current investments	21,572	4,61,99,685
Purchase of current investments	-	20,533
Repayment of preference capital	5,00,00,000	-
Interest received	10,56,95,873	6,31,15,111
Dividends received from subsidiary company	43,89,51,874	28,41,41,880
Net cash flow from/[used in] investing activities (B)	-58,69,82,274	-35,70,88,865
Cash flows from financing activities		
Proceeds from long term Borrowings	47,25,50,146	6,95,00,000
Repayment of long term Borrowings	31,02,12,764	35,22,02,533
Proceeds from short term Borrowings	36,24,49,081	15,20,01,724
Repayment of short term Borrowings	-	14,00,00,000
Interest paid	38,12,33,701	37,94,98,375
Dividends paid	20,17,21,313	15,29,21,160
Tax on dividend paid	3,27,24,240	2,48,07,636
Net cash flow from/[used in] in financing activities (C)	-9,08,92,791	-82,79,27,980
Net increase/[decrease] in cash and Bank Balances (A+B+C)	17,54,12,766	-36,41,84,916
Cash and Bank Balances at the beginning of the year	35,04,04,858	71,45,89,774
<b>Cash and Bank Balances at the end of the year</b>	<b>52,58,17,624</b>	<b>35,04,04,858</b>
Components of cash and Bank Balances		
Cash on hand	5,91,029	6,70,328
Cheques/Drafts on hand	4,83,36,574	3,26,81,181
With banks on current account	6,07,47,545	1,81,18,663
On deposit account	39,91,01,963	28,32,05,551
Unpaid dividend accounts*	1,70,40,513	1,57,29,135
<b>Total Cash and Bank Balances (Note 18)</b>	<b>52,58,17,624</b>	<b>35,04,04,858</b>
Summary of significant accounting policies	2	

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT  
Chairman and Managing Director

O. SWAMINATHA REDDY  
Director

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Joint Managing Director

V. GANDHI  
Technical Director

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Executive Director

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Chief Financial Officer

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

T.V. RAMANA  
Partner  
(ICAI Memb. No.200523)  
Y. VIJAYAKUMAR  
Company Secretary

Place: Chennai  
Date: 17th May, 2013

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

#### 1. GENERAL

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

#### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 FIXED ASSETS

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

##### 2.2 LEASED ASSETS :

###### (A) ASSETS UNDER FINANCE LEASE:

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

###### (B) ASSETS UNDER OPERATING LEASE :

Assets used by the Company as a lessee under operating lease agreement are not recognised in the Company’s accounts. Lease payments under operating lease are charged to the Statement of Profit and Loss on a systematic basis representative of the pattern of the benefit accruing to the

Company from the use of the asset under operating lease.

#### 2.3. INVESTMENTS

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

#### 2.4. INVENTORIES

- (a) Finished goods are valued at cost or market value, whichever is lower.
- (b) Stock of scrap –
  - i. In respect of Engineering Unit, purchased scrap and internally generated scrap for use in production are both valued at average cost of purchased scrap.
  - ii. In respect of other scrap, the stock of scrap is not valued and adjusted. Sales, as and when made, are adjusted.
- (c) Work-in-Progress, raw materials, stores, spares, material in transit, are valued at cost except where the net realisable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than their book values, they are valued at replacement cost.

#### 2.5. SALES AND OTHER EARNINGS

- (a) Sales and service earnings are inclusive of excise duty, service tax, freight, insurance etc. recovered thereon.
- (b) Despatches from Engineering Unit are in completely knocked down condition and are invoiced at the appropriate technically evaluated values, which are matched with contracted sale prices.
- (c) Electricity generated by the power units of the Company, sold to its other units is accounted at the tariff rates charged by the State Electricity Boards. Such earnings are adjusted to the power charges.
- (d) 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 realisation.

## 2.6. FOREIGN EXCHANGE TRANSACTIONS

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

## 2.7.ACCOUNTING FOR DERIVATIVES

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

## 2.8.EMPLOYEE BENEFITS

- a) Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss immediately in each year.

## 2.9.DEPRECIATION

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

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

## 2.10. IMPAIRMENT OF ASSETS:

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

recoverable amount is the greater of the assets net selling price and value in use. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 2.11. WARRANTY CLAIMS

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

### 2.12. DIVIDENDS

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

### 2.13. BORROWING COST

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

### 2.14. EXPENDITURE DURING CONSTRUCTION PERIOD:

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

### 2.15. EXPENDITURE ON APPROVED RESEARCH AND DEVELOPMENT PROGRAMME

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

### 2.16. TAXATION

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

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

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

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

### 2.17. EARNINGS PER SHARE (EPS)

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

### 2.18. PROVISIONS/ CONTINGENT LIABILITIES AND ASSETS

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

### 2.19 GOVERNMENT GRANTS

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

**3) SHARE CAPITAL**

PARTICULARS	AS AT 31st March, 2013 Rs.	AS AT 31st March, 2012 Rs.
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2012 : 35,00,00,000) Equity Shares of Re.1/- each	<b>35,00,00,000</b>	35,00,00,000
2,00,00,000(31 March 2012 : 2,00,00,000) Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>55,00,00,000</b>	55,00,00,000
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2012 : 12,89,77,480) Equity Shares of Re.1/- each	<b>12,89,77,480</b>	12,89,77,480
2,00,00,000 (31 March 2012 : 2,00,00,000) 12% Redeemable Cumulative Non-convertible Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>32,89,77,480</b>	3,28,97,7480
<b>Subscribed and fully paid-up :</b>		
12,89,21,160 (31 March 2012 :12,89,21,160) Equity Shares of Re.1/- each	<b>12,89,21,160</b>	12,89,21,160
1,50,00,000 (31 March 2012 : 2,00,00,000) 12% Redeemable Cumulative Non-convertible Preference shares of Re.10/- each	<b>15,00,00,000</b>	20,00,00,000
Total Issued, Subscribed and Fully paid-up Capital	<b>27,89,21,160</b>	32,89,21,160

**3.1)** Details of shareholders holding more than 5% share in the company: 1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,88,96,326(3,87,70,000) Equity Shares of Re.1/- each fully paid - 30.17%(30.07%); 2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) Equity Shares of Re.1/- each fully paid- 7.43% (7.43%). 3. M/s. Tata Capital Financial Services Ltd. - 1,50,00,000(2,00,00,000) Preference shares of Rs. 10/- each fully paid - 100% (100%). 4.SBI Emerging Business Fund 83,45,318(44,65,290) Equity Shares of Re.1/- each fully paid up 6.47%(3.46%).

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

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
Equity Share Capital at the beginning of the Year	<b>12,89,21,160</b>	12,89,21,160
12% Redeemable Cumulative Non-convertible Preference shares at the beginning of the year	<b>20,00,00,000</b>	20,00,00,000
<b>Less:</b> 50,00,000 12% Redeemable Cumulative Non-convertible Preference shares of Rs 10/- each redeemed during the year	<b>5,00,00,000</b>	-
Issued Subscribed and Fully paid up capital at the end of the year	<b>27,89,21,160</b>	32,89,21,160

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

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

During the year the Company has redeemed 50,00,000 12% Redeemable Cumulative Non-convertible Preference shares of Rs 10/- each along with pro-rata interim Dividend



#### 4) RESERVES AND SURPLUS

PARTICULARS	AS AT 31st March, 2013 Rs.	AS AT 31st March, 2012 Rs.
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per Last Financial Statements	5,00,00,000	-
<b>Add:</b> Amount Transferred from Surplus Balance in Statement of Profit and Loss	7,00,00,000	5,00,00,000
	12,00,00,000	5,00,00,000
Capital Reserve On Reorganisation	2,79,91,144	2,79,91,144
Capital Subsidy	50,00,000	50,00,000
Amalgamation Reserve	1,03,83,025	1,03,83,025
<b>Total Capital Reserve</b>	16,33,74,169	9,33,74,169
<b>General Reserve</b>		
Balance as per the last Financial Statements	2,70,00,00,000	2,50,00,00,000
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	4,50,00,000	20,00,00,000
<b>Closing Balance</b>	2,74,50,00,000	2,70,00,00,000
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last Financial Statements	52,34,67,906	41,07,80,478
Profit for the year	30,45,53,937	61,53,33,923
	82,80,21,843	1,02,61,14,401
<b>Less : Appropriations</b>		
Proposed Final Dividend on Equity Shares of Re.1/- each i.e. Re.0.50/- per Share (Previous year Re.0.75/-)	6,44,60,580	9,66,90,870
Interim Dividend Paid	6,44,60,580	9,66,90,870
Proposed Dividend on 12% Redeemable, Cumulative Preference Shares	2,21,42,466	2,40,00,000
Tax on Distributed Profits	2,45,06,297	3,52,64,755
Transfer to Capital Redemption Reserve	7,00,00,000	5,00,00,000
Transfer to General Reserve	4,50,00,000	20,00,00,000
Total Appropriations	29,05,69,923	50,26,46,495
<b>Net Surplus in Statement of Profit and Loss</b>	537,451,920	523,467,906
<b>Total Reserves and Surplus taken to Balance Sheet</b>	3,445,826,089	3,316,842,075

**5) LONG TERM BORROWINGS:**

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Term Loans - Secured</b>				
Rupee loan from banks - Cement Plant Muktyala	1,02,52,84,949	1,18,16,04,000	31,36,00,000	34,58,00,000
Rupee loan from banks - Wind Mill Division	-	-	-	3,04,80,000
Rupee loan from banks - Hotel Project	16,96,34,000	6,95,00,000	-	-
Rupee loan from banks - Cement Plant- Macherla	13,89,28,146	-	-	-
Rupee loan from banks - Captive Power Plant- Muktyala	12,76,50,000	-	-	-
Foreign currency loan from banks -Cement plant	10,89,89,244	25,93,29,957	-	-
	<b>1,57,04,86,339</b>	<b>1,51,04,33,957</b>	<b>31,36,00,000</b>	<b>37,62,80,000</b>

PARTICULARS	Non -current portion	Non -current portion	Current maturities	Current maturities
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Other Loans and advances:</b>				
Deposits (unsecured)				
From Directors	3,50,000	39,03,000	31,53,000	-
From Others	35,41,59,000	24,83,21,000	30,74,36,000	43,01,94,000
	<b>35,45,09,000</b>	<b>25,22,24,000</b>	<b>31,05,89,000</b>	<b>43,01,94,000</b>
	<b>1,92,49,95,339</b>	<b>1,76,26,57,957</b>	<b>62,41,89,000</b>	<b>80,64,74,000</b>

**The above amount includes**

<b>5.1) Secured Borrowings</b>	<b>1,57,04,86,339</b>	<b>1,51,04,33,957</b>	<b>31,36,00,000</b>	<b>37,62,80,000</b>
<b>5.2) Unsecured Borrowings</b>	<b>35,45,09,000</b>	<b>25,22,24,000</b>	<b>31,05,89,000</b>	<b>43,01,94,000</b>
<b>5.3) Amount disclosed under the head "Other Current Liabilities"(Note 10)</b>	<b>-</b>	<b>-</b>	<b>62,41,89,000</b>	<b>80,64,74,000</b>
	<b>1,92,49,95,339</b>	<b>1,76,26,57,957</b>	<b>-</b>	<b>-</b>

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

b) Foreign Currency Loan-Buyers Credit from a bank Secured by paripassu First charge along with other Lenders on the existing and Proposed Assets of the existing and proposed Assets of the Engineering Division at Tiruvottiyur Chennai and Cement Division at Muktyala. The rate of interest of the abovesaid loan is 7.55%.

c) The long Terms loans obtained for Cement Plant at Muktyala are repayable in 28 Quarterly Installments of Rs. 7,26,00,000/- each with effect from 30th June 2011.

- 5.5)** a) Term loan obtained for Hotel project at Hyderabad is secured by First charge on the Land, Building and other Assets of the Company located at Somajiguda Hyderabad. The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) The long term loan obtained for Hotel project is repayable in 28 quarterly instalments of Rs. 1,61,00,000/- with last instalment being Rs. 1,53,00,000/-, with holiday period of 39 months which includes construction period of 15 months and 24 months of gestation period. First instalment falls due in March, 2015.
- 5.6)** a) Term Loan obtained for the Captive Power Plant, Muktyala is secured by the First Charge on the fixed Assets of the Captive Power Plant, Muktyala. The rate of interest of the abovesaid loan is Base Rate plus margin 1.75%.
- b) The long Terms loan obtained Captive Power Plant, Muktyala is repayable in 32 Quarterly Instalments of Rs 2,49,00,000 with the last instalment being Rs 2,45,00,000 each with an initial moratorium peroid of two years from the date of first disbursement.First instalment falls due on January, 2015.
- 5.7)** a) Term Loan obtained for the Cement Plant, Macherla is Secured by the First Charge on the Fixed Assets (both present and proposed out of the loan) and second charge on the Current Assets of the Cement Division at Macherla The rate of interest of the abovesaid loan is Base Rate plus margin 2%.
- b) The long Terms loans obtained for Cement Plant at Macherla are repayable in 28 Quarterly Installments of Rs 75,00,000 each with an initial moratorium peroid of two years from the date of first disbursement.First instalment falls due in December 2014.
- 5.8)** Details of deposits held by Directors of the company
- a) Dr. V. L. Dutt 33,50,000
- b) Smt. Kavitha D. Chitturi 1,53,000

The rate of interest is within the limits specified under Section 58 A of the Companies Act, 1956 and Rules made thereunder.

**6) OTHER LONG TERM LIABILITIES:**

PARTICULARS	AS AT	AS AT
	31-03-2013	31-03-2012
	Rs.	Rs.
<b>6.1) Trade payables</b>	<b>26,07,721</b>	33,28,788
<b>Total</b>	<b>26,07,721</b>	33,28,788
<b>6.2) Others</b>		
Outstanding Liabilities for - Trade Payables - FSA Charges	<b>4,08,81,873</b>	-
- Other Expenses	<b>83,14,216</b>	83,14,216
Retention Money Payable	<b>27,565</b>	1,31,26,492
Trade Deposits	<b>21,64,80,964</b>	15,53,25,000
Deposits Payable-Contractors	<b>1,35,90,000</b>	54,75,000
Interest accrued but not due	<b>68,47,258</b>	91,71,872
<b>Total</b>	<b>28,61,41,876</b>	19,14,12,580

## 7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
<b>Deferred Tax Liability:</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	<b>58,88,94,584</b>	49,90,43,753
<b>Gross Deferred Tax liability</b>	<b>58,88,94,584</b>	49,90,43,753
<b>Deferred Tax asset:</b>		
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	<b>1,30,40,601</b>	97,93,128
<b>Gross Deferred Tax Asset</b>	<b>1,30,40,601</b>	97,93,128
<b>Net Deferred Tax Liability</b>	<b>57,58,53,983</b>	48,92,50,625

## 8) PROVISIONS

PARTICULARS	8.1 - Long Term		8.2 - Short Term	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Provision for employee benefits:</b>				
Provision for Gratuity	-	-	<b>66,65,799</b>	1,48,820
Provision for Leave Benefits	<b>3,64,67,403</b>	2,61,22,283	<b>10,77,193</b>	11,99,223
	<b>3,64,67,403</b>	2,61,22,283	<b>77,42,992</b>	13,48,043
<b>Other Provisions:</b>				
Provision for Fringe Benefit	-	-	-	54,351
Provision for Wealth tax	-	-	<b>20,51,416</b>	15,18,020
Provision for Income tax	-	-	<b>9,27,91,177</b>	17,56,97,587
Proposed Equity Dividend	-	-	<b>6,44,60,580</b>	9,66,90,870
Provision for tax on Distributed Profits	-	-	<b>1,04,57,118</b>	1,56,85,678
Proposed Preference Dividend	-	-	<b>55,72,603</b>	2,40,00,000
Provision for tax on proposed Preference Dividend	-	-	<b>9,04,014</b>	38,93,400
	-	-	<b>17,62,36,908</b>	31,75,39,906
<b>Total</b>	<b>3,64,67,403</b>	2,61,22,283	<b>18,39,79,900</b>	31,88,87,949

## 9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
Cash credit from Banks		
: Secured	<b>90,88,69,180</b>	57,49,20,099
Loan Repayable on Demand (Unsecured)		
:from Directors	<b>20,40,00,000</b>	17,45,00,000
Inter-corporate Deposits repayable on demand	<b>7,40,00,000</b>	7,50,00,000
	<b>1,18,68,69,180</b>	82,44,20,099
<b>The above amount includes</b>		
Secured Borrowings	<b>90,88,69,180</b>	57,49,20,099
Unsecured Borrowings	<b>27,80,00,000</b>	24,95,00,000

<b>9.1) i)</b> Cash Credit from a Bank secured by pari passu First Charge on the Current Assets and pari passu second charge on the Fixed Assets of the Engineering division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%.	18,72,56,541	9,77,29,782
ii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu Second Charge on the Fixed Assets of the Macherla Cement division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%.	20,62,92,600	18,94,12,529
iii) Cash Credit from a Bank secured by pari passu first charge on the Current Assets and pari passu Second Charge on the Fixed Assets of the Muktala Cement division The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%.	41,46,83,307	27,46,17,856
iv) From a bank secured by First Charge on movable, immovable properties and Current Assets of the Bio-tech division. The rate of interest of the abovesaid loan is Base Rate plus margin 1.5%.	1,01,36,732	1,31,59,932
v) Short Term Loan from Bank against Fixed Deposits.	9,05,00,000	-
	<b>90,88,69,180</b>	<b>57,49,20,099</b>

<b>9.2) Demand loans obtained from Directors</b>		
a) Dr. V.L. Dutt	10,75,00,000	9,00,00,000
b) Smt. V. L. Indira Dutt	6,40,00,000	5,95,00,000
c) Smt. Kavitha Dutt Chitturi	3,25,00,000	2,50,00,000
	<b>20,40,00,000</b>	<b>1,74,50,000</b>

The above demand loans carry interest at the rate of 10%

<b>9.3) Details of Inter-corporate loan</b>		
Inter Corporate loan obtained from V. Ramakrishna Sons Pvt Limited and carries interest at the rate of 10%	7,40,00,000	7,50,00,000
	<b>7,40,00,000</b>	<b>7,50,00,000</b>



**10) OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
<b>10.1) Trade payables</b>		
(Includes Rs. 2619389 /- (Rs 858170/-) due to Joint Managing Director)	<b>56,84,59,644</b>	37,17,10,684
	<b>56,84,59,644</b>	37,17,10,684
<b>10.2) Other Liabilities:</b>		
Current maturities of Long term Borrowings (Note No. 5.3)	<b>62,41,89,000</b>	80,64,74,000
Interest accrued but not due on Borrowings	<b>1,86,22,609</b>	3,27,35,657
Interest accrued and due on Borrowings	<b>99,57,159</b>	1,71,82,674
Advance from Customers	<b>27,54,38,856</b>	28,23,00,555
Unpaid Dividend	<b>1,70,38,183</b>	1,57,26,406
<b>Others</b>		
Accrued Salaries and Benefits	<b>1,80,11,506</b>	2,18,26,843
Directors Remuneration payable	<b>2,30,85,159</b>	8,90,82,972
Trade Deposits	-	29,964
Project Related payables	<b>17,96,27,714</b>	6,70,38,931
Statutory Dues	<b>13,50,17,616</b>	12,23,29,587
Others	<b>4,43,67,758</b>	4,59,17,656
	<b>1,34,53,55,560</b>	1,50,06,45,245
<b>Total</b>	<b>1,91,38,15,204</b>	1,87,23,55,929

12) Intangible Assets

11) Tangible Assets and

S. No	DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK			
		Cost as on 01-04-2012	Additions during the year	Deductions during the year	Cost upto 31-03-2013	Total Depreciation upto 31-03-2012	Depreciation For the Year	Depreciation On Deletions	Total Depreciation upto 31-03-2013	As at 31-03-2013	As at 31-03-2012	Rs.	Rs.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
11)	<b>Tangible Assets</b>														
1	LANDS	16,28,83,955	2,93,93,124	-	19,22,77,079	-	-	-	-	-	-	-	-	19,22,77,079	16,28,83,955
2	(a) BUILDINGS	68,92,72,889	6,78,36,653	1,73,02,102	73,98,07,440	11,91,67,079	1,63,67,356	21,81,997	13,33,52,438	60,64,55,002	57,01,05,810				
	(b) LEASE HOLD BUILDINGS	15,47,500	-	-	15,47,500	5,13,238	25,224	-	5,38,462	10,09,038	10,34,262				
3	PLANT and MACHINERY	5,84,01,93,331	6,60,31,070	38,74,838	5,90,23,49,563	15,09,35,23,06	28,40,15,316	25,35,631	1,79,08,31,991	4,11,15,17,572	4,33,08,41,026				
4	TRAMWAYS and RAILWAY SIDINGS	67,94,361	-	-	67,94,361	64,54,643	-	-	64,54,643	3,39,718	3,39,718				
5	FURNITURE, FIXTURES	3,96,27,467	60,06,641	5,72,338	4,50,61,770	1,89,73,149	20,46,307	4,03,425	2,06,16,031	2,44,45,739	2,06,54,318				
6	OFFICE EQUIPMENT	3,35,35,374	49,66,354	50,500	3,84,51,228	1,65,61,148	31,11,500	63,426	1,96,09,222	1,88,42,006	1,69,74,226				
7	VEHICLES and EARTH MOVING	14,94,83,458	2,27,40,675	71,95,332	16,50,28,801	4,48,40,439	1,43,21,196	42,99,378	5,48,62,257	11,01,66,544	10,46,43,019				
8	RESEARCH and DEVELOPMENT	36,55,551	42,438	-	36,97,989	12,22,824	1,75,123	-	13,97,947	23,00,042	24,32,727				
12)	<b>Intangible Assets</b>														
	<b>Sub-Total</b>	6,92,69,93,886	19,70,16,955	2,89,95,110	70,95,01,5731	1,71,70,84,826	32,00,62,022	94,83,857	2,02,76,62,991	5,06,73,52,740	5,20,99,09,060				
9	PATENTS	13,90,000	-	-	13,90,000	13,90,000	-	-	13,90,000	-	-				
	<b>Sub-Total</b>	13,90,000	-	-	13,90,000	13,90,000	-	-	13,90,000	-	-				
	<b>GRAND TOTAL</b>	6,92,83,83,886	19,70,16,955	2,89,95,110	7,09,64,05,731	1,71,84,74,826	32,00,62,022	94,83,857	2,02,90,52,991	5,06,73,52,740	5,20,99,09,060				
	PREVIOUS YEAR	5,39,21,18,819	1,55,12,36,182	1,49,71,115	6,92,83,83,886	1,43,41,75,628	29,44,85,916	1,01,86,718	1,71,84,74,826	5,20,99,09,060	3,95,79,43,199				

(a) Depreciation for the year includes an amount of Rs. 3,01,178/- capitalised during the year.

(b) Deductions includes reduction of Rs.1,00,00,000/- , received as subsidy towards laying of roads from Commissioner of Industries, Andhra Pradesh.

(c) Depreciation during Trail Run Production of Solar Power Plant for an amount of Rs. 9,89,764/- is transferred to Capital Work in Progress and credited to Accumulated Depreciation.

**13) NON-CURRENT INVESTMENTS**

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
<b>Investment in Subsidiary:</b>		
103,23,340 (31 March 2012: 103,23,340 ) Equity Shares of US \$ 1/- each, fully paid up in K.C.P.Vietnam Industries Ltd., Vietnam.	<b>23,71,43,667</b>	23,71,43,667
<b>Investment in Joint Venture:</b>		
4,00,000 (31 March 2012: 4,00,000) Equity Shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	<b>40,00,000</b>	40,00,000
<b>Common Stock (unquoted):</b>		
1640 Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	<b>76,99,947</b>	76,99,947
<b>Preferred Shares (unquoted):</b>		
750 Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	<b>3,84,99,738</b>	3,84,99,738
	<b>28,73,43,352</b>	28,73,43,352
<b>Non-Trade Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Equity Instruments(quoted):</b>		
100 (31st March 2012: 100 ) Equity Shares of Rs.10/- each, fully paid up in Industrial Finance Corporation of India.	<b>3,500</b>	3,500
14240 (31st March 2012: 14240 ) Equity Shares of Rs.10/- each, fully paid up in Industrial Development Bank of India.	<b>11,57,000</b>	11,57,000
<b>Equity Shares (unquoted):</b>		
30 (31st March 2012: 30 ) Equity Shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd., (Written off to the extent of Rs. 299/-)	<b>1</b>	1
100000 (31st March 2012: 100000 ) Equity Shares of Rs. 10/- each fully paid up in Prudential Mouli Sugars Ltd., (Written off to the extent of Rs. 9,99,999/-)	<b>1</b>	1
<b>Other Investments - Unit Trust of India - Quoted:</b>		
(Earmarked towards Deposits under Companies Acceptance of Deposits Rules 1975,) 22565.409 (31st March 2012 : 21571.776) UTI Balanced Fund Units of Rs.10/- each	<b>4,77,387</b>	4,55,815
	<b>16,37,889</b>	16,16,317
	<b>28,89,81,241</b>	28,89,59,669
<b>13.1) Aggregate amount of quoted Investments(market value: Rs. 16,22,757/-) (31 March 2012:Rs. 19,46,615/-)</b>	<b>16,37,887</b>	16,16,315
<b>13.2) Aggregate amount of unquoted Investments</b>	<b>28,73,43,352</b>	28,73,43,352
<b>13.3) Aggregate provision for diminution in value of Investments</b>	<b>NIL</b>	NIL

#### 14) LOANS AND ADVANCES

PARTICULARS	14.1 - Non-current		14.2 - Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Capital Advances</b>				
Secured, Considered good	-	3,12,20,281	-	-
Unsecured, Considered good	<b>20,73,99,518</b>	2,05,88,944		30,52,306
<b>(A)</b>	<b>20,73,99,518</b>	5,18,09,225	-	30,52,306
<b>Security Deposit</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
Doubtful	-	-	-	-
	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
Provision for Doubtful security deposit	-	-	-	-
<b>(B)</b>	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
<b>Loans and advances to related parties</b>				
Unsecured, considered good	-	-	-	-
<b>(C)</b>	-	-	-	-
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	1,33,96,813
Doubtful	-	-	-	-
	-	-	-	1,33,96,813
Provision for Doubtful advances	-	-	-	-
<b>(D)</b>	-	-	-	1,33,96,813
<b>Other Loans and Advances</b>				
Foreign Currency	<b>1,88,44,371</b>	3,54,34,332	-	-
MAT Credit	-	-	<b>22,64,95,379</b>	18,21,20,555
Advances to Trade Payables	-	-	<b>9,00,18,533</b>	9,74,29,838
Advance Income-tax/TDS (Net of Provision for Taxation)	-	-	<b>14,71,93,599</b>	24,74,33,056
Prepaid expenses	<b>12,72,090</b>	55,29,699	<b>1,27,26,610</b>	1,21,28,514
Loans and Advance to Employees	-	-	<b>19,75,381</b>	16,72,201
Due to Gratuity Trusts	-	-	<b>27,17,389</b>	52,45,790
Balances with Statutory/ Government Authorities		38,34,392	<b>39,68,74,563</b>	7,87,12,148
Others	-	-	-	-
<b>(E)</b>	<b>2,01,16,461</b>	4,47,98,423	<b>87,80,01,454</b>	62,47,42,101
<b>Total [A+B+C+D+E]</b>	<b>31,57,01,973</b>	14,17,93,316	<b>87,81,83,348</b>	64,32,77,469

## 15) TRADE RECEIVABLE AND OTHER ASSETS

15.1) TRADE RECEIVABLES	Non-current		Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,17,14,266	1,12,46,914	19,62,71,221	6,66,70,120
Doubtful	-	-	-	-
	1,17,14,266	1,12,46,914	19,62,71,221	6,66,70,120
Provision for Doubtful Receivables	-	-	-	-
(A)	1,17,14,266	1,12,46,914	19,62,71,221	6,66,70,120
<b>Other Receivables</b>				
Secured, considered good	-	-	4,49,89,971	4,38,80,607
Unsecured, considered good	-	-	24,08,37,391	63,32,05,548
Doubtful	-	-	-	-
	-	-	28,58,27,362	67,70,86,155
Provision for Doubtful Receivables	-	-	-	-
(B)	-	-	28,58,27,362	67,70,86,155
<b>Total [A+B]</b>	<b>1,17,14,266</b>	<b>1,12,46,914</b>	<b>48,20,98,583</b>	<b>74,37,56,275</b>

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current Bank balances	13,50,000	-	-	-
[A]	13,50,000	-	-	-
<b>Unamortized expenditure</b>	-	-	-	-
[B]	-	-	-	-
<b>Others</b>				
Interest accrued on fixed deposits	-	-	2,25,20,757	1,42,02,411
Dividend receivable on investment	-	-	64,080	64,080
<b>Non trade receivables (interest)</b>				
From - Joint Venture	-	-	5,44,23,596	1,78,35,430
- Others	-	-	40,49,356	12,69,565
Others -Earnest Money Deposit	31,56,000	-	-	-
[C]	31,56,000	-	8,10,57,789	3,33,71,486
<b>Total [A+B+C]</b>	<b>45,06,000</b>	<b>-</b>	<b>8,10,57,789</b>	<b>3,33,71,486</b>



### 16) CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
NIL	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
Raw materials and components at Cost (includes in transit Rs.Nil /- (31 March 2012:Rs.3,396/-)	<b>6,97,07,243</b>	11,35,69,213
Work-in-progress		
: At Cost	<b>58,40,58,811</b>	55,84,60,127
Finished goods		
: At Cost (Includes in transit Rs 1,98,28,239/- (31st March, 2012 : Rs 2,71,76,770/-)	<b>10,96,66,510</b>	11,23,14,803
: At Estimated Realisable Value	<b>1,08,38,507</b>	2,87,14,191
Traded goods (including Stock-in-transit Rs. Nil) (31 March, 2012 : Rs Nil)	-	-
Stores and spares at Cost (includes in transit Rs.13,07,532/- (31st March 2012 : Rs 12,50,39,148/-)	<b>40,92,95,156</b>	67,08,96,738
<b>Total</b>	<b>1,18,35,66,227</b>	1,48,39,55,072

### 18) CASH AND BANK BALANCES

PARTICULARS	Non-current		Current	
	31st March 2013 Rs.	31st March 2012 Rs.	31st March 2013 Rs.	31st March 2012 Rs.
<b>Cash and Cash Equivalents :</b>				
Balances with Banks:				
On Current Accounts	-	-	<b>6,07,47,545</b>	1,81,18,663
Deposits with original maturity of less than 3 months	-	-	<b>11,53,90,960</b>	8,40,00,000
On unpaid dividend account	-	-	-	-
Cheques/drafts on hand	-	-	<b>4,83,36,574</b>	3,26,81,181
Unpaid matured deposits	-	-	-	-
Cash on hand	-	-	<b>5,91,029</b>	6,70,328
	-	-	<b>22,50,66,108</b>	13,54,70,172

(Continued)

PARTICULARS	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Other Bank Balances :</b>				
Deposits with original maturity for more than 12 months	13,50,000	-	-	-
Earmarked balances with banks - Unclaimed dividends	-		1,70,40,513	1,57,29,135
Deposits with original maturity for more than 3 months but less than 12 months	-	-	25,19,79,900	15,59,00,000
Margin money deposit	-	-	2,15,31,103	2,91,05,551
Deposits held as security for Borrowings made by third parties.	-	-	1,02,00,000	1,42,00,000
	13,50,000	-	30,07,51,516	21,49,34,686
<b>Amount disclosed under Non-Current Assets-(note15.2)</b>	13,50,000	-	-	-
<b>Total</b>	-	-	52,58,17,624	35,04,04,858

## 19) REVENUE FROM OPERATIONS

PARTICULARS	This year Rs.	Previous year Rs.
<b>Revenue from operations</b>		
<b>Sale of products:</b>		
Finished goods	8,07,91,27,234	6,72,54,21,198
Sale of services	8,35,52,682	13,38,56,312
<b>Other operating revenue</b>		
Scrap sales	63,66,444	75,10,645
Others	10,16,732	57,57,380
<b>Revenue from operations (Gross)</b>	8,17,00,63,092	6,87,25,45,535
Less: Excise Duty	1,17,30,08,799	86,77,76,739
<b>Revenue from operations (Net)</b>	6,99,70,54,293	6,00,47,68,796

## 20) OTHER INCOME

PARTICULARS	This year Rs.	Previous year Rs.
<b>Interest income on</b>		
Bank deposits	3,98,21,178	3,76,68,155
Interest from customers on overdue	4,89,98,978	1,37,18,418
Others	1,68,75,717	1,17,28,538
<b>Dividend income on</b>		
Investment in subsidiary - KCP Vietnam Industries Ltd., Vietnam	43,89,51,874	28,41,41,880
Long-term investments	43,032	98,953
Net gain on sale of Assets	7,79,319	8,58,786
Other Non-operating income	23,08,68,220	4,46,85,320
<b>Total</b>	<b>77,63,38,318</b>	<b>39,29,00,050</b>

Other Non Operating Income	This year Rs.	Previous year Rs.
Unclaimed balance Credited Back	96,94,483	11,11,423
Excess Provision In Earlier Years Credited Back	3,54,91,600	2,61,46,761
Claims Received	46,560	2,29,130
Difference In Exchange-(Net)	9,67,631	61,69,529
LD Recovered From Suppliers	17,88,000	6,47,358
Wages Recovered (Notice Pay)	6,06,048	5,28,234
Miscellaneous Receipts	1,01,31,890	53,28,591
Reimbursement of sales tax and power cost of earlier years	5,58,56,465	-
Reimbursement of sales tax	10,93,69,961	-
Rent Recovery	40,27,912	39,06,337
Rounding Off-Credit	11,650	11,209
Misc.Scrap Sales	28,76,020	6,06,748
<b>Total</b>	<b>23,08,68,220</b>	<b>4,46,85,320</b>

**21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

PARTICULARS	This year Rs.	Previous year Rs.
Inventory at the beginning of the year	11,35,69,213	6,12,74,379
Add :Trial run Raw materials consumption	-	5,22,203
Add: Purchases	44,07,84,114	54,96,84,320
Add: Cost of Raw materials produced	1,03,61,67,741	81,56,98,796
	<b>1,59,05,21,068</b>	1,42,71,79,698
Less: Inventory at the end of the year	6,97,07,243	11,35,69,213
Cost of Raw material and components consumed	<b>1,52,08,13,825</b>	1,31,36,10,485

Details of Raw material and components consumed	This year Rs.	Previous year Rs.
<b>i) Cement Division</b>		
Limestone	1,04,21,62,924	79,37,28,335
Laterite	8,46,10,428	6,75,01,255
Fly Ash	9,01,95,172	1,85,04,335
Gypsum	12,14,35,604	9,94,56,491
Dolomite	85,94,560	1,11,03,110
Iron Ore	1,07,82,134	1,72,36,753
Clinker*	68,63,377	4,80,83,148
<b>ii) Engineering Division</b>		
Iron and Steel,Nickel,Scrap and Equipments	15,53,85,626	22,33,59,629
<b>iii) Bio Products</b>	<b>7,84,000</b>	3,46,37,429
<b>Total</b>	<b>1,52,08,13,825</b>	1,31,36,10,485

\* Includes freight of Rs. 68,63,677/-(Rs.4,80,83,148/-) on transfer of Clinker

Details of Raw Material consumed during trial run production	This year Rs.	Previous year Rs.
<b>Cement Unit</b>		
Gypsum	-	5,22,203
<b>Total</b>	-	5,22,203

DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
<b>Raw materials and components</b>		
<b>i) Cement Unit</b>		
Limestone	4,35,02,622	4,94,97,805
Laterite	1,16,20,808	3,92,55,375
Fly Ash	3,36,045	9,54,278
Gypsum	1,22,82,770	1,60,96,584
Dolomite	16,87,218	33,89,599
Iron Ore	2,77,780	43,75,572
<b>Total</b>	<b>6,97,07,243</b>	<b>11,35,69,213</b>

## 22) (INCREASE) / DECREASE IN INVENTORIES

PARTICULARS	This year Rs.	Previous year Rs.	(Increase)/ Decrease Rs.
<b>Inventories at the end of the year</b>			<b>2012-13</b>
Work in progress	58,40,58,811	55,84,60,127	-2,55,98,684
Finished goods	12,05,05,017	14,10,28,994	2,05,23,977
	<b>70,45,63,828</b>	<b>69,94,89,121</b>	<b>-50,74,707</b>
<b>Inventories at the beginning of the year</b>			<b>2011-12</b>
Work in progress	55,84,60,127	55,77,40,974	-7,19,153
Finished goods	14,10,28,994	3,05,82,663	-11,04,46,331
<b>Total</b>	<b>69,94,89,121</b>	<b>58,83,23,637</b>	<b>-11,11,65,484</b>

DETAILS OF INVENTORY	This year Rs.	Previous year Rs.
<b>Work-in-progress</b>		
Raw meal	66,35,728	1,03,38,157
Clinker	22,44,75,818	18,72,81,232
Engineering goods	35,20,99,157	35,99,86,266
Biotech	8,48,108	8,54,472
<b>Total</b>	<b>58,40,58,811</b>	<b>55,84,60,127</b>
<b>Finished goods</b>		
Cement	10,93,17,909	9,83,76,609
Power	3,48,601	1,39,38,194
Biotech	1,08,38,507	2,87,14,191
<b>Total</b>	<b>12,05,05,017</b>	<b>14,10,28,994</b>



**23) EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	This year Rs.	Previous year Rs.
Salaries, Wages and Bonus	41,23,03,850	43,58,55,138
Contribution to Provident and other Funds	3,65,44,632	3,01,50,552
Gratuity Expenses	1,53,48,231	5,49,882
Staff Welfare Expenses	4,83,51,117	5,93,81,272
<b>Total</b>	<b>51,25,47,830</b>	<b>52,59,36,844</b>

**24) FINANCE COSTS**

PARTICULARS	This year Rs.	Previous year Rs.
Interest	38,01,82,366	37,79,81,243
Interest on Income Tax	7,60,256	-
Other Borrowing Costs	2,91,079	15,17,132
<b>Total</b>	<b>38,12,33,701</b>	<b>37,94,98,375</b>

**25) DEPRECIATION AND AMORTIZATION EXPENSES**

PARTICULARS	This year Rs.	Previous year Rs.
Depreciation of Tangible Assets	31,97,60,844	29,34,69,755
<b>Total</b>	<b>31,97,60,844</b>	<b>29,34,69,755</b>

## 26) OTHER EXPENSES

PARTICULARS	This year Rs.	Previous year Rs.
Consumption of Stores and Spares	<b>50,69,70,607</b>	36,54,31,991
Consumption of Loose Tools	<b>1,37,91,627</b>	1,82,99,764
Sub-contracting Expenses	<b>8,75,31,949</b>	10,59,93,274
(Increase)/Decrease of excise duty on inventory	<b>5,50,879</b>	1,09,93,255
Power and fuel	2,21,63,19,162	
Less : Self Consumption of Power Generated Internally	<u>12,69,57,871</u>	1,61,58,18,370
Wheeling/Banking Charges	<b>41,98,444</b>	50,51,966
Freight and forwarding charges	<b>1,34,06,58,385</b>	48,56,14,453
Rent	<b>2,03,89,368</b>	93,21,140
Rates and Taxes	<b>2,00,13,780</b>	2,01,72,165
Insurance	<b>78,60,294</b>	70,05,963
Repairs and maintenance		
To Plant and Machinery	<b>10,95,39,486</b>	11,36,38,484
Buildings	<b>3,67,35,361</b>	2,66,99,433
Other Assets	<b>2,49,84,739</b>	3,48,93,455
Advertising and Sales Promotion	<b>8,49,58,937</b>	9,81,38,614
Sales commission	<b>3,65,12,299</b>	2,72,13,938
Travelling and conveyance	<b>2,59,36,719</b>	2,11,39,600
Communication costs	<b>98,55,299</b>	69,87,092
Printing and Stationery	<b>83,29,656</b>	70,79,168
Legal and Professional fees	<b>2,71,48,603</b>	2,38,94,564
Directors' Sitting fees	<b>9,40,000</b>	8,30,000
Research and Development	<b>12,95,335</b>	9,57,091
Payment to Auditors (Refer details below)	<b>34,21,918</b>	29,17,055
Bad debts/Advances written off	<b>3,71,337</b>	7,94,371
Assets Written Off	<b>3,23,898</b>	6,66,148
Loss on sale of Fixed Assets (Net)	<b>14,80,068</b>	16,85,101
Performance and Delivery Guarantee Claims	<b>1,96,38,759</b>	6,30,14,623
Miscellaneous Expenses	<b>7,80,51,056</b>	7,42,65,283
	<b>4,56,08,50,094</b>	3,14,85,16,361

**PAYMENT TO AUDITORS**

PARTICULARS	This year Rs.	Previous year Rs.
<b>As Auditor:</b>		
Audit Fee	12,00,000	12,00,000
Tax Audit Fee	3,00,000	2,00,000
Certification and Other fees	6,36,935	8,42,925
<b>In other Capacity:</b>		
Tax matters	5,45,000	-
Company Law matters	15,000	15,000
Trust Audit fee	25,000	25,000
Service tax	50,829	1,88,027
Fees for Cost Auditor	5,00,000	3,50,000
Reimbursement of expenses	1,49,154	96,103
<b>Total</b>	<b>34,21,918</b>	<b>29,17,055</b>

**27) CONTINGENT LIABILITIES**

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
<b>A. Claims against the Company / Disputed liabilities not acknowledged</b>		
a) In respect of Statutory levies	12,05,59,846	5,90,50,710
b) In respect of Contractual levies	12,97,10,362	14,68,62,701
c) In respect of others	4,86,69,783	48,10,432
<b>B. Guarantees</b>		
a) Guarantees to Banks and Financial Institutions	4,13,33,373	11,02,91,815
b) Performance Bank Guarantees	3,46,43,370	4,35,23,666

**28) COMMITMENTS**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	83,23,36,217	55,62,99,881
b) Uncalled liability on Shares and Other Investments Partly paid	-	-
c) Other commitments	-	-
- Derivative Commitments	10,89,89,244	25,93,29,957

**29) Exceptional Item Comprises of the following :**

a) Fuel Surcharge Adjustment (FSA) payable by the Company from 1st July'2010 upto 31st March 2012 was provided, as per the directions issued by the Andhra Pradesh Electricity Regulatory Commission.	7,05,02,253	-
b) Profit on Sale of Fixed Asset	2,11,83,753	-
<b>Net</b>	<b>-4,93,18,500</b>	<b>-</b>

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

**31) VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
a) Raw Materials and Stock-in-Trade	1,37,25,501	1,22,69,998
b) Components, Spares parts and Consumables	74,50,99,292	68,91,30,408
c) Tools	40,483	2,35,469
d) Capital goods	1,75,90,240	83,04,158

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

PARTICULARS	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2012
	Rs	(%)	Rs	(%)
<b>a) Raw materials</b>				
(i) Imported	1,13,69,503	0.75	1,13,47,451	0.86
(ii) Indigenous	1,50,94,44,320	99.25	1,30,22,63,034	99.14
<b>b) Spare parts and components (debited to respective heads)</b>				
(i) Imported	1,18,70,41,477	54.99	53,08,72,216	46.93
(ii) Indigenous	97,16,33,431	45.01	6,00,182,127	53.06

<b>33) MATERIAL CONSUMED - COST OF RAW MATERIALS PRODUCED (LIMESTONE FOR CEMENT) INCLUDES :</b>	<b>As at 31st March, 2013 Rs</b>	<b>As at 31st March, 2012 Rs</b>
a) Salaries, Wages and Bonus	2,03,62,370	1,92,03,926
b) Contribution to P.F. and Other Funds	21,791,47	19,12,359
c) Workmen and Staff welfare expenses	21,05,462	18,96,444
d) Power and Fuel consumed	1,44,50,454	1,15,02,490
e) Stores and Spares consumed	2,53,43,520	2,49,53,722
f) Royalty	14,21,60,214	11,84,94,636
g) Taxes and Licences	1,82,66,698	26,03,316
h) Repairs to Building and Roads	5,26,931	6,41,713
i) Repairs to Machinery	96,70,480	92,10,086
j) Repairs to Other Assets	22,15,640	5,28,799
k) Insurance	4,72,692	3,62,741
l) Lime Stone Freight	34,15,92,385	27,36,81,521
m) Lime Stone Loading	41,27,99,716	23,21,59,986
n) Lease rentals	3,63,05,728	1,60,98,271

**34) EXPENDITURE IN FOREIGN CURRENCY**

<b>PARTICULARS</b>	<b>As at 31st March, 2013 Rs</b>	<b>As at 31st March, 2012 Rs</b>
a) Travelling expenses	27,25,532	10,75,785
b) Membership	2,09,170	2,09,728
c) Other matters- Seminars	1,01,680	1,47,117
d) Consultant Fees	36,74,985	-

### 35) EARNINGS IN FOREIGN EXCHANGE

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
a) F.O.B value of goods exported during the year	11,40,30,263	4,92,20,416
b) Income from Service charge	15,12,036	-
c) Income from Investments held in Foreign Companies	43,89,51,874	28,41,41,880

### 36) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
a) Number of Non Resident Shareholders	205	211
b) Number of Equity Shares held by them	25,56,347	23,63,970
c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	-	-
(2) Tax Deducted at Source	-	-
(3) Year to which dividend relates - 2011-12 Final Dividend and 2012-13 Interim Dividend	-	-

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



## 37) REVENUE EXPENDITURE CAPITALISED DURING THE YEAR

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
<b>a) Opening unallocated capital expenditure</b>	<b>4,52,01,407</b>	16,45,12,121
<b>Add:</b>		
Salaries, Wages and Bonus	58,97,924	37,31,911
Contribution to Provident Fund and Family Pension Scheme	6,38,175	3,80,098
Staff Welfare Expenses	2,83,465	79,260
Stores and Spares Consumed	-	96,25,937
Power	1,24,904	31,92,128
Insurance	4,31,873	6,98,379
Repairs to Building	16,34,421	14,263
Repairs to Machinery	-	1,23,317
Repairs to Other Assets	45,673	2,278
Payment to Auditors	59,300	-
Rent	-	5,000
Professional Fees	2,32,13,169	1,30,35,242
Travelling Expenses	13,78,740	8,78,067
Security Charges	9,39,585	-
Rates and taxes	2,00,000	10,64,220
Interest on Fixed Loan	1,46,98,571	2,38,29,269
Depreciation	12,90,942	10,16,340
Miscellaneous Expenses	2,38,70,994	29,57,636
Net expenditure during trial run period	-	-
	<b>11,99,09,143</b>	22,51,45,466
<b>Less:</b>		
Interest Received	2,64,117	1,13,795
Miscellaneous Income	23,17,562	-
	<b>11,73,27,464</b>	22,50,31,671
<b>Less:</b>		
Capitalised/Allocated to Fixed Assets	-	17,98,30,264
Closing Unallocated Capital Expenditure	<b>11,73,27,464</b>	4,52,01,407

**REVENUE EXPENDITURE CAPITALISED DURING THE YEAR (CONTINUED)**

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
<b>b) Net expenditure during trial run production - Cement Mill - I</b>		
Raw material consumed	-	90,48,988
Stores and Spares consumed	-	1,56,849
Salaries and Wages	-	33,019
Contribution to Provident and other funds	-	-
Staff Welfare Expenses	-	-
Rent	-	-
Power and fuel	-	20,22,821
Repairs to other Assets	-	79,968
Interest paid to Bankers and Others	-	-
Excise Duty(Net of MODVAT)	-	-
Taxes and Licences	-	-
Insurance	-	8,177
Miscellaneous expenses	-	-
Depreciation	-	6,73,395
	-	1,20,23,217
<b>Less:</b>		
Sales (CY Exclusive of Excise Duty)	-	1,43,61,498
Interest received-Gross	-	-
Rent recovery	-	-
Misc.Income	-	-
	-	23,38,281
Add : Opening stock of Limestone	-	-
<b>Less:</b>		
Value of stocks at the end of trial run production		
Work In Process	-	-
Closing Stock of Limestone	-	-
<b>Net Income/Expenditure during trial period :</b>	-	23,38,281

## REVENUE EXPENDITURE CAPITALISED DURING THE YEAR (CONTINUED)

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
<b>c) Net expenditure during trial run production - Cement Mill - II</b>		-
Cost Of Raw Material	-	5,35,911
Packing Material Consumed	-	35,831
Salaries and Employee Benefits	-	25,052
Power and Fuel consumed	-	11,62,393
Stores and Spares consumed	-	98,626
Repairs to Buildings	-	6,252
Repairs to Machinery	-	45,203
Repairs to Other Assets	-	1,228
Insurance	-	5,853
Depreciation	-	2,16,978
	-	21,33,327
<b>Less:</b>		
Sales	-	9,75,203
<b>Net expenditure transferred to Unallocated Capital Expenditure</b>	-	-11,58,124

## 38) SALES

PARTICULARS	As at 31st March, 2013 Rs	As at 31st March, 2012 Rs
<b>Finished goods sold (inclusive of Excise duty/Service tax)</b>		
Cement (MT)	7,08,45,50,215	5,42,31,91,218
Heavy Engineering products	96,84,84,114	1,27,52,98,114
Electrical Energy (KWH)	47,89,231	55,71,746
Service Receipts	8,35,52,682	13,38,56,312
Others	2,86,86,850	3,46,28,145
<b>Total</b>	<b>8,17,00,63,092</b>	<b>6,87,25,45,535</b>

### 39) EARNINGS PER SHARE (EPS)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
i) Net Profit after tax (after adjusting minority interest) as per Profit and Loss Statement	30,45,53,937	61,53,33,923
ii) (Short) Provision for tax for earlier years	-	-
iii) Net Profit attributable to Equity Shareholders	30,45,53,937	61,53,33,923
iv) Net profit before Exceptional items	27,88,19,410	58,74,40,523
v) Weighted Average number of Equity Shares used as denominator for calculating EPS	12,89,21,160	12,89,21,160
vi) Basic and Diluted Earnings Per Share	2.16	4.56
vii) Basic and Diluted Earnings per share (before exceptional items)	2.16	4.56
viii) Nominal value per each Equity share	1	1

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

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>a) Reconciliation for present value of obligations</b>		
Present value of obligations as at beginning of the year	8,91,55,060	8,55,08,605
Interest cost	71,32,404	68,40,690
Current service cost	50,08,366	48,73,947
Benefits paid	1,78,78,553	56,72,264
Actuarial loss/gain on Obligation	1,22,51,920	-23,95,918
Present value of obligations as at end of the year	9,56,69,197	8,91,55,060
<b>b) Reconciliation for fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	9,42,52,030	8,48,38,412
Add : Increase in value by LIC	-	1,20,582
Expected return on Plan Assets	84,81,328	83,45,563
Contributions	41,48,593	66,19,737
Benefits paid	1,78,78,553	56,72,264
Actuarial gain on Plan Assets	-	-
Fair value of Plan Assets at the end of the year	8,90,03,398	9,42,52,030

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

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>c) Expenses recognised in statement of Profit and Loss</b>		
Current Service Cost	50,08,366	48,73,947
Interest cost	71,32,404	68,40,690
Expected return on Plan Assets	84,81,328	83,45,563
Net actuarial gain/loss recognised in the year	1,22,51,920	-23,95,918
Expense to be recognised in the Statement of Profit and Loss	1,59,11,362	9,73,156
<b>d) Net Liability recognised in the Balance Sheet</b>		
Present value of obligations as at the end of the year	9,56,69,197	8,91,55,060
Fair value of Plan Assets as at the end of the year	8,90,03,398	9,42,52,030
Funded status	66,65,799	-50,96,970
Net Asset/liability recognised in the Balance Sheet	66,65,799	-50,96,970
<b>e) Acturial Assumptions</b>		
Discount rate	0.08	0.08
Salary escalation	0.05	0.05
Attrition rate	1-3%	1-3%
Expected return on plan assets	0.094	-
Mortality		LIC 94-96

**41) JOINT VENTURE DISCLOSURE**

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

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

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

The interest of the company (at 40%) in the aggregate amount of the Assets, Income and Expenses of Fives Cail KCP Limited was as follows:

**JOINT VENTURE DISCLOSURE (CONTINUED)**

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<b>Equity and Liabilities</b>		
a) Shareholders's Funds	40,00,000	40,00,000
b) Reserves and Surplus	4,01,95,916	8,83,32,733
c) Non-Current Liabilities	1,35,71,568	4,78,79,050
d) Current Liabilities	36,01,00,932	39,43,78,760
<b>Total</b>	<b>41,78,68,416</b>	<b>53,45,90,543</b>
<b>Assets:</b>		
Non-Current Assets	2,71,13,752	3,97,44,686
Current Assets	39,07,54,664	49,48,45,857
<b>Total</b>	<b>41,78,68,416</b>	<b>53,45,90,543</b>
<b>Performance of the Company</b>		
Revenue	18,42,41,596	81,83,93,167
<b>Expenses:</b>		
Cost of material consumed	11,83,46,903	56,70,99,254
Increase/Decrease in Inventories	1,09,25,096	2,32,75,230
Depreciation of Plant and Machinery	11,94,593	67,92,054
Employee Benefit Expense	2,96,34,210	3,67,74,161
Other expenses	8,86,18,545	15,60,38,091
Finance Costs	37,68,941	31,69,962
<b>Total</b>	<b>25,24,88,288</b>	<b>79,31,48,752</b>
Profit before tax	-6,82,46,692	2,52,44,416
Income-tax expense	2,01,09,876	93,33,171
<b>Profit after tax</b>	<b>-4,81,36,817</b>	<b>1,59,11,245</b>



**42) PARTICULARS DISCLOSED PURSUANT TO “AS-18 RELATED PARTY DISCLOSURES”****A). List of Related parties**

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

**B. Transactions with the related parties:**

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Sale of Goods</b>					
KCP Vietnam Industries Limited	9,65,21,778	-			
	(2,78,64,426)				
Fives Cail KCP Limited		5,33,95,964			
		(24,92,06,978)			
The Jeypore Sugar Company Ltd.					2,41,200
					(12,35,520)
<b>Services</b>					
KCP Vietnam Industries Limited	14,19,369				
	(Nil)				
Fives Cail KCP Limited		16,80,911			
		(64,33,051)			
V. Ramakrishna Sons Pvt Limited					3,750
					(3,000)
KCP Technologies Limited					14,58,882
					(60,000)
<b>Interest Received</b>					
Fives Cail KCP Limited		4,82,27,182			
		(1,33,34,837)			
<b>Dividend Received</b>					
KCP Vietnam Industries Limited	43,89,51,874				
	(28,41,41,880)				
<b>Loans/Deposits received</b>					
Dr V L Dutt			2,15,00,000		
			(1,00,00,000)		
Smt V L Indira Dutt			2,10,00,000		
			(1,30,00,000)		
Smt Kavitha D Chitturi			2,50,00,000		
			(Nil)		
V. Ramakrishna Sons Pvt Limited					1,50,00,000
					(50,00,000)
VL Dutt (HUF)				90,00,000	
				(50,00,000)	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Kum.Shivani Dutt Chitturi				1,26,79,000	
				(20,00,000)	
<b>Purchase of Goods</b>					
Fives Cail KCP Limited		80,93,247			
		(88,15,250)			
<b>Remuneration paid</b>					
Dr V L Dutt			1,94,04,484		
			(3,39,92,186)		
Smt V L Indira Dutt			1,45,53,363		
			(2,69,59,321)		
Smt Kavitha D Chitturi			72,76,682		
			(1,40,65,733)		
Sri V .Gandhi			72,76,682		
			(1,40,65,732)		
<b>Interest paid</b>					
Dr V L Dutt			1,02,84,764		
			(92,78,901)		
Smt V L Indira Dutt			68,84,521		
			(54,06,968)		
Smt Kavitha D Chitturi			27,30,449		
			(25,16,098)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				15,22,126	
				(12,13,453)	
VL Dutt (HUF)				51,63,986	
				(41,76,212)	
V. Ramakrishna Sons Pvt Limited					75,05,753
					(71,68,033)
<b>Dividend paid</b>					
Dr V L Dutt			70,90,770		
			(55,32,602)		
Smt V L Indira Dutt			37,07,488		
			(28,34,996)		

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Smt Kavitha D Chitturi			8,98,856		
			(6,04,813)		
Sri V .Gandhi			2,550		
			(2,040)		
<b>Other Relations</b>					
Sri.Ravi Chitturi				62,500	
				(50,000)	
Kum.Shivani Dutt Chitturi				16,25,000	
				(13,00,000)	
Smt.S R V Rajyalakshamma				788	
				(630)	
Smt.Uma S Vallabhaneni				2,03,900	
				(1,63,120)	
Smt.Rajeswary Ramakrishnan				2,92,525	
				(2,34,020)	
Smt. V. Kamala Devi				6,238	
				(4,990)	
Sri.V Praveen Kumar				2,900	
				(2,320)	
Smt.Anupama				2,963	
				(2,370)	
Smt.Nagalla Seshu Babu				2,650	
				(2,045)	
V. Ramakrishna Sons Pvt Limited					4,86,20,408
					(3,87,51,213)
The Jeypore Sugar Company Ltd.					3,47,963
					(2,78,370)
VRK Grandsons Investment (Private) Limited					1,19,72,913
					(95,78,330)
V L Dutt (HUF)				1,41,875	
				(1,13,500)	
<b>Loans/Deposit Repaid</b>					
Dr V L Dutt			40,00,000		
			(2,00,00,000)		
Smt. VL Indira Dutt			1,65,00,000		
			(55,00,000)		

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Smt Kavitha D Chitturi			1,75,00,000		
			(Nil)		
V. Ramakrishna Sons Pvt Limited					1,60,00,000
					(Nil)
Kum.Shivani Dutt Chitturi				90,79,000	
<b>Rent Paid</b>				(Nil)	
Smt V L Indira Dutt			48,47,174		
			(31,16,798)		
<b>Other Relations</b>					
Smt.Uma.s.Vallabhaneni				63,38,781	
				(40,56,853)	
Smt. S R V Rajyalakshamma				8,55,586	
				(6,01,187)	
Smt.V.Rama Kumari				45,97,153	
				(29,59,227)	
A Trust in the name of Bala Tripurasundari Ammavaru					63,78,255
					(11,19,296)
Sri.V.Chandra kumar				26,83,688	
				(13,44,437)	
<b>Balances as at 31.03.2013</b>					
<b>Share Capital held by KCP in</b>					
KCP Vietnam Industries Limited	23,71,43,667				
	(23,71,43,667)				
Fives Cail KCP Limited		40,00,000			
		(40,00,000)			
<b>Loans/Advances given</b>					
V Ramakrishna Charitable Trust					59,238
					(48,532)
Rent advance to Sri.V.Chandra kumar				4,73,680	
				(Nil)	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Receivable - Trade dues/ others</b>					
KCP Vietnam Industries Limited	3,79,98,871				
	(Nil)				
Fives Cail KCP Limited		14,12,53,524			
		(13,74,24,722)			
KCP Technologies Limited					1,463
					(60,000)
V. Ramakrishna Sons Pvt Limited					843
					(Nil)
<b>Receivable - Interest</b>					
Fives Cail KCP Limited		4,82,27,182			
		(1,20,01,353)			
<b>Receivable rent advance</b>					
Sri.V.Chandra kumar				4,23,680	
				(Nil)	
<b>Share capital in KCP held by</b>					
Dr. VL Dutt			57,13,212		
			(55,79,500)		
Smt. VL Indira Dutt			29,65,990		
			(28,89,365)		
Smt. Kavitha D Chitturi			7,50,000		
			(6,20,000)		
Sri V. Gandhi			2,040		
			(2,040)		
<b>Other Relations</b>					
Kum.Shivani Dutt Chitturi				13,00,000	
				(13,00,000)	
Smt.Rajeswary Ramakrishnan				2,34,020	
				(2,34,020)	
Smt.S R V Rajyalakshamma				630	
				(630)	
Smt.Uma S Vallabhaneni				1,63,120	
				(1,63,120)	



Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
Sri.Ravi Chitturi				50,000	
				(50,000)	
Smt.Anupama				2,370	
				(2,370)	
Smt. V. Kamala Devi				4,990	
				(4,990)	
Smt.Nagalla Seshu Babu				2,120	
				(2,120)	
Sri.V Praveen Kumar				2,320	
				(2,320)	
V. Ramakrishna Sons Pvt Limited					3,88,96,326
					(3,87,70,000)
The Jeypore Sugar Company Ltd.					2,78,370
					(2,78,370)
VRK Grandsons Investment (Private) Limited					95,78,330
					(95,78,330)
VL Dutt (HUF)				1,13,500	
				(1,13,500)	
<b>Loans/Advances received</b>					
KCP Vietnam Industries Limited	1,38,90,490				
	(5,51,075)				
Fives Cail KCP Limited		56,00,129			
		(90,60,393)			
Dr V L Dutt			10,75,00,000		
			(9,00,00,000)		
Smt V L Indira Dutt			6,40,00,000		
			(5,95,00,000)		
Smt Kavitha D Chitturi			3,25,00,000		
			(2,50,00,000)		
V. Ramakrishna Sons Pvt Limited					7,40,00,000
					(7,50,00,000)
Rent advance received from Sri.V.Chandra kumar				50,000	
				(Nil)	

Transactions during the year	Subsidiary Company	Joint Venture	Key Management Personnel	Relatives of Key Management Personnel	Companies/ Trusts Controlled by KMP
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Deposits Received</b>					
Dr V L Dutt			33,50,000		
			(33,50,000)		
Smt Kavitha D Chitturi			1,53,000		
			(1,53,000)		
<b>Other Relations</b>					
VL Dutt [HUF]				5,20,00,000	
				(4,30,00,000)	
Kum.Shivani Dutt Chitturi				1,65,00,000	
				(1,29,00,000)	
<b>Payable-Trade Dues</b>					
The Jeypore Sugar Company Ltd.					34,404
					(34,404)
Fives Cail KCP Limited		1,01,864			
		(Nil)			
Dr. VL Dutt		-	1,21,29,019		
			(2,77,98,697)		
Smt. VL Indira Dutt			82,45,225		
			(2,08,23,787)		
Smt Kavitha D Chitturi			22,95,104		
			(85,79,415)		
Sri V. Gandhi			30,35,200		
			(95,21,364)		
<b>Other Relations</b>					
Smt.S R V Rajyalakshamma				4,62,354	
				(1,51,477)	
Smt.V.Rama Kumari				24,84,279	
				(8,13,903)	
Sri.V.Chandra kumar				14,33,501	
				(4,47,315)	
Smt.Uma.S.Vallabhaneni				21,57,688	
				(11,22,252)	
A Trust in the name of Bala Tripurasundari Ammaru					34,46,780
					(10,03,768)

**43) DERIVATIVE INSTRUMENTS FOR HEDGING PURPOSE**

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 instruments are stated below.

Currency	Amount	Indian Rupees Equivalent
Euro	15,56,100	10,89,89,244

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

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
1. Amount remaining unpaid, beyond the appointed/agreed date at the end of the year		
(a) Principal amount of bills to be paid	-	-
(b) Interest due thereon	-	-
2. (a) Payments made to suppliers, during the year, but beyond appointed/agreed day	-	-
(b) Interest paid along with such payments during the year	-	-
(c) Interest due and payable at the end of the year, on such payments made during the year	-	-
3. Amount of interest, for the year, U/s. 16 of the Act, including that accrued and remaining unpaid, at the end of the year.	-	-
4. Total amount of interest, U/s.16 of the Act, including that arising in earlier years, accrued and remaining unpaid at the end of the year.	-	-

Note: For the purpose of the above details, of the status of the supplier's under the Act has to be determined, to the extent of and based on information furnished by the respective parties, and has accordingly, been relied upon by the Company and its Auditors.

#### 45) CASH AND BANK BALANCES (includes)

PARTICULARS	As at	As at
	31st March, 2013	31st March, 2012
	Rs	Rs
Fixed Deposit Receipts lodged with Bankers for BG and LC's issued by them	2,52,78,801	2,91,05,551
Deposits accepted as per the provisions of Section 58A of the Companies Act 1956 and the Rules made there under.	6,30,00,000	4,30,00,000
Balances held at Banks towards Unclaimed Dividends	1,70,40,513	1,57,29,135

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

1) Depreciation	58,88,94,584	49,90,43,753
2) Items u/s 43B of the Income Tax Act, 1961	1,30,40,601	97,93,128
<b>Net Deferred Tax liability</b>	<b>57,58,53,983</b>	<b>48,92,50,625</b>

47) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

#### 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: 17th May, 2013

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

### KCP Vietnam Industries Limited, Vietnam.

- The company earned a Net Profit of VND 2,20,49,64,37,000 (Rs.5,940.07 lakhs) for the year ended 31st March 2013 and posted a net profit of VND 10,55,52,43,04,000 (Rs 23,361.43 Lakhs) from the date of inception.
- During the year, there is no change in the Share Capital of the company.
- Holding Company's interest continued to be the same as at 31st March, 2013.
- 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

**O. SWAMINATHA REDDY**  
Director

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

**V. GANDHI**  
Technical Director

**KAVITHA D CHITTURI**  
Executive Director

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

**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai

Date: 17th May, 2013

## Disclosure of Information relating to Subsidiary Company

(Statement pursuant to General exemption granted by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 for the year ended 31st March 2013)

Sl. No.	Name of the Subsidiary company	Country	Reporting Currency	Exchange Rate US \$/ Rupee	Capital	Reserves	Total Assets	Total Liabilities	Investments other than Investments in Subsidiaries	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
1.	KCP Vietnam Industries Ltd.	Vietnam	Vietnam Dong	54.06	2371.44	12713.74	27832.87	27832.87	Nil	42146.95	6245.56	305.49	5,940.07	Nil

Note : Note : Indian Rupee equivalents figures given in foreign currencies in the accounts of the overseas subsidiary company have been given based on exchange rate at the year end March 31, 2013 for the balance sheet items and average rate during the year 2012-13 for the profit and loss items.

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

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## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of  
The KCP Limited  
Chennai

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of The KCP Limited (the "Company"), its subsidiary and its Joint venture (unaudited) as at March 31, 2013, (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiary and Joint venture as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Consolidated Balance Sheet, of the statement of affairs of the Group as at March 31, 2013.
  - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group of the year ended on that date and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

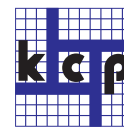
### Other Matters

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

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

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

Place: Chennai  
Date: 17<sup>th</sup> May, 2013



## BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	Notes	AS AT	AS AT
		31-03-2013	31-03-2012
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	27,89,21,160	32,89,21,160
Reserves and Surplus	4	4,75,73,96,805	4,68,89,03,349
Minority Interest	4.1	57,19,00,183	40,40,27,631
		<b>5,60,82,18,149</b>	5,42,18,52,140
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	1,92,49,95,339	1,81,01,34,671
Trade Payables	6.1	26,07,721	33,28,788
Deferred Tax Liability (Net)	7	55,22,52,964	48,56,24,174
Other Long-term Liabilities	6.2	51,78,32,958	35,85,49,643
long-term Provisions	8.1	3,80,74,836	2,74,44,407
		<b>3,03,57,63,818</b>	2,68,50,81,683
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,34,47,93,894	84,40,42,691
Trade Payables	10.1	75,41,19,399	66,06,94,641
Other Current Liabilities	10.2	1,68,26,86,962	1,78,67,40,299
Short term Provisions	8.2	21,63,44,251	35,14,93,535
		<b>3,99,79,44,506</b>	3,64,29,71,166
<b>TOTAL</b>		<b>12,64,19,26,473</b>	11,74,99,04,989
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	5,68,32,71,396	5,90,88,93,586
Intangible Assets	12	4,72,552	9,86,634
Capital Work in Progress		1,02,85,91,319	24,62,07,846
Non-current Investments	13	4,78,37,574	4,78,16,002
Long term Loans and Advances	14.1	31,57,39,664	15,76,29,493
Trade Receivables	15.1	1,17,14,266	4,14,21,322
Other Non- Current assets	15.2	45,06,000	-
		<b>7,09,21,32,771</b>	6,40,29,54,883
<b>Current Assets</b>			
Current Investments	16	-	-
Inventories	17	2,00,44,13,756	2,32,37,39,916
Trade Receivables	15.1	86,37,99,592	1,36,97,87,737
Cash and Bank Balances	18	1,07,68,63,512	49,75,39,059
Short term Loans and Advances	14.2	1,54,47,51,839	1,12,01,75,860
Other Current Assets	15.2	5,99,65,003	3,57,07,534
		<b>5,54,97,93,702</b>	5,34,69,50,106
<b>TOTAL</b>		<b>12,64,19,26,473</b>	11,74,99,04,989
<b>III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>			
	2.1		

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

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Chairman and Managing Director

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

**KAVITHA D CHITTURI**  
Executive Director

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: 17th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS		Notes	This Year	Previous Year
	Rs.		Rs.	Rs.
<b>INCOME</b>				
Revenue from operations				
<b>Group Companies</b>	12,36,33,99,211			
Less:Excise Duty	1,17,30,08,799	19		
			<b>11,19,03,90,412</b>	9,36,04,19,021
<b>Joint Venture</b>	18,59,43,162			
Less:Excise Duty	1,34,27,559		<b>17,25,15,603</b>	80,27,17,687
Revenue from operations (Net)				
<b>Other Income</b>		20		
- Group Companies			<b>79,51,32,814</b>	42,29,40,148
- Joint Venture			<b>1,46,01,259</b>	2,16,95,629
<b>Total Revenue (I)</b>			<b>12,17,26,40,089</b>	10,60,77,72,485
<b>EXPENSES</b>				
Cost of Raw Materials & Components Consumed		21	<b>4,51,29,93,879</b>	4,28,51,40,187
[Increase]/Decrease in Inventories of finished goods,Work-in-progress and traded goods		22	<b>10,12,35,688</b>	-26,75,39,747
Employee benefits expense		23	<b>65,10,27,127</b>	65,30,68,605
Finance Costs		24		
Group companies			<b>39,33,00,976</b>	41,00,41,568
Joint Venture			<b>37,68,941</b>	53,42,032
Depreciation and Amortization expense		25		
Group companies			<b>44,29,86,665</b>	40,36,16,980
Joint Venture			<b>11,94,593</b>	67,92,054
Other expenses		26	<b>5,02,65,62,317</b>	3,57,46,52,262
<b>Total Expenses (II)</b>			<b>11,13,30,70,185</b>	9,07,11,13,941
<b>Profit/(Loss) before Exceptional and Extraordinary items and tax</b>			<b>1,03,95,69,904</b>	1,53,66,58,544
Less: Exceptional Items (Net)			<b>- 4,93,18,500</b>	-
<b>Profit/(Loss) before Extraordinary items and tax</b>			<b>99,02,51,404</b>	1,53,66,58,544
Extraordinary Items				
<b>Profit/(Loss) before tax</b>			<b>99,02,51,404</b>	1,53,66,58,544
Add: Refund of Income Tax			<b>9,40,577</b>	9,74,378
Less: Provision for Taxation-Current				
- Group Companies			<b>11,76,72,940</b>	18,72,73,021
- Joint Venture			<b>-</b>	1,10,00,000
Less: Provision for Taxation-Deferred				
- Group Companies			<b>8,66,03,358</b>	17,01,08,967
- Joint Venture			<b>1,99,74,568</b>	-16,66,829
Short / Excess Provision of income tax of earlier years credited back			<b>8,41,395</b>	28,48,366
MAT Credit Entitlement			<b>4,43,74,824</b>	10,70,14,368
			<b>85,04,23,680</b>	1,27,50,83,765
Less: Minority Interest			<b>19,80,02,185</b>	21,46,12,867
<b>Profit/[loss] for the year (A+B)</b>			<b>65,24,21,495</b>	1,06,04,70,898
<b>Earnings per equity share [nominal value of share Re.1 /- [31 March 2012 : Re. 1/-]each</b>				
<b>Basic and diluted:</b>			<b>4.89</b>	8.01
Computed on thebasis of total profit for the year				
<b>III. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES</b>		2.1		
The accompanying notes are an integral part of the Financial Statements.				

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Chairman and Managing Director

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

**KAVITHA D CHITTURI**  
Executive Director

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: 17th May, 2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	31st March, 2013	31st March, 2012
	Rs.	Rs.
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	99,02,51,404	1,53,66,58,544
Profit before tax from discontinuing operations		
Profit before tax	99,02,51,404	1,53,66,58,544
Depreciation/amortization on continuing operation	44,41,81,258	41,04,09,034
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	3,23,898	6,66,148
Loss/[profit] on sale of fixed assets	2,04,80,002	-7,24,677
Unrealised foreign exchange loss	9,67,631	61,69,529
Interest expense	39,58,11,771	42,03,87,418
Interest income	14,68,03,362	6,89,11,781
Operating profit before working capital changes	1,66,23,17,336	2,29,37,64,511
Movements in working capital:		
Increase/[decrease] in Trade Payables	15,53,26,242	26,93,43,708
Increase/[decrease] in Long term Provisions	1,03,89,192	
Increase/[decrease] in Short-term Provisions	63,94,949	13,09,03,950
Increase/[decrease] in Current Liabilities	-10,24,30,876	16,38,32,773
Increase/[decrease] in other Long-term Liabilities	8,98,16,843	
Decrease/[increase] in Trade Receivables	49,58,96,426	-61,32,18,285
Decrease/[increase] in Inventories	31,93,26,160	-56,35,76,154
Decrease/[increase] in Loans and Advances	66,97,067	4,43,16,576
Decrease/[increase] in Short-term Loans and Advances	-51,20,45,630	
Decrease/[increase] in other Current Assets	-4,60,26,905	5,11,14,237
Decrease/[increase] in other non-current assets	-45,06,000	
Cash generated from/[used in] operations	2,08,11,54,805	1,77,64,81,315
Direct taxes paid [net of refunds]	8,95,32,426	13,84,39,449
Foreign exchange difference	40,11,70,564	19,25,94,191
<b>Net cash flow from/[used in] operating activities (A)</b>	<b>2,39,27,92,942</b>	<b>1,83,06,36,057</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	1,12,37,29,992	87,50,34,230
Proceeds from Sale of Fixed Assets	2,97,11,762	30,16,690
Proceeds of non-current Investments	-	4,61,99,685
Purchase of non-current investments	21,572	20,533
Repayment of Preference Capital	5,00,00,000	
Interest received	14,68,03,362	6,89,11,781
<b>Net cash flow from/[used in] investing activities (B)</b>	<b>-99,72,36,440</b>	<b>-84,93,25,977</b>
<b>Cash flows from financing activities</b>		
Proceeds from Long term Borrowings	47,25,50,146	6,95,00,000
Repayment of Long term Borrowings	35,76,89,478	41,04,45,849
Proceeds from Short term Borrowings	50,07,51,198	15,20,01,724
Repayment of Short term Borrowings	-	22,38,56,738
Interest paid	39,58,11,771	42,01,84,141
Dividends paid	64,06,73,187	46,36,43,220
Tax on dividend paid	39,53,58,957	2,48,07,636
<b>Net cash flow from/[used in] in financing activities [C]</b>	<b>-81,62,32,049</b>	<b>-1,32,14,35,860</b>
Net increase/[decrease] in cash and Bank Balances (A+B+C)	57,93,24,453	-34,01,25,779
Cash and Bank Balances at the beginning of the year	49,75,39,059	83,76,64,838
<b>Cash and Bank Balances at the end of the year</b>	<b>1,07,68,63,512</b>	<b>49,75,39,059</b>
	1,07,68,63,512	49,75,39,059
<b>Components of cash and Bank Balances</b>		
Cash on hand	29,66,289	2,02,33,307
Cheques/drafts on hand	4,83,36,574	3,26,81,181
With banks on current account	21,12,84,921	8,82,96,141
On Deposit account	79,72,35,215	34,05,99,295
Unpaid Dividend accounts*	1,70,40,513	1,57,29,135
<b>Total Cash and Bank Balances (Note 18)</b>	<b>1,07,68,63,512</b>	<b>49,75,39,059</b>

(FOR AND ON BEHALF OF THE BOARD)

**V.L. DUTT**  
Chairman and Managing Director

**O. SWAMINATHA REDDY**  
Director

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

**V. GANDHI**  
Technical Director

**KAVITHA D CHITTURI**  
Executive Director

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

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

**T.V. RAMANA**  
Partner  
(ICAI Memb. No.200523)  
**Y. VIJAYAKUMAR**  
Company Secretary

Place: Chennai  
Date: 17th May, 2013

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of preparation

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

Consolidating its accounts and those of its subsidiary KCP Vietnam Industries Ltd, a company incorporated in Socialist Republic of Vietnam, in which it holds 2/3rds of the share capital in accordance with "Accounting Standard 21 (AS21) 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 Accounting Standard 27 (AS27) "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 2013.

### 2.1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.2 Principles of consolidation

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

### 2.3. FOREIGN EXCHANGE TRANSACTIONS

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

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

PARTICULARS	ASSET Rs.	LIABILITY Rs.
1. Depreciation		58,88,94,584
Joint Venture	-	-
2. Items U/s 43 B of IT Act	1,30,40,601	-
Joint Venture	2,36,01,019	-
	3,66,41,620	58,88,94,584
<b>Net Deferred Tax Liability as on 31.03.2013</b>		<b>55,22,52,964</b>

**2.5. Movement in Translation Reserve**

PARTICULARS	Majority Rs.	Minority Rs.	Total Rs.
Opening Balance (Dr)	1,12,72,072	56,36,035	1,69,08,107
Movement due to Non Monetary items-			
Capital, Reserves, Opening Stock etc. (Cr)	-4,57,23,397	-2,28,61,699	-6,85,85,096
<b>Closing balance(Dr)</b>	<b>-3,44,51,325</b>	<b>-1,72,25,664</b>	<b>-5,16,76,989</b>

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

**A). List of Related parties:**

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



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

**B. Transactions with the related parties:**

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Sale of Goods</b>			
The Jeypore Sugar Company Ltd.			2,41,200
			(12,35,520)
<b>Services Received</b>			
V. Ramakrishna Sons Private Limited			3,750
			(3,000)
KCP Technologies Limited			14,58,882
			(60,000)
<b>Loans/Deposits received</b>			
Dr. V.L. Dutt	2,15,00,000		
	(1,00,00,000)		
Smt. V.L. Indira Dutt	2,10,00,000		
	(1,30,00,000)		
Smt. Kavitha D. Chitturi	2,50,00,000		
	(Nil)		
V. Ramakrishna Sons Private Limited			1,50,00,000
			(50,00,000)
V.L. Dutt (HUF)		90,00,000	
		(50,00,000)	
Kum. Shivani Dutt Chitturi		1,26,79,000	
		(20,00,000)	
<b>Remuneration paid</b>			
Dr. V.L. Dutt	1,94,04,484		
	(3,39,92,186)		
Smt. V.L. Indira Dutt	1,45,53,363		
	(2,69,59,321)		
Smt. Kavitha D. Chitturi	72,76,682		
	(1,40,65,733)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Sri. V. Gandhi	72,76,682		
	(1,40,65,732)		
Shri. K.B. Pranesh	33,38,594		
	(41,15,709)		
<b>Interest paid</b>			
Dr. V.L. Dutt	1,02,84,764		
	(92,78,901)		
Smt. V.L. Indira Dutt	68,84,521		
	(54,06,968)		
Smt. Kavitha D. Chitturi	27,30,449		
	(25,16,098)		
<b>Other Relations</b>			
Shivani D. Chitturi		15,22,126	
		(12,13,453)	
VL. Dutt (HUF)		51,63,986	
		(41,76,212)	
V. Ramakrishna Sons Private Limited			75,05,753
			(71,68,033)
<b>Dividend paid</b>			
Dr. V.L. Dutt	70,90,770		
	(55,32,602)		
Smt. V.L. Indira Dutt	37,07,488		
	(28,34,996)		
Smt. Kavitha D. Chitturi	8,98,856		
	(6,04,813)		
Sri. V. Gandhi	2,550		
	(2,040)		
<b>Other Relations</b>			
Sri. Ravi Chitturi		62,500	
		(50,000)	
Kum. Shivani Dutt Chitturi		16,25,000	
		(13,00,000)	

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
Smt. S.R.V. Rajyalakshamma		788	
		(630)	
Smt. Uma S. Vallabhaneni		2,03,900	
		(1,63,120)	
Smt. Rajeswari Ramakrishnan		2,92,525	
		(2,34,020)	
Smt. V. Kamala Devi		6,238	
		(4,990)	
Sri. V. Praveen Kumar		2,900	
		(2,320)	
Smt. Anupama Valluri		2,963	
		(2,370)	
Sri.N Seshu Babu		2,650	
		(2,045)	
V. Ramakrishna Sons Private Limited			4,86,20,408
			(3,87,51,213)
The Jeypore Sugar Company Limited			3,47,963
			(2,78,370)
VRK Grandsons Investment (P) Limited			1,19,72,913
			(95,78,330)
<b>Loans Repaid</b>			
Dr. V.L. Dutt	40,00,000		
	(2,00,00,000)		
Smt. V.L. Indira Dutt	1,65,00,000		
	(55,00,000)		
Smt Kavitha D. Chitturi	1,75,00,000		
	(Nil)		
V. Ramakrishna Sons Private Limited			1,60,00,000
			(Nil)
Kum.Shivani Dutt Chitturi		90,79,000	
		(Nil)	
<b>Rent Paid</b>			
Smt. V.L. Indira Dutt	48,47,174		
	(31,16,798)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Other Relations</b>			
Smt. Uma. S.Vallabhaneni		63,38,781	
		(40,56,853)	
Smt. S.R.V. Rajyalakshamma		8,55,586	
		(6,01,187)	
Smt. V. Rama Kumari		45,97,153	
		(29,59,227)	
A Trust in the name of Bala Tripurasundari Ammavaru			63,78,255
			(11,19,296)
Sri. V. Chandra kumar		26,83,688	
		(13,44,437)	
<b>Balances as at 31.03.2013</b>			
<b>Receivable - Trade dues</b>			
KCP Technologies Limited			1,463
			(60,000)
V. Ramakrishna Sons Pvt Limited			843
			(Nil)
<b>Receivable Rent Advance</b>			
Sri.V.Chandra kumar		4,23,680	
		(Nil)	
<b>Loans/Advances Given</b>			
Sri.V.Chandra kumar		4,73,680	
		(Nil)	
<b>Share capital in KCP held by</b>			
Dr. V.L. Dutt	57,13,212		
	(55,79,500)		
Smt. V.L. Indira Dutt	29,65,990		
	(28,89,365)		
Smt. Kavitha Dutt Chitturi	7,50,000		
	(6,20,000)		
Sri. V. Gandhi	2,040		
	(2,040)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Other Relations</b>			
Kum. Shivani Dutt Chitturi		13,00,000	
		(13,00,000)	
Smt. Rajeswari Ramakrishnan		2,34,020	
		(2,34,020)	
Smt. S.R.V. Rajyalakshamma		630	
		(630)	
Smt. Uma S. Vallabhaneni		1,63,120	
		(1,63,120)	
Sri. Ravi Chitturi		50,000	
		(50,000)	
Smt. Anupama Valluri		2,370	
		(2,370)	
Smt. V. Kamala Devi		4,990	
		(4,990)	
Smt. Nagalla Seshu Babu		2,120	
		(2,120)	
Sri. V. Praveen Kumar		2,320	
		(2,320)	
V.L. Dutt (HUF)		1,13,500	
		(1,13,500)	
V. Ramakrishna Sons Private Limited			3,88,96,326
			(3,87,70,000)
The Jeypore Sugar Company Limited			2,78,370
			(2,78,370)
VRK Grandsons Investment (P) Limited			95,78,330
			(95,78,330)
<b>Loans/Advances received</b>			
Dr. V.L. Dutt	10,75,00,000		
	(9,00,00,000)		
Smt. V.L. Indira Dutt	6,40,00,000		



PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
	(5,95,00,000)		
Smt. Kavitha D Chitturi	3,25,00,000		
	(2,50,00,000)		
V. Ramakrishna Sons Private Limited			7,40,00,000
			(7,50,00,000)
Rent Advance from Sri.V. Chandra Kumar		50,000	
		(Nil)	
<b>Deposits Received</b>			
Dr. V.L. Dutt	33,50,000		
	(33,50,000)		
Smt. Kavitha D. Chitturi	1,53,000		
	(1,53,000)		
<b>Other Relations</b>			
V.L. Dutt [HUF]		5,20,00,000	
		(4,30,00,000)	
Kum. Shivani Dutt Chitturi		1,65,00,000	
		(1,29,00,000)	
<b>Payable-Trade Dues</b>			
The Jeypore Sugar Company Limited			34,404
			(34,404)
Dr. V.L. Dutt	1,21,29,019		
	(2,77,98,697)		
Smt. V.L. Indira Dutt	82,45,225		
	(2,08,23,787)		
Smt. Kavitha D Chitturi	22,95,104		
	(85,79,415)		
Sri. V. Gandhi	30,35,200		
	(95,21,364)		
Sri K.B Pranesh	8,53,249		
	(12,34,803)		

PARTICULARS	Key Management Personnel	Relatives of Key management Personnel	Companies/ Trusts Controlled by KMP/ Relatives of KMP
	Rs.	Rs.	Rs.
<b>Other Relation</b>			
Smt. S.R.V. Rajyalakshamma		4,62,354	
		(1,51,477)	
Smt. V. Rama Kumari		24,84,279	
		(8,13,903)	
Sri. V. Chandra kumar		14,33,501	
		(4,47,315)	
Smt. Uma. S. Vallabhaneni		21,57,668	
		(11,22,252)	
A Trust in the name of Bala Tripurasundari Ammavaru			34,46,780
			(10,03,768)

#### 2.7. a). Claims against the Company not admitted

PARTICULARS	31st March, 2013 Rs.	31st March, 2012 Rs.
<b>Statutory Levies</b>		
Group Companies	12,05,59,846	5,90,50,710
Joint venture	11,54,272	-
<b>Contractual Levies</b>		
Group Companies	12,97,10,362	14,68,62,701
<b>Others</b>		
Group companies	4,86,69,783	48,10,432
Joint venture	-	29,32,993

#### b). Share of Contingent Liability in Joint Venture

- 1). Corporate Guarantees issued by the Company to customers Rs.13,45,648/- (Rs.1,30,00,000/-)
- 2). Guarantees issued by bankers on behalf of the Company Rs.15,36,12,673 /- (Rs.16,82,13,944/-)
- 3). Estimate amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil/- (Rs Nil/-)

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

**3) SHARE CAPITAL**

PARTICULARS	AS AT 31st March, 2013 Rs.	AS AT 31st March, 2012 Rs.
<b>Authorised Share Capital:</b>		
35,00,00,000 (31 March 2012 : 35,00,00,000) Equity Shares of Re.1/- each	<b>35,00,00,000</b>	35,00,00,000
2,00,00,000(31 March 2012 : 2,00,00,000) Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>55,00,00,000</b>	55,00,00,000
<b>Issued Share Capital:</b>		
12,89,77,480 (31 March 2012 : 12,89,77,480) Equity Shares of Re.1/- each	<b>12,89,77,480</b>	12,89,77,480
2,00,00,000 (31 March 2012 : 2,00,00,000) 12% Redeemable Cumulative Non-convertible Preference shares of Rs.10/- each	<b>20,00,00,000</b>	20,00,00,000
	<b>32,89,77,480</b>	3,28,97,7480
<b>Subscribed and fully paid-up :</b>		
12,89,21,160 (31 March 2012 :12,89,21,160) Equity Shares of Re.1/- each	<b>12,89,21,160</b>	12,89,21,160
1,50,00,000 (31 March 2012 : 2,00,00,000) 12% Redeemable Cumulative Non-convertible Preference shares of Re.10/- each	<b>15,00,00,000</b>	20,00,00,000
Total Issued, Subscribed and Fully paid-up Capital	<b>27,89,21,160</b>	32,89,21,160

**3.1)** Details of shareholders holding more than 5% share in the company: 1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,88,96,326(3,87,70,000) Equity Shares of Re.1/- each fully paid - 30.17%(30.07%); 2. M/s. V.R.K. Grandsons Investments Pvt Ltd - 95,78,330 (95,78,330) Equity Shares of Re.1/- each fully paid- 7.43% (7.43%). 3. M/s. Tata Capital Financial Services Ltd. - 1,50,00,000(2,00,00,000) Preference shares of Rs. 10/- each fully paid - 100% (100%). 4.SBI Emerging Business Fund 83,45,318(44,65,290) Equity Shares of Re.1/- each fully paid up 6.47%(3.46%).

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

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
Equity Share Capital at the beginning of the Year	<b>12,89,21,160</b>	12,89,21,160
12% Redeemable Cumulative Non-convertible Preference shares at the beginning of the year	<b>20,00,00,000</b>	20,00,00,000
<b>Less:</b> 50,00,000 12% Redeemable Cumulative Non-convertible Preference shares of Rs 10/- each redeemed during the year	<b>5,00,00,000</b>	-
Issued Subscribed and Fully paid up capital at the end of the year	<b>27,89,21,160</b>	32,89,21,160

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

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

During the year the Company has redeemed 50,00,000 12% Redeemable Cumulative Non-convertible Preference shares of Rs 10/- each along with pro-rata interim Dividend

#### 4) RESERVES AND SURPLUS

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>Capital Reserve</b>		
Capital Redemption Reserve		
Balance as per Last Financial Statements	5,00,00,000	
<b>Add:</b> Amount Transferred from Surplus Balance in Statement of Profit and Loss	7,00,00,000	5,00,00,000
	<b>12,00,00,000</b>	5,00,00,000
Capital Reserve On Reorganisation	2,79,91,144	2,79,91,144
Capital Subsidy	50,00,000	50,00,000
On Amalgamation reserve	1,03,83,025	1,03,83,025
<b>Total Capital Reserve</b>	<b>4,33,74,169</b>	4,33,74,169
<b>General Reserve</b>		
<b>Balance as per the last Financial Statements</b>		
Group Companies	2,98,63,18,962	2,77,43,88,765
Joint Venture	4,00,12,979	4,00,12,979
Add : Amount transferred from Surplus Balance in the Statement Of	-	
Group Companies	21,90,49,424	21,19,30,197
Joint Venture		
<b>Closing Balance</b>	<b>3,24,53,81,365</b>	3,02,63,31,941
<b>Other Reserves</b>		
Translation reserve	(3,44,51,325)	1,12,72,072
<b>Closing Balance</b>	<b>(3,44,51,325)</b>	1,12,72,072
<b>Surplus/(Deficit) In The Statement Of Profit And Loss</b>		
Balance as per the last Financial Statements		
Group Companies	1,50,96,05,415	1,29,03,44,510
Joint Venture	4,83,19,752	3,24,08,509
<b>Profit for the year</b>		
Group Companies	70,05,58,309	1,04,45,59,657
Joint Venture	(4,81,36,816)	1,59,11,243
	<b>2,21,03,46,660</b>	2,38,32,23,919
<b>Less : Appropriations</b>		
Proposed Final Dividend on Equity Shares of Re.1/- each (Amount per share Re.0.50 (Previous year Re.0.75)	6,44,60,580	9,66,90,870

## RESERVES AND SURPLUS (CONTINUED)

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
Interim Dividend Paid	42,70,95,297	40,74,12,930
Dividend on 12% Redeemable, Cumulative, Non - convertible Preference Shares	2,21,42,466	2,40,00,000
Tax on Distributed Profits	2,09,14,236	3,13,71,356
Tax on Preference Dividend	35,92,061	38,93,400
Transfer to Capital Redemption Reserve	7,00,00,000	5,00,00,000
<b>Transfer to General Reserve</b>		
Group companies	21,90,49,423	21,19,30,196
Joint Venture	-	-
<b>Total Appropriations</b>	<b>82,72,54,063</b>	<b>82,52,98,752</b>
<b>Net Surplus In Statement Of Profit And Loss</b>	<b>1,38,30,92,597</b>	<b>1,55,79,25,167</b>
<b>Total Reserves And Surplus Taken To Balance Sheet</b>	<b>4,75,73,96,805</b>	<b>4,68,89,03,349</b>

4.1) MINORITY INTEREST	Figures as at the end of the previous reporting period 31.03.2012	Additions	Deductions	Figures as at the end of current reporting period 31.03.2013
Share Capital of KCP Vietnam Industries Limited 51,61,660 Equity Shares (51,61,660 shares) held by Minority Shareholders	16,63,96,977	-	-	16,63,96,977
Statement of Profit and Loss	23,19,94,619	37,20,51,610	18,13,17,359	42,27,28,870
Translation Reserve	56,36,035	-	(2,28,61,699)	(1,72,25,664)
<b>Total</b>	<b>40,40,27,631</b>	<b>37,20,51,610</b>	<b>15,84,55,660</b>	<b>57,19,00,183</b>

## 5) LONG TERM BORROWINGS:

PARTICULARS	Non -current portion		Current maturities	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Term Loans</b>				
Group companies				
From Banks (Secured)	1,46,14,97,095	1,29,85,80,714	36,42,13,117	44,92,02,926
Foreign currency loan from Banks (Secured)	10,89,89,244	25,93,29,957	-	-
<b>Total</b>	<b>1,57,04,86,339</b>	<b>1,55,79,10,671</b>	<b>31,36,00,000</b>	<b>44,92,02,926</b>

## LONG TERM BORROWINGS (CONTINUED)

	Non -current portion		Current maturities	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
Other Loans and Advances-Group Companies				
Deposits from directors	3,50,000	39,03,000	-	-
From Others	35,41,59,000	24,83,21,000	31,05,89,000	43,01,94,000
	35,45,09,000	25,22,24,000	31,05,89,000	43,01,94,000
<b>Total Amount</b>	<b>1,92,49,95,339</b>	<b>1,81,01,34,671</b>	<b>67,48,02,117</b>	<b>87,93,96,926</b>
<b>The above amount includes</b>				
Secured Borrowings	1,57,04,86,339	1,55,79,10,671	-	-
Unsecured Borrowings	35,45,09,000	25,22,24,000	-	-
Amount disclosed under the head				
<b>"Other Current Liabilities"(Note 10)</b>	-	-	<b>67,48,02,117</b>	<b>87,93,96,926</b>
<b>Net Amount</b>	<b>1,92,49,95,339</b>	<b>1,81,01,34,671</b>	-	-

## 6) OTHER LONG TERM LIABILITIES:

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>6.1) Trade payables</b>		
Group Companies	26,07,721	33,28,788
Joint Venture	-	-
<b>Total</b>	<b>26,07,721</b>	<b>33,28,788</b>
<b>6.2) Others</b>		
<b>Outstanding Liabilities for Trade Payables</b>		
Group Companies	4,08,81,873	-
Joint Venture	-	-
<b>For Expenses</b>		
Group Companies	83,14,216	28,86,000
Joint Venture	1,19,64,135	84,04,779
<b>Retention Money Payable</b>		
Group Companies	27,565	1,31,26,492
Joint Venture	-	-
<b>Trade Deposits</b>		
Group Companies	21,64,80,964	15,53,25,000
<b>Deposits Payable-Contractors</b>		
Group Companies	1,35,90,000	54,75,000

## OTHER LONG TERM LIABILITIES (CONTINUED)

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>Advance from customers</b>		
Group Companies	-	-
Joint Venture	-	2,72,50,175
<b>Others</b>		
Group companies	22,65,74,205	14,60,82,197
Joint venture	-	-
<b>Total</b>	<b>51,78,32,958</b>	<b>35,85,49,643</b>

## 7) DEFERRED TAX LIABILITY (NET)

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>Deferred Tax Liability</b>		
Fixed assets: Impact of difference between Tax Depreciation and Depreciation/Amortisation charged for the financial reporting others		
Group Companies	58,88,94,584	49,90,43,753
Joint Venture	4,75,688	-
<b>Gross deferred Tax Liability</b>	<b>58,93,70,272</b>	<b>49,90,43,753</b>
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on		
Group Companies	1,30,40,601	97,93,128
Joint Venture	2,31,25,330	36,26,451
<b>Gross Deferred Tax Asset</b>	<b>3,61,65,931</b>	<b>1,34,19,579</b>
<b>Net Deferred Tax Liability</b>	<b>55,22,52,964</b>	<b>48,56,24,174</b>



## 8) PROVISIONS

PARTICULARS	8.1 Long Term		8.2 Short Term	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Provision for Employee Benefits:</b>				
<b>Provision for Gratuity</b>				
Group companies	-	-	66,65,799	1,48,820
Joint Venture	1,19,693		-	3,69,757
<b>Provision for Leave Benefits</b>			-	-
Group companies	3,64,67,403	2,61,22,283	12,61,920	11,99,222
Joint Venture	14,87,740	13,22,124	-	56,208
	<b>3,80,74,836</b>	<b>2,74,44,407</b>	<b>79,27,719</b>	<b>17,74,007</b>
<b>Other Provisions:</b>				
<b>Provision for Fringe Benefit Tax</b>				
Group Companies	-	-	-	54,351
Joint Venture	-	-	-	-
Provision for Wealth tax - Group Companies	-	-	20,51,416	15,18,020
<b>Provision for Income tax</b>				
Group companies	-	-	9,27,91,177	17,56,97,587
Joint Venture	-	-	3,21,79,623	3,21,79,623
Group companies				
Proposed Equity Dividend	-	-	6,44,60,580	9,66,90,870
Provision for Tax on Distributed Profits	-	-	1,04,57,118	1,56,85,677
Proposed Preference Dividend	-	-	55,72,603	2,40,00,000
Provision for Tax on proposed Preference Dividend	-	-	9,04,015	38,93,400
	<b>3,80,74,836</b>	<b>2,74,44,407</b>	<b>20,84,16,532</b>	<b>34,97,19,528</b>
	<b>3,80,74,836</b>	<b>2,74,44,407</b>	<b>20,84,16,532</b>	<b>34,97,19,528</b>

11) FIXED ASSETS and 12) INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NETT BLOCK		
	Cost upto 31 <sup>st</sup> March 2012	Additions during the year	Deductions during the year	Exchange difference	Cost upto 31 <sup>st</sup> March 2013	Exchange difference	Total Depreciation upto 31 <sup>st</sup> March 2012	Total Depreciation For the Year	Total Depreciation upto 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 Lands											
Group companies	16,28,83,955	2,93,93,124	-		19,22,77,079					19,22,77,079	16,28,83,955
2. (a) Buildings											
Group companies	68,92,72,889	6,78,36,653	1,73,02,102		73,98,07,440		11,91,67,079	1,41,85,359	13,33,52,438	60,64,55,002	57,01,05,810
Joint Venture	72,36,454				72,36,454		56,41,693	1,59,476	58,01,169	14,35,284	15,94,761
(b) Leasehold Buildings											
Group companies	15,47,500				15,47,500		5,13,238	25,224	5,38,462	10,09,038	10,34,262
Tramways and Railway Sidings											
Group companies	67,94,362				67,94,362		64,54,643		64,54,643	3,39,719	3,39,719
4 Plant and Machinery Owned											
Group companies	7,35,03,04,643	6,60,31,070	39,10,049	9,97,60,854	7,51,21,86,518	5,79,02,371	2,32,43,33,561	40,44,90,033	2,78,67,25,965	4,72,54,60,555	5,02,59,71,082
Joint Venture	87,432	17,194			1,04,626		6,613	28,404	35,017	69,609	80,819
5 Furniture,Fixtures Owned											
Group companies	3,96,27,467	60,06,641	5,72,338		4,50,61,770		1,89,73,149	16,42,882	2,06,16,031	2,44,45,739	2,06,54,318
Joint Venture	52,30,273	1,620	2,51,778		49,80,115		42,44,772	1,32,192	43,76,964	6,03,151	9,85,501
6 Office Equipment											
Group companies	3,97,94,464	49,66,354	50,500	4,13,488	4,51,23,806	3,92,520	2,23,95,200	32,63,370	2,60,51,090	1,90,72,716	1,73,99,264
Joint Venture	12,95,316	11,384	19,329		12,87,371		7,47,345	76,666	8,24,011	4,63,360	5,47,971
7 Vehicles and Earthmoving Equipment Owned											
Group companies	14,948,3458	2,27,40,675	71,95,332		16,50,28,801		4,48,40,439	1,00,21,818	5,48,62,257	11,01,66,544	10,46,43,019
Joint Venture	370,4937				370,4937		34,84,557	5,70,57	35,41,614	1,63,323	2,20,380
8 Research and Development Equipment											
Group companies	36,55,551	42,438			36,97,989		12,22,824	1,75,123	13,97,947	23,00,042	24,32,727
9 Patents											
Group companies	13,90,000				13,90,000		13,90,000		13,90,000		
Joint Venture											
10 Intangible Assets											
Group companies	11,10,687			73,374	11,84,061	73,374	11,10,687		11,84,060		
Joint Venture	56,84,887				56,84,887		46,98,255	5,14,081	52,12,336	4,72,551	9,86,634
<b>Grand Total</b>	<b>8,46,91,04,275</b>	<b>19,70,47,153</b>	<b>2,93,01,428</b>	<b>10,02,47,716</b>	<b>8,73,70,97,716</b>	<b>5,83,68,265</b>	<b>2,55,92,24,055</b>	<b>43,47,71,685</b>	<b>3,05,23,64,004</b>	<b>5,68,47,33,712</b>	<b>5,90,98,80,220</b>
1. Group companies	8,44,58,64,976	19,70,16,955	2,90,30,321	10,02,47,716	8,71,40,99,326	5,83,68,265	2,54,04,00,820	43,38,03,809	3,03,25,72,893	5,68,15,26,434	5,90,54,64,156
2 Joint Venture	2,32,39,299	30,198	2,71,107	-	2,29,98,390	-	1,88,23,235	9,67,876	1,97,91,111	32,07,278	44,16,064
<b>Grand Totals</b>	<b>8,46,91,04,275</b>	<b>19,70,47,153</b>	<b>2,93,01,428</b>	<b>10,02,47,716</b>	<b>8,73,70,97,716</b>	<b>5,83,68,265</b>	<b>2,55,92,24,055</b>	<b>43,47,71,685</b>	<b>3,05,23,64,004</b>	<b>5,68,47,33,712</b>	<b>5,90,98,80,220</b>

(a) Depreciation for the year includes an amount of Rs. 3,01,178/- capitalised during the year.

(b) Deductions includes reduction of Rs.1,00,00,000/- , received as subsidy towards laying of roads from Commissioner of Industries, Andhra Pradesh.

(c) Depreciation during Trail Run Production of Solar Power Plant for an amount of Rs. 9,89,764/- is transferred to Capital Work in Progress and credited to Accumulated Depreciation.

## 9) SHORT TERM BORROWINGS

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
Cash credit from Banks		
<b>Secured</b>		
Group Companies	1,04,64,33,036	57,49,20,099
Joint Venture	2,03,60,858	1,96,22,592
<b>Unsecured</b>		
Group Companies		
Loan Repayable on Demand (Unsecured)		
- from Directors	20,40,00,000	17,45,00,000
Inter-corporate Deposits repayable on demand	7,40,00,000	7,50,00,000
	<b>1,34,47,93,894</b>	84,40,42,691
<b>The above amount includes</b>		
Secured Borrowings	1,06,67,93,894	59,45,42,691
Unsecured Borrowings	27,80,00,000	24,95,00,000

## 10) OTHER CURRENT LIABILITIES:

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>10.1) Trade payables</b>		
Group Companies	69,09,30,061	50,84,26,435
Joint Venture	6,31,89,338	15,22,68,206
	<b>75,41,19,399</b>	66,06,94,641
<b>10.2) Other Liabilities:</b>		
Current maturities of long term Borrowings - Group Companies	67,48,02,117	87,93,96,926
Interest accrued but not due on Borrowings - Group Companies	1,86,22,609	4,19,07,529
Interest accrued and due on Borrowings - Group Companies	99,57,159	1,71,82,674
<b>Advance from customers</b>		
Group Companies	31,09,46,763	31,60,49,256
Joint Venture	11,98,93,199	11,07,09,228
<b>Unpaid dividend</b>		
Group Companies	1,70,38,183	-
<b>Others</b>		
Group Companies	48,52,06,822	38,85,96,251
Joint Venture	4,62,20,110	3,28,98,435
	<b>1,68,26,86,962</b>	1,78,67,40,299
	<b>2,43,68,06,361</b>	2,44,74,34,940

**13) NON-CURRENT INVESTMENTS**

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
Trade Investments (valued at cost unless stated otherwise)		
<b>Unquoted equity instruments</b>		
<b>Common Stock (unquoted)</b>		
1640 Non-voting common stock of BGE Global Inc., par value \$0.01 per share	<b>76,99,947</b>	76,99,947
<b>Preferred Shares (unquoted)</b>		
750 Non-voting Preferred stock of BGE Global Inc., par value \$0.01 per share	<b>3,84,99,738</b>	3,84,99,738
	<b>4,61,99,685</b>	4,61,99,685
<b>Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in Equity Instruments (quoted)</b>		
100 (31 March 2012: 100) Equity Shares of Rs.10/- each, fully paid up in Industrial Finance Corporation of India.	<b>3,500</b>	3,500
14240 (31 March 2012: 14240) Equity Shares of Rs.10/- each, fully paid up in Industrial Development Bank of India.	<b>11,57,000</b>	11,57,000
(At cost less provision for other than temporary diminution Rs.3 Million (31 March 2012: Rs.2 Million)		
<b>Equity Shares (unquoted)</b>		
30 (31 March 2012: 30 ) Equity Shares of Rs. 10/- each fully paid up in Andhra Pradesh Heavy Machinery and Engg. Co.Ltd., (Written off to the extent of Rs. 299/-)	<b>1</b>	1
100000 (31 March 2012: 100000 ) Equity Shares of Rs. 10/- each fully paid up in Prudential Mouli Sugars Ltd., (Written off to the extent of Rs. 9,99,999/-)	<b>1</b>	1
Other investments	<b>4,77,387</b>	4,55,815
	<b>16,37,889</b>	16,16,317
<b>Total</b>	<b>4,78,37,574</b>	4,78,16,002

#### 14) LOANS AND ADVANCES

PARTICULARS	14.1 Non-current		14.2 Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Capital Advances</b>				
Group Companies				
Secured, considered good	-	3,12,20,281	-	-
Unsecured, considered good			-	-
Group Companies	<b>20,73,99,518</b>	2,05,88,944	-	30,52,306
<b>(A)</b>	<b>20,73,99,518</b>	5,18,09,225	-	30,52,306
<b>Security Deposit</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Group Companies	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
Doubtful	-	-	-	-
	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
Provision for doubtful security deposit	-	-	-	-
<b>(B)</b>	<b>8,81,85,994</b>	4,51,85,668	<b>1,81,894</b>	20,86,249
<b>Loans and advances to related parties (Note 37(b))</b>				
Unsecured, considered good	-	-	-	-
<b>(C)</b>	-	-	-	-
<b>Advances recoverable in cash or kind</b>				
Secured, considered good	-	-	-	-
<b>Unsecured, considered good</b>				
Group Companies		-	-	2,86,68,691
Joint Venture		-	62,41,882	90,37,254
Provision for Doubtful Advances	-	-	-	-
<b>(D)</b>	-	-	<b>62,41,882</b>	3,77,05,945
<b>Other Loans and Advances</b>				
Group Companies				
Foreign Currency	<b>1,88,44,371</b>	3,54,34,332	-	-
MAT Credit	-	-	<b>22,64,95,379</b>	18,21,20,555

**LOANS AND ADVANCES (CONTINUED)**

PARTICULARS	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Advances to Trade Payables</b>				
Group Companies	-	-	<b>34,77,93,942</b>	24,00,63,315
Joint Venture	-	-	<b>1,62,62,696</b>	3,17,56,725
<b>Advance Income-tax (Net of provision for Taxation)</b>				
Group Companies	-	-	<b>14,71,93,599</b>	24,74,33,056
Joint Venture	-	1,04,72,596	<b>4,19,81,844</b>	3,38,00,000
<b>Prepaid expenses</b>				
Group Companies	<b>12,72,090</b>	55,29,699	<b>1,27,26,610</b>	1,21,28,514
Joint Venture	<b>37,691</b>	60,000	<b>10,20,924</b>	8,74,003
<b>Loans and Advance to employees</b>				
Group Companies	-	-	<b>19,75,381</b>	16,72,201
Joint Venture	-	-	<b>2,51,141</b>	2,86,647
<b>Balances with Statutory/Government Authorities</b>				
Group Companies	-	-	<b>39,68,74,563</b>	7,87,12,148
Joint Venture	-	-	<b>4,45,07,527</b>	5,76,89,987
<b>Others</b>				
Group Companies	-	91,37,973	<b>30,12,44,457</b>	19,07,94,209
Joint Venture	-	-	-	-
	<b>2,01,54,152</b>	6,06,34,600	<b>1,53,83,28,064</b>	1,07,73,31,360
<b>Total [A+B+C+D+E]</b>	<b>31,57,39,664</b>	15,76,29,493	<b>1,54,47,51,839</b>	1,12,01,75,860

**15) TRADE RECEIVABLE AND OTHER ASSETS**

TRADE RECEIVABLES	Non-current		Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>15.1) Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment</b>				
<b>Secured, considered good</b>				
Group Companies	-	-	-	-
Joint Venture	-	3,01,74,408	<b>9,23,23,208</b>	6,92,19,307
<b>Unsecured, considered good</b>				
Group Companies	<b>1,17,14,266</b>	1,12,46,914	<b>13,97,22,704</b>	6,66,70,120
Joint Venture	-	-	-	-
Doubtful	-	-	-	-
	<b>1,17,14,266</b>	4,14,21,322	<b>23,20,45,912</b>	13,58,89,427
Provision for doubtful receivables	-	-	-	-
<b>(A)</b>	<b>1,17,14,266</b>	4,14,21,322	<b>23,20,45,912</b>	13,58,89,427

**TRADE RECEIVABLES (CONTINUED)**

PARTICULARS	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Other receivables</b>				
<b>Secured, considered good</b>				
Group Companies	-	-	-	23,46,23,455
Joint Venture	-	-	<b>4,49,89,971</b>	63,32,05,548
<b>Unsecured, considered good</b>				
Group Companies	-	-	<b>46,06,44,924</b>	36,60,69,307
Joint Venture	-	-	<b>12,61,18,785</b>	
Doubtful				
	-	-	<b>63,17,53,680</b>	1,23,38,98,310
Provision for doubtful receivables	-	-	-	-
(B)	-	-	<b>63,17,53,680</b>	1,23,38,98,310
<b>Total [A+B]</b>	<b>11,71,42,66</b>	<b>4,14,21,322</b>	<b>86,37,99,592</b>	<b>1,36,97,87,737</b>

15.2) OTHER ASSETS	Non-current		Current	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current Bank balances [Note 18]				
Group Companies	<b>13,50,000</b>	-	-	-
[A]	<b>13,50,000</b>	-	-	-
<b>Unamortized expenditure</b>				
Unamortized Premium on Forward Contract	-	-	-	-
Ancillary Cost of arranging the Borrowings	-	-	-	-
[B]	-	-	-	-
<b>Others</b>				
Interest accrued on fixed deposits-Group Companies	-	-	<b>2,25,20,757</b>	1,54,55,909
Interest accrued on fixed deposits-Joint Venture	-	-	<b>6,76,652</b>	23,36,048
Interest accrued on investments-Group Companies	-	-	-	-
Dividend receivable on investment in subsidiaries - Long Term-Group Companies	-	-	<b>64,080</b>	64,080
<b>Others</b>	-	-	<b>3,67,03,514</b>	1,78,51,497
Group Companies	<b>31,56,000</b>	-	-	-
Joint Venture	-	-	-	-
[C]	<b>31,56,000</b>	-	<b>5,99,65,003</b>	3,57,07,534
<b>Total [A+B+C]</b>	<b>45,06,000</b>	-	<b>5,99,65,003</b>	<b>3,57,07,534</b>



16) CURRENT INVESTMENTS

PARTICULARS	AS AT 31-03-2013 Rs.	AS AT 31-03-2012 Rs.
Nil	-	-
	-	-

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

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>Raw materials and components at Cost</b>		
Group Companies	6,97,07,244	11,37,66,135
Joint Venture	1,98,95,788	3,30,90,742
<b>Work-in-progresss</b>		
Group Companies	58,40,58,811	55,84,60,127
Joint Venture	2,16,97,375	1,84,67,900
<b>Finished goods</b>		
Group Companies	73,13,89,801	84,72,99,076
Joint Venture	-	-
<b>Stores and spares at Cost</b>		
Group Companies	57,76,64,737	75,26,55,936
Joint Venture	-	-
<b>Total</b>	<b>2,00,44,13,756</b>	<b>2,32,37,39,916</b>

18) CASH AND BANK BALANCES

PARTICULARS	Non -current portion		Current maturities	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Cash and Cash Equivalents :</b>				
<b>Balances with Banks:</b>				
On current accounts				
Group Companies	-	-	21,04,52,974	8,73,11,139
Joint Venture	-	-	8,31,947	9,85,002
Deposits with original maturity of less than 3 months				
Group Companies	-	-	49,69,35,996	10,83,47,033

**CASH AND BANK BALANCES (CONTINUED)**

PARTICULARS	Non -current portion		Current maturities	
	31 March 2013 Rs.	31 March 2012 Rs.	31 March 2013 Rs.	31 March 2012 Rs.
<b>Earmarked balances with banks - Unclaimed dividends</b>				
Group Companies	-	-	-	-
<b>Cheques/Drafts on hand</b>				
Group Companies	-	-	4,83,36,574	3,26,81,181
<b>Cash on hand</b>				
Group Companies	-	-	28,90,410	1,98,04,442
Joint Venture	-	-	75,879	4,28,865
<b>Interest Warrant Account as per bank books</b>				
Group Companies	-	-	-	-
	-	-	75,95,23,780	24,95,57,662
<b>Other Bank Balances :</b>				
Group Companies				
Earmarked Balances with Banks - Unclaimed Dividends	-	-	1,70,40,513	1,57,29,135
<b>Deposits with original maturity for more than 3 months but less than 12 months</b>				
Group Companies			-	-
Joint Venture	-	-	-	-
<b>Deposits with original maturity for more than 3 months</b>				
Group Companies	-	-	25,19,79,900	15,59,00,000
Joint Venture	-	-	-	-
<b>Margin Money Deposit</b>				
Group Companies	-	-	2,15,31,103	2,91,05,551
Joint Venture	-	-	1,65,88,216	3,30,46,711
<b>Deposits held as security for Borrowings made by third parties</b>				
Group Companies	-	-	1,02,00,000	1,42,00,000
	-	-	31,73,39,732	24,79,81,397
<b>Total</b>	-	-	1,07,68,63,512	49,75,39,059

## 19) REVENUE FROM OPERATIONS

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Revenue from Operations</b>		
Sale of products:	-	-
<b>Finished goods</b>		
Group Companies	12,27,24,63,353	10,08,10,71,423
Joint Venture	15,11,28,631	78,25,11,612
<b>Sale of Services</b>		
Group Companies	8,35,52,682	13,38,56,312
Joint Venture	3,32,42,586	4,50,17,986
<b>Other Operating Revenue</b>		
<b>Scrap sales</b>		
Group Companies	63,66,444	75,10,645
Joint Venture	-	-
<b>Others</b>	10,16,732	57,57,380
<b>Revenue from Operations (Gross)</b>		
Group Companies	12,36,33,99,211	10,22,81,95,760
Joint Venture	18,59,43,162	82,75,29,598
<b>Less:Excise Duty</b>		
Group Companies	1,17,30,08,799	86,77,76,739
Joint Venture	1,34,27,559	2,48,11,911
Revenue from Operations (Net)	11,36,29,06,015	10,16,31,36,708

## 20) OTHER INCOME

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>(1) Interest Income on</b>		
<b>Bank Deposits</b>		
- Group Companies	3,98,21,178	3,76,68,155
- Joint Venture	13,54,754	36,52,834
<b>Others</b>		
- Group Companies	8,48,29,140	5,19,09,102
- Joint Venture	15,07,417	21,43,836
<b>(2) Dividends Received on Current investments</b>	<b>43,89,51,874</b>	28,41,41,880
<b>(3) Long Term Investments</b>		
- Group Companies	43,032	
<b>Net gain on sale of Assets</b>		
- Group Companies	7,79,319	8,58,786
- Joint Venture	2,508	10,038
<b>Other Non-Operating Income</b>		
- Group Companies	23,07,08,271	4,82,63,272
- Joint Venture	1,17,36,579	1,58,88,921
<b>Total Taken to Statement of Profit and Loss</b>	<b>80,97,34,073</b>	44,46,35,777
Note : Other Non-Operating Income includes :		
<b>Unclaimed balance Credited Back</b>		
- Group Companies	96,94,483	11,11,422
- Joint Venture	-	-
<b>Claims/refunds received</b>		
- Group Companies	46,560	2,29,130
- Joint Venture	12,53,018	-
<b>Provisions no longer required credited back</b>		
- Group Companies	3,54,91,600	2,61,46,761
- Joint Venture	44,11,743	-

**OTHER INCOME (CONTINUED)**

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Difference in exchange (net)</b>		
- Group Companies	9,67,631	61,69,529
- Joint Venture	60,71,818	95,46,250
<b>Rent Recovery</b>		
- Group Companies	40,27,162	31,99,876
<b>Miscellaneous receipts</b>		
- Group Companies	18,04,80,835	1,14,06,554
- Joint Venture	-	63,42,671
<b>Total</b>	<b>24,24,44,850</b>	<b>6,41,52,193</b>

**21) COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Inventory at the beginning of the year</b>		
Group Companies	11,35,69,213	6,12,74,379
Joint venture	1,89,36,171	6,76,77,574
Add: Trial Production Stocks	-	5,22,203
Add: Purchases	-	-
Group Companies	43,75,87,561	54,61,58,220
Joint venture	9,79,48,133	51,83,57,853
Add: Cost of raw materials produced	3,93,45,55,832	2,65,65,56,088
	<b>4,60,25,96,911</b>	<b>3,85,05,46,317</b>
<b>Less: Inventory at the end of the year</b>		
Group Companies	6,97,07,243	11,35,69,213
Joint venture	1,98,95,789	1,89,36,172
Cost of raw material and components consumed	4,39,46,46,977	3,71,80,40,932
<b>Less Inventory at the end of the year</b>		
Joint Venture	11,83,46,902	56,70,99,255
<b>Cost of Raw Material and components Consumed</b>	<b>4,51,29,93,879</b>	<b>4,28,51,40,187</b>

## 22) (INCREASE)/DECREASE IN INVENTORIES

Inventories at the end of the year	This Year Rs.	Previous Year Rs.
Traded goods		
<b>Work in progress</b>		
Group Companies	58,40,58,811	55,84,60,127
Joint venture	2,16,97,374	3,26,22,471
<b>Finished goods</b>		
Group Companies	7313,89,801	84,72,99,076
Joint venture	-	-
	<b>1,33,71,45,986</b>	<b>1,43,83,81,674</b>
<b>Inventories at the beginning of the year</b>		
Traded goods		
<b>Work in progress</b>		
Group Companies	55,84,60,127	55,77,40,974
Joint venture	3,26,22,471	5,58,97,701
<b>Finished goods</b>	-	-
Group Companies	84,72,99,076	52,52,31,332
	<b>1,43,83,81,674</b>	<b>1,17,08,41,927</b>
<b>Total</b>	<b>10,12,35,688</b>	<b>-26,75,39,747</b>

## 23) EMPLOYEE BENEFITS EXPENSES

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Salaries, Wages and Bonus</b>		
Group Companies	50,02,39,638	50,95,18,999
Joint Venture	2,46,99,924	3,16,44,622
<b>Contribution to Provident and other Funds</b>		
Group Companies	4,37,60,495	3,47,90,681
Joint Venture	23,47,659	20,30,447
<b>Gratuity Expense (Note 30)</b>		
Group Companies	1,53,48,231	5,49,882
Joint Venture	-	3,30,988
<b>Staff Welfare Expenses</b>		
Group Companies	6,20,44,554	7,14,34,882
Joint Venture	25,86,626	27,68,105
<b>Total</b>	<b>65,10,27,127</b>	<b>65,30,68,605</b>

**24) FINANCE COSTS**

<b>PARTICULARS</b>	<b>This Year Rs.</b>	<b>Previous Year Rs.</b>
Interest - Group Companies	<b>39,22,49,641</b>	40,85,24,436
Interest on Income tax - Group Companies	<b>7,60,256</b>	-
Interest on Income tax - Joint Venture	<b>25,10,795</b>	53,42,032
<b>Other Borrowing Cost</b>		
- Group Companies	<b>2,91,079</b>	15,17,132
- Joint Venture	<b>12,58,146</b>	-
<b>Total</b>	<b>39,70,69,917</b>	41,53,83,600

**25) DEPRECIATION AND AMORTIZATION EXPENSE**

<b>PARTICULARS</b>	<b>This Year Rs.</b>	<b>Previous Year Rs.</b>
<b>Depreciation of Tangible Assets</b>		
- Group Companies	<b>44,29,86,665</b>	40,36,16,980
- Joint Venture	<b>6,80,512</b>	58,22,701
<b>Depreciation of Intangible Assets</b>		
- Group Companies	-	-
- Joint Venture	<b>5,14,081</b>	9,69,353
<b>Total</b>	<b>44,41,81,258</b>	41,04,09,034

**26) OTHER EXPENSES**

<b>PARTICULARS</b>	<b>This Year Rs.</b>	<b>Previous Year Rs.</b>
<b>Consumption of Stores and Spares</b>		
- Group Companies	<b>61,47,86,910</b>	48,60,29,532
- Joint Venture	<b>3,37,87,442</b>	5,55,20,954
<b>Consumption of Loose tools</b>		
- Group Companies	<b>1,37,91,627</b>	1,82,99,764
<b>Sub-contracted works</b>		
- Group Companies	<b>8,75,31,949</b>	10,59,93,274
- Joint Venture	-	-



**OTHER EXPENSES (CONTINUED)**

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>(Increase )/Decrease of Excise duty on Inventory</b>		
- Group Companies	5,50,879	1,09,93,255
<b>Power and Fuel</b>		
- Group Companies	2,22,38,71,140	
Less:Self consumption of Power generated internally	<u>12,69,57,871</u>	2,09,69,13,269
- Joint Venture	11,24,122	33,200
<b>Insurance</b>		
- Group Companies	94,60,783	85,83,174
- Joint Venture	12,05,835	23,41,684
<b>Research and Development</b>		
- Group Companies	12,95,335	9,57,091
- Joint Venture	-	-
<b>Repairs to Buildings</b>		
- Group Companies	5,22,42,343	2,99,27,143
<b>Repairs to Machinery</b>		
- Group Companies	22,60,98,672	15,31,72,504
<b>Repairs to Other Assets</b>		
- Group Companies	3,65,25,246	4,09,92,475
<b>Advertisement and Sales Promotion</b>		
- Group Companies	8,51,54,907	10,30,18,359
- Joint Venture	3,17,496	-
<b>Freight/Forwarding charges</b>		
- Group Companies	1,43,75,04,231	54,51,78,068
- Joint Venture	91,31,929	-
<b>Commission on Sales</b>		
- Group Companies	3,65,12,299	2,72,13,938
- Joint Venture	-	3,07,200
<b>Wheeling charges</b>		
- Group Companies	41,98,444	50,51,966
<b>Rent</b>		
- Group Companies	2,06,63,800	94,13,478
- Joint Venture	3,60,492	2,25,336
<b>Payments to Auditors</b>		
- Group Companies	34,21,918	29,17,055
- Joint Venture	2,24,180	4,20,841

## OTHER EXPENSES (CONTINUED)

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Directors' Sitting Fee</b>		
- Group Companies	9,40,000	8,30,000
<b>Travelling and Conveyance</b>		
- Group Companies	2,95,86,873	2,45,17,925
- Joint Venture	62,95,483	-
<b>Communication costs</b>		
- Group Companies	1,03,95,469	75,59,441
- Joint Venture	8,83,460	-
<b>Printing and Stationary</b>		
- Group Companies	97,30,170	88,35,864
- Joint Venture	-	-
<b>Legal and Professional fees</b>		
- Group Companies	2,78,54,860	2,45,72,128
- Joint Venture	-	-
<b>Miscellaneous Expenses</b>		
- Group Companies	9,42,86,252	9,06,56,439
- Joint Venture	1,76,70,743	9,75,26,746
<b>Warranty Claims</b>		
- Group Companies	1,96,38,759	6,30,14,623
- Joint Venture	-	-
<b>Bad debts and Irrecoverable Advances Written off</b>		
- Group Companies	3,71,337	7,94,371
- Joint Venture	-	-
<b>Discarded Assets Written off</b>		
- Group Companies	3,23,898	6,66,148
<b>Loss on Sale of Assets</b>		
- Group Companies	14,80,068	16,85,101
- Joint Venture	-	-

**OTHER EXPENSES (CONTINUED)**

PARTICULARS	This Year Rs.	Previous Year Rs.
<b>Difference in Exchange (Net)</b>		
- Group Companies	<b>13,20,768</b>	9,41,517
- Joint Venture	-	-
<b>Rates and Taxes</b>		
- Group Companies	<b>2,87,67,760</b>	2,65,91,244
- Joint Venture	<b>42,12,308</b>	8,30,419
<b>Total of (A+B+C+D) Taken To Statement of Profit and Loss</b>	<b>5,02,65,62,317</b>	3,57,46,52,262

**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: 17th May, 2013

**Annexure-I**  
(Rs in lakhs)

**SEGMENT REPORT UNDER ACCOUNTING STANDARD 17 AS AT 31ST MARCH 2013**  
Primary Segment Report - Business Segments

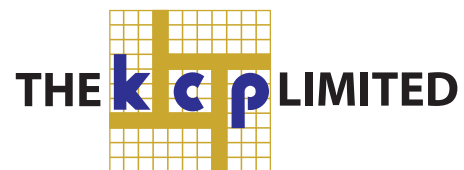
PARTICULARS	Engineering		Cement		Power		Sugar		Others		Elimination		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Revenue</b>														
Total Revenue	12,515	22,172	70,846	54,232	1,317	1,905	42,147	34,061	213	245			1,27,038	1,12,615
Less: Excise Duty	1,107	1,510	10,757	7,416			0	0	0	0			11,864	8,926
	11,408	20,662	60,089	46,816	1,317	1,905	42,147	34,061	213	245			1,15,174	1,03,689
Less: Inter Segment Sales	276	208			1270	1849	0	0	0	0			1,546	2,057
	11,132	20,454	60,089	46,816	47	56	42,147	34,061	213	245			1,13,628	1,01,632
Result														
Segment Result	2,112	3,712	1,027	5,383	-117	748	6,367	6,941	-112	-107			9,277	16,677
Add: Unallocated Corporate Expenses									4,597	2,843			4,597	2,843
Operating Profit / (Loss)	2,112	3,712	1,027	5,383	-117	748	6,367	6,941	-4,709	-2,950			13,874	19,520
Less: Interest Expenses													3,971	4,154
													9,903	15,366
Add : Income Tax Refund/Credited back													10	10
Mat Entitlement credit													444	1,070
														248
Less: Income Taxes													1,177	1,983
Net Current Tax liability													668	1,684
Net Deferred Tax Liability													8	28
Short/Excess provision for earlier years													8,504	12,751
Profit from Ordinary Activities													1,980	2,146
less: Minority share of profit / (Loss )													6,524	10,605
Net Profit														
<b>Other Information</b>														
Segment Assets	20,702	22,973	58,157	58,409	7,634	4,686	27,833	23,874	4,888	2,453	3,711	2,411	1,15,503	1,09,984
Unallocated corporate Assets													10,913	10,014
<b>Total Assets</b>	20,702	22,973	58,157	58,409	7,634	4,686	27,833	23,874	4,888	2,453	3,711	2,411	1,26,416	1,19,998
Segment Liabilities	7,970	9,527	33,503	32,055	2,672	454	7,029	4,625	2,205	983	1,300	833	52,079	46,811
Unallocated Corporate liabilities													18,256	18,969
Minority Interest													5,719	4,040
Shareholders Funds													50,362	50,178
<b>Total Liabilities</b>	7,970	9,527	33,503	32,055	2,672	454	7,029	4,625	2,205	983	1,300	833	1,26,416	1,19,998
Capital Expenditure	274	767	1,169	14,392	64	33		233	463	339	0	0	1,970	15,764
<b>Total Capital Expenditure</b>	321	345	2,344	2,136	432	430	1,232	1,101	112	93			1,970	15,764
Depreciation													4,441	4,105

**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	71,481	67,571	98,583	96,124	1,970	15,531
South East Asia - Vietnam	42,147	34,061	27,833	23,874	-	233

**Other disclosures:**

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



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