Chairperson's Message to the Shareholders

Dear Shareholders,

In the financial year 2024-2025, India demonstrated remarkable resilience by posting a GDP growth of 6.5%, sustaining its position as the fastest growing major economy. India's long-term growth is underpinned by strong demographics, economic fundamentals and the on-going structural reforms, low inflation, interest rate cuts, higher capital expenditure and targeted tax incentives are expected to fuel discretionary consumption and boost private investments.

In terms of our financial performance, during the year the Cement business of the company witnessed a challenging operating environment, lower capacity utilisation to reduced sales realisation, this impacted our top line and led to contraction of margins and slower volume growth. Despite that, our Company, has delivered a reasonable performance by navigating short-term volatility, while continuing to invest for the long term.

The cement volumes are expected to pick up in financial year 2025-2026 backed by increase in rural consumption, improved farm cash flows, sustained healthy demand for urban housing and expected increase in government spending on infrastructure projects,

Heavy Engineering business performed better as compared to financial year 2023-2024 and Hotel Mercure Hyderabad KCP continued to consolidate its position as a preferred business hotel with increased occupancy levels and increased turnover. The Hotel has won many accolades for the Roof Top Restaurant and other facilities & services.

Our Subsidiary, KCP Vietnam Industries Limited has registered better margins of 32.84 % against the margins of 28.05% for the previous financial year; the Sugar produced was lower by 1.9% as compared to the previous financial year.

The Joint Venture Company Fives-Cail KCP Limited, recorded a PAT of Rs 1.01 crore for the current financial Year against a profit of Rs. 10.55 crores for the previous financial Year.

We continue to increase the share of alternative fuels and green power in our operations with the existing investments in Hydel Power, Wind Power, Waste Heat Recovery and Solar Power. The company has commenced the setting up of a 15.8 MW Waste Heat Recovery (WHR) Power Plant at our Cement Production facility in Muktyala, Andhra Pradesh.

The company has also embarked on an investment in a Railway Siding facility at Muktyala. This offers compelling economic advantages by reducing freight / forwarding costs, optimising delivery distances and warehouse operations.

We continue to make a significant and positive impact on Society through our CSR initiatives and outreach activities within the communities we operate, continued to reflect our endeavour to operate as a socially conscious and responsible organisation which strives to build resilient and empowered communities in areas of Education, Skill Development, Nutrition, Health, Livelihood and Women & Youth empowerment.

The Board of Directors of the Company have recommended a dividend of 25% of paid-up capital, equivalent to Re.0.25/- per share. This recommendation is subject to the approval of Shareholders in the ensuing Annual General Meeting.

With all these efforts, we remain confident that the future holds a host of exciting opportunities for the company and we will continue pursuing the path of steady, progressive and consistent growth as we have done in the past over the years.

In conclusion, I wish to thank the Board of Directors for their continued guidance, compliment our employees and customers for supporting us. I would like to express my deepful gratitude to our esteemed Shareholders for their continued support and trust in our Company.

Dr. V.L. Indira Dutt
Chairperson & Managing Director