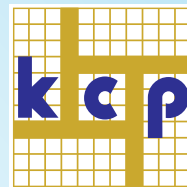


SUSTAINING
SUSTAINABILITY



The KCP Limited

78thAnnual Report 2018-19



Inauguration of line 2, Muktyala



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

(Rs. in Lakhs)

	Year Ended									
	31-3-19	31-3-18	31-3-17	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10
SHARE CAPITAL	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289
RESERVES & SURPLUS	47744	45289	39768	36652	34592	34250	34458	33168	29542	27189
NET WORTH	49033	46578	41057	37941	35881	36339	37247	36457	32831	30478
FIXED ASSETS (NET)	98110	90710	72223	71838	69486	66453	60639	54374	50668	33448
GROSS INCOME	116352	110048	95476	86582	70893	75723	88971	72654	37626	42289
GROSS PROFIT	14054	19669	14835	14965	10680	8002	11348	15208	8224	11052
DEPRECIATION	5193	4903	4861	3912	3431	3409	3197	2935	1233	1056
INTEREST	3381	3529	4725	4541	4886	4473	3812	3795	1394	949
PROFIT BEFORE TAX	5480	11237	5249	6512	2363	120	4339	8478	5597	9047
PROFIT AFTER TAX	3951	8127	3381	4286	1587	127	3046	6153	4135	6002
OTHER COMPREHENSIVE INCOME	-206	-27	-266	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	3745	8100	3115	-	-	-	-	-	-	-
EARNINGS PER SHARE (Rs.)*	3.06	6.30	2.62	3.32	1.17	-0.04	2.16	4.56	2.99	45.88
BOOK VALUE PER SHARE (Rs.)*	38.04	36.13	31.85	29.43	27.84	27.57	27.34	26.73	23.92	220.93
DIVIDEND ON EQUITY (%)	100	100	200	100	75	10	100	150	100	100
DEBT EQUITY RATIO	1.14	1.03	1.01	1.04	0.89	0.86	0.54	0.51	0.71	0.33

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

(Rs. in Lakhs)

	Year Ended									
	31-3-19	31-3-18	31-3-17	31-3-16	31-3-15	31-3-14	31-3-13	31-3-12	31-3-11	31-3-10
SHARE CAPITAL	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289
RESERVES & SURPLUS	79766	72324	66251	59473	51896	48425	47574	46890	41684	33434
NET WORTH	81055	73613	67540	60762	53185	50514	50363	50179	44973	36723
FIXED ASSETS (NET)	122773	116408	98078	97512	76542	74502	67124	61561	57821	40750
GROSS INCOME	166926	152292	137118	141450	129229	118246	133590	115004	72100	69471
GROSS PROFIT	23789	25558	22855	24140	17990	14766	18316	23625	15288	17298
DEPRECIATION	7562	7051	6259	4829	4821	4713	4442	4104	2233	2167
INTEREST	3871	4234	4993	5234	5146	4631	3971	4154	1565	1336
PROFIT BEFORE TAX	12356	14273	11603	14077	8023	5422	9903	15367	11490	13795
PROFIT AFTER TAX	8222	8951	7655	9335	5037	3449	6524	10605	7874	9076
OTHER COMPREHENSIVE INCOME	517	-291	-869	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	8739	8660	6786	-	-	-	-	-	-	-
EARNINGS PER SHARE (Rs.)*	6.38	6.94	5.94	7.24	3.84	2.54	4.89	8.01	5.89	69.70
BOOK VALUE PER SHARE (Rs.)*	62.88	57.11	52.40	47.14	41.26	38.57	37.91	37.38	33.33	269.38
DIVIDEND ON EQUITY (%)	100	100	200	100	75	10	100	150	100	100
DEBT EQUITY RATIO	0.73	0.76	0.76	0.78	0.60	0.60	0.39	0.38	0.53	0.42

* 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.

Figures for FY 2016-17 have been restated in accordance with implementation of Indian Accounting Standards w.e.f. 01.04.2017.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. V.L. DUTT
Executive Chairman

Dr. V.L. INDIRA DUTT
Managing Director

Smt. V KAVITHA DUTT
Joint Managing Director

INDEPENDENT DIRECTORS

Sri. O. SWAMINATHA REDDY

Sri. V.H. RAMAKRISHNAN

Sri. VIJAY SANKAR

Sri. P.S. KUMAR

Sri. M. NARASIMHAPPA

CHIEF FINANCIAL OFFICER

Sri. G.N. MURTY

COMPANY SECRETARY

Sri. Y. VIJAYA KUMAR

AUDITORS

M/s. K.S. RAO & CO
Chartered Accountants,
Flat No. 601A, Golden Green Apartments
Irrummangil Colony, Hyderabad - 500082.

INTERNAL AUDITORS

M/s. SRIRAMAMURTHY & CO
Visakhapatnam

M/s. M. BHASKARA RAO & CO
Hyderabad

REGISTERED AND CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s INTEGRATED REGISTRY MANAGEMENT SERVICES PVT. LTD.
II Floor "Kences Towers" No.1 Ramakrishna Street North Usman Road,
T. Nagar, Chennai - 600 017 Ph: 28140801/803 Fax: 281424790
yuvraj@integratedindia.in, www.integratedindia.in

CEMENT PLANTS

Macherla - 522426
Guntur District, Andhra Pradesh
Muktyala - 521457
Krishna District, Andhra Pradesh

HYDEL POWER PLANT

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

WASTE HEAT RECOVERY PLANT

Macherla, Guntur District, AP

THERMAL POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

HOTEL

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

BOARD COMMITTEES & CONSTITUTION

AUDIT COMMITTEE

Sri. P.S. Kumar
Sri. Vijay Sankar,
Sri. M. Narasimhappa,

Sri. V.H. Ramakrishnan
Sri. O. Swaminatha Reddy
Smt. V Kavitha Dutt

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri. P.S. Kumar
Sri. Vijay Sankar,
Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan
Sri. O. Swaminatha Reddy

NOMINATION AND REMUNERATION COMMITTEE

Sri. V.H. Ramakrishnan
Sri. Vijay Sankar
Sri. M. Narasimhappa

Sri. O. Swaminatha Reddy
Sri. P.S. Kumar
Dr. V.L. Dutt

RISK MANAGEMENT COMMITTEE

Smt. V Kavitha Dutt
Sri. P.S. Kumar,
Dr. A.V. Sivarama Prasad
Sri. B.V. P.S. Chowdary

Dr. V.L. Indira Dutt
Sri. Vijay Sankar
Sri. G.N. Murty
Sri. K. Ramakrishna

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. V.L. Indira Dutt,
Sri. P.S. Kumar

Smt. V Kavitha Dutt
Sri. Vijay Sankar,

INNOVATION AND BEST PRACTICES COMMITTEE

Sri. M. Narasimhappa
Sri. V.H. Ramakrishnan
Smt. V Kavitha Dutt

Sri. Vijay Sankar
Sri. P.S. Kumar

FINANCE COMMITTEE

Dr. V.L. Dutt,
Smt. V Kavitha Dutt,
Sri. Vijay Sankar

Dr. V.L. Indira Dutt,
Sri. P.S. Kumar.

INVESTMENT COMMITTEE

Sri. O. Swaminatha Reddy
Sri. Vijay Sankar
Sri. M. Narasimhappa

Sri. V.H. Ramakrishnan
Sri. P.S. Kumar

COST AUDITORS

M/s. NARASIMHAMURTHY & CO
Cost Accountants, Hyderabad

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

SECRETARIAL AUDITOR

Smt. SOBANA PRANESH
Company secretary in Practice
Chennai.

BANKERS

BANK OF BARODA **BANK OF INDIA**
CANARA BANK **HDFC BANK LTD**
INDIAN OVERSEAS BANK **STATE BANK OF INDIA**
IDFC FIRST BANK LTD.

HEAVY ENGINEERING

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

SOLAR POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

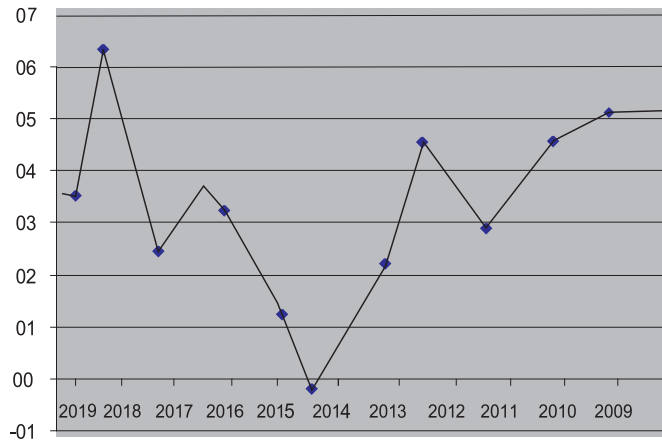
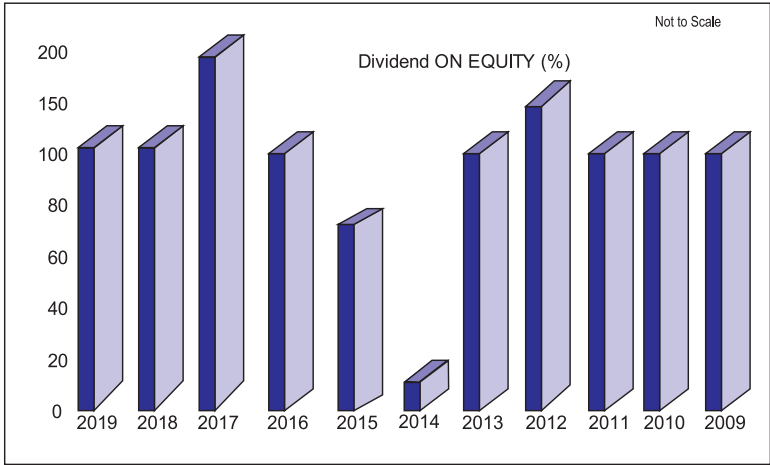
WIND MILLS

Uthumalai Village, Tirunelveli District, Tamilnadu

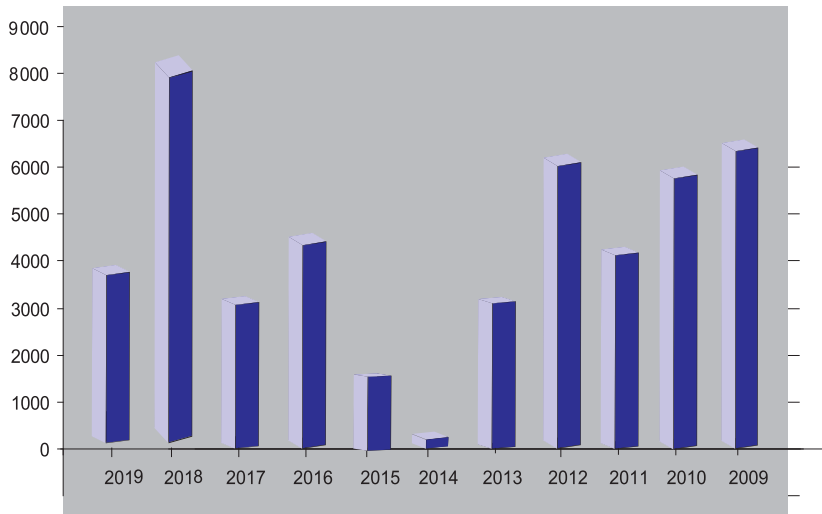
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At a Glance



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

From the Executive Chairman

Dear Shareholders,

Leadership is a process of influencing the probability of achieving a desired change through human relationships.” - P Semark

As you are very well aware, despite several structural reforms brought in by the Government, the growth in the economy of the country, as denoted by the GDP growth rate, decelerated to 5 year low of 6.8% in Financial Year (FY) 2019. We are passing through critical period of course corrections.

Now that, the elections are over and stable governments are in place, renewed action on economic front is awaited. Launch pad is set for taking economic reform process further and move faster for sustainable and inclusive development.

The government is facing slowing economy, partly due to declining private consumption, pressure on fiscal deficit, a few issues on labour laws, unemployment rates, farm distress, global headwinds etc.

Government need to act fast on measures aimed at booster dose for government and private sector spending, cheaper rates of financing, resolving issues related to household savings, and investments etc. Government may look at corporate income tax rates including that of MAT. Some of these issues were addressed in recent Budget 2019. The proposed lower corporate tax of 25 percent will be definitely a boost to the Corporate Sector .

The cement sector witnessed another year of strong domestic demand across regions supported by infrastructure projects and affordable housing. On financial front, cement has not done well in FY 2019 compared to FY 2018. Cement industry, especially in South was reeling under excess supply compared to demand. Prices were under pressure, especially on the back of weaker economic growth, unstable monsoons, national elections etc.

The cement sector witnessed another year of strong domestic demand across regions supported by infrastructure projects and affordable housing.

The flagship business segment of your company also suffered due to slump in demand and the realizations. Though the year started reasonably well considering the weaker growth scenario, the realization went southwards as the year progressed. However, the silver lining was, the prices started improving in the middle of last quarter.

On the cost front, the coal prices during the beginning of the year were on higher level. However, the coal started decoupling from oil and the forecast rally did not take place. Port restriction in China and warmer weather in Europe and high stock levels, kept a bearish tone for coal. The cost of power thus reduced during the last quarter of FY 2019.

On volumes, the cement segment could partially offset the reduced realizations and cost pressures, by selling 12% more quantity, year on year. Power costs could be lower if bearish tone of international coal prices continue.

To sustain the profitability of operations in cement, KCP not only focuses on output volume but also on product quality, plant efficiency and process optimization. KCP is a pioneer in introducing highly automated robotic technology for quality testing of the product.

Dear shareholders, you will be pleased to know that our brown field expansion of the cement capacity by 1.5 million tons at Muktyala in Andhra Pradesh has been completed and the commercial production started in mid-February of 2019. However, we could not take up the construction of the envisaged Railway siding, considering the cost benefit analysis. This would be considered at an opportune time in future.



To reduce the costs of transportation, we are planning to set up a few grinding units nearer to markets and away from mother plant. One such unit at Naidupeta in Andhra Pradesh is being pursued.

The proposals in Union budget, 2019 reflected the renewed thrust on infrastructure development through the construction of roads, metro rail projects, airports renovation, irrigation projects and the extended incentives to 'Jal Jeevan Mission' Housing schemes, could help in enhancing the demand for cement.

Coming to our Engineering Segment, the unit in Chennai, made some improvement in its bottom line with the aid of improved order book position. But margin challenges continue. With a healthy order book in hand, the Unit is expected to further improve in FY 2020.

On sugar front, the season 2018/19 started with the lowest sugar prices in the last four to five years. Spike in production and exports from India and Thailand together with tepid consumption growth has led to the sugar prices in July-August 2018. Dipping to the lowest levels since September 2015. With continued expectations of global surplus and bumper production in India and Thailand (albeit at a lower than anticipated level) in the upcoming season, weather and production prospects in Brazil and pace of exports from India and Thailand are likely to be the main drivers of global sugar prices in the medium term. The Vietnam Sugar Subsidiary of your Company, registered higher volume of sales despite fall in production quantities.

The power segment performed reasonably well with the hydel unit generating good quantum of power though not the best due to not so good monsoons. The way forward for power segment is to focus on renewable energy and tapping of waste heat to generate power at low cost. The company would look at these initiatives at appropriate time in future.

Our strategy is simple. First, we strive to operate our business with a sharp focus on safety, producing profitable volumes and pursuing sustainable cost improvements. To this end the company has been striving to introduce new operating models to strengthen our internal capabilities.

Second, we seek to create further value to our stakeholders by developing the opportunities embedded in our existing operations which represent the most attractive options.

At a time when the world is wrestling with problems like climate change and socioeconomic inequities, we, as responsible corporate citizens should play our part in shaping favourable outcomes by aligning the interests of the organization with those of all our stakeholders including communities in the vicinity of our facilities through our sustainability initiatives and safety measures.

I would like to thank our employees as well as our extended partners, including dealers, suppliers and other stakeholders for their unstinted support and commitment.

On behalf of the Board of Directors of the company, I thank you for your continued trust, confidence and support.

V.L.Dutt

Board of Directors



Dr. V.L. Dutt
DIN: 00143013
Executive Chairman

Dr. V. L. Dutt is a Business Management Graduate from B.I.M, London. He serves as the Executive Chairman of the Company.

He has guided the company for over 40 years, during which period it has grown from strength to strength in turnover, profits and dividends all of which have had steady increase in infusing confidence in all stakeholders including banks, shareholders, customers etc. He has steered the company towards enhancing and optimising capacities in its manufacturing plants and has forged strategic initiatives by way of strategic joint ventures with global leaders in a professional manner to build profitable and sustainable global relationships.

He served as an Administrative Director of V. Ramakrishna Sons Private Limited for 12 years. He serves as Chairman of the Board of Fives Cail - KCP Limited and KCP Vietnam Industries Limited.

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

Presently, he also serves as a Director of Velagapudi Foundation and V Ramakrishna Sons Private Limited. He is the Honorary Consul for Turkey in Chennai.

Dr. Dutt is the Chairman of Finance Committee and member of Nomination and Remuneration Committee of the company.



Dr. V.L. Indira Dutt
DIN: 00139883
Managing Director

Dr. V. L. Indira Dutt, has a B.A (Economics) from Madras University and serves as Managing Director of the Company.

She has over 20 years of experience and has ably supported the Executive Chairman in the strategic planning & direction of the operations of the company and has personally contributed towards the growth and operations of the Cement Plants at Macherla and Muktyala.

Presently, she serves as Director of Fives Cail - KCP Limited, Velagapudi Foundation, KCP Vietnam Industries Limited and V. Ramakrishna Sons Private Limited. She is the President of the World Telugu Federation (WTF) and Chairperson of Andhra Chamber of Commerce.

Dr.V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee and member of the Finance Committee and Risk Management Committees of the company.



Smt. V Kavitha Dutt
DIN: 00139274
Joint Managing Director

Smt. V Kavitha Dutt is the Joint Managing Director of the company. She is a graduate in Business Management (BBA) with specialization in International Business from Cedar Crest College, Allentown, Pennsylvania. She also holds a Post-Graduate Diploma in Human Resources from New York University (NYU), New York.

She has over 15 years experience and has significantly contributed at all levels of management, including in particular overseeing new projects, financial and human resources management, besides steering budgetary policies and review procedures for effective monitoring and follow up.

Presently, she serves as Director on the Boards of DCM Shriram Industries Limited, Apollo Hospitals Enterprise Limited, ABI Showatech (India) Limited, V Ramakrishna Sons Private Limited, KCP Vietnam Industries Limited, Velagapudi Foundation and Chennai Willington Corporate Foundation.

She is a Member of Young Presidents' Organization, (YPO). She was the President of FICCI Ladies Organization (FLO).

She is the Vice Chairman of SCWEC, India, the President of Madras Management Association (MMA) and also the Vice President of World Telugu Federation (WTF).

Smt. V Kavitha Dutt is the Chairperson of the Risk Management Committee and member of the Audit Committee, Corporate Social Responsibility Committee, Finance committee and Innovation and Best Practices Committees of the company.



Sri. O. Swaminatha Reddy
DIN: 00006391
Independent Director

Sri. O. Swaminatha Reddy, a Commerce graduate and fellow member of The Institute of Chartered Accountants of India, is the former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC. He has rich experience of almost four decades and has been guiding the Company in the areas of Financial Decision Making and Management Policies.

He presently serves as Chairman of the Boards of Sagar Cements Limited, Sagar Power Limited and as a Director of Surana Solar Limited, Surana Ventures Limited, and Sagar Cements (R) Limited.

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



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

Sri.V.H. Ramakrishnan is a Chartered Accountant and a Cost Accountant. He has extensive banking experience for more than 35 years in both Domestic and International Banking.

He served as a General Manager of Bank of India and as a Director of Andhra Bank. He serves as a member of the Group of Advisers of Shriram Group of Companies.

He served as a Director of Hindustan Photo Films Manufacturing Company Limited, Canara Bank Securities Ltd and Canara Robeco Asset Management Company Limited.

He serves as Director on the Boards of Sagar Cements Limited and Sagar Cements (R) Limited.

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



Sri. M. Narasimhappa
DIN: 03319847
Independent Director

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

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

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



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

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

He served as the President of Andhra Chamber of Commerce, Chennai and is a Member of the Executive Committee of the International Chamber of Commerce (Indian Branch), New Delhi and Sub-committee for Corporate Laws and Legal Affairs of FICCI, New Delhi and serves as member of the Executive committee of Andhra Chamber of Commerce, Chennai.

He was a Director on the Board of Rane Brakelining Limited and Brahmayya Consultants Private Limited.

Sri.P.S. Kumar serves as an Independent Director and Chairman of the Audit Committee, Stakeholders relationship Committee and a member of Investment Committee, Nomination and Remuneration Committee, Innovation and Best Practices Committee, Finance Committee, Risk Management committee, Corporate Social Responsibility Committees of the Company.



Sri. Vijay Sankar
DIN: 00007875
Independent Director

Sri Vijay Sankar holds a Masters in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, USA, is also a qualified Chartered Accountant. Vijay earned his Bachelor of Commerce degree from Loyola College in Chennai, India.

He is the Deputy Chairman of The Sanmar Group.

Sri Vijay Sankar is also an Independent Director on the Boards of Oriental Hotels Limited, Kaveri Retreats & Resorts Ltd. and Transport Corporation of India Limited. He serves as President of the Indian Chemical Council and as Vice President of the Tamil Nadu Tennis Association.

Vijay Sankar is the Honorary Consul General of Denmark in Chennai with jurisdiction over the States of Tamil Nadu, Andhra Pradesh, Telangana, Kerala, Karnataka and the Union Territory of Puducherry.

Corporate Social Responsibility

At KCP Corporate Social Responsibility (CSR) is a business model that enables the company to be socially accountable to the society and stakeholders, the company considers social development as an important aspect of its operations.

The company has aligned its CSR thrust areas in line with the requirements of Schedule VI of the Companies Act, 2013 and Rules made thereunder. Our focus areas for CSR activities have been broadly the Health, Education, infrastructure development, environment protection, women empowerment and Employment enhancement through skill development programmes.

During the year the company has organized medical camps, immunization programs, sanitization programs, education and infrastructure development programmes, plantation drives, water conservation programs, industrial training programs and the details of various CSR initiatives and programs of the company are given below:



Education

The company primarily focuses on education programs to assist economically and socially disadvantaged communities and their children studying in government schools.

The company equipped government schools with basic infrastructure like seating arrangements, water and sanitation facilities, provided scholarship to students from schools in the vicinity of our operations to pursue their dream of better education and also distributed stationeries, books, uniforms, school bags, etc. amongst the students studying in Govt. Schools in the Macherla town and Surrounding Villages like Mandadi, Terala and Polepalli of Macherla of Macherla mandal.

The KCP Limited is organizing Annual Day Celebrations every year in Schools in Muktyala and Prizes are also being distributed to the students, the company provides Transport

facility to the students of Muktyala for attending schools in Jaggayyapeta town for higher education.

The company supports the efforts of the government in digitalisation of schools and provided KIDS patasala, Macherla with devices like laptops, Printer, Projector and these devices are aiding them in the teaching process while also helping them understand how students learn and how to enhance their learning process.

KCP has developed the playgrounds, volley ball court and constructed four class

rooms for the benefit of girl students at ZP High scholl, Veldurthy village and has also constructed compound wall at M.P.Primary School Terala village of Macherla, Mandal.

The company has constructed new Pre Primary Sections in ZP High school in Muktyala and also provided financial assistance and infrastructure ro the school for running English medium sections and has constructed additional Building in the school to accommodate more students.

Health



KCP provides primary health care services to local communities and organizes health camps or doctor's visits in the nearby villages for medical check-ups, our health initiative covers both preventive and curative health programmes.

During the year in association with PSR Anjaneyulu Meenaskhi Vision Centre, Macherla, we have organized Free Eye camp and treated 300 people, performed 50 intraocular operations, distributed medicines and spectacles to the patients.

KCP has organized Free Medical Camp for Women by Specialist Doctors from Ramesh Hospitals, Guntur. They have conducted various tests relating to like B.P, Sugar,

ECG, Echo, PFT and 600 Women were treated and the company has distributed Free Medicines.

Women Empowerment and Skill Development programmes:



KCP has associated with VR Polytechnic college, Tiruvottiyur as training partner and conducted skill development programmes for the un employed youth. Over 50 members enrolled for the programmes in Office automation, Multimedia, Graphic designing etc. and provided with certificates on completion of training, the VR Polytechnic college also ensures that the trained youth are appropriately placed.

The company also encourages women to form Self Help Groups (SHGs) in the communities around its plant locations. Members of the SHGs were trained in capacity-building, various individual crafts, marketing skills, teamwork and other relevant aspects.

KCP promotes various small enterprises such as pickle making, incense stick making and tailoring etc through this Self Help Groups (SHGs) comprising primarily of women from the villages in our areas of operation which has benefited a large number of women and helped them earn their living. KCP has also organized close to 40 workshops and training for capacity building and strengthening of the SHGs.

Infrastructure

KCP is committed towards better infrastructure in villages around our areas of operation and our CSR initiative includes repairing of roads, construction of community halls, rest places, installation of LED lights and providing accessibility to safe drinking water.

we have installed Reverse Osmosis plants at several villages including one in Muktyala and individual toilets and sanitation facilities are also set-up at girls schools at villages near Macherla.



As a part of Promoting Animal Welfare, The KCP Limited has constructed Veterinary Hospital in Muktyala Village and at the request of police department, Macherla the company has arranged the Road Safety signs and Traffic Boards to prevent Road accidents in Macherla town.

Environment Protection

Under its environmental CSR initiatives, KCP has been undertaking steps in all its offices like prohibiting the use of paper cups, saving paper by setting 'printing on both sides' as a default on printers, ensuring desktops hibernate, initiating internal campaigns to save water, power and paper wastages.

The KCP Limited has distributed environment friendly plants to each household in Muktyala village for development of green belt in the village and advised the villagers to safeguard the plant and has planted 4000 Saplings in Terala Village.



In order to keep the village clean and green the company has organized solid household waste management programme in Muktyala and distributed dust bins for collecting wet and dry waste and the waste collected will be converted into bio fertilizer in a systematic process and to promote a hygiene and environmental health through prevention of open defecation and to reduce incidence of waterborne diseases, the company supported the villagers to construct household toilets in Muktyala village.

Directors' Report

Your Directors take pleasure in presenting their 78th Annual Report of the company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

1. Financial Results:

Rs. in Lakhs

Particulars	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	Stand Alone		Consolidated (GROUP)	
Revenue from Operations	114,117	105,208	166,057	151,251
Profit for the year (PBDIT)	14,054	19,669	23,789	25,558
Less: a) Interest and Finance charges	3,381	3,529	3,871	4,234
b) Depreciation	5,193	4,903	7,562	7,051
Profit before Tax	5,480	11,237	12,357	14,273
Tax Expense	1,529	3,110	1,529	3,112
Profit for the Year	3,951	8,127	10,828	11,161
Add : Share of Profit from Joint Vecture			157	105
Less : Non-Controlling Share of Profit			2,762	2,315
Profit / (Loss) after Non controlling interest	3,951	8,127	8,222	8,952
Other Comprehensive Income (OCI)	-207	-27	928	-363
Add : Share of OCI from Joint Venture			-29	-30
Less : Non-Controlling Share of OCI			382	-102
OCI after Non controlling share	-207	-27	517	-291
Total Comprehensive Income (TCI)	3,745	8,100	11,884	10,873
Less : Non-Controlling Share of TCI			3,144	2,213
Total Comprehensive income after minority interest	3,745	8,100	8,739	8,661

2. Indian Accounting Standards (IND AS)

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

3. Dividend

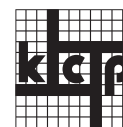
The Board has recommended for the approval of the shareholders at the ensuing Annual general Meeting a dividend of Re 1/- per share (100% on paid-up share capital).

4. Transfer to Reserves

The company has not transferred any amount to the reserves for the year ended March 31, 2019.

5. Share Capital

The paid up Equity Share Capital as on March 31, 2019 is Rs.12,89,21,160 During the year, the Company has not issued any shares or convertible securities. The Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.



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

6. Credit Rating

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

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

7. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2019 was Rs.8696.49 lacs as compared to the amount of Rs.8740.48 lacs as on 31-3-2018. As on 31st March, 2019, Fixed Deposits matured and remained unclaimed were Rs.426.25 lacs from 296 depositors. As on the date of this report, Fixed Deposits relating to 73 Depositors amounting to Rs.129.51 lacs have been renewed and Fixed Deposits of Rs.95.89 lacs of 18 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 125 of the Companies Act, 2013, 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. 1.62 Laksh towards unclaimed deposits and Rs. 2.1 Lakhs towards Stale cheque unclaimed on deposits has been transferred to the IEPF.

8. Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the Notes to Financial Statements.

9. Management Discussion & Analysis report:

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis forms part of this Report and 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 this report.

10. Line 2 Expansion of Brown field cement project, Muktyala:

The Company has commenced the operation of Brown Field Cement Project at Muktyala and the details are provided in Management discussion and Analysis

11. Particulars of Contracts or Arrangements with Related Parties:

The Company has developed a Policy on Related Party Transactions and all transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the Executive Chairman and the CFO.

The details of contracts or arrangements entered with the related parties along with the Justification is provided in Form AOC 2 as **Annexure- 6** of this report.

There were no materially significant related party transactions with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company.

Mr. Ravi Chitturi, appointed as Chief Operating Officer of engineering unit has not joined during the year ended 31st March, 2019 due to his preoccupation.

No whole time Director or Managing Director of the company is in receipt of any salary or Commission from Subsidiary company in terms of Section 197(4) of the Companies Act, 2013.

12. Corporate Social Responsibility (CSR)

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

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at www.kcp.co.in.

The Company's CSR Policy as stated earlier is in alignment with the requirements of the Act. The CSR Policy Statement and Report on the activities undertaken during the year is annexed to the Board's Report as **Annexure '3'**.

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

13. Risk Management

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the organization at various levels, including documentation and reporting.

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

Raw Materials: Limestone being one of the primary raw materials used in the manufacture of cement, it is imperative for the Company to ensure its uninterrupted long-term availability.

As per the Mines and Minerals (Development & Regulation) Amendment Act 2015 (MMDR), mining leases granted before the commencement of the Act, for captive use are available to the Company till the completion of their existing period of lease. Going forward the new mining leases will be allotted for a period of fifty years through fresh auctions.

To address the risks of raw material availability, the Company has taken various measures to augment resources by initiating the process for participating in auctions with a view to securing new mining leases for its existing plants as well as for its expansions at different locations, bearing in mind that limestone is a gradually depleting natural resources.

Cyber Security: With increased reliance on IT systems and the widespread usage of internet for doing business there is a constant threat to the Company's sensitive data assets being exposed to unethical hacking and misuse. The ramifications from cyber-attacks may not only be confined to mere loss of data but may also result in business and reputation loss.

The Indian Government having recognized the cyber risks, has also introduced tighter Cyber Security laws.

Responsibilities have been entrusted to the Directors of the Company under the Companies Act, 2013 to take appropriate steps to ensure cyber security.

The Company's cyber security management framework aligns with industry standards and regulations.

The Company has adequate processes and systems in place to review on a regular basis the cyber security risks.

Legal Risks: The risks arising out of pending legal cases are reviewed on a regular basis by the Board from the perspective of probability of imposition of heavy penalty or receiving adverse orders which could have a high financial and/or reputational impact on the Company.

All-important cases are closely monitored by the Company and a broad strategy is outlined for effective management of litigation related risks..

Financial risk:

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

Regarding Capital Management, the Company regularly considers alternative financing opportunity to diversify its debts profile, reduce interest costs and align maturity profile of its debt commensurate with life of the assets and closely monitors its judicious allocations among competing capital expansion projects to capture market opportunities at minimum risk.

Competition Risks:

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

The Risk Management Committee of the Board was appraised of steps taken to mitigate the above said risks.

Risks, Concerns and Threats

The Company has formulated a Risk Management Policy, which is available on company website www.kcp.co.in.

14. Internal controls system and their adequacy

The internal financial controls within the Company are commensurate with the size, scale and complexity of

its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors and the Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, and timely preparation of reliable financial disclosures.

15. Vigil mechanism / Whistle blower policy

We have over the years established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behaviour. Whistle blower policy is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy. Details of the Whistle blower policy have been disclosed on its Company's website www.kcp.co.in.

16. Subsidiary, Associate and Joint venture companies **Joint venture**

Our company has a joint venture company Fives Cail KCP Limited.

Subsidiary Company:

Your Company does not have any Indian Subsidiary company.

KCP Vietnam Industries Limited, Vietnam is the material subsidiary as per the thresholds laid down under the SEBI Listing Regulations.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the SEBI Listing Regulations as amended and the Policy has been uploaded on the Company's website. www.kcp.co.in.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Ind -AS 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiary.

In terms of provisions of Section 136 of the Companies Act, 2013, separate audited accounts of the subsidiary

companies shall be available on its website at www.kcp.co.in. The Company will make available physical copies of these documents upon request by any shareholder of the Company interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing Annual General Meeting (AGM).

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

There is no material change in the nature of the business of the subsidiary. A statement containing brief financial details of the subsidiary and Joint venture company is included in the Annual Report in Form AOC 1 as **Annexure 5**.

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

17. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as Annexure '4' which forms an integral part of this Report and Form MGT 7 is also available on the Company's website viz. www.kcp.co.in.

18. Human resources / industrial relations

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

- a) Employee Engagement - Company enjoys high engagement levels from its employees which is reflected in its consistently improving performance. Company continuously aims to enhance the engagement levels of its people by ensuring that its business practices are in alignment with the holistic growth and development of its people which drives them to be actively engaged with the Company.
- b) Talent Management - Company is continuously working on strengthening and building talent in its Human Resources management team for supporting its growth.
- c) Work Environment - Company provides a congenial work atmosphere where every employee enjoys his work and It works on creating people practices which makes it the best place to work for everyone.
- d) Occupational Health & Safety

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the

Company, it has identified occupational Health & Safety as one of its focus areas. Various training programmes have been conducted at the plants.

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

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

Industrial Relations

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

19. Sustainability

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

20. Report under the Prevention of Sexual Harassment Act

Pursuant to the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace, All women, permanent, temporary or contractual including those of service providers are covered under the policy and an Internal Complaints committee has been formed to redress the complaints. There were no complaints reported during the year.

21. Directors and KMP

Sri.V.Gandhi, Technical director of the company has retired from the services of the company and resigned as Technical Director of the company with effect from 1st April, 2019.

As per the provisions of section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Dr. V.L. Dutt, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment and the requisite details in this connection is contained in the notice convening the meeting and the Corporate Governance Report.

Sri. O. Swaminatha Reddy, Independent Director of the company has conveyed his intention not to seek re-appointment for second term.

Nomination and Remuneration committee has recommended for the re-appointment of Sri. V.H. Ramakrishnan, Sri. Vijay Sankar, Sri. P.S. Kumar and Sri. M. Narasimhappa as independent directors of the company for second term of 5 consecutive years.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and also comply with Regulations 16 and 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for reappointment.

A brief resume of the Director proposed to be re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, committee memberships/ chairmanships, their shareholding in the company etc., are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting of the company (AGM).

The Directors recommend their re-appointments at the ensuing AGM.

22. Disclosure on Audit Committee

The Audit Committee as on March 31, 2019 comprises of the following Directors:

Sri.O.Swamintha Reddy (Chairman upto 28.05.2019), Smt. V. Kavitha Dutt, Joint Managing Director, Sri V.H. Ramakrishnan, Sri. Vijay Sankar, Sri. P.S. Kumar (Chairman from 29.05.2019) and Sri. M. Narasimhappa are members of the committee.

All recommendations of Audit Committee were accepted by the Board of Directors.

23. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

24. Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. K.S. Rao & Company Chartered Accountants, (Firm Registration No.003109S) Hyderabad have been appointed as Statutory Auditors of the Company

for a term of five consecutive years, to hold office from the conclusion of the 74th Annual General Meeting until the conclusion of 79th Annual General Meeting of the Company on such remuneration as may be decided by the Board on the recommendations of Audit Committee of the Company.

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act 2017 notified on May 7, 2018.

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

25. Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and M/s Mahadevan & Co, Chennai as the Cost Auditors for the Cement and Engineering units for the year 2018-19 were re-appointed as Cost Auditors for the financial year 2019-20 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2017-18 of M/s Narsimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within the due date.

26. Secretarial Auditors and their Report

As required under Section 204 of the Companies Act, 2013 and Rules Thereunder, the Board has appointed Mrs. Sobana Pranesh, Practising Company Secretary as Secretarial Auditor of the Company for financial year 2019-2020.

The Secretarial Audit Report submitted by her in the prescribed form MR- 3 is attached as `Annexure- 7` to this Report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2018-19.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 and rules made there under.

27. Policy on Directors' Appointment and Remuneration and Other Details

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the Policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, KMP the Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are available on the Company's website at <http://www.kcp.co.in/investors/Policies-Codes>

28. Policy on Directors' appointment and Policy on remuneration

The Board shall have minimum 6 and maximum 14 directors, unless otherwise approved. The Company shall have such person on the Board who complies with the requirements of the Companies Act, 2013, SEBI Regulations, Memorandum of Association and Articles of Association of the Company.

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

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

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

The Executive Chairman, Managing Director, Joint Managing Director, Company Secretary and Chief Financial

Officer shall be the Key Managerial Personnel (KMPs) of the Company.

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

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

29. Familiarization program for independent Directors:

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate Governance Report. Further, at the time of the appointment of an independent director, the Company issued a formal letter of appointment outlining his role, function, duties and responsibilities. The format of the letter of appointment is available on the website. www.kcp.co.in.

30. Board Evaluation

In accordance with the Companies Act, 2013 and Listing Regulations, the Board has carried out evaluation of its own performance, the performance of Committees of the Board and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been given in the Corporate Governance Report.

31. Number of Meetings of the Board

5 (Five) Meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report.

32. Corporate Governance

The report on corporate governance along with a certificate from the Statutory Auditors as required under the Listing Regulations is annexed to this Report. The report also contains the details required to be provided on the board evaluation, remuneration policy, implementation of a risk management policy, whistleblower policy /vigil mechanism etc.

The Executive chairman and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) read with Schedule II of Part B of the Listing Regulations.

33. Transfer to the Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit,

Transfer and Refund) Rules, 2016 ("the Rules") all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at <http://www.kcp.co.in/investor/Unpaid-Unclaimed-Dividend>.

34. Particulars of Employees

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

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

Name of the Director	Director remuneration (Rs. Lakhs)	Median employee's remuneration (Rs. Lakhs)	Ratio
Dr.V.L. Dutt - Executive chairman	242.49	5.00	48:1
Dr.V.L. Indira Dutt - MD	181.87	5.00	36:1
Smt. V. Kavitha Dutt - JMD	147.31	5.00	29:1
Sri.V.Gandhi - TD	145.19	5.00	29:1

b) The percentage increase/ (decrease) in the median remuneration of employees in the Financial Year: **(8.16)**

c) The number of permanent employees (Management staff) on the rolls of company: **554**

d) If remuneration is as per the remuneration policy of the company: **Yes**

35. Significant and Material orders passed by the Regulators or Courts

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

Particulars regarding Conservation of Energy, Technology absorption and Foreign exchange earnings and outgo.

36. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure- 2** to this Report.

37. Other Disclosures

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 1** and forms an intergral part of this annual report.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the Equity Shares of the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

38. Director's Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

(i) that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

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

(vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board of Directors wishes to place on record their gratitude to the Central Government, State Governments, Company's Bankers, Customers, dealers and other business associates for the assistance, co- operation and encouragement they extended to the Company.

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

For and on behalf of the Board of Directors

(V.L. DUTT)

Executive Chairman

Place: Chennai

Date: 29th May, 2019

Management Discussion and Analysis

Economic and industry overview

Global economy:

In year 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)).

During the second half of year 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during year 2018. However, it's important to note that India's economy expanded at 7.1% in year 2018 vis-à-vis 6.7% in year 2017.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Indian economy

India's GDP is estimated to have increased 6.8 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

The interim Union Budget for 2019-20 was announced by Union Minister for Finance, focuses on supporting the needy farmers, economically less privileged, workers in the unorganized sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Prime Minister of India launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors.

The Government of India is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India's gross domestic product (GDP) is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable

demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to one research report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report

Cement Industry in India

The prospects of the cement industry in India seem to be mixed with their fair share of positives and negatives in 2019.

Cement companies have been grappling with the repercussions of rising crude oil prices and the hike in raw material costs. The balance sheets have been under stress with the potential of generating negative cash flows owing to ongoing expansion and cement being taxed at 28 per cent GST.

On a positive side, the ramifications of these headwinds are likely to be offset to an extent as the costs are declining and prices are picking up. In February 2019, cement prices increased compared to the previous month. This helped the cement industry to boost operating profitability of manufacturers.

While there is still no clarity as to whether these prices can be sustained in upcoming quarters, the demand momentum seems to be positive, particularly in the light of the elections and a government in place.

The major growth drivers for the cement industry include the government's focus on the infrastructure and housing sectors. The government emphasis on railways and ports will also scale up the demand for cement

In the financial year 2019, cement prices had been sedate despite healthy demand growth of about 12-13%.

The increase in prices during the quarter 4 of 2019 and declining fuel prices might bring some relief to the limping bottom lines of cement companies, who reported alarmingly diminished margins and bottom lines.

Demand is expected to moderate in fiscal 2020 as impact of low base is expected to wane.

KCP's Segments' Performance

A. Cement:

Though the company could post a volume growth of about 12% in line with the industry average, on price front the growth was negative overall. The negative growth would

have been more pronounced but for some spurt in cement prices in last two months of the fiscal.

The coal & fuel prices started going southwards toward the second half of the fiscal 2019, thereby reflecting in marginal reduction of costs in the last quarter of the year.

The benefit of cement prices hike and reduction in coal prices accrued towards the last quarter of the financial year.

The company successfully commissioned in Feb 2019, the brown field expansion of cement plant at our Muktyala site. However certain facilities like Packing plant, fly ash silo are under advanced stage of completion and would be commissioned in the first half of 2019-20. The operating parameters of the new equipment are satisfactory.

The company is adopting suitable strategies to enlarge markets, away from current areas, by setting up split grinding units nearer to such markets. This would help in optimizing the utilization of enhanced capacities.

The performance of cement segment is as under during the year 2018-19:-

Particulars (Amounts are in Rs. lakhs)	FY 2018-19	FY 2017-18
Turnover	101785	95506
Segment Profit	4346	11050

B. Engineering:

Engineering is a diverse industry with various segments. A company from this sector can be supplier of equipment to sectors like power, manufacturing, defense, space etc. The balance sheets & bottom lines would be greatly dependent on the mix of the order book from these diverse segments as well as the economic factors affecting these industries including government policies from time to time. Suppliers of equipment are abundant across most of the segments, except for technology intensive executions. Supply of equipments face bottlenecks such as logistics and lack of skilled manpower for manufacture and timely assembly & delivery of equipments. High costs of

C. Power:

The performance of power segment is as follows:-

Details	Thermal Plant		Hydel		Waste Heat Recovery		Windmill		Solar	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Gross Generation -MWH	121276	117175	11984	11174	15149	16203	6882	7863	1610	1743
Segment Profit-in lakhs	(264)	(263)	84	(583)	619	471	240	298	24	38

research & development hinders initiatives for entering into challenging segments.

The players in the country mostly work in traditional areas, adopting known practices. Lack of research in to quality products, encourages flooding of equipment from across the borders. Support from government, through their policies like make in India, is helping the domestic sector to some extent.

The industry also has to invest heavily not only into capital costs but deploy large funds as working capital for shop floor operations. The customers would only extend financial support in the form of small advance at the commencement of the execution. Thus, costs of funding add to the owes of the industry.

KCP's Engineering Unit has a good order book in the financial year 2019 with mix from space, oil & gas, minerals, defense etc.

During the financial year 2019, Engineering could complete a few orders, which could add to the bottom-line. Some of these orders could be completed towards the end of the year, thus, resulting in better performance towards the close of the year. Over all the performance of the unit was much better compared to financial year 2018. The performance this segment is as follows:

Particulars (Figures are in lakhs)	FY 2018-19	FY 2017-18
Turnover	10520	8622
Segment Profit	(293)	(993)

Going forward, with the installation of a government at the centre, it is hoped that the country would be on the path of steady growth and with the policies supporting domestic industries, it is expected that the engineering goods would see demand pick up. Further, with the enhancement of pollution norms, it is expected that demand from oil & gas industry would add to the demand.

Thermal Power Plant:

Thermal power plant had to face continued higher prices of coal in the first 9 months of the year. The prices started easing towards the last quarter of the financial year.

The plant operated at 84% plant load factor during the year and meeting the needs of cement plant at Muktyala.

Hydel:

The monsoon started reasonably well in the beginning of the monsoon season compared to late on set during 2017-18. Consequently the generation of hydel units, was better during first 3 quarters of the year. Towards the end of the year the flow of water in to the canal, where KCP generates power, tapered off leading to negligible generation in the last quarter. However, the overall generation in 2018-19 was better than 2017-18, though could have been better had the monsoon been as predicted for 2018-19.

Waste Heat Recovery:

The power at this unit is generated taking waste discharged at Macherla cement unit as input. The Cement plant operated at almost full capacity and hence there is an improvement in the power generated and consequently better financials.

Wind Power & Solar Power:

These units operate on the inputs derived from the Nature. By the very nature of the source, the inputs for generation of power are reasonably certain, unlike Hydel units, which are completely dependent on monsoon/rains. The performance of the Solar & Wind Power units are delivering their standard performance and generating more or less power on lines of earlier years.

D. Hospitality-Hotel

The Indian hospitality industry has emerged as one of the key industries driving the growth of the services sector and thereby the Indian economy. At the close of 2018, the country saw macroeconomic stability owing to a decline in inflation, current account deficit etc. An overall pick up in economic activities, led to a positive impact on the demand for hotels industry in the country.

Going forward, it is expected the industry to register an overall healthy growth in revenue on back of economic growth and consistently growing middle class along with increasing disposable income. There are various other key factors that drive the market, including India's attractiveness as a medical tourism destination; steadily growing Meetings, Incentives, Conferences and Exhibitions (MICE) segment; and an increasing fondness among millennial to travel.

It is also expected that the major markets in the industry to

sustain the average room rates (ARRs) going forward and grow at an average of 3.5-4.5% per annum. Also, it is also expected that the occupancy to inch up to an average of about 68-70% by the end of FY23 compared with 66.6% in FY18. Accordingly, the hotel industry is hoped to see an increase in room revenue.

KCP's Mercure Hotel at Hyderabad, has been improving occupancy levels and enhancing the revenue from Food & Beverages (F&B) also.

The occupancy rates have increased from 48% on 2017-18 to 54% in 2018-19. The revenue from F&B section registered a growth of 17% on FY 2019 over FY 2018. The Average Room Rent (ARR) also improved from Rs.3700 in FY 2018 to Rs. 3784 in FY 2019.

There will be multiple factors that will drive the hospitality industry in 2019. Increased connectivity thanks to the UDAN (Ude Desh Ka Aam Nagrik) scheme by the Government of India and additional flight routes and the launch of operations by airliners to international locations from non-metro and tier 2 towns will drive demand for hotels. Government initiatives like Smart City, Swadesh Darshan, and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD), friendly e-visa schemes and the likes, will also propel business and religious travel.

Having weathered many adverse situations in the past three years, the prevailing sentiment in the Indian hospitality industry is of confidence. The industry stakeholders feel that they will be able to maintain the growth trend in 2019.

E. Subsidiary-**KCP Vietnam Industries Limited: (KCP VIL)**

Company operated with a total crushing capacity of 11,000 TCD (Son Hoa Unit – 10,000 TCD and Dong Xuan Unit – 1,000 TCD). The total cane crushed was 1,143,477 Mts with a recovery rate of 8.66% and the refined sugar produced was 105,232 MTs.

Compared to the previous season, the sugarcane crushed, the quality of the sugar cane and the sugar production are lower. The sugar prices maintained downward trend due to forecast of surplus in the world during 2018, the trend continued in 2019 with the prices dropped further in the international market. Vietnam sugar market followed the trend in the international market.

Son Hoa sugar unit operated at 10,000 TCD capacity with 30 MW Cogeneration Plant to export the power to the national grid.

During the financial year, total power sold to EVN (Electricity of Vietnam) was 96,975 Mwh.

Performance of the subsidiary during FY 2018-19 is as follows:-

Details	2018-19	2017-18
Crushing Capacity (TPD)	11000	11000
Cane Crushed (MTS)	1143477	1215075
Sugar produced (MTS)	105232	114745
Recovery Rate (%)	8.66%	8.71%
Average Sales Realization (Rs/MT)	37507	44715
Turnover (Rs in lakhs)	51984	46152
Profit before tax (Rs in lakhs)	9434	6638

F. Joint Venture

Fivescaillkcp Ltd

During the year under report, Fives Cail KCP Ltd (FCKCP) had higher order intake. Though a larger revenue was expected, a few projects were on hold due to delay in financial tie up, resulting in lesser executable orders.

The total revenue for the year was slightly lower at Rs. 258.7 Crores compared to Rs. 268.3 Crores in the previous year. Domestic market was very active in the incinerator segment and the JV handled about ten boilers during the year across the country. FCKCP is experimenting on advanced version of incinerators that will be introduced into the market in the year 2019/20.

There were no appreciable export order bookings in the year under review. Sugar industry continues to struggle in India, though ethanol production policy has given a ray of hope to the sugar millers. In spite of closure of sizable number of mills and drought in many states, total sugar production in the country increased. This offers some scope for individual equipment for balancing and power and steam optimization. Further, Sulphur less sugar requirement is generating a few back end refining processes for refined sugar production. FCKCP continues to focus on these segments for sugar equipment orders.

G. New Projects:

Cement Expansion:

The brown field expansion project at Muktyala location has been completed except for some minor facilities like packing plant, fly ash silo etc. The project was funded from the loans drawn from State Bank of India and internal generations.

The commercial operations started in the middle of February 2019.

The parameters of the plant are satisfactory and the operations are smooth. With completion of the expansion, the capacity of cement at Muktyala location is now stands at 3.5 Million tons p.a.

Grinding Unit at Naidu Peta:

Consultants have been appointed for developing the design & drawings of the plant. After necessary clearances from pollution control authorities, the construction will be taken up. Financial closure has been obtained with a loan from Canara Bank.

Details of significant changes in key ratios.

There is no change of 25% or more change in key ratios as compared to the previous financial year.

The change in Return on Net Worth as compared to the immediately previous financial year is discussed in detail in this report.

Cautionary Statement:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are as perceived currently. Actual results may differ materially from those expressed in this 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)

Executive Chairman

Place: Chennai

Date: 29th May, 2019

Annexures to the Director's Report

ANNEXURE - 1

**(THIS REPORT FORMS PART OF DIRECTORS' REPORT)
DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013
READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES 2014**

Sl. No.	Employee Name	Designation	Remuneration Received (Rs in Lakhs)	Qualification	Age	Total Experience	Date of Commencement of Employment	Particulars of Previous Employment		
								Organisation	Designation	Period for which last post held
1.	Dr. V.L. Dutt	Executive Chairman (EC)	242.49	Grad. B.I.M.	81	59	3/4/1970	V. Ramakrishna Sons Pvt. Ltd	Administrative Director	12
2.	Dr. V.L. Indira Dutt	Managing Director (MD)	181.86	B.A.	79	23	1/7/1996	-	-	-
3.	Smt. V Kavitha Dutt	Joint Managing Director (JMD)	147.30	Grad. Business Management, PGDHR	48	20	1/10/1999	-	-	-
4.	Sri. V. Gandhi	Technical Director (TD)	145.18	B.E (MET)	70	39	25/01/2006	Fives-call KCP Limited	General Manager	7 years
5.	Dr. A.V. Sivarama Prasad	Executive President (HRD & S)	97.76	B.E-Mechanical Ph.D- Mangmt	59	34	01/12/1997	Tata Consultancy Services	Consultant	10 years
6	Dr. GVK Prasad	Executive President CPU – II (Upto Feb 2019)	103.61	M.Sc-Tech, Ph.D	64	40	08/08/2008	NSBM Ramco Cement Andhra Cements, My home Industries	Head- Operations	29 years
7	Sri. K. Ramakrishna	Executive President –CMU	121.35	B.Sc, PGDMSM	54	39	22/04/1991	Annapurna Cements Ltd	-	10 years
8	Sri. GN Murty	Chief Financial Officer	78.16	ACA, CS, M.B.A., PGDCA	64	39	02/07/2015	RINL, Vizag Steel Plant	Executive Director	35 Years
9	Sri. C. Subbiah	Vice President – Operations	54.30	B.E.-Mechanical	55	31	23/11/2017	L & T Limited	Joint General Manager	24 years
10	Sri. Chowdary BVPS	Senior General Manager	62.44	B.Com, ICWA	51	22	19/12/1997	-	-	-

Notes:

- Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave wages, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
- Nature of employment is Contractual in the case of Whole Time Directors.
- In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division / subsidiary of the Company.
- None of the employees except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt mentioned above is/ are relative of any Director of the Company.
- None of the employee except Dr. V.L. Dutt, Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt owns more than 2% of the outstanding shares of the Company as on March 31, 2017.
- Total experience shown in Column 7 includes service with previous employers.

Annexures to the Director's Report

ANNEXURE - 2

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

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

Energy conservation and efficiency measures were undertaken in various areas of the Cement plants and Captive power plants (CPPs), few highlights are as under:

A. CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy:

Though the KCP Cement Unit - II, Muktyala is the state-of-art energy efficient plant, commissioned in October 2011, actions have been initiated to reduce specific energy consumption as per the following.

Enhanced and operated the kiln at 4800 TPD (Designed Capacity 4000 TPD) clinker production and by optimizing process resulted to reduce both specific fuel & energy consumption per ton of clinker. Also operating all equipments like Raw mill, Coal mill, Kiln & Cooler in Advanced Process Control system (APC) helped to operate the plant as energy efficient and consistent way

As part of energy conservation practice we have taken the following actions for reduction of energy consumption:

Energy conservation measures taken at Cement Unit-II, Muktyala

- Replacement of 30 Nos 150W HPSV lamps with 70 W LED Lights for Plant Street Lights achieved energy savings of 10512 KWH/Yr.
- Replacement of 50 Nos of 28W T5 lamps with 18 W LED Tube for Colony Quarters achieved energy savings of 1095 KWH/YR.
- Replacement of 30 nos of 4X14W T5 Panel lights with 36 W LED panel Lights for Load centre and CCR office Lighting achieved energy savings of 2891 KWH/Yr.
- Replacement of Coal Mill fan motor with high efficiency squirrel cage induction motor in place of slip ring induction motor and achieved energy savings of 36000 KWH/YR.
- Compressed air line separated for Cement Mills 1 & 2 and achieved energy savings are 26400 KWH/YR.
- Installation of open bag filter for fly ash silo-1 and 2 and achieved energy savings of 174240 KWH/YR.
- Removed Cement Mill-3 auxiliary circuit bag filter fan motor and achieved energy savings are 150480 KWH/YR.
- Implemented logic to reduce the cement mill reject belt conveyor running hours from 24 Hrs to 1 Hr running (At the time of starting & stopping of cement mill 20 min running per Hour (3.7KW motor) and achieved energy savings are 15180 KWH/YR.
- Implemented logic to reduce the cement mill reject bucket elevator running hours from 24Hrs to 1 Hr (At the time of starting & stopping of cement mill 20 min running per Hour (22 KW motor) and achieved energy savings are 91080 KWH/YR.
- Removed 553AB3 air slide blower from CM-3 bag house discharge circuit and achieved energy savings are 35640KWH/YR.
- Implemented auto logic to reduce the ideal running hours in the coal mill-2 discharge circuit and achieved energy savings are 5000 KWH/YR.
- Implemented auto logic to reduce the ideal running hours in the coal mill hoppers feed circuit interlock with hopper level and achieved energy savings are 1050 KWH/YR.

Energy conservation measures planned at Cement Unit-II, Muktyala

- Planned to replacement of all conventional lights with LED lights in phased manner.
- **Energy conservation measures planned at cement Unit-I, Macherla**
- Provided Regenerative Braking Unit Panel and Accessories For Unloading Station Main Drive. Which can minimise control panel temperature due to less heat losses (energy saving in an year is 3600 kwh).
- Installed E-Chain Links -Series E4.42, For Eot Crane-1 (expected energy saving in an year is 1000 kwh)
- Installed UPS System Capacity: 100Kva,TMEIC Industrial in place of 25 Years Old UPS, ERR room A/C cooling can be minimised (expected energy saving in an year is 70000 kwh).
- Installed VFD Module Model: CIMR-Ad4A0058Ama Capacity: 55Kw, For Process Water Pump, Jerks in motor and pumps can be controlled as inrush current ids reduced (expected energy saving in an year is 25000 kwh).
- Installed New AC Packaged Units in place of 30 Years old Centralised AC Plant, which Enables to run the AC units as per load requirement as New system is more flexible for maintenance (expected energy saving in an year is 240000 kwh).
- 11 Kv Supply is given from Plant to Mines through underground cable, uninterrupted power supply is ensured.
- 1000 LED Lights installed, which are maintenance free (expected energy saving in an year is 10000 kwh).
- Installed VFD For DM Water Pump for smooth operations (expected energy saving in an year is 2000 kwh) .

(ii) The steps taken by the company for using alternate source of energy:

- Waste Heat Recovery Unit – Macherla
- Hydrel Power Unit – Nekerikallu
- Solar Power Plant – Muktyala
- Wind Mills – Uthumalai (Tamil Nadu)

(iii) The Capital investment on energy conservation equipments: NIL**B. TECHNOLOGY ABSORPTION****(i) The efforts made towards technology absorption:**

The company continues its efforts towards adoption and implementation of new technologies by Identifying alternate fuels, utilizing waste material, adopting newer technologies, improving product quality with improved process and optimizing available resources.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

- Energy Conservation
- Conservation of natural resources
- Utilization of waste and environment conservation
- Improvement in equipment efficiency and productivity
- Cost reduction

C. EXPENDITURE ON R & D

(Rs. Lakhs)

Particulars	FY 2018-19	FY 2017-18
a) Capital Expenditure	-	-
b) Recurring Expenditure	3.23	3.27
c) Total expenditure	3.23	3.27
d) Total R&D expenditure as % of turnover	0.003	0.003

D: FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Earnings in Foreign Exchange:

PARTICULARS	FY 2018-19	FY 2017-18
a) F.O.B value of goods exported during the year	748.60	374.67
b) Income from Service charge	226.69	191.88
c) Dividend from Investments held in Foreign Subsidiary	1,383.65	3,881.29

(b) Expenditure in Foreign Currency

PARTICULARS	FY 2018-19	FY 2017-18
a) Travelling expenses	3.63	6.94
b) Membership	4.22	4.13
c) Other matters	190.93	135.43

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

To actively contribute to the social and economic development of the communities in which we operate. In so doing and built a better, sustainable way of life for weaker sections of society, to contribute effectively towards inclusive growth.

Our projects focus on – Education, Healthcare, Sustainable livelihood, Infrastructure development and Social reform. The Company's CSR Policy can be accessed on : <http://www.kcp.co.in>.

- 2). **The composition of the CSR Committee.**

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

- 3). Average net Profit the Company for last three financial years: **Rs.6167.20 lakhs**
- 4). Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 123.34 Lakhs**
- 5). Details of CSR spent during the financial year.
- (a) Total Amount spent for the financial year 2018-2019: **Rs.108.9 Lakhs.**
- (b) Amount unspent, if any : **Rs.14.53 Lakhs**
- (c) CSR Projects in which the amount was spent during the financial year is details below:

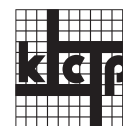
S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
				Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	
1.	Promoting Health care, sanitation and making available safe drinking water	Promotion of Health Care	1. Muktyala in Krishna Dist. Of AP 2. Macherla Guntur Dist. AP 3. Chennai, Tamilnadu	10.00	5.7		Direct
2.	Promoting Education and employment enhancing vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects	Promotion of education and vocational training	1. Thiruvottiyur Chennai, TN 2. Muktyala in Krishna Dist. of AP 3. Macherla Guntur Dist. AP	80.00	63.62		Direct
3.	Promoting gender equality, empowering women and selling up homes for women and measures for reducing in equalities faced by socially and economically backward groups.	Empowerment of women	Muktyala in Krishna Dist. of AP Macherla, Guntur Dist. AP	10.00	5.50		Direct and in association with self-help groups

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads:	Cumulative expenditure upto the reporting period:	Amount Spent: Direct or through implementing agency:
4.	Ensuring environmental sustainability, ecological balance, conservation of Natural Resources and maintaining quality of soil air, water and rural development	Environmental sustainability, conservation of Natural resources and Rural Development programmes	Muktyala in Krishna Dist. Of AP Macherla Guntur Dist. AP	60.00	34.06		Direct and in association with local panchayats and municipalities.
	TOTAL			160.00	108.90		

6). In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report: **CSR being a continuous process some of the expenditure will be accounted in next financial years.**

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

Sd/- V.L.Dutt (Executive Chairman)	Sd/- V.L.Indira Dutt (Chairperson CSR Committee)	Sd/- Y.Vijayakumar (Company Secretary)
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ANNEXURE - 4

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

For the financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65991TN1941PLC001128
2.	Registration Date	03/07/1941
3.	Name of the Company	THE KCP LIMITED
4.	Category/Sub-category of the Company	MANUFACTURING COMPANY
5.	Address of the Registered office & contact details	"RAMAKRISHNA BUILDINGS", NO. 2, DR. P.V. CHERIAN CRESCENT, EGMORE, CHENNAI-600 008
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S INTEGRATED REGISTRY MANAGEMENT SERVICES PVT. LTD. 2ND FLOOR, KENCES TOWERS NO.1 RAMAKRISHNA STREET, NORTH USMAN ROAD T NAGAR, CHENNAI - 600 017

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CEMENT	2394, 3242	81.87
2	ENGINEERING	2825	8.45
3	POWER	3510	6.93
4	OTHER		1.45
5	HOTEL		1.30

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

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

(i) Category-wise Shareholding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
A	Shareholding of Promoter and Promoter Group									
(1)	Indian									
a	Individual/Hindu Undivided Family	11068343	0	11068343	8.59	11975018	0	11975018	9.29	0.70
b	Central Government/ State Governments									
c	Bodies Corporate	44540424	0	44540424	34.55	43483889	0	43483889	33.73	(0.82)
d	Financial Institutions / Banks									
e	Any other (Specify)									
	Sub Total A(1)	55608767	0	55608767	43.13	55458907	0	55458907	43.02	(0.12)
(2)	Foreign									
a	Individual (Non resident Individuals / Foreign individuals)	1539050	0	1539050	1.19	1539050	0	1539050	1.19	-
b	Bodies Corporate									
c	Institutions	-				-				
d	Qualified Foreign Investor									
e	Any other (Specify)	-				-				
	Sub Total A(2)	1539050	0	1539050	1.19	1539050	0	1539050	1.19	-
	Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	57147817	0	57147817	44.33	56997957	0	56997957	44.21	(0.12)
B	Public Shareholding									
(1)	Institutions									
a	Mutual Funds/ UTI	5180171	2000	5182171	4.02	5228171	2000	5230171	4.06	0.04
b	Financial Institutions / Banks	140954	4990	145944	0.11	53132	4490	57622	0.04	(0.07)
c	Central Government/ State Governments					500	0	500	0.00	0.00
d	Venture capital Funds									
e	Insurance Companies	1302930	0	1302930	1.01	1302930	0	1302930	1.01	-
f	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	-
g	Foreign Venture Capital Investors									
h	Qualified Foreign Investor									
i	Any other									
	Sub Total B(1)	6624055	6990	6631045	5.14	6584733	6490	6591223	5.11	(0.03)

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)									
(2)	Non-Institutions									
a	Bodies Corporate	4948581	36050	4984631	3.87	3166414	36050	3202464	2.48	(1.38)
b	Individuals									
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	28643211	4112000	32755211	25.41	28487990	3377809	31865799	24.72	(0.69)
(ii)	Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	20588223	750070	21338293	16.55	22526860	542180	23069040	17.89	1.34
c	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d	Any other**									
d	Any other **	244294	0	244294	0.19	44891	0	44891	0.03	(0.15)
d(i)	CLEARING MEMBER	528006	0	528006	0.41	175590	0	175590	0.14	
d(ii)	CORPORATE - MARGIN TRADING ACCOUNT	1970	0	1970	0.00	0	0	0	0.00	(0.00)
d(iii)	INDIVIDUAL-MARGIN TRADING ACCOUNT	1706380	1299321	3005701	2.33	1837706	1299321	3137027	2.43	0.10
d(iv)	NRI /OCBs	26250	38310	64560	0.05	26250	38310	64560	0.05	-
d(v)	TRUSTS	100	0	100	0.00	100	0	100	0.00	-
d(vi)	CLEARING HOUSE	203086	0	203086	0.16	350832	0	350832	0.27	0.11
d(vii)	CORPORATE BODY-LIMITED LIABILITY PARTNERSHIP	1106903	0	1106903	0.86	1614179	0	1614179	1.25	0.39
d(viii)	FOREIGN PORT FOLIO INVESTOR-CORPORATE	0	0	0	0.00	57000	0	57000	0.04	0.04
d(ix)	LIMITED LIABILITY PARTNERSHIP	909543	0	909543	0.71	1400498	0	1400498	1.09	0.38
d(x)	IEPF	0	0	0	0.00	350000	0	350000	0.27	0.27
d(xi)	ALTERNATIVE INVESTMENT FUND	58906547	6235751	65142298	50.53	60038310	5293670	65331980	50.68	0.15
	Total Public Shareholding (B)= (B) (1)+(B)(2)	65530602	6242741	71773343	55.67	66623043	5300160	71923203	55.79	0.12
	TOTAL (A) + (B)	122678419	6242741	128921160	100.00	123621000	5300160	128921160	100.00	-
C	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Grand Total (A) + (B) + (C)	122678419	6242741	128921160	100.00	123621000	5300160	128921160	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of theyear			Shareholding at the end of theyear			% Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares Pledged / encumbered	No. of Shares	% of total shares of the Company	No. of Shares Pledged / encumbered	
1	V Ramakrishna Sons P Ltd	38956326	30.22	-	38956326	30.22	-	-
2	Velagapudi Lakshmana Dutt	6005569	4.66	-	6005569	4.66	-	-
3	V. R. K. Grandsons Investment Private Ltd.	5305728	4.12	3100000	4249193	3.30	0	(0.82)
4	V L Indira Dutt	3364479	2.61	-	3467347	2.69	-	0.08
5	Shivani Dutt Chitturi	1300000	1.01	-	1300000	1.01	-	-
6	V Kavitha Dutt	1180000	0.92	-	1225000	0.95	-	0.03
7	The Jeypore Sugar Company Limited	278370	0.22	-	278370	0.22	-	-
8	Uma S Vallabhaneni	163120	0.13	-	163120	0.13	-	-
9	Irmgard Velagapudi	152490	0.12	-	152490	0.12	-	-
10	S. Rajiv Rangasami	137520	0.11	-	896327	0.70	-	0.59
11	Velagapudi Lakshmana Dutt	113500	0.09	-	113500	0.09	-	-
12	Subbarao Vallabhaneni	75930	0.06	-	75930	0.06	-	-
13	R Prabhu	62880	0.05	-	62880	0.05	-	-
14	P Vikram Ramakrishnan	12655	0.01	-	12655	0.01	-	-
15	Sivaramakrishnan Prasad	12650	0.01	-	12650	0.01	-	-
16	S. Nalini	11250	0.01	-	11250	0.01	-	-
17	Rajeswary Ramakrishnan	6500	0.01	-	6500	0.01	-	-
18	Kiran Velagapudi	4220	0.00	-	4220	0.00	-	-
19	Anitha .	4000	0.00	-	4000	0.00	-	-
20	Rajyalakshamma S R V	630	0.00	-	630	0.00	-	-
21	Rajeswary Ramakrishnan	0	0.00	-	0	0.00	-	-
	Total	57147817	44.33	3100000.00	56997957	44.21	0.00	(0.12)

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

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	Date wise increase / Decrease in Promoters Shareholding during the year						
1	HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNI PAN :AAATH1809A						
	Opening Balance as on 31/03/2018	2719543	2.11				
	13/07/2018			28000	0.02	2747543	2.13
	10/08/2018			14000	0.01	2761543	2.14
	12/10/2018			6000	0.00	2767543	2.15
	Closing Balance as on 30/03/2019					2767543	2.15
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCES PAN :AAATR0090B						
	Opening Balance as on 31/03/2018	2348219	1.82				
	Closing Balance as on 30/03/2019					2348219	1.82
3	SANDHYA G PARIKH PAN :AAEPP1311M						
	Opening Balance as on 31/03/2018	1654342	1.28				
	Closing Balance as on 30/03/2019					1654342	1.28
4	THE K C P LIMITED - UNCLAIMED SUSPENSE ACCOUNT PAN :AAACT8046J						
	Opening Balance as on 31/03/2018	1340930	1.07				
	06/04/2018			-7190	-0.01	1333740	1.03
	27/04/2018			-1870	0.00	1331870	1.03
	08/06/2018			-180	0.00	1331690	1.03
	07/09/2018			-6960	-0.01	1324730	1.03
	21/09/2018			-370	0.00	1324360	1.03
	12/10/2018			-3000	0.00	1321360	1.02
	16/11/2018			-471490	-0.37	849870	0.66
	23/11/2018			-3000	0.00	846870	0.66
	07/12/2018			-3270	0.00	843600	0.65
	31/12/2018			-2680	0.00	840920	0.65
	08/02/2019			-4650	0.00	836270	0.65
	15/03/2019			-9380	-0.01	826890	0.64
	29/03/2019			-3810	0.00	823080	0.64
	Closing Balance as on 30/03/2019				0.00	823080	0.64
5	HITESH SATISHCHANDRA DOSHI PAN :AACPD8612R						
	Opening Balance as on 31/03/2018	1308773	1.02				
	27/04/2018			300000	0.23	1608773	1.25
	01/06/2018			-100000	-0.08	1508773	1.17
	01/03/2019			300000	0.23	1808773	1.40
	Closing Balance as on 30/03/2019					1808773	1.40

Sl. No.	NAME OF THE SHAREHOLDERS	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
6	THE NEW INDIA ASSURANCE COMPANY LIMITED PAN :AAACN4165C						
	Opening Balance as on 31/03/2018	1302930	1.01				
	Closing Balance as on 30/03/2019					1302930	1.01
7	G.V. REDDY (DR) PAN :3009						
	Opening Balance as on 31/03/2018	1287250	1.00				
	Closing Balance as on 30/03/2019					1287250	1.00
8	INDIRA CAESAR ANUMOLU PAN :AACPA9052E						
	Opening Balance as on 31/03/2018	1130869	0.88				
	Closing Balance as on 30/03/2019					1130869	0.88
9	SAKUNTHALA DEVI BOPPANA PAN :AFWPB3847H						
	Opening Balance as on 31/03/2018	1052410	0.82				
	Closing Balance as on 30/03/2019					1052410	0.82
10	GOVINDLAL M PARIKH PAN :AAEPP1312J						
	Opening Balance as on 31/03/2018	1012215	0.79				
	Closing Balance as on 30/03/2019					1012215	0.79
11	RAAVI SOBHANADRI CHOWDARY PAN :ABGPR2293B						
	Opening Balance as on 31/03/2018	967999	0.75				
	Closing Balance as on 30/03/2019					967999	0.75
12	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS PAN :EXEMPTCATG						
	Opening Balance as on 31/03/2018	909543	0.71				
	06/04/2018			14115	0.01	923658	0.72
	13/04/2018			50	0.00	923708	0.72
	16/11/2018			476790	0.37	1400498	1.09
	Closing Balance as on 30/03/2019					1400498	1.09
13	BOPPANA VINAY KUMAR PAN :AFXPB0044B						
	Opening Balance as on 31/03/2018	935250	0.73				
	29/03/2019			12280	0.01	947530	0.74
	Closing Balance as on 30/03/2019					947530	0.74
14	PADMINI RAJAN PAN :ACOPR5427J						
	Opening Balance as on 31/03/2018	872690	0.68				
	Closing Balance as on 30/03/2019					872690	0.68
15	ANUMOLY LAKSHMI PAN :AAAPL8197M						
	Opening Balance as on 31/03/2018	531620	0.41				
	Closing Balance as on 30/03/2019					531620	0.41

Attachment 'D'
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	Shareholding at the beginning of the year	Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1	V RAMAKRISHNA SONS P LTD				
	PAN :AACV2307A				
	Opening Balance as on 01/04/2018	38956326	30.22		
	Closing Balance as on 30/03/2019			38956326	30.22
2	VELAGAPUDI LAKSHMANA DUTT				
	PAN :AABPD7988F				
	Opening Balance as on 01/04/2018	6005569	4.66		
	Closing Balance as on 30/03/2019			6005569	4.66
3	V. R. K. GRANDSONS INVESTMENT PRIVATE LTD. .				
	PAN :AACV3678A				
	Opening Balance as on 01/04/2018	5305728	4.12		
	27/04/2018			-11426	-0.01
	30/04/2018			-31231	-0.02
	02/05/2018			-1248	0.00
	07/05/2018			-1421	0.00
	08/05/2018			-13050	-0.01
	10/05/2018			-7852	-0.01
	11/05/2018			-4500	0.00
	02/11/2018			-793304	-0.62
	29/11/2018			-192503	-0.15
	Closing Balance as on 30/03/2019			4249193	3.30
4	V L INDIRA DUTT				
	PAN :AAPD6756A				
	Opening Balance as on 01/04/2018	3364479	2.61		
	27/09/2018			19235	0.01
	04/10/2018			67	0.00
	10/10/2018			2800	0.00
	11/10/2018			51200	0.04
	21/02/2019			4750	0.00
	22/02/2019			2000	0.00
	25/02/2019			21000	0.02
	26/02/2019			1816	0.00
	Closing Balance as on 30/03/2019			3467347	2.69
5	SHIVANI DUTT CHITTURI				
	PAN :ASKPC4646C				
	Opening Balance as on 01/04/2018	1300000	1.01		
	Closing Balance as on 30/03/2019			1300000	1.01
6	V KAVITHA DUTT				
	PAN :AAPD6737H				
	Opening Balance as on 01/04/2018	1180000	0.92		
	21/09/2018			6500	0.01
	24/09/2018			5000	0.00

SI No.	Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	27/09/2018		8500	0.01	1200000	0.93
	18/02/2019		5000	0.00	1205000	0.94
	20/02/2019		10150	0.01	1215150	0.94
	21/02/2019		1850	0.00	1217000	0.94
	25/02/2019		8000	0.01	1225000	0.95
	Closing Balance as on 30/03/2019				1225000	0.95
7	THE JEYPORE SUGAR COMPANY LIMITED					
	PAN :AAACT9942R					
	Opening Balance as on 01/04/2018	278370	0.22			
	Closing Balance as on 30/03/2019				278370	0.22
8	UMA S VALLABHANENI					
	PAN :AEYPV0586Q					
	Opening Balance as on 01/04/2018	163120	0.13			
	Closing Balance as on 30/03/2019				163120	0.13
9	IRMGARD VELAGAPUDI					
	PAN :AAFPI6691A					
	Opening Balance as on 01/04/2018	152490	0.12			
	Closing Balance as on 30/03/2019				152490	0.12
10	S. RAJIV RANGASAMI					
	PAN :AGUPR2921B					
	Opening Balance as on 01/04/2018	137520	0.11			
	02/11/2018		793304	0.62	930824	0.72
	12/11/2018		-4000	0.00	926824	0.72
	13/11/2018		-4000	0.00	922824	0.72
	14/11/2018		-1000	0.00	921824	0.72
	16/11/2018		-2000	0.00	919824	0.71
	19/11/2018		-1000	0.00	918824	0.71
	22/11/2018		-9000	-0.01	909824	0.71
	26/11/2018		-4000	0.00	905824	0.70
	27/11/2018		-2000	0.00	903824	0.70
	28/11/2018		-3000	0.00	900824	0.70
	29/11/2018		188503	0.15	1089327	0.85
	30/11/2018		-5000	0.00	1084327	0.84
	03/12/2018		-4000	0.00	1080327	0.84
	04/12/2018		-4000	0.00	1076327	0.84
	05/12/2018		-4000	0.00	1072327	0.83
	06/12/2018		-4000	0.00	1068327	0.83
	10/12/2018		-4000	0.00	1064327	0.83
	11/12/2018		-1000	0.00	1063327	0.83
	13/12/2018		-4000	0.00	1059327	0.82
	14/12/2018		-6000	0.00	1053327	0.82
	18/12/2018		-5000	0.00	1048327	0.81
	19/12/2018		-4000	0.00	1044327	0.81
	20/12/2018		-4000	0.00	1040327	0.81
	21/12/2018		-4000	0.00	1036327	0.80

SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	24/12/2018			-4000	0.00	1032327	0.80
	01/01/2019			-3000	0.00	1029327	0.80
	03/01/2019			-2000	0.00	1027327	0.80
	04/01/2019			-4000	0.00	1023327	0.79
	08/01/2019			-4000	0.00	1019327	0.79
	10/01/2019			-2000	0.00	1017327	0.79
	14/01/2019			-4000	0.00	1013327	0.79
	15/01/2019			-2000	0.00	1011327	0.78
	16/01/2019			-2000	0.00	1009327	0.78
	17/01/2019			-2000	0.00	1007327	0.78
	18/01/2019			-2000	0.00	1005327	0.78
	31/01/2019			-90000	-0.07	915327	0.71
	13/02/2019			-2000	0.00	913327	0.71
	14/02/2019			-2000	0.00	911327	0.71
	12/03/2019			-2000	0.00	909327	0.71
	13/03/2019			-3000	0.00	906327	0.70
	14/03/2019			-6000	0.00	900327	0.70
	15/03/2019			-4000	0.00	896327	0.70
	Closing Balance as on 30/03/2019					896327	0.70
11	MR. VELAGAPUDI LAKSHMANA DUTT PAN :AAAHV0216K						
	Opening Balance as on 01/04/2018	113500	0.09				
	Closing Balance as on 30/03/2019					113500	0.09
12	SUBBARAO VALLABHANENI PAN :AKRPS6475L						
	Opening Balance as on 01/04/2018	75930	0.06				
	Closing Balance as on 30/03/2019					75930	0.06
13	R PRABHU PAN :ADJPP4946N						
	Opening Balance as on 01/04/2018	62880	0.05				
	Closing Balance as on 30/03/2019					62880	0.05
14	P VIKRAM RAMAKRISHNAN PAN :AIZPV8779N						
	Opening Balance as on 01/04/2018	12655	0.01				
	Closing Balance as on 30/03/2019					12655	0.01
15	SIVARAMAKRISHNAN PRASAD PAN :AFRPP5944E						
	Opening Balance as on 01/04/2018	12650	0.01				
	Closing Balance as on 30/03/2019					12650	0.01
16	S. NALINI PAN :ABMPN3058Q						
	Opening Balance as on 01/04/2018	11250	0.01				
	Closing Balance as on 30/03/2019					11250	0.01
17	RAJESWARY RAMAKRISHNAN PAN :ADQPR8661R						
	Opening Balance as on 01/04/2018	6500	0.01				
	Closing Balance as on 30/03/2019					6500	0.01

SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
18	KIRAN VELAGAPUDI						
	PAN :AFDPK3995G						
	Opening Balance as on 01/04/2018	4220	0.00				
	Closing Balance as on 30/03/2019					4220	0.00
19	ANITHA .						
	PAN :AEVPA9301D						
	Opening Balance as on 01/04/2018	4000	0.00				
	Closing Balance as on 30/03/2019					4000	0.00
20	RAJYALAKSHMAMMA S R V						
	PAN :AQIPR7490M						
	Opening Balance as on 01/04/2018	630	0.00				
	Closing Balance as on 30/03/2019					630	0.00

Attachment 'E'

v) Shareholding of Directors and Key Managerial Personnel:

SI No.		Shareholding at the beginning of the year		Increase / Decrease Shares	Increase / Decrease Shares %	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
	Date wise increase / Decrease in Key Managerial Personnel Shareholding during the year						
1	VELAGAPUDI LAKSHMANA DUTT						
	PAN :AABPD7988F						
	Opening Balance as on 01/04/2018	6005569	4.66				
	Closing Balance as on 31/03/2019					6005569	4.66
2	V L INDIRA DUTT						
	PAN :AAAPD6756A						
	Opening Balance as on 01/04/2018	3364479	2.61				
	27/09/2018			19235	0.01	3383714	2.63
	04/10/2018			67	0.00	3383781	2.63
	10/10/2018			2800	0.00	3386581	2.63
	11/10/2018			51200	0.04	3437781	2.67
	21/02/2019			4750	0.00	3442531	2.67
	22/02/2019			2000	0.00	3444531	2.67
	25/02/2019			21000	0.02	3465531	2.69
	26/02/2019			1816	0.00	3467347	2.69

	Closing Balance as on 30/03/2019					3467347	2.69
3	V KAVITHA DUTT						
	PAN :AAAPD6737H						
	Opening Balance as on 01/04/2018	1180000	0.92				
	21/09/2018			6500	0.01	1186500	0.92
	24/09/2018			5000	0.00	1191500	0.92
	27/09/2018			8500	0.01	1200000	0.93
	18/02/2019			5000	0.00	1205000	0.94
	20/02/2019			10150	0.01	1215150	0.94
	21/02/2019			1850	0.00	1217000	0.94
	25/02/2019			8000	0.01	1225000	0.95
	Closing Balance as on 30/03/2019					1225000	0.95
4	SWAMINATHA REDDY ONTEDDU						
	PAN :AACPO1809P						
	Opening Balance as on 01/04/2018	20	0.00				
	Closing Balance as on 31/03/2019					20	0.00
5	GANDHI.V						
	PAN: AAAPG6503C						
	Opening Balance as on 01/04/2018	2040	0.00				
	Closing Balance as on 31/03/2019					2040	0.00

vi) Particulars of Holding, Subsidiary and Associate Companies

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

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

Rs. Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Public Deposits (Unsecured Loans)	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	33,293.94	2,055.00	8,740.48	44,089.42
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			356.16	356.16
Total (i+ii+iii)	33,293.94	2,055.00	9,096.64	44,445.59
Change in Indebtedness during the financial year				
* Addition - fresh deposits	7,534.00	890.00	428.00	8,852.00
* Addition - Renewals			2,421.38	2,421.38
* Reduction- Repayments	5,127.13	930.00	473.74	6,530.87
* Reduction- Renewals			2,419.63	2,419.63
Net Change	2,406.87	-40.00	-43.99	2,322.88
Indebtedness at the end of the financial year				
i) Principal Amount	35,700.81	2,015.00	8,696.49	46,412.30
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			338.37	338.37
Total (i+ii+iii)	35,700.81	2,015.00	9,034.86	46,750.66

VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. V.L. Dutt	Dr. V.L. Indira Dutt	Smt. V. Kavitha Dutt	Sri. V.Gandhi	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	111.00	119.40	117.60	420.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	70.36	12.15	13.24	12.60	108.35
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...	100.13	40.55	-	-	140.68
5	Others Company's contribution to PF, Gratuity etc.,	-	18.17	14.67	14.99	47.83
	Total (A)	242.49	181.87	147.31	145.19	716.86
	Ceiling as per the Act	4%	3%	2.5%	1.5%	11%

B. Remuneration to other Directors:

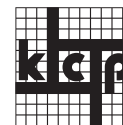
SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. O. Swaminatha reddy	Sri. V.H. Rama krishnan	Sri. Vijay sankar	Sri. P.S. Kumar	Sri. M. Nara-simhappa	
1	Independent Directors	2.20	2.30	2.20	2.60	2.30	11.60
	Fee for attending board committee meetings						
	Commission						
	Others, out of pocket expenses	0.17	0.18	-	0.03	0.18	0.56
	Total (1)	2.37	2.48	2.20	2.63	2.48	12.16
2	Other Non-Executive Directors						
	Fee for attending board committee meetings						
	Commission						
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)						

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Sri. Y. Vijayakumar (CS)	Sri. G.N. Murty (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.73	60.30	86.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.28	11.94	13.22
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify...			
5	Others, Company's contribution to PF, Gratuity etc.,	2.27	5.92	8.19
	Total	29.28	78.16	107.44

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or Compounding of offences for the year ended 31st March 2019.



ANNEXURE - 5

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

FORM AOC-1			
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)			
Part "A" : Subsidiaries			
1	Name of the subsidiary	KCP VIETNAM INDUSTRIES LIMITED	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	January to December	
3	Reporting currency of foreign subsidiaries	Vietnamese Dongs (VND) ('000)	Indian Rs. Lakhs
	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1 INR = 336.12 VND as on 31.03.2019	
4	Share Capital	545,856,275	8,331
5	Reserves & Surplus	1,136,988,291	41,735
6	Total Assets	2,049,061,620	60,962
7	Total Liabilities	366,217,054	10,895
8	Investments	-	-
9	Turnover	1,780,193,771	51,870
10	Profit before taxation	256,671,311	8,287
11	Provision for taxation	-	-
12	Profit after taxation	256,671,311	8,287
13	Proposed Dividend *	69,736,708	2,075
14	% of shareholding	66.667	66.667
Part "B" : Associates and Joint Ventures			
	Name of Joint Venture	FIVES CAIL - KCP LIMITED	
1	Latest Unaudited Balance Sheet Date	31st March 2019	
2	Shares of Joint Venture held by the Company on the year end (No.)		400,000
	Amount of Investment in Joint Venture (Rs. Lakhs)		40.00
	Extent of Holding %		40%
3	Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital.	
4	Reason why the Joint Venture is not consolidated		N.A.
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet (Rs.Lakhs)		1,027
6	Profit/(Loss) for the year		
	(i) Considered in Consolidation (Rs.Lakhs)**		169
	(ii) Not Considered in Consolidation***		0

* Dividend paid during the year

** Relates to 40% interest in the Joint Venture

*** Relates to Balance 60% interest in the Joint Venture

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

ANNEXURE - 6

Particulars of transactions of the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 read with Regulations 23(a) of the SEBI (LODR) Regulations, 2015 as amended.

FORM AOC-2

Details of Contracts or arrangements or transactions of the Company with Related Parties

SL. No.	Name of the Relate Party	Nature of relationship	Nature of the transaction	Value of the transaction
				Rs. Lakhs
1	Fives Cail KCP Limited	Joint Venture	Sales and Services	10.68
2	Fives Cail KCP Limited	Joint Venture	Purchases	18.22
3	Fives Cail KCP Limited	Joint Venture	Leasing of property & Services	120.11
4	KCP Technologies Limited	Associate Company	Purchases	0.46
5	Smt.V.L.Indira Dutt	Managing Director (MD), Wife of Dr.V.L.Dutt and Mother of V. Kavitha Dutt, MD of the Company.	Lease rentals	136.46
6	Smt.Uma.S.Vallabhaneni	Sister of MD	Lease rentals	143.68
7	Smt.V.Rama Kumari	Sister of MD	Lease rentals	104.25
8	Bala Tripurasundari Ammavaru Trust	MD is Trustee	Lease rentals	144.41
9	Sri.V.Chandra kumar	Brother of MD	Lease rentals	58.50
10	Smt. V. Kavitha Dutt	Joint Managing Director	Lease rentals	5.06
11	V.Ramakrishna Charitable Trust	Trustees	Lease rentals	0.16
12	Fives Combustion Systems P.Ltd	Companies Controlled by KMP	Purchases	13.32

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

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

1. The transactions at Serial number 1 & 2 are Contract of Sales and Services which include contracts with our Joint Venture Company M/s Fives Cail KCP Limited at arm length prices.
2. The transactions at serial numbers 3 relates to leasing of office space owned by the company at “Ramakrishna Buildings” 2, Dr.P.V.Cherian crescent, Egmore, Chennai-600008 to M/s Fives Cail KCP Limited, (10,500 sft), at the rate prevailing in that area.
3. “The transaction at Serial No. 4 relates to purchase from our Associate company M/s KCP Technologies Limited at arm length prices.



4. The transactions at serial numbers 5 to 10 relates to Lease Agreements with certain Land owners including the parties mentioned in the table who are related parties for lease of lands at Muktyala for mining limestone. The lease Rent payable to all parties both related and un related is 25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.
 5. "The transaction at Serial No. 11 relates to leasing of premises to our promoters V.Ramakrishna Charitable Trust for education purpose.
- (c) Duration of the contracts / arrangements/transactions – From 11 months to 53 years (remaining period)
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: As explained above.
 - (e) Date of approval by the Board: 22/05/2014
 - (f) Amount paid as advances, if any: NIL
 - (g) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: 11/08/2014

Place: Chennai
Date: 29th May, 2019

(V.L. DUTT)
Executive Chairman

Secretarial Audit Report

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

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

To,
The Members,
THE KCP LIMITED

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

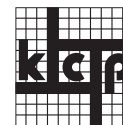
Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also based on information provided by the Company, Its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by THE KCP LIMITED for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management act, 1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investment. The company has no external commercial borrowings.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')viz.:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations, 2009 – **The Company has not issued any capital this year.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 – **Not Applicable**
 - e. The Securities Exchange Board of India (Issue and Listing of Debt securities) Regulations,2008 – **Not Applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 – **Not applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not Applicable**
- VI. Sector Specific Laws as applicable to the Company

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

 - a. Mines Act, 1952
 - b. Indian Boilers Act, 1923
 - c. Environment Protection Act ,1986
 - d. The Hazardous Waste (Management Handling & Transboundary Movement) Rules, 2008
 - e. The Water (Prevention and Control of Pollution) Act, 1974
 - f. The Air (Prevention and Control of Pollution) Act, 1981
 - g. Legal Metrology Act, 2009
 - h. Explosives Act, 1884
- VII. The Company has maintained the registers required to be maintained under the following Laws and filed the required returns:
 - a. Factories Act, 1948,
 - b. Payment of Gratuity Act, 1972
 - c. Employees Provident Fund and Miscellaneous Provisions Act, 1952



- d. Employees' State Insurance Act, 1948
- e. Minimum wages Act, 1948
- f. Payment of wages Act, 1936
- g. Payment of Bonus(Amendment) Act,2015 – Retrospective enhanced liability for payment of bonus fastened by the Payment of Bonus(Amendment) Act,2015, for the accounting year 2014/15 has not been given effect to as the Company has obtained a stay from High Court of Madras vide order dated 25th February 2016, in respect of the retrospective liability. The Company is calculating Bonus on INR 7000 but has made a provision for Bonus.
- h. The contract Labour (Regulation and Abolition) Act, 1970
- i. The Industrial Employment (Standing orders), Act,1946
- j. The Apprentices Act, 1961
- k. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1956

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

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

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

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

I further report that during the audit period no specific events/ actions having a major bearing on the company's affairs in

pursuance of the above referred laws, Rules, Regulations, Guidelines, standards etc. has been identified.

Place: Chennai

Date: 29th May, 2019

sd/-:

(Sobana Pranesh)
Company Secretary in
Practice
FCS No.:9825
C P No.: 2403

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

'Annexure A'

The Members

The KCP Limited

Chennai

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

- 1 Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2 I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3 I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4 Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5 The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Date: 29th May 2019

sd/-:

(Sobana Pranesh)
Practising Company Secretary
Membership No.: FCS : 9825
Certificate of Practice No.: 2403

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of
THE KCP LIMITED
"Ramakrishna Buildings",
No.2, DR.P.V.Chерian Crescent,
Egmore,
Chennai - 600008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of THE KCP LIMITED having CIN: L65991TN1941PLC001128 and having its registered office at "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information according to the verification (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name of Directors	DIN	Date of appointment in Company
1.	Dr. V.L. Dutt	00143013	01/07/2017
2.	Dr. V.L. Indira Dutt	00139883	01/07/2017
3.	Smt. V. Kavitha Dutt	00139274	01/07/2017
4.	Sri. O. Swaminatha Reddy	00003691	11/08/2014
5.	Sri. Vijay Sankar	00007875	11/08/2014
6.	Sri. V.H. Ramakrishnan	00143948	11/08/2014
7.	Sri. P.S. Kumar	00267280	11/08/2014
8.	Sri. M. Narasimhappa	03319847	11/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date: 29th May 2019

sd/-:

(Sobana Pranesh)
Practising Company Secretary
FCS : 9825
CP: 2403

Report on Corporate Governance

The Directors present the report on Corporate Governance for the year ended 31st March, 2019 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") as amended.

The Company's philosophy on code of Governance

KCP's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed.

The Company's corporate governance practices emanate from its commitment towards disclosures, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices over the past 78 years and ensures transparency and fairness in dealing with the stakeholders.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;

The Company regularly 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. Disclosures and Other Information

I. BOARD OF DIRECTORS

The Company is managed by the Board of Directors (the Board), which provides leadership, strategic guidance, objective and independent view to the Company's management

while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. Dr. V.L Dutt, Executive Chairman, Dr. V.L. Indira Dutt, Managing Director and Smt. V. Kavitha Dutt, Joint Managing Director manage the business of the Company under the overall supervision, control and guidance of the Board.

a) Composition and category of Board of Directors:

At KCP we believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance and it has an appropriate mix of executive and non-executive independent directors to maintain independence.

The Board of Directors of the Company ("Board") consists of an optimum combination of Executive and Independent Directors with expertise in the fields of Management, Finance, Technology and banking.

The Company has a judicious Combination of Executive and Non- Executive Directors. As on March 31, 2019, the Board comprised of 9 Directors out of which four are Executive Directors and five Independent Directors.

All the independent Directors satisfy the criteria of independence specified in the Companies Act, 2013 ("Act"), Regulation 16 (1) (b) of the Listing Regulations and meet the criteria for appointment formulated by the Nomination & Remuneration Committee (NRC) as approved by the Board..

The Chairman of the Board is an Executive Director.

NRC has formulated a policy on criteria for Board Nominations. It ensures diversity of qualification, experience, expertise and gender in the composition of the Board. The board members are appointed through a transparent process and are issued appointment letters. The format of terms and conditions of appointment of Independent Directors is displayed on the website of the Company. Each independent director is familiarized with the Company, business, industry, roles and responsibilities, the details of which are available on the website of the Company. www.kcp.co.in.

Independent Directors were appointed for a specific term as recommended by NRC and their appointments were approved by the Board and the members at their respective meetings.

Executive Directors were appointed as per the provisions of the law.

The Composition of Board is as under:

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

b) Board Meetings

The Board meets at least once in each quarter to review the matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. In addition to these meetings, additional Board meetings are held to approve the Business Plan and Long Term Strategies of the Company. The board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements and other matters concerning the Company.

The Board meetings are generally scheduled in advance. Notice and detailed notes on agenda of each Board Meeting are given in writing to all directors in advance of the meetings in compliance with Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. Where it is not possible to enclose any document to the agenda, the same is tabled at the Meeting.

The Board periodically reviews compliance reports of all laws applicable to the Company, as prepared by the Company

as well as steps taken by the Company to rectify instances of non-compliances. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman. The Board has no restriction to access any information and employees of the Company

All the discussions and decisions taking place in every meeting of the Board are entered in the Minute Book. The draft minutes are circulated within the specified time to the Board and suggestions or comments for changes, if any, received are suitably incorporated in the minutes and the minutes are signed by the Chairman of the same meeting or by the Chairman of the succeeding meeting within the prescribed time period.

The process specified for the Board meeting above are followed for the meetings of all the Committees constituted by the Board, to the extent possible. The minutes of the meetings of the Committees of the Board are placed before the Board for noting.

In the Financial Year 2018-2019, the Board met five times.

The Meetings were held on 28th May 2018, 2nd July 2018, 30th July, 2018, 12th November 2018 and 13th February 2019. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations.

The attendance of Directors at Board Meetings ("BM"), last Annual General Meetings ("AGM") / and the number of directorship, membership and chairmanship held by each Director on the Board/Committees of the Board of other Companies were as under:-

Name of the Director	28/05/2018	02/07/2018	30/07/2018	12/11/2018	13/02/2019	No. of meetings attended	AGM 30/07/2018
Dr. V.L. Dutt	P	A	P	P*	P	4	P
Dr. V.L. Indira Dutt	P	P	P	P	P	5	P
Smt. V. Kavitha Dutt	P	A	P	P	P	4	P
Sri. V. Gandhi	P	P	P	P	P	5	P
Sri V.H. Ramakrishnan	P	P	P	P	P	5	P
Sri O. Swaminatha Reddy	P	P	P	P	P	5	P
Sri. Vijay Sankar	P	A	P	P	P	4	P
Sri. P.S. Kumar	P	P	P	P	P	5	P
Sri. M. Narasimhappa	P	P	P	P	P	5	P

* Attended through Audio visual mode.

c) Directorships and Chairmanship/membership of committees.

The total number of directorships held by the Directors and the position of Membership/Chairmanship on committees is given below. All the Directors have complied with the provisions of the Companies Act, 2013 and Listing regulations with this regard.

Name of the Director	* Number of Directorship(s) held in Indian Public limited companies (Including KCP)	Directorships with other listed companies	** Committees position (Including KCP)		No. of shares held by Directors
			Chairperson	Member	
Non-Executive Independent Directors:					
Sri O. Swaminatha Reddy	5	1).Sagar Cements (Chairperson) 2).Sagar Cements ® Limited (Chairperson) 3).Surana solar Limited - Director 4).Surana Ventures limited (Chairperson).	6	2	20
Sri V.H. Ramakrishnan	4	1).Sagar Cements 2).Sagar Cements ® Limited	1	4	0
Sri. Vijay Sankar	6	1).Oriental hotels limited 2).Transport Corporation of India Limited	3	2	0
Sri. P.S. Kumar	2	-	-	2	0
Sri. M. Narasimhappa	2	-	-	2	0
Executive Promoter Directors:					
Dr. V.L. Dutt, Executive Chairman	2	-	-	-	60,05,569
Dr. V.L. Indira Dutt Managing Director	2	-	-	-	33,64,479
Smt. V. Kavitha Dutt, Joint Managing Director	4	1. DCM Shriram Limited 2. Apollo hospitals enterprise Ltd	-	2	11,80,000
Executive Non Promoter Director:					
Sri V. Gandhi, Technical Director (up to 31.03.2019)	2	-	-	-	2,040

**Represents memberships of Audit and Stakeholders Relationship Committees in Public Limited Companies & Private Limited Companies which are subsidiaries of Public Limited Companies.

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

d) The information required to be made available to the Board.

The Board has unrestricted access to all company-related information, including that of employees.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

All agenda items are supported by relevant information, submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

Meeting of Independent Directors

During the year, one meeting of the independent directors was held on February 13, 2019 as required under Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole; Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

- Evaluate the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. to discuss the matters specified therein. All the Independent Directors attended the meeting.

Relationship between directors inter-se:

Dr. V.L. Dutt is the spouse of Dr. V.L. Indira Dutt and father of Smt. V. Kavitha Dutt and they are inter-se related.

Number of Shares held by Non-executive directors:

Sri.O.Swaminatha Reddy holds 20 equity shares of the company.

Familiarization Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.

The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman also has one to one discussion with the newly appointed Directors to familiarize him with them Company's operations.

Further, as an ongoing basis as a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management frame work, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website, viz. www.kcp.co.in

The Chart/matrix setting out the skills/expertise/competencies of Directors of the company

Sl.No	Areas	Skills
1.	Strategy & Policy development	Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business objectives.
2.	Ethics and Integrity	Understand role as director and continue to self-educate on legal responsibility, ability to maintain board confidentiality, declare any conflicts.
3.	Leadership	Make decisions and take necessary actions in the best interest of the organisation, and represent the organisation favourably. Analyse issues and contribute at board level to solutions.
4.	Contribution	Ability to constructively contribute to board discussions and communicate effectively with management and other directors.
5.	Previous Board experience	Has director experience (past or present) on other listed/public company or private company Boards.

6.	Industry specific skills	Experience and knowledge with respect to the industry in which the Company operates.
7.	Executive management	Experience in evaluating performance of senior management, and oversee strategic human capital planning. Experience in industrial relations and organisational change management programmes.
8.	Board training	Has completed formal training in director role and duties including training in governance and risk.
9.	Risk compliance	Identify key risks to the organisation related to each key area of operations.

e) The Board hereby confirms that all the Independent Directors of the company fulfil the conditions specified in Regulations and are independent of the management.

II. COMMITTEES OF THE BOARD

The Board has constituted different committees as required under the Act and Listing Regulations and to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, Innovation and Best Practices Committee, Finance committee.

Each of these Committees has been mandated to operate within a given framework.

The Board committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board.

The minutes of the committee meetings are placed before the Board for noting.

a) Audit Committee - Mandatory committee

The Audit Committee has been constituted as required under Section 177 of the Act and Regulation 18 of the Listing Regulations and 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 Statutory Auditors.

The Audit Committee met four times during the year on 28/05/2018, 30/07/2018, 12/11/2018 and 13/02/2019.

The Audit Committee comprises 5 Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. O. Swaminatha Reddy, a Chartered Accountant by qualification.

The Board of directors have appointed Sri.P.S.Kumar , a Chartered Accountant by qualification as Chairman of Audit committee w.e.f 29.05.2019.

In the opinion of the Board of Directors, all the members of the Audit Committee are financially literate, and also have accounting or related financial management experience.

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

The composition of the Audit Committee and particulars of meetings attended by the members of the Committee are as follows:

Members	Number of Meetings Held	Number of Meetings Attended
Non-Executive Independent Directors :		
Sri O. Swaminatha Reddy – Chairman (Till 28.05.2019)	4	4
Sri V.H. Ramakrishnan - Member	4	4
Sri. P.S. Kumar- Chairman (From 29.05.2019)	4	4
Sri. Vijay Sankar- Member	4	4
Sri. M. Narasimhappa- Member	4	4
Executive Promoter Director :		
Smt V. Kavitha Dutt - Member	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.

Role of the Audit Committee

The Role of the Audit Committee inter-alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including Cost Auditors of the Company.
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - * Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013, Changes, if any, in accounting policies and practices and reasons for the same.
 - * Major accounting entries involving estimates based on the exercise of judgement by the management.
 - * Significant adjustments made in financial statements arising out of audit findings.
 - * Compliance with listing and other legal requirements relating to financial statements.
 - * Disclosure of any related party transactions; and Qualifications in draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- Omnibus approval for Related Party transactions
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- To review the functioning of the Vigil Mechanism.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit committee granted omnibus approval for the related party transactions proposed to be entered into by the company during FY 2019, on a periodic basis, the committee reviewed and approved transactions of the company with related parties and recommended to the board for approval.

All members of audit committee have knowledge of financial management, audit and accounts.

The Chairman of the Audit Committee was present at the 77th Annual General Meeting held on 30th July 2018.

b) Stakeholders Relationship Committee (SR Committee) - Mandatory committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the Listing Regulations and comprises five members. Sri. O. Swaminatha Reddy, Independent Director is the Chairman of the Committee (upto 28.05.2019).

The Board of directors have appointed Sri.P.S.Kumar , as Chairman of the committee w.e.f 29.05.2019.

The table below highlights the composition and attendance of the Members of the Committee.

Independent Directors	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy – Chairman (up to 28.05.2019)	1	1
Sri V.H. Ramakrishnan, Member	1	1
Sri. Vijay Sankar, Member	1	1
Sri. P.S. Kumar, Chairman (from 29.05.2019)	1	1
Sri. M. Narasimhappa, Member	1	1

The Stakeholders Relationship Committee met on 13/02/2019 during the year 2018-2019

Mr. Y. Vijayakumar, Company Secretary, is the compliance officer.

The terms of reference of the committee are:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of complaints received and redressed during the year are given below:

The total number of complaints received and resolved during the year ended March 31, 2019 were 103. There were no complaints outstanding as on March 31, 2019.

Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days.

c) Nomination and Remuneration Committee-Mandatory committee

The Nomination and Remuneration Committee has been constituted as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

The NRC comprises of Six Directors. Sri. O. Swaminatha Reddy, Independent Director is the Chairman of the Committee (upto 28.05.2019) and majority of the members on the committee are Independent Directors.

The Board of directors have appointed Sri.V.H.Ramakrishnan, as Chairman of the committee w.e.f 29.05.2019.

The NRC met on 12/11/2018 during the year, 2018-2019 and the details of the composition

of the Committee and attendance of the members are as follows:

Directors :	No. of meetings held	No. of Meetings attended
Sri O. Swaminatha Reddy - Chairman(up to 28.05.2019)	1	1
Sri V.H. Ramakrishnan,(from 29.05.2019)	1	1
Sri. Vijay Sankar, Member	1	1
Sri. P.S. Kumar, Member	1	1
Sri. M. Narasimhappa, Member	1	1
Dr. V.L. Dutt, Member	1	1

The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Chairman of the Committee was present at the 77th Annual General Meeting of the company in compliance with Section 178 of the Companies Act, 2013and Regulation 19 of the Listing Regulations; the broad terms of reference of the committee include the following:

- formulation of criteria for determining the qualifications, positive attributes and independence of a director
- recommending to the Board a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity;
- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

REMUNERATION OF DIRECTORS

Remuneration Policy

The Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

The Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013

and Regulation 19 read with Part D, C of Schedule II of the Listing Regulations to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. There were no pecuniary relationship /transactions between Non-Executive Directors and the Company.

(i) Remuneration to Independent Directors:

The Independent Directors are paid remuneration by way of Sitting Fees for each Meeting of the Board or Committee of Directors attended by them.

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

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

The details of sitting fees paid to Independent Directors for the year 2018-2019 (for attending the Board Meetings, Audit Committee and other Committee Meetings) are given below:

Particulars	Sitting Fees paid (Rs. in Lakhs)
Sri O. Swaminatha Reddy	2.20
Sri V.H. Ramakrishnan	2.30
Sri. Vijay Sankar	2.20
Sri. P.S. Kumar	2.60
Sri. M. Narasimhappa	2.30

(ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Executive Chairman and Whole time Directors is governed by the recommendations of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company.

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

The elements of compensation of the Executive Directors include the following:

- fixed compensation
- variable compensation in the form of annual incentive
- benefits
- work related facilities and perquisites

In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Directors shall be further subject to the relevant provisions of the Companies Act, 2013.

Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by them.

Particulars of their remuneration for the year ended 31st March, 2019 are given below:

Particulars of Executive Directors.	Salary & Perquisites (Rs.in Lakhs)	Commission (Rs.in Lakhs)	Total (Rs.in Lakhs)
Dr. V.L. Dutt, Executive Chairman	142.36	100.13	242.49
Dr. V.L. Indira Dutt Managing Director	141.32	40.55	181.87
Smt. V.Kavitha Dutt, Joint Managing Director	147.31	0	147.31
Sri V. Gandhi, Technical Director	145.19	0	145.19

Presently, the Company does not have a stock options scheme.

The Remuneration Policy is displayed on the Company's website viz. www.kcp.co.in

d) Corporate Social Responsibility (CSR) committee: Mandatory committee

The Corporate Social Responsibility Committee has been constituted as required under Section 135 of the Companies Act, 2013 and the Committee comprises of Five Directors Dr. V.L. Indira Dutt, Managing Director of the company, is the Chairperson of the Committee.

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.kcp.co.in

The Corporate Social Responsibility Committee met on 15/09/2018 during the year 2018-19 and the details of the composition of the Committee and attendance of the members are as follows:

Directors	No. of meetings held	No. of Meetings attended
Dr. V.L. Indira Dutt-Chairperson	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri. V. Gandhi – Member (upto 31.03.2019)	1	1
Sri. Vijay Sankar – Member	1	-
Sri. P.S. Kumar - Member	1	1

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

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken as specified in schedule VII of Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the CSR Policy of the Company from time to time
- To institute a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company and to do all such acts, deeds and things as may be required in connection with the CSR activities.

The CSR report, as required under the Companies Act, 2013 for the year ended 31st March, 2019 as attached Annexure to the Board's report.

e) Risk management Committee: Non- Mandatory committee

The Risk Management Committee has been constituted as required under Regulation 21 of the Listing Regulations voluntarily by the Company.

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

The objectives and scope of the Risk Management Committee broadly comprises:

- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Reviewing

the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;

- Reviewing risks and evaluate treatment including initiating mitigation actions;

A meeting of the Risk Management Committee was held on 13/02/2019 during the year, 2018-2019. The details of the composition of the Committee and attendance of the members are as follows:

Members	No. of meetings held	No. of Meetings attended
Smt. V. Kavitha Dutt – Chairperson	1	1
Dr. V.L. Indira Dutt- Member	1	1
Sri. V. Gandhi – Member (upto 31.03.2019)	1	1
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1
Sri. G.N. Murty – Chief Financial Officer.	1	1
Sri.K. Ramakrishna (Executive President) Marketing – Member.	1	1
Dr. A.V. Sivarama Prasad- Executive President - HRD & S– Member	1	1
Sri. BVPS Chowdary, Sr.GM (CPU-Macherla) – Member	1	1

The Risk policy adopted by the Board of Directors of the company is placed on the website of the company. www.kcp.co.in.

f) Investment Committee: Non- Mandatory committee

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

The Investment Committee comprises the following 5 Independent Directors. The Committee met on 02/07/2018 during the year, 2018-2019

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

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

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

During the year, 22 meetings of Share Transfer Committee were held on the following dates:

02/04/2018, 18/04/2018, 04/05/2018, 01/06/2018, 14/06/2018, 24/07/2018, 14/08/2018, 29/08/2018, 18/09/2018, 08/10/2018, 22/10/2018, 03/11/2018, 14/11/2018, 28/11/2018, 20/12/2018, 31/12/2018, 07/01/2019, 01/02/2019, 19/02/2019, 04/03/2019, 25/03/2019, 30/03/2019.

The Committee comprises of the following executives of the Company:

Dr. A.V. Sivarama Prasad	Executive President - HRD & S
Sri. G.N. Murty	Chief Financial Officer
Sri. Y. Vijayakumar	Company Secretary

h) Finance Sub-Committee: Non- Mandatory committee

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

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

During the year the Committee met on 26/12/2018.

The composition of the Committee as on March 31, 2019 and the details of Members' participation at the Meetings of

the Committee are as under:

Directors	No. of meetings held	No. of Meetings attended
Executive Directors		
Dr. V.L. Dutt – Chairman	1	1
Dr. V.L. Indira Dutt – Member	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri. V. Gandhi – Member (upto 31.03.2019)	1	1
Independent Directors		
Sri. Vijay Sankar – Member	1	1
Sri. P.S. Kumar - Member	1	1

i) Innovation and Best practices committee:

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

members.

Directors :	No. of meetings held	No. of Meetings attended
Sri. Narasimhappa – Chairman	1	1
Smt. V. Kavitha Dutt – Member	1	1
Sri. V.H. Ramakrishnan – Member	1	1
Sri. Vijay sankar – Member	1	1
Sri. V. Gandhi – Member (upto 31.03.2019)	1	1
Sri. P.S. Kumar – Member	1	1

During the year the committee met on 13/02/2019.

III. SHAREHOLDERS' INFORMATION

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

Date	Wednesday, 7 th August, 2019
Time	10.00 a.m.
Venue (Registered Office)	"Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008.

2. Financial Calendar:

Key Financial Reporting Dates for the financial year 2019-20

First Quarter ending 30th June, 2019	Within Forty five Days from the end of the Quarter
Second Quarter ending 30th September, 2019	Within Forty five Days from the end of the Quarter
Third Quarter ending 31st December, 2019	Within Forty five Days from the end of the Quarter
Fourth Quarter ending 31st March, 2020	Within Sixty Days from the end of the Financial year

3. Book Closure:

1st August, 2019 to 7th August, 2019 (both days inclusive)

4. Dividend:

The Board of Directors at their Meeting held on 29th May 2019, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re.1/- per share (100%), on equity shares of the Company for the Financial Year 2018-19.

The Dividend will be paid to the members whose names appear on Company's Register of Members on **7th August, 2019** in respect of physical shareholders and whose name appear in the list of Beneficial Owner on **7th August, 2019** furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after 19th August, 2019.

5. Listing on Stock Exchanges:

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

The Company has paid the listing fees for the year 2019-2020 to the National Stock Exchange of India Limited (NSE).

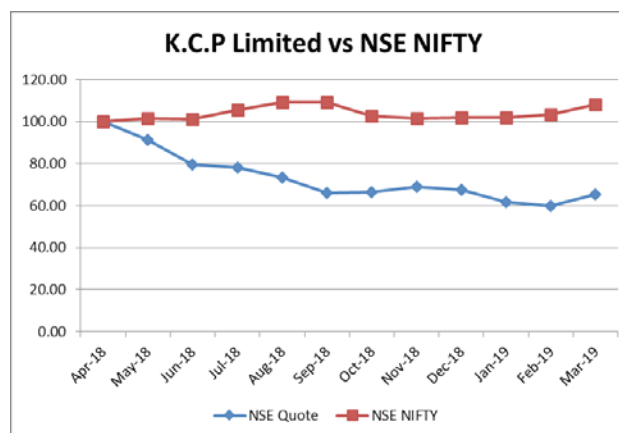
6. Share Price Data:

NATIONAL STOCK EXCHANGE (NSE)

Month	High	Low
April 2018	149.80	127.00
May 2018	136.85	118.10
June 2018	119.00	95.05
July 2018	117.00	92.30
August 2018	110.00	96.55
September 2018	99.00	81.00
October 2018	99.70	81.00
November 2018	103.35	88.25
December 2018	101.00	84.65
January 2019	92.60	80.65
February 2019	89.90	74.90
March 2019	97.90	81.65

7. Relative Stock Performance Chart :

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



8. Registrar & Share Transfer Agents

M/s. Integrated Registry Management Services Private Limited

II Floor, "Kences Towers" No.1, Ramakrishna Street North Usman Road, T. Nagar, Chennai 600 017.

Ph: 28140801/803

Email: corperv@iepindia.com

www.integratedindia.in

CIN: U74900TN2015PTC101466

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.

10. Distribution of the Equity Shareholding as on 31st March, 2019 by number of shares:

No. of Equity Shares held	No. of Share holders	% Share holders	No. of Shares	% Share holding
Upto 5000	22244	93.83	12334172	9.57
5001-10000	639	2.70	4643159	3.60
10001-20000	364	1.54	5189660	4.03
20001-30000	146	0.62	3568947	2.77
30001-40000	81	0.34	2839359	2.20
40001-50000	55	0.23	2538962	1.97
50001-100001	77	0.32	5264368	4.08
Above 100001	100	0.42	92542533	71.78
TOTAL	23706	100.00	128921160	100.00

11. Equity Shareholding as on 31st March, 2019 by category

Category	No. of Share holders	No. of Shares	% Share holding
Alternate Investment Fund	1	350000	0.2715
Clearing Member	164	310541	0.2409
Bank Foreign	1	500	0.0004
IEPF	1	1400498	1.0863
Indian Financial Institutions	6	1360052	1.0550
Indian Promoters	20	56997957	44.2115
Limited Liability Partners	4	57000	0.0442
Mutual Funds	6	5230171	4.0569
NRI / OCBs	499	3137027	2.4332
Private Corporate Bodies	289	5078015	3.9389
Indian Public	22713	54934839	42.6111
Trusts	2	64560	0.0501
TOTAL	23706	128921160	100.00

12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31st March, 2019

Sl. No	Shareholder	Share holding	%
1	HDFC Trustee Co. Ltd A/c HDFC Housing Opportunities Fund	2767543	2.15
2	Reliance Capital Trustee Co. Ltd A/c Reliance Small Cap Fund	2348219	1.82
3	Sandhya G Parikh	1654342	1.28
4	Hitesh Satishchandra Doshi	1467755	1.14
5	Investor Education and Protection Fund Authority MCA	1400498	1.09
6	The New India Assurance Company Limited	1302930	1.01
7	G.V. Reddy (Dr)	1287250	1.00
8	Sakunthala Devi Boppana	1052410	0.82
9	Govindlala M Parikh	1012215	0.79
10	Boppana Vinay Kumar	947530	0.73
	Total	15240692	11.83

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 12,89,21,160 Equity shares 10,78,53,479 Equity shares are held in dematerialized form with NSDL and CDSL and 1,5,767,524 shares are in physical form as on 31st March 2019.

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

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

Pursuant to Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, a Company Secretary in Practice carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 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** : 1) Macherla - 522426 Guntur District, Andhra Pradesh
- : 2) Ramakrishnapuram Muktyala – 521457 Krishna District, Andhra Pradesh

HEAVYENGINEERING	1). Tiruvottiyur, Chennai 600 019 Tamilnadu 2). Mosur Road, Ekhunagar Arakonam 631 004, Tamilnadu
HYDEL UNIT	: B.No. AE-1, NSP Colony, Nekarikallu- 522 615, Guntur District, Andhra Pradesh
WIND POWER	: Uthumalai Village - Tirunelveli District, Tamilnadu
THERMAL UNITS	: Macherla - 522426, Guntur District, Andhra Pradesh, Ramakrishnapuram, Muktyala – 521175, Krishna District, Andhra Pradesh
SOLAR POWER	: Ramakrishnapuram, Muktyala – 521175, Krishna District,, Andhra Pradesh
HOTEL	: Mercure KCP Hyderabad 6-3-552, Somajiguda, Hyderabad 500 082

16. Compliance Certificate of the Auditors:-

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation 17 of the SEBI (LODR) Regulations, 2015. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2018, September 30, 2018, December 31, 2018 and March 31, 2019. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. 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 minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

18. PERFORMANCE EVALUATION OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its Committees and the Directors. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering

various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

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

IV. DISCLOSURES AND OTHER INFORMATION

19. Disclosures

1) Affirmations:

a) Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to affirm Compliance of this Code.

The Code is displayed on the Company's website viz. www.kcp.co.in.

b) 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. The Members of the 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 in which they have concern or interest.

c) Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to all Directors and such Designated Employees and other Connected Persons 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

PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. www.kcp.co.in

ii) Other Disclosures:

a) Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations and Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

b) Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year have been disclosed in notes forming part of the Financial Statements.

A statement in summary form of transactions with Related Parties is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.kcp.co.in

None of the transactions with Related Parties were in the conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company.

1. Details of Annual General Meetings & Special Resolutions:

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

Year	AGM	Location	Date	Time	Special Resolutions considered	Result
2016	75 th	Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	08/08/2016	10.25 A.M.	1. Resolution for revision in remuneration payable to Joint Managing Director. Of the Company. 2. Resolution for revision in remuneration payable to Executive Director of the Company 3. Resolution for revision in remuneration payable to Technical Director of the Company.	Passed
2017	76 th	Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	31/08/2017	10.15 a.m.	-	-
2018	77 th	Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008	30/07/2018	10.15 a.m	-	-

c) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI.

Consequently, there were no strictures or penalties Imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

d) Vigil Mechanism / Whistle Blower Policy

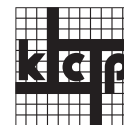
Pursuant to Section 177(9) and (10) of the Companies Act,2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

None of the personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is displayed on the Company's website viz. www.kcp.cp.in.

20. OTHER INFORMATION

The following disclosures are made in pursuance of Regulation 34(3) read with Clause F of Schedule V of Listing Regulations.



2. No EGM was held by the company during the year ended 31st March 2019.

3. Postal Ballot:

During the year the following resolutions were passed by way of Postal Ballot:

1. The first Postal Ballot is for passing the Special resolution for appointment of Sri. Ravi Chitturi as Chief Operating Officer of the Company passed with 99% majority. The Results were announced on 5th June 2018 by the Executive Chairman.
2. The Second Postal Ballot is for passing the Special Resolutions for Revision in remuneration to Dr. V.L. Indira Dutt, Managing Director and Smt. V. Kavitha Dutt, Joint Managing Director of the Company. Both the Resolutions were passed with 99% majority. The Results were announced on 26th December 2018 by the Executive Chairman.
3. The Third Postal Ballot is for passing the Special Resolutions for continuing the current term of Sri. O. Swaminatha Reddy, Sri. V.H. Ramakrishnan and Sri. P.S. Kumar as Directors of the Company, who have attained the age of 75 years. All the resolutions were passed with 99% majority. The Results were announced on 27th March, 2019 by the Executive Chairman.

Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL.

Postal Ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the share registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Executive Chairman / authorized officer. The results are also displayed on the Company website, www.kcp.co.in, besides being communicated to the stock exchanges, The last date for the receipt of postal

ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Remote e-voting and ballot voting at the Annual General Meeting(AGM)

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The company has engaged NSDL to provide e-voting facility to all the members. Members whose names appear on the register of members as on **31st July, 2019** shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

4. Subsidiary Company

Pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015 as amended, Subsidiary Company, M/s KCP Vietnam Industries Limited, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiary in the immediately preceding accounting year.

- (1) The Board has appointed Sri.P.S.Kumar, Independent Director on the Board of the subsidiary company.
- (2) The audit committee of the company has reviewed the financial statements of the company.
- (3) The minutes of the meetings of the board of directors of the subsidiary are placed at the meeting of the board of directors of the company.
- (4) A statement of all significant transactions and arrangements entered into by the subsidiary are placed in the Board Meetings.

5. Means of Communication

- (i) The Un-audited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a National English newspaper and in local language (Tamil) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website www.kcp.co.in.

(iv) Any presentation made to the institutional investors or/ and analysts are also posted on the Company's website.

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

(vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(vii) A separate dedicated section under "Investors" on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

6. For the information of Shareholders:

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.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account

details furnished by the Depositories for depositing dividends.

Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

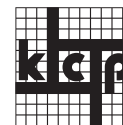
The Company complies with the SEBI requirement of Service of documents through electronic mode.

The members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent.

UNCLAIMED SUSPENSE ACCOUNT

In accordance with Regulation 39(4) read with Schedule VI of Listing Regulations after sending three reminders to the shareholders to claim their respective shares of the Company, has demated all physical shares which remained unclaimed by shareholders to an "Unclaimed Suspense Account" which was opened by the Company for this purpose. As per Regulation 34(3) read with Clause F of Schedule V of Listing Regulations all corporate benefits that accrue on these shares such as bonus shares, split etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:



Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Number of shares were transferred to IEPF Authority from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
741	23	23	21	697	697
1340930	39170	39170	478680	823080	823080

SEBI Complaints Redress System (SCORES):

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

GENERAL

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, e mail ids and bank particulars (9 digit MICR code).

Designated Exclusive email-ids:

The Company has designated the following email-ids exclusively for investors.

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

Place: Chennai
Date: 29th May, 2019

(V.L. DUTT)
ExecutiveChairman

Independent Auditor's Certificate On Corporate Governance

To

The Members of The K.C.P Limited

1. We have examined the compliance of the conditions of corporate governance by The KCP Limited (the 'Company') for the year ended 31st March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure the compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company

5. We have examined the relevant records of the company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management. We certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

8. We 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 K.S. RAO & CO
Chartered Accountants
Firm Regn. No. 0031109S
P. GOVARDHANA REDDY
Partner
(ICAI MEMB.NO.029193)

Place: Chennai

Date: 29th May 2019

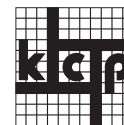
Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, V.L. Dutt, Executive Chairman 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 31/03/2019.

Place: Chennai

Date: 29th May, 2019

V.L. Dutt
Executive Chairman



CEO / CFO CERTIFICATION

The Board of Directors,

The KCP Limited

We hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March 2019 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 violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the 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.

For The KCP Limited

For The KCP Limited

Place: Chennai
Date: 29th May, 2019

V.L. Dutt
Executive Chairman

G.N. Murty
Chief Financial Officer

Independent Auditor's Report

To the members of The KCP Limited, Chennai

Report on Standalone Financial Statements:

Opinion

We have audited the accompanying financial statements of **THE KCP LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditors responsibility for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	<p><u>Revenue recognition on Adoption of "Ind AS 115-Revenue from contracts with customers"</u></p> <p>As described in Note --- to the financial statements, the company has adopted Ind AS 115, Revenue from contracts with customers which is the new revenue accounting standard, effective from 1st April, 2018.</p>	<p><u>Principal audit procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of new revenue accounting standard.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as given below:</p> <ul style="list-style-type: none"> evaluated the design and implementation of the processes and internal control relating to implementation of the new accounting revenue standard, evaluated the detailed analysis performed by management on revenue streams. We have selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price and allocation of transaction price to the respective performance obligations. we have analysed and comprehended the complexity of revenue

	<p>The application of the new revenue accounting standard involves certain judgements relating to identification of distinct performance obligations, determination of transaction price in relation to identified performance obligation, allocation of transaction price to the respective performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard mandates robust disclosures which involves collation of information in respect of periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>recognition in relation to company's industry sector (estimates of engineering services – contract assets and contract liabilities), revenue recognition net of adjustments for allowances, discounts and returns, the existence of multiple performance obligations, etc., and also the complexity of measurement in relation to recognition of revenue /losses from long-term contracts.</p> <ul style="list-style-type: none"> evaluated the appropriateness of the disclosure provided under the new revenue accounting standard and assessed the completeness and the mathematical accuracy of relevant disclosures. <p>We are satisfied with the controls and procedures laid down in implementation of the new revenue accounting standard and the disclosures made in the financial statements.</p>
2	<p><u>Provision for decommissioning cost</u> The company is accounting provision for decommissioning cost in relation to mining land in respect of cement production in accordance with Ind AS 16, which is computed by estimating cost of decommissioning at the date of last year of assurance. This estimated amount of decommissioning cost is adjusted to the year in which decommissioning cost is to be incurred. The said provision is required to be discounted to the present value. This involves measuring the discounting rate which has high inherent uncertainty in capturing real finance cost rate. Given the application of estimates and significant judgements in this area, we determine this area to be a key audit matter.</p>	<p><u>Principal audit procedures</u></p> <p>We assessed company's process to identify the computation of estimated decommissioning cost which is based on quantity of limestone to be extracted each year, estimated limestone reserves available and discount rate.</p> <p>Our audit approach consists of-</p> <ul style="list-style-type: none"> substantive checking of the calculations involved with reference to the balance number of years left to fulfil decommissioning obligation and discounting rate and evaluating the estimated cost each year over the balance years left. <p>We are of the opinion that these estimations are found to be adequate and in line with Ind AS 16</p>
3	<p><u>Evaluation of uncertain tax positions</u> The company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. There are material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note No. -35 to the Standalone Financial Statements.</p>	<p><u>Principal audit procedures</u></p> <p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter. discussed the status and likelihood of the outcome of the litigation with the external legal counsel engaged by the management. we also evaluated the independence and competency of the management's legal expert. obtained and tested evidence to support the management assessment with regard to non-provisioning against the demand. <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

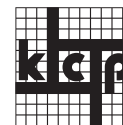
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public



interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B",

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

- g) With respect to Managerial Remuneration to be included in the Auditor's report under Section 197(16)

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 35 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 54 to the Ind AS financial statements
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place: Chennai

Date: 29th May, 2019

For **K. S. RAO & Co**
Chartered Accountants
Firm Registration No: 003109S

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **The KCP LIMITED** of even date)

Statement on the Companies (Auditor's Report) order , 2016

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) a. the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- b. the Fixed Assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification;
- c. according to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable property are held in the name of the company.
- (ii) the inventory has been physically verified by the management at reasonable intervals during the year under report and the discrepancies noticed during such physical verification of inventories as compared to book records have been properly dealt with in the books of account.
- (iii) the company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the said Order are not applicable to the company.
- (iv) in our opinion and according to the information and explanations given to us, the company has not granted any loans, guarantees and security in accordance with the provisions of section 185 of the Companies Act 2013. The company has complied with the provisions of Section 186 of the Companies Act 2013, in respect of investments made by the company.
- (v) in our opinion the company has complied with the provisions of section 73 to 76 and other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act 2013.
- (vi) we have broadly reviewed the books of account and records maintained by the company at its cement, engineering and electric power generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) according to the information and explanations given to us and the basis of our examination of the records of the company, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues applicable to it; and according to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, duty of customs, duty of Excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable;
- (b) according to the information and explanations given to us, there were no amounts of Sales Tax, duty of Customs, Goods and Service Tax, duty of Excise, Cess, Income Tax, Service Tax that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report, except

S. No	Nature of dues	Name of the statute	Period	Amount in Rs. Lakhs	Amount paid under protest (Rs. in Lakhs)	Forum where the dispute is pending
1	Excise duty and related demands	Central Excise Act 1944	1996-2019	1912.34	0	At various Appellate forums
2	Sales tax and related demands	AP Sales Tax Act 1957	1996-2001 and 2011-12	237.77	103.23	AP High Court
3	Sales tax and related demands	Tamilnadu Sales Tax Act	2007-08	8.70	6.87	Addl. Commissioner of Commercial taxes
4	Forest Permit Charges	A.P. Forest Produce Rules 1970	2010-15 and 2016-17	377.76	177.17	Hon'ble High Court
5	Royalty	MMDR Act,1957	1986-87	0.93	0	ADMG – Guntur
6	Net Present Value of Safety Zone Area	Forest Conservation Act,1980	2014-15	17.87	0	DFO - Guntur
7	Income Tax	Income Tax Act 1961	2010-11 & 2012-13	0	8.03	CIT (Appeals)
8	Electricity Duty	AP Electricity Duty Act 1938	July 2003 to May 2013	752.49	0	Hon'ble Supreme Court of India

- (viii) according to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or borrowings to banks during the year under report;
- (ix) in our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year;
- (x) during the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management;
- (xi) according to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act 2013;
- (xii) the company is not a chit fund or a nidhi/mutual benefit fund/society and hence, the requirement of clause 3(xii) of the Order is not applicable to the company during the year under report;
- (xiii) according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;

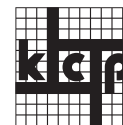
- (xiv) according to the information and explanations given to us, and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- (xv) according to the information and explanations given to us, and based on our examinations of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Therefore, the provision of clause 3(xv) of the Order is not applicable;
- (xvi) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai

Date: 29th May, 2019

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)



ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **The KCP LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of The KCP Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. RAO & Co

Chartered Accountants

Firm Registration No: 003109S

(P.GOVARDHANA REDDY)

Partner

(ICAI Memb. No. 029193)

Place: Chennai

Date: 29th May, 2019

BALANCE SHEET

Rs in Lakhs

Particulars		Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2	93,869.67	65,220.50
	(b) Capital work-in-progress	3	3,973.96	25,264.54
	(c) Investment Property	4	0.75	1.15
	(d) Other Intangible Assets	5	266.05	223.72
	(e) Financial Assets			
	(i) Investments	6	2,889.88	2,893.39
	(ii) Trade Receivables	7	319.68	257.53
	(iii) Loans		-	-
	(iv) Others financial assets	8	25.08	20.87
	(f) Deferred Tax Assets (Net)			
	(g) Other Non-current Assets	9	2,546.01	3,789.07
2	Current assets			
	(a) Inventories	10	17,712.80	12,708.30
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	11	2,937.88	2,574.74
	(iii) Cash and cash equivalents	12	1,166.62	1,258.84
	(iv) Bank balances other than (iii) above	12A	1,853.53	1,476.79
	(v) Loans		-	-
	(vi) Other financial assets	13	2,936.42	97.90
	(c) Current Tax Assets (Net)	14	829.98	715.15
	(d) Other Current assets	15	4,794.83	5,797.76
	Total Assets		136,123.13	122,300.25
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	47,744.43	45,288.89
	(c) Deferred Government Grant		32.41	34.40
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	33,319.07	33,588.42
	(ii) Trade Payables	19		
	Due to Micro and Small Enterprises		-	-
	Due to Others		271.26	271.26
	(iii) Other financial liabilities	20	5,049.14	3,953.95
	(b) Provisions	21	1,391.36	1,225.63
	(c) Deferred Tax Liabilities (Net)	22	6,160.28	5,762.18
	(d) Other non-current liabilities		-	-
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	23	11,394.64	5,928.77
	(ii) Trade payables	24		
	Due to Micro and Small Enterprises		46.19	42.64
	Due to Others		7,106.78	5,159.69
	(iii) Other financial liabilities	25	19,880.55	18,683.78
	(b) Other current liabilities	26	2,073.34	698.28
	(c) Provisions	27	364.46	373.14
	(d) Current tax Liabilities (Net)		-	-
	Total Equity and Liabilities		136,123.13	122,300.25

The accompanying notes form an integral part of the Standalone financial statements

1

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

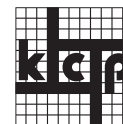
P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019



Rs in Lakhs, except no. of equity shares and per equity share data

STATEMENT OF PROFIT AND LOSS

PARTICULARS	Note No	Current Year	Previous Year
Income			
Revenue from Operations	28	114,117.43	105,207.92
Other Income	29	2,235.43	4,840.93
Total Revenue		116,352.85	110,048.85
Expenses			
Cost of Raw Materials and Components consumed	30	26,140.40	16,912.96
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	31	(2,149.89)	118.30
Employee Benefits expense	32	8,564.99	9,344.58
Power and fuel	-	30,292.74	26,262.04
Freight and Forwarding expense	-	24,839.63	19,014.02
Finance Costs	33	3,380.83	3,528.99
Depreciation and amortization expense	2	5,193.33	4,902.63
Excise duty	-	-	3,659.12
Other expenses	34	14,610.63	14,198.05
Total Expenses		110,872.66	97,940.70
Profit/(Loss) before Exceptional items and tax		5,480.20	12,108.15
Less : Exceptional Items (Net)	55	-	871.22
Profit/(Loss) before tax		5,480.20	11,236.94
Add : Income Tax Refund		-	-
Less : Tax expenses	35		
Short /(Excess) provision of Income Tax of Eariler Years		(22.95)	(60.86)
Current tax		1,045.00	2,343.21
MAT credit utilised / (entitlement)		(804.42)	(866.79)
Deferred tax		1,311.22	(38.88)
Total tax expense		1,528.85	3,110.26
Profit/(Loss) for the year from continuing operations - after tax (A)		3,951.35	8,126.67
Profit / (Loss) from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations - after tax (B)		-	-
Profit / (Loss) for the year (A) + (B)		3,951.35	8,126.67
Other Comprehensive Income- OCI	36		
a) Items that will not be reclassified subsequently to Profit or loss		(315.29)	(60.13)
b) Items that will be reclassified subsequently to Profit or loss			
c) Impact of income tax on above (a) and (b)		108.70	33.23
Total Other Comprehensive Income- OCI (a+c)		(206.59)	(26.90)
Total Comprehensive Income for the period (Comprising P&L + OCI)		3,744.76	8,099.77
Earnings per share (for Continuing Operations) Basic and diluted	47	3.06	6.30
Earnings per share (for Discontinued Operations) Basic and diluted		-	-
Total Earnings per share (Face value of share is Rs.1) Basic and diluted		3.06	6.30
Computed on the basis of total profit for the year			

The accompanying notes form an integral part of the Standalone financial statements

1

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

As per our report annexed

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

Statement of Changes in Equity for the year ended 31st March 2019 (Rs in Lakhs, except equity share)

A. Equity share capital

Particulars	No of Shares	Amount
Balance as at 1st April, 2017	128921160	1289.21
Changes in equity share capital during 2017-18	-	-
Balance as at 31st March, 2018	128921160	1289.21
Changes in equity share capital during 2018-19	-	-
Balance as at 31st March, 2019	128921160	1289.21

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive income			
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve	Total
Balance at the beginning of - 01-04-2017	2,000.00	279.91	103.83	26,763.58	10,952.10	1.27	(333.14)	39,767.56
Profit for the period	-	-	-	-	8,126.67	-	-	8,126.67
Other Comprehensive Income	-	-	-	-	-	(0.71)	(26.18)	(26.90)
Total Comprehensive Income for the year	-	-	-	-	8,126.67	(0.71)	(26.18)	8,099.77
Transfer from/to General Reserve	-	-	-	-	-	-	-	-
Final Dividends	-	-	-	-	(2,578.44)	-	-	(2,578.44)

Particulars	Reserves and Surplus					Other Comprehensive income			Total
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve		
Balance at the end of reporting period - 31-03-2018	2,000.00	279.91	103.83	26,763.58	16,500.33	0.56	(359.32)	45,288.89	
Profit for the period	-	-	-	-	3,951.35	-	-	3,951.35	
Other Comprehensive Income	-	-	-	-	-	(4.23)	(202.36)	(206.59)	
Total Comprehensive Income for the year	-	-	-	-	3,951.35	(4.23)	(202.36)	3,744.76	
Transfer from/to General Reserve	-	-	-	-	-	-	-	-	
Final Dividends	-	-	-	-	(1,289.21)	-	-	(1,289.21)	
Dividend Distribution tax	-	-	-	-	-	-	-	-	
Balance at the end of reporting period - 31-03-2019	2,000.00	279.91	103.83	26,763.58	19,162.47	(3.67)	(561.68)	47,744.43	

The accompanying notes form an integral part of the Standalone financial statements 1

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V. KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

This cash flow statement is prepared in accordance with the indirect method prescribed under IND AS 7

PARTICULARS	Note.No	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
(A) Cash flow from operating activities			
Profit before tax from continuing operations		5,480.20	12,108.15
Less: Exceptional Items (Net)	54	-	871.22
Profit before tax from discontinued operations		-	-
Profit before tax		5,480.20	11,236.94
Adjustments for :			
Depreciation on tangible fixed assets	2&4	5,157.71	4,882.82
Amortization on intangible fixed assets	5	35.62	19.81
Loss/[profit] on sale of fixed assets	29	(24.83)	11.46
Assets written off		79.87	55.21
Expected Credit loss		(1.85)	(2.81)
Discounting of trade receivables		11.14	(17.22)
Amortisation of government grant		(1.99)	(1.99)
Unrealised foreign exchange loss/ (gain)		28.92	(37.73)
Actuarial gain on defined benefit plan-gratuity		(87.22)	35.68
Actuarial loss on defined benefit plan-leave		(223.84)	(95.09)
Interest expense	33	3,380.83	3,528.99
Interest income		(234.69)	(259.32)
Dividend income	29	(1,424.38)	(3,922.41)
Operating profit before working capital changes		12,175.48	15,434.33
Movements in working capital:			
Adjustments for Increase / (Decrease) in operating liabilities :			
Increase/[decrease] in trade payables		1,950.64	1,395.43
Increase/[decrease] in non current- other financial liabilities		1,095.20	368.70
Increase/[decrease] in long term provisions		165.73	73.13
Increase/[decrease] in current- other financial liabilities		1,196.77	285.48
Increase/[decrease] in other current liabilities		1,375.06	(1,199.55)
Increase/[decrease] in current provisions		(8.68)	311.16
Adjustments for Decrease / (Increase) in operating assets :			
Decrease/[increase] in non current trade receivables		(62.15)	132.85
Decrease/[increase] in non current other financial assets		(4.21)	3.51
Decrease/[increase] in other non-current assets		1,243.06	1,826.16
Decrease/[increase] in inventories		(5,004.50)	(983.10)
Decrease/[increase] in current trade receivables		(419.29)	671.29
Decrease/[increase] in other bank deposits		(376.74)	(590.10)
Decrease/[increase] in current other financial assets		(2,818.68)	41.43
Decrease/[increase] in other current assets		1,002.93	497.87
Cash generated from/[used in] operations		11,510.61	18,268.61
Direct taxes paid (net of refunds)		(1,136.88)	(1,919.96)
Net cash flow from/[used in] operating activities (A)		10,373.73	16,348.65
(B) Cash flows from investing activities			
Purchase of Fixed assets, including intangible assets, CWIP	2, 3 & 5	(12,678.01)	(23,555.73)
Proceeds from sale of fixed assets		29.11	99.49
Purchase of current investments		(0.72)	(1.13)
Interest received		221.67	281.39
Dividends received		1,424.38	3,922.41
Net cash flow from/[used in] investing activities (B)		(11,003.57)	(19,253.56)
C. Cash flows from financing activities			
Proceeds/ (Repayment) from long term Borrowings (net)	18	(269.35)	11,377.93
Proceeds/ (Repayment) of short term borrowings	23	5,465.87	(2,462.78)
Interest paid		(3,369.69)	(3,528.99)
Dividends paid		(1,289.21)	(2,578.44)
Net cash flow from/[used in] in financing activities (C)		537.62	2,807.72
Net increase/[decrease] in cash and Bank Balances (A+B+C)		(92.22)	(97.19)
Cash and Bank Balances at the beginning of the year		1,258.83	1,356.02
Cash and Bank Balances at the end of the year		1,166.61	1,258.83
Components of cash and Bank Balances			
Cash on hand		9.19	7.48
Cheques/drafts on hand		35.01	161.44
Balance in current account		422.42	227.00
On fixes deposits (<3 months)		700.00	862.92
Total Cash and Bank Balances		1,166.62	1,258.84

The accompanying notes form an integral part of the Standalone financial statements 1

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT 31st MARCH, 2019

1. Company overview and significant accounting policies

1.1. Company overview

The KCP Limited (“the company”) a public limited company incorporated and domiciled in India and has its registered office at Chennai. The securities of the company are listed in National Stock Exchange of India Limited

The Company is engaged in the business of manufacture and sale of cement, heavy engineering, power generation for captive use and hospitality.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorized for issue on 29 th May, 2019.

1.2. Basis for preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013(‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule3 of the Companies (Indian Accounting Standards) Rules,2015 and relevant amendment rules issued there after. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle held primarily for the purpose of trading and
- expected to be realized within twelve months after the reporting period.

b) All other assets are classified as non-current.

c) A liability is treated as current when:

- it is expected to be settled in the normal operating cycle it is held primarily for the purpose of trading

- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

d) All other liabilities are classified as non-current.

e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

I. USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS.

The preparation of financial statements in conformity with the INDAS requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. The application of Accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below.

- Estimation of fair value of unlisted securities.
- Defined benefit obligation.
- Estimation of useful life of Property, Plant and Equipment.
- Estimation and evaluation of provisions and contingencies relating to tax litigations.
- Expected Credit Losses.
- Revenue recognition in case of Engineering job work contracts.

II. REVENUE RECOGNITION

Revenue from contracts with customers

The company derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

Effective April 1, 2018 the company adopted Ind AS 115 “Revenue from contracts with the customers” and applied

prospectively to contracts with the customers existing as on 1st April 2018.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration that the entity expect to receive in exchange for those products or services.

Revenue relating to products sale is recognized when control over the promised goods is transferred to the customers. Engineering job work can be either 'material cum service' contracts or service contracts.

Performance obligation in case of 'material cum services' is satisfied at a point in time consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of 'service contracts' revenue is recognized based on performances completed to date by using either 'Input method' or 'output method' as prescribed for measuring progress of performance obligation under IND AS 115.

The company accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/ commission.

Trade receivables and contract balances

The company classifies the right to consideration in exchange for transferring control over goods or services either as a trade receivable or as contract asset.

Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

Other Income :-

- a) Dividend is recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.
- b) Other Income: Revenue in respect of other income is recognised when there is a reasonable certainty as to its realisation.

III. 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. Qualifying asset is an asset that necessarily takes a substantial period

of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to revenue in the period in which they are incurred.

Rs. in Lakhs

Borrowing cost capitalisation	FY 2018-19	FY 2017-18
Total Borrowing cost	5,050.68	4,332.90
Less: Capitalised during		
-Construction Period	(1,429.32)	(893.47)
-Trial Run	(288.16)	-
Borrowing cost charged to P & L	3,333.20	3,439.43

IV. GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all stipulated conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

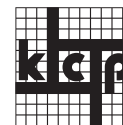
Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

V. EMPLOYEE BENEFITS

Employee benefits includes short term employee benefits, Post-employment benefits, Other long-term benefits and Termination benefits.

Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**Post employment benefits:****Defined contribution plans:**

These benefits include PF, superannuation and Employee state insurance. Entity contributes at statutorily specified rate monthly to Provident fund, Employee state insurance and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation. So, these PF, superannuation, ESI benefits will be defined contribution plans. Employer contributions for these benefits will be recognized in statement of profit and loss by way of charge against income.

Defined benefit plans:

These benefits include leave absences, gratuity. Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components one is 'service cost' and 'Remeasurements'. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses as result of experience adjustment and changes in actuarial assumptions.

VI. PROPERTY, PLANT AND EQUIPMENT**TANGIBLE FIXED ASSETS**

a) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located. Freehold land is not depreciated.

b) Construction Period Expenses on Projects: 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.

c) An item of property, plant and equipment is derecognised upon disposal or when no future economic

benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

d) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

e) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

f) The company follows the process of componentization for property, plant and equipment. Accordingly, the company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

g) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

h) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other Current Assets".

i) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

j) Stripping Costs:

Developmental stripping costs

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of stripping costs ends when commercial production of mineral reserves begins.

INTANGIBLE ASSETS

Intangible assets are initially recorded at the consideration paid for acquisition and stated in the account each year net of amortized value and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortisation methods and useful lives are reviewed periodically including in each financial year end.

INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

DEPRECIATION

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

- In respect of assets existing as on 30-6-1988, under the written down value method; and
- In respect of assets acquired on or after 1-7-1988, under the straight line method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

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

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

VII. IMPAIRMENT

Recognizing Impairment does not require for financial assets classified at fair value through profit and loss (FVTP&L) and fair value through other comprehensive income (FVTOCI). It is required only in respect of financial assets classified as amortized cost i.e. Loans, Debt securities and trade receivables. Impairment for such financial assets is recognized by Expected credit loss (ECL) model. In this approach expected credit loss means expected shortfall in contractual cash flows. The estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. Expected credit loss (ECL) for trade receivable is measured at Lifetime ECL.

The amount of ECL required during the period is arrived after considering the already recognized ECL in books and it is reported either as expense or income in statement of profit & loss.

VIII. FINANCIAL INSTRUMENTS

a. Initial Recognition:

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

b. Subsequent Recognition & Classification:

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method.

c. De-recognition of financial assets and liabilities:

Financial assets:

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfer the financial asset and the transfer qualifies for de-recognition.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

Financial Liabilities:

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid shall be recognised in profit or loss.

IX. INVENTORIES

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

Stock of Scrap- Engineering Unit

- Purchased scrap and internally generated scrap for use in production are both valued at weighted average cost of purchased scrap.

- In respect of other scrap, the stock of scrap is not valued. As and when sales are made stocks are adjusted.

X. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

XI. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XII. FOREIGN EXCHANGE TRANSACTIONS

Functional Currency of the company is Indian Rupee. These financial statements are presented in Indian Rupees, rounded off to Lakhs.

Transactions and translations:

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 in determining net profit for the period.

- Foreign currency denominated monetary assets/ liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/ non-liabilities are translated at the exchange rate prevalent at the date of the transaction.
- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

XIII. INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

XIV. TAXES ON INCOME

Tax expense comprises current and deferred taxes. The income tax expense (income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

- a) The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities
- b) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this

case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

XV. EARNING PER SHARE

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

XVI. PROVISIONS/ CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow

of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

XVII. SEGMENT REPORTING:

Operating segments are defined as components for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance, the company's chief operating decision maker is the Executive Chairman.

The company has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Power Generation unit and 4) Hotel.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable

segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

XVIII. RECENT ACCOUNTING PRONOUNCEMENTS:-

Ind AS 116, Leases: On March 30, 2019 the Ministry of Corporate Affairs has notified Ind AS 116. This accounting standard will replace the existing lease standard Ind AS 17- Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both the parties to a contract i.e. lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets is of low value. The effective date for the adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. This standard permits two possible methods of transition:

- Full retrospective-Retrospectively to each prior period presented applying Ind AS 8, Accounting policies, changes in Accounting Estimates and Errors.
- Modified retrospective- Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Company is proposing to use the modified retrospective approach for transitioning to new Ind AS 116 and take the cumulative adjustment to other equity on the date of initial application (April 1, 2019). Accordingly comparative for the year ended March 31, 2019 will not be retrospectively adjusted.

Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1. Lands	3,611.79	553.24	-	4,165.04	-	-	-	-	4,165.04	3,611.79
2. (i) Buildings	14,133.36	144.46	-	14,277.82	952.01	488.96	-	1,440.97	12,836.85	13,181.35
(ii) Leasehold Buildings	8.93	-	-	8.93	0.48	0.24	-	0.73	8.21	8.45
3. Roads	186.17	13.18	-	199.35	89.75	24.30	-	114.05	85.30	96.42
4. Plant and Machinery	50,730.86	32,270.78	68.89	82,932.74	6,898.57	3,708.92	12.91	10,594.59	72,338.16	43,832.79
5. Furniture, Fixtures	1,828.33	10.90	-	1,839.23	490.46	236.09	-	726.55	1,112.68	1,337.87
6. Motor Vehicles	854.63	181.05	16.40	1,019.28	331.71	160.10	13.22	478.59	540.68	522.41
7. Railway Siding, Locomotives	32.53	-	-	32.53	6.30	3.15	-	9.45	23.08	26.23
8. Ropeway Structures	115.93	153.98	93.39	176.52	42.24	99.41	69.88	71.76	104.76	73.69
9. Office Equipment	116.27	12.51	0.06	128.72	41.95	21.21	0.05	63.11	65.61	74.32
10. Computer & Data Processing Units	288.73	28.71	0.14	317.31	129.70	69.70	0.13	199.27	118.03	159.03
11. Laboratory Equipment	30.54	5.02	-	35.56	13.77	6.15	-	19.92	15.65	16.78
12. Electrical Installation & Equipment	2,383.90	148.67	2.70	2,529.86	615.30	312.65	1.23	926.72	1,603.15	1,768.60
13. Hydraulic Works, Pipeline & Sluices	82.41	-	-	82.41	11.38	5.69	-	17.06	65.34	71.03
14. Leased Mines (Decommissioning)	460.51	385.79	-	846.29	20.78	38.38	-	59.16	787.14	439.73
Total	74,864.90	33,908.28	181.58	108,591.60	9,644.40	5,174.95	97.43	14,721.92	93,869.67	65,220.50
Less: Depreciation capitalised during the year						(17.63)				
TOTAL						5,157.32				

Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 LANDS	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2 BUILDINGS	1.67	-	-	1.67	0.99	0.40	-	1.39	0.28	0.68
TOTAL	2.14	-	-	2.14	0.99	0.40	-	1.39	0.75	1.15

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK			
	COST AS ON 31-03-2018	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2019	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 COMPUTER SOFTWARE	277.89	77.95	-	355.84	54.17	35.62	-	89.79	266.05	223.72
TOTAL	277.89	77.95	-	355.84	54.17	35.62	-	89.79	266.05	223.72

GRAND TOTAL FOR FY 2018-19	75,144.93	33,986.23	181.58	108,949.58	9,699.56	5,193.33	97.43	14,813.10	94,136.47	65,445.37
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Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2018 as follows

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 31-03-2017	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2018	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1. Lands	2,944.68	667.12	-	3,611.80	-	-	-	-	3,611.79	2,944.67
2. (i) Buildings	13,887.64	247.28	1.56	14,133.36	464.88	487.25	0.11	952.02	13,181.34	13,422.77
(ii) Leasehold Buildings	8.93	-	-	8.93	0.24	0.24	-	0.48	8.45	8.69
3. Roads	176.36	9.82	-	186.18	48.69	41.06	-	89.75	96.43	127.66
4. Plant and Machinery	50,129.61	670.60	69.35	50,730.86	3,447.16	3,467.91	17.00	6,898.07	43,832.79	46,682.45
5. Furniture, Fixtures	1,781.04	47.67	0.38	1,828.33	244.87	245.70	0.11	490.46	1,337.87	1,548.02
6. Motor Vehicles	766.80	165.01	77.18	854.63	189.47	176.99	34.24	332.22	522.41	577.32
7. Railway Siding, Locomotives	32.53	-	-	32.53	3.15	3.15	-	6.3	26.23	29.38
8. Ropeway Structures	7.32	108.61	-	115.93	2.33	39.91	-	42.24	73.69	4.99
9. Office Equipment	104.23	12.41	0.38	116.27	20.32	21.81	0.18	41.95	74.32	83.92
10. Computer & Data Processing Units	155.86	139.14	6.28	288.72	60.83	73.26	4.39	129.7	159.02	95.03
11. Laboratory Equipment	29.12	1.44	0.02	30.54	8.83	4.94	-	13.77	16.77	20.29
12. Electrical Installation & Equipment	2,252.79	148.09	16.98	2,383.90	322.34	309.56	16.60	615.30	1,768.60	1,930.46
13. Hydraulic Works, Pipeline & Sluices	82.41	-	-	82.41	5.69	5.69	-	11.38	71.03	76.72
14. Leased Mines (Decommissioning)	171.11	289.39	-	460.50	5.89	14.88	-	20.77	439.75	165.22
Total	72,530.44	2,506.58	172.13	74,864.89	4,824.70	4,892.35	72.63	9,644.41	65,220.50	67,705.74
Less: Depreciation capitalised during the year						(10.36)				
TOTAL						4,881.99				

Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2018 as follows

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	COST AS ON 31-03-2017	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2018	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1 LANDS	0.47	-	-	0.47	-	-	-	-	0.47	0.47
2 BUILDINGS	1.67	-	-	1.67	0.15	0.84	-	0.99	0.68	1.52
TOTAL	2.14	-	-	2.14	0.15	0.84	-	0.99	1.15	1.99

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2018 as follows

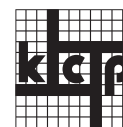
PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK		
	COST AS ON 31-03-2017	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST UP TO 31-03-2018	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1 COMPUTER SOFTWARE	208.18	69.71	-	277.89	34.36	19.81	-	54.17	223.72	173.82
TOTAL	208.18	69.71	-	277.89	34.36	19.81	-	54.17	223.72	173.82

GRAND TOTAL FOR FY 2017-18	72,740.76	2,576.29	172.13	75,144.92	4,859.21	4902.64	77.11	9,699.56	65,445.37	67,881.55
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Rs in Lakhs, except no. of equity shares

Note. 3 Capital Work-in-Progress	As at 31-03-2019	As at 31-03-2018
1. BUILDING UNDER CONSTRUCTION		
Opening Balance	120.89	76.39
Additions during the year	545.82	297.54
Less : Capitalisation during the year	(30.00)	(253.04)
Closing Balance	636.70	120.89
2. PLANT & MACHINERY UNDER INSTALLATION		
Opening Balance	25,143.65	4,265.04
Additions during the year	10,593.25	21,985.74
Less : Capitalisation during the year	(32,399.64)	(1,107.13)
Closing Balance	3,337.25	25,143.65
TOTAL	3,973.96	25,264.54

Note. 6 Non current Financial Assets- Investments	As at 31-03-2019	As at 31-03-2018
Unquoted Equity instruments- Investments measured at Cost		
Investment in Subsidiary:		
203,23,332 (31 March 2018: 203,23,332) Equity shares of US \$ 1/- each fully paid up in K.C.P.Vietnam Industries Ltd, Vietnam	2,371.44	2,371.44
Investment in Joint Venture:		
4,00,000 (31 March 2018: 4,00,000) equity shares of Rs.10/- each fully paid up in Fivescail KCP Ltd	40.00	40.00
Common Stock (unquoted):		
1640 (31 March 2018: 1640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preference Shares (unquoted):		
750 (31 March 2018: 750) Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share	385.00	385.00
Sub Total	2,873.44	2,873.44
Quoted Equity instruments carried at fair value through OCI		
100 (31st March 2018: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.01	0.02
14240 (31st March 2018: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank	6.64	10.28
Unquoted Equity instruments		
30 (31st March 2018: 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/-)	-	-
100000 (31st March 2018: 100000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9.99,999/-) (The Shares are not traded in the Stock Exchange though listed).		
Investments carried at fair value through OCI- Mutual fund units - Quoted:		
35536.18 (31st March 2018 : 32936.861) UTI Balanced Fund Units of Rs.10/- each	9.79	9.65
	16.45	19.95
TOTAL	2,889.88	2,893.39



Rs in Lakhs, except no. of equity shares

Aggregate amount of quoted Investments - Market Value	16.45	19.95
Aggregate amount of quoted Investments - Book Value	16.45	19.95
Aggregate amount of unquoted Investments	2,873.44	2,873.44
Aggregate amount of impairment in value of Investments	Nil	Nil

Note. 6.1 Category wise Investment- as per IND AS 109 classification	As at 31-03-2019	As at 31-03-2018
Financial assets carried at cost		
Equity Instruments	2,873.44	2,873.44
Financial assets carried at amortised cost		
Equity Instruments	-	-
Financial assets carried at fair value through Profit or loss (FVTPL)		
Equity Instruments	-	-
Financial assets carried at fair value through OCI		
Equity Instruments	16.45	19.95
TOTAL	2,889.89	2,893.39

Reasons for classification of Financial assets as per IND AS-107:

The company has elected an irrevocable option of classifying equity instrument that are not held primarily for trading at fair value through Other Comprehensive income (OCI)

Accounting for investments in Subsidiaries and joint venture are mentioned in accounting policy XIII of note 1.2

Note 6.2 Details of Subsidiary and Joint venture

Name of the Company Principal Activity & Place of domicile	Proportion of ownership interest / voting rights	
	As at 31-03-2019	As at 31-03-2018
KCP Vietnam Industries Ltd, Manufacturers of Sugar and generation of power, Socialistic Republic of Vietnam	66.67%	66.67%
Fives Cail KCP Ltd, Manufacturer of machinery, India	40.00%	40.00%

The company has right to cast 66.67% of voting rights in the case of KCP Vietnam industries Ltd and 40% of Fives Cail KCP Ltd.

Note. 7 Non Current Financial Assets- Trade Receivables	As at 31-03-2019	As at 31-03-2018
Unsecured, considered good	319.68	257.53
Receivables having Significant increase in credit risk	59.36	48.23
Less: Provision for expected credit loss	59.36	48.23
TOTAL	319.68	257.53

Note. 8 Non current- Other Financial Assets	As at 31-03-2019	As at 31-03-2018
Earnest money deposit	25.08	20.87
TOTAL	25.08	20.87

Rs in Lakhs

Note. 9 Non current- Other asset	As at 31-03-2019	As at 31-03-2018
Capital Advances	1,070.16	2,402.84
Sub-total	1,070.16	2,402.84
Advances other than Capital Advances		
Security Deposits	655.54	736.39
Sub-total	655.54	736.39
Others		
Prepaid expenses	76.68	103.23
Balance with Government Authorities	742.23	501.68
Others	1.40	44.92
Sub-total	820.31	649.83
TOTAL	2,546.01	3,789.07

Note. 10 Inventories	As at 31-03-2019	As at 31-03-2018
Raw materials and components at Cost (includes those in transit Rs. 178.91 lakhs-) (As on 31-03-2018-Rs. 79.74 lakhs)	1,249.81	743.38
Coal at Cost (includes those in transit Rs. 3046.92 lakhs-) (As on 31-03-2018-Rs. 1015.43 lakhs)	5,770.46	4,105.29
Work-in-progress		
: At Cost	4,400.63	4,342.23
: At Estimated Realisable Value	2,399.49	785.09
Finished goods		
: At Cost	916.75	439.67
: At Estimated Realisable Value	-	-
Stores, spares at Cost (includes in transit Rs. 1.62 lakhs) (As on 31-03-2018 Rs. 27.51 lakhs)	2,975.66	2,292.64
TOTAL	17,712.80	12,708.30

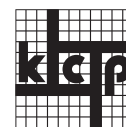
The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.395.46 lakhs for year ended 31-03-2019 (Rs. 338.07 lakhs for the year ended 31-03-2018).

The mode of valuation of Inventories has been stated in accounting policy IX of Note1.2

The amount of goods in transit is Rs. 3048.54 lakhs (Rs. 1042.94 lakhs for previous year)

Note.11 Current- Trade receivables	As at 31-03-2019	As at 31-03-2018
Secured, considered good	2,495.32	2,301.25
Unsecured, considered good	447.11	279.90
Less: Provision for expected credit loss	4.55	6.40
TOTAL	2,937.88	2,574.74

Note 12 Cash and cash equivalents	As at 31-03-2019	As at 31-03-2018
Balances with Banks:		
Current accounts	422.42	227.00
Deposits with original maturity of less than 3 months	700.00	862.92
Cheques/drafts on hand	35.01	161.44
Cash on hand	9.19	7.48
TOTAL	1,166.62	1,258.84



Rs in Lakhs

Note 12A. Bank balances other than Cash and Cash equivalents	As at 31-03-2019	As at 31-03-2018
Fixed Deposits with Banks (Maturity more than 3 months but less than 12 months)*	856.52	674.83
Unpaid dividend account	235.66	162.96
Margin money deposit **	707.99	547.60
Balances with banks #	53.35	91.41
TOTAL	1,853.53	1,476.79

*Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

**Margin money deposits includes those earmarked for specific purpose

Balances with banks includes those maintained to pay matured Public deposits which are unclaimed.

Note 13. Current- Other Financial Assets	As at 31-03-2019	As at 31-03-2018
Interest accrued on fixed Deposits	46.06	37.44
Interest accrued on other Deposits	11.85	7.45
Loans to employees	37.06	29.05
Due from Gratuity Trusts	5.74	5.74
Non trade receivables from - Joint Venture	1.75	17.29
Contract Assets	2,833.95	-
Others	-	0.92
TOTAL	2,936.42	97.90

Note 14. Current Tax Assets (Net)	As at 31-03-2019	As at 31-03-2018
Advance tax		
Advance payment of Direct Taxes/TDS	2,678.00	3,961.20
TOTAL	2,678.00	3,961.20
Provision for tax		
Provision for Wealth tax	-	12.59
Provision for Income tax	1,848.02	3,233.45
TOTAL	1,848.02	3,246.04
TOTAL - NET	829.98	715.16

Note 15. Other Current Assets	As at 31-03-2019	As at 31-03-2018
Other Advances		
Advances recoverable in cash or kind		
Secured, considered good	-	-
Unsecured, considered good	223.37	52.94
Advances to Trade payables	1,507.99	1,664.41
Prepaid expenses	322.51	371.54
Balance with government Authorities	2,740.96	3,708.87
Sub-Total	4,794.83	5,797.76
TOTAL	4,794.83	5,797.76

Rs in Lakhs, except no. of equity shares

Note.16 Share Capital	As at 31-03-2019	As at 31-03-2018
Authorised Share Capital:		
35,00,00,000 (31 March 2018 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000(31 March 2018 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	2,000.00	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31 March 2018 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
Subscribed and fully paid-up :		
12,89,21,160 (31 March 2018 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
Total issued, subscribed and fully paid-up capital	1,289.21	1,289.21

Note 16.1) Details of shareholders holding more than 5% share in the company:-

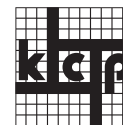
M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Re.1/- each fully paid - 30.22% (30.22%)

Note 16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity shares of the company is set out below:-

Particulars	For FY 2018-19	For FY 2017-18
Equity Share Capital at the beginning of the Year	1,289.21	1,289.21
Add/Less : Changes during the year	-	-
Equity Share Capital at the end of the Year	1,289.21	1,289.21

The Company has only one class of equity shares referred to equity shares having a par value of Re.1/- each holder of equity share is entitled to one vote per each share. In the event of liquidation of company, the holder of equity share will be entitles to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

Note 17. Other Equity	As at 31-03-2019	As at 31-03-2018
Capital Reserve		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
Add : Amount transferred from Surplus in the Statement of P&L		
	2,000.00	2,000.00
Capital Reserve on Reorganisation	279.91	279.91
Capital Reserve on Amalgamation	103.83	103.83
Total Capital Reserve	2,383.74	2,383.74
Investment Revaluation Reserve		
Balance as per the last Financial Statements	0.56	1.27
Add: Current year revaluation gain/loss from OCI	(4.23)	(0.71)
Closing Balance	(3.67)	0.56
Acturial Gain/Loss		
Balance as per the last Financial Statements	(359.32)	(333.14)
Add: Current year revaluation gain/loss from OCI- Net of deferred tax	(202.36)	(26.18)
Closing Balance	(561.68)	(359.32)



Rs in Lakhs

General Reserve		
Balance as per the last Financial Statements	26,763.58	26,763.58
Add/(Less): Ind AS Adjustments	-	-
Closing Balance	26,763.58	26,763.58
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	16,500.33	10,952.10
Profit for the year	3,951.35	8,126.67
	20,451.68	19,078.77
Less : Appropriations		
Final Equity Dividend Paid @ Re.1/- per Share (@ Rs.2/- per Share in FY 2017-18)	1,289.21	2,578.44
Tax on Distributed Profits	-	-
Total Appropriations	1,289.21	2,578.44
Net Surplus in Statement of Profit and Loss	19,162.47	16,500.33
Total Reserves and Surplus taken to Balance Sheet	47,744.43	45,288.89

General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.

Investment Revaluation Reserve : This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified, if any to retained earnings when those investments are disposed off.

Actuarial Gain/Loss Reserve : This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to retained earnings.

Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.

Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years. This reserves can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013

Note 18. Non current Financial Liabilities- Borrowings	As at 31-03-2019	As at 31-03-2018
Rupee Term Loans from Banks - Secured		
Hotel Project	1,700.85	2,555.28
Cement Plant- Macherla	0.00	81.33
Captive Power Plant- Muktyala	2,292.93	2,983.93
Cement Plant Muktyala Expansion	22,716.98	18,724.70
Corporate Loan	1,720.00	3,640.00
Sub-Total	28,430.76	27,985.24
Other Loans and advances:		
Public Deposits (unsecured)		
From Related Parties - Directors	240.03	1,045.03
From Others	4,648.28	4,558.15
Sub-Total	4,888.31	5,603.18
TOTAL	33,319.07	33,588.42
The above amount includes		
Secured borrowings	28,430.76	27,985.24
Unsecured borrowings	4,888.31	5,603.18

Rs in Lakhs

Amount disclosed under the head Current maturities of the borrowings shown under "other current liabilities (Note-25A)"	11,047.73	8,407.23
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Details of deposits held by Directors of the company including current maturities		
a) Dr. V. L. Dutt	1,133.50	1,033.50
b) Smt. V Kavitha Dutt	101.53	11.53
c) Dr V L Indira Dutt	25.00	-
D) Sri O.Swaminatha Reddy	5.00	-

Term Loans

Particulars	Macherla Cement	Muktyala Cement Expansion	Captive Power Plant	Hotel	Corporate Loan	Corporate Loan
Lending Bank	Bank of Baroda	State Bank of India	Canara Bank	Indian Overseas Bank	Bank of Baroda	Bank of India
Loan Amount Sanctioned (Rs Lakhs)	2100	35400	7964	5973	4000	5600
Loan Amount Availed (Rs Lakhs)	1431	27498	7215	5973	4000	5600
Loan amount outstanding as on 31-03-2019	81	26298	3127	2555	1400	2240
No of Installments (Quarterly)	28	32	32	28	20	20
Installments Commencement	Nov,2014	Dec,2018	Mar,2015	May,2015	Jan,2017	June,2016
Rate of Interest	1.20% over 1 Yr MCLR plus SP	1 Yr MCLR plus 0.65%	1 Yr MCLR plus 1.30%	1 Yr MCLR plus 1.00%	1.20% over 1 Yr MCLR plus SP	1.85% over 1 Yr MCLR
Installment Amount (Rs Lakhs)	75	Varying installment amounts.	207.25	314	200	280
Security	First Charge on Fixed Assets of Macherla Cement Plant.	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	First Charge on Fixed Assets of Captive Power Plant.	First Charge on Fixed Assets of Hotel.	Exclusive Charge on Hydel Division Assets and Property at Chennai.	Exclusive Charge on land in Chennai.

Note : Initial Loan Processing Charges by State Bank of India are being amortised over the period of the loan. Net amount outstanding at the end of the year to be amortised was Rs. 30.49 lakhs.

Carrying value of assets Hypothecated for Term Loan

Particulars	Muktyala Plant Fixed Assets		Muktyala Plant Expansion Assets		Macherla Plant Fixed Assets		Hotel Fixed Assets		Hydel Unit Fixed Assets	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Plant & Machinery	23,501	24,909	34,550	-	3438	3531	2064	2367	783	929
Lands & Buildings	6,103	6,198	36	-	1264	1264	5078	5270	114	124
Furniture & fixtures	42	53	10	-	29	34	953	1154	-	-
Total	29,646	31,159	34,596	-	4730	4829	8094	8791	897	1053

Cash Credit

Particulars	Muktyala		Macherla	Macherla	CPP	Engineering Unit	Engineering Unit - WCDL	KCP - WCDL	KCP - STL
	Bank of Baroda	Bank of India	Canara Bank	HDFC Bank	Canara Bank	Canara Bank	Canara Bank	HDFC	HDFC
Lending Bank	930	312	768	1167	379	319	2000	1000	2000
Outstanding Amount as on 31.03.2019	0.95% over 1 Yr MCLR plus SP	1.10% over 1 Yr MCLR	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.10%	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.80%	3 Month MCLR	8.70%	8.70%
Rate of Interest on 31.03.2019	Paripassu Current Assets of Cement Unit	Paripassu First Charge on Current Assets of Muktyala Cement Unit	Paripassu First Charge on Current Assets of Muktyala Cement Unit	Paripassu First Charge on Current Assets of Macherla Cement Unit	Paripassu First Charge on Current Assets of Captive Powere Plant	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of the Company	Paripassu First Charge on Current Assets of the Company

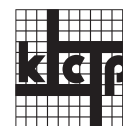
Rs in Lakhs

Note 19. Non current- Trade payables	As at 31-03-2019	As at 31-03-2018
Due to Micro and Small Enterprises	-	-
Due to Others	271.26	271.26
TOTAL	271.26	271.26

Note 20. Non current- Other Financial Liabilities	As at 31-03-2019	As at 31-03-2018
Trade Deposits	3,883.40	2,726.32
Deposits Payable-Contractors	323.90	261.90
Interest accrued but not due	118.10	139.77
Outstanding Liabilities for Expenses	723.75	825.96
TOTAL	5,049.14	3,953.95

Note 21. Non current - Provisions	As at 31-03-2019	As at 31-03-2018
Provision for gratuity	35.40	22.35
Provision for leave benefits	945.01	842.58
Provision for Decommissioning expenses	410.96	360.70
TOTAL	1,391.36	1,225.63

Note 22. Deferred Tax Liability (Net)	As at 31-03-2019	As at 31-03-2018
Deferred Tax Liability		
Fixed assets: Difference between Tax depreciation and depreciation/ amortisation charged for the financial reporting	12,355.62	10,664.82
Discounting of legal cases	38.97	12.29
Unamortised transaction cost	-	13.55
Gross Deferred Tax Liability	12,394.59	10,690.66
Deferred Tax Asset		
MAT Credit	4,722.38	3,917.96
Expected Credit Loss	1.59	2.24
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	814.87	865.39
Discounting of Trade Receivables	20.74	16.85
Unabsorbed Losses	483.50	-
Provision for decommissioning cost	143.60	126.04
Onerous Contracts	19.60	-
Others	28.01	-
Gross Deferred tax asset	6,234.31	4,928.48
Net Deferred Tax Liability	6,160.28	5,762.18



Rs in Lakhs

Note.23 Current Financial Liabilities- Borrowings	As at 31-03-2019	As at 31-03-2018
Cash credit from Banks		
: Secured	4,379.64	2,881.46
: Unsecured	-	-
Other Short Term Borrowings-Working Capital Demand Loan (Secured)	5,000.00	1,000.00
Loan Repayable on Demand (Unsecured)		
:from Related Parties - Directors	1,665.00	1,427.32
Inter-corporate deposit repayable on demand	350.00	620.00
Total	11,394.64	5,928.77
Current Financial liabilities-Borrowings includes the following:		
Secured borrowings	9,379.64	3,881.46
Unsecured borrowings	2,015.00	2,047.32

Note.24 Current Financial liabilities- Trade payables	As at 31-03-2019	As at 31-03-2018
Due to Micro and Small Enterprises	46.19	42.64
Due to Others	7,106.78	5,159.69
TOTAL	7,152.97	5,202.33

Note 25. Current- Other Financial Liabilities	As at 31-03-2019	As at 31-03-2018
Current Maturities of Long Term Borrowings (Refer Note below)	11,047.73	8,407.23
Interest Accrued but not due on borrowings	443.81	216.64
Interest Accrued and due on borrowings	49.21	62.87
Advance from customers	5,344.98	6,446.67
Unpaid Dividend	235.66	162.96
Accrued Salaries and Benefits	676.95	720.73
Directors Remuneration Payable	140.68	734.89
Project related payables	1,396.65	1,426.55
Outstanding Liabilities for Others	544.87	505.25
TOTAL	19,880.55	18,683.78

Note 25A Current maturities of long term borrowings	As at 31-03-2019	As at 31-03-2018
Rupee Term Loans from Banks - Secured		
for Hotel Project	854.43	854.43
for Cement Plant- Macherla	81.33	300.00
for Captive Power Plant- Muktyala	833.79	995.50
for Cement Plant Muktyala Expansion	3,550.00	1,200.00
for Corporate	1,920.00	1,920.00
Sub Total	7,239.55	5,269.93
Public Deposits (unsecured)		
From Related Parties - Directors	1,025.00	5.00
From Others	2,783.18	3,132.30
Sub Total	3,808.18	3,137.30
TOTAL	11,047.73	8,407.23

Note 26. Other Current Liabilities	As at 31-03-2019	As at 31-03-2018
Statutory Dues	2,073.34	698.28
TOTAL	2,073.34	698.28

Rs in Lakhs

Note 27. Current- Provisions	As at 31-03-2019	As at 31-03-2018
Provision for gratuity	9.63	3.01
Provision for leave benefits	354.83	370.13
TOTAL	364.46	373.14

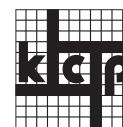
Note 28. Revenue from operations	Current Year	Previous Year
Revenue from operations		
Sale of products	112,039.23	102,628.53
Sale of services	1,697.96	1,777.80
Other operating revenue		
Scrap sales	124.04	233.99
Packing and Forwarding	4.95	9.59
Interest Income on		
- Bank deposits	132.57	109.16
- Others	102.13	150.16
Amortisation of government Grant (VAT Incentive)	1.99	1.99
Insurance Claims Received	14.55	296.70
TOTAL	114,117.43	105,207.92

Disaggregation of revenue information as per IND AS-115		
Particulars		FY 2018-19
Revenue from Sale of goods		101,710.30
Revenue from Power		611.62
Revenue from Engineering Job works		9,806.74
Revenue from Hospitality services		1,608.54
TOTAL		113,737.20

During the financial year 2018-19, the company recognized revenue in excess of invoicing Rs.2833.94 lakhs in respect of Engineering job works. Consequently profit for the year has been increased by Rs. 162.52 lakhs.

Revenue from Contract with Customer as per disclosure requirements under para 126AA of INDAS-115:

S No	Particulars	FY 2018-19
1	Revenue from contracts with customers (excl GST)	124,510.19
	Less:	
2	Discounts	10,028.08
3	Selling agent commission	557.89
4	Sales promotion	187.02
	Gross sales as per Profit and loss account	113,737.20



Rs in Lakhs

Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works.

Particulars	As on 31.03.2019
Opening balance of Trade Receivables	2,023.60
Opening balance of Contract assets	567.11
Opening balance of Contract liabilities	1,452.49
Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period.	5,333.59
Revenue recognized in the reporting period from performance obligations satisfied in the previous period.	-
Closing balance of receivables	2,211.00
Closing balance of contract assets	2,833.95
Closing balance of contract liabilities	2,695.14

Note 29. Other Income	Current Year	Previous Year
Dividend income on		
Investment in subsidiary - KCP Vietnam Industries Ltd	1,371.00	3,869.25
Investment in joint venture - Fives Cail KCP Ltd	40.00	40.00
Non current investments	13.38	13.16
Net gain on sale of Assets	24.83	-
Other non-operating income (See note below)	786.22	918.52
TOTAL	2,235.43	4,840.93

Other Non-Operating Income	Current Year	Previous Year
Unclaimed balance Credited Back	16.73	23.38
Provision no longer required, credited back	491.37	580.54
Claims Received (other than insurance)	0.23	2.80
Reversal of Loss Allowance	-	2.81
Reversal of Provision for Discounting of Trade Receivables	-	17.22
Rent Recovery	139.17	130.38
Difference In Exchange-(Net)	-	37.73
LD Recovered From Suppliers	0.28	10.15
Miscellaneous Receipts	71.63	26.62
Misc.Scrap Sales	66.80	86.90
TOTAL	786.22	918.52

Note 30. Cost of raw material and components consumed	Current Year	Previous Year
Inventory at the beginning of the year	743.38	720.43
Add: Purchases	5,842.81	5,947.41
Add: Trial run production stocks (Refer Note No.45)	1,014.68	-
Add: Cost of raw materials produced	19,789.32	10,988.51
	27,390.20	17,656.35
Less: Inventory at the end of the year	1,249.81	743.38
TOTAL	26,140.40	16,912.96

STANDALONE

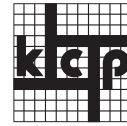
Rs in Lakhs

Details of raw material and components consumed	Current Year	Previous Year
i) Cement Unit		
Limestone	14,737.07	10,882.92
Laterite	1,227.64	993.70
Fly Ash	1,565.86	1,219.26
Gypsum	2,589.54	2,256.86
Clinker	2,973.17	76.56
Sub total	23,093.29	15,429.31
ii) Engineering Unit		
Iron and Steel, Nickel, Scrap and Equipments	2,834.18	1,268.07
iii) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	20.89	27.38
iv) Hotel		
Provisions	192.03	188.20
TOTAL	26,140.40	16,912.96

Details of Inventory	Current Year	Previous Year
Raw materials and components		
Limestone	570.37	328.51
Laterite	71.54	74.72
Fly Ash	6.49	4.75
Gypsum	416.77	303.15
Iron and Steel, Nickel, Scrap and Equipments - In Transit	178.91	29.47
Others		
Sand	2.82	1.93
Stone Crusher Dust	2.91	0.85
TOTAL	1,249.81	743.38

Note 31. (Increase)/ Decrease In Inventory	Current Year	Previous Year
Inventories at the beginning of the year		
Work in progress	5,127.32	4,981.76
Finished goods	439.67	703.53
Sub-Total	5,566.99	5,685.29
Inventories at the end of the year		
Work in progress	6,800.13	5,127.32
Finished goods	916.75	439.67
Sub-Total	7,716.88	5,566.99
TOTAL	(2,149.89)	118.30

Note 32. Employee benefits expense	Current Year	Previous Year
Salaries, Wages and bonus	6,971.83	7,843.57
Contribution to Provident and other funds	644.59	579.18
Gratuity expenses	90.54	139.06
Staff welfare expenses	858.02	782.77
TOTAL	8,564.99	9,344.58



Rs in Lakhs

Note 33. Finance Costs	Current Year	Previous Year
Interest	3,333.20	3,439.43
Other Borrowing costs	47.63	89.56
TOTAL	3,380.83	3,528.99

Depreciation and amortization expense	Current Year	Previous Year
Depreciation of tangible assets	5,157.71	4,882.82
Amortization of intangible assets	35.62	19.81
TOTAL	5,193.33	4,902.63

Note 34. Other expenses	Current Year	Previous Year
Consumption of stores and spares	6,642.21	5,639.13
Consumption of loose tools	174.36	145.13
Sub-contracting expenses	2,101.09	1,744.65
Insurance	111.09	127.70
Rent	148.08	141.46
Rates and taxes	492.31	455.05
Repairs and maintenance:		
Plant&Machinery	1,056.74	865.84
Buildings	392.06	599.50
Other Assets	165.30	225.49
Wheeling/Banking Charges	77.78	22.77
Advertising and sales promotion	448.80	1,047.64
Sales commission	-	131.37
Travelling and conveyance	231.24	255.29
Communication costs	111.17	113.39
Printing & Stationery	76.61	76.07
Donations	11.00	-
Corporate Social Responsibility	108.81	54.00
Professional, Consultancy and Legal fees	527.33	470.30
Directors' sitting fees	11.60	9.70
Payment to auditors (Refer details below)	35.02	39.15
Exchange Difference - Net Loss /(Gain)	28.92	-
Bad debts/advances written off	17.95	5.04
Bank Charges	86.39	78.68
Assets Written Off	79.87	55.21
Loss on sale of fixed assets (net)	-	11.46
Performance and Delivery Guarantee Claims	168.22	212.32
Miscellaneous expenses	1,306.70	1,671.70
TOTAL	14,610.63	14,198.05

STANDALONE

Rs in Lakhs

Payment to Auditors	Current Year	Previous Year
As Auditor:		
Audit Fee	18.00	16.00
Certification & Other fees	8.41	15.94
Fees for Cost Auditor	6.60	5.10
Reimbursement of expenses	2.01	2.11
TOTAL	40.27	39.15

Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2019 & 31-03-2018 are:

S No	Income tax expense:-	FY 2018-19	FY 2017-18
a)	Current tax	1,045.00	2,343.21
b)	Deferred tax	1,311.22	(38.88)
c)	MAT credit Utilised/ (Entitlement)	(804.42)	866.79
d)	Short/(Excess) provision of income tax	(22.95)	(60.86)
	Total tax expense for the year	1,528.85	3,110.26

Reconciliation of effective tax rate

Tax on the company's profit before tax differs from the the theoretical amount that would arise on using the enacted rate of coporate tax in india (34.944%) as follows:

S.No	Particulars	FY 2018-19	FY 2017-18
(a)	Net Profit / (Loss) before taxes	5,480.20	11,236.95
(b)	Corporate Tax as per Income Tax Act, 1961	34.944%	34.608%
(c)	Tax on Accounting Profit (c) = (a) X (b)	1,915.00	3,888.88
(d)	Increase/Decrease in tax expense on account of:-		
	i) Non taxable income/Exempt income	(14.23)	(14.23)
	ii) Reduction in Depreciation/ (Accelerated Depreciation)	(1,576.31)	107.71
	iii) Expenses not allowed under Income Tax	65.42	459.07
	iv) Expenses that are allowed under payment basis	(120.22)	(310.07)
	v) Expected Credit Loss(income) as per Ind AS	(0.65)	(0.97)
	vi) Amortization of Government Grant as per Ind AS	(0.70)	(0.69)
	vii) Finance Cost as per Ind AS	(6.52)	(6.09)
	viii) Stripping Cost Capitalized as per Ind AS	(130.62)	(100.15)
	ix) Difference in tax rate for foreign dividend	-	(671.62)
	x) Deduction under Sec 80-IA	(109.79)	(127.58)
	xi) Unabsorbed Depreciation	239.54	-
	xii) Other adjustments	(21.39)	(14.25)
(e)	Tax as per Normal Provision under Income Tax	239.54	3,210.01
(f)	Tax rate applicable to the company as per MAT Provisions	21.55%	21.34%
(g)	MAT Tax expense on Net Profits	1,180.92	2,398.14

S.No	Particulars	FY 2018-19	FY 2017-18
(h)	Increase/Decrease in tax expense on account of:-		
i)	Items that will not be reclassified to Profit & Loss	(67.03)	(12.68)
ii)	Exempt Income	(8.78)	(8.78)
iii)	1/5th of transition amount u/s 115JB(2C)	(42.81)	(42.34)
iv)	Expected Credit Loss	(0.40)	(0.60)
v)	Expenses that are not allowed as per Section 115JB	(16.90)	9.50
(i)	MAT tax provision under 115JB (g+h)	1,045.00	2,343.24

Deferred Taxes:-

S.No	Particulars	FY 2018-19	FY 2017-18
	As on reporting date		
	Deffered tax arising due to		
a)	On OCI component		
	-Acturial Gain/Loss	(108.70)	(33.23)
b)	Other than OCI component		
	-Difference in W.D.V of Property Plant & Equipment	1,690.81	77.24
	-Life expired assets- Property Plant & Equipment	-	-
	-Discounting of trade receivables	(3.89)	5.80
	-Provision for Loss allowance	0.65	0.95
	-Discounting of Legal cases	26.68	0.12
	-Decommissioning cost	-	(1.42)
	-Unamortized transaction cost	(13.55)	(2.77)
	-Provision for Decommissioning cost	(17.56)	(14.59)
	-Other disallowances	111.60	(104.21)
	-Unabsorbed Losses	(484)	-
c)	Total for the year (a+b)	1,202.52	(72.11)

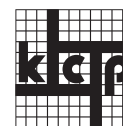
Expense/(income) recognised for the year ended:			
	Deferred tax liability/(asset) recognised in statement of profit and loss	1311.22	(38.88)
	Deferred tax recognised in other comprehensive income	(108.70)	(33.23)
	Deferred tax recognised in Total comprehensive income	1,202.52	(72.11)

Details of Deferred tax liability/ (asset) arised during FY 2018-19:-

S. No	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporary Timing difference arised in relation to : Property, Plant & Equipment - Depreciation charged as per income tax act and Companies Act	10,664.82	1,690.81	-	-	12,355.62
2)	Bank Processing Charges - Amortization	13.55	(13.55)	-	-	-
3)	Discounting of Legal Cases	12.29	26.68	-	-	38.97
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(865.39)	159.21	(108.70)	-	(814.87)
5)	Provision for Discounting of Trade receivables	(16.85)	(3.89)	-	-	(20.74)
6)	Deferred Tax Asset on Expected Credit Loss	(2.24)	0.65	-	-	(1.59)
7)	Provision for Decommissioning Cost	(126.04)	(17.56)	-	-	(143.60)
8)	MAT Credit	(3,917.96)	-	-	(804.42)	(4,722.38)
9)	Unabsorbed Losses	-	(483.50)	-	-	(483.50)
10)	Onerous Contract	-	(19.60)	-	-	(19.60)
11)	Others	-	(28.01)	-	-	(28.01)
	TOTAL	5,762.18	1,311.22	(108.70)	(804.42)	6,160.28

Note 36. Other Comprehensive Income

Particulars	Current Year 2018-19	Previous Year 2017-18
a) Items that will not be reclassified subsequently to Profit or loss		
- Remeasurement of Defined Benefit Plan (Loss)/Gain		
Gratuity	(87.22)	35.68
Leave Encashment	(223.84)	(95.09)
- Increase/Decrease in Fair Value of Investments	(4.23)	(0.71)
b) Items that will be reclassified subsequently to Profit or loss	-	-
c) Impact of income tax on above (a) and (b)	108.70	33.23



Rs in Lakhs

Statement showing additions, write off and payments made to provisions as per IND AS 37 Para 84

S.No	Provisions	Leave Benefits	Gratuity	Income Tax	Wealth Tax	Decommissioning cost in respect of mines
1	Balance as at 1st April, 2018	1,212.71	25.36	3,233.45	12.59	360.70
2	Provision recognised during the year					
	- In Statement of Profit & Loss	174.87	90.85	1,045.00	(12.59)	38.27
	- In Statement of Other Comprehensive Income	223.84	87.22	-	-	-
3	Amounts incurred and charged against the provision	(311.59)	(158.40)	(2,430.43)	-	11.98
4	Balance as at 31st March, 2019	1,299.84	45.03	1,848.02	-	410.96

37	CONTINGENT LIABILITIES	As at 31st March, 2019	As at 31st March, 2018
A	Claims against the company not acknowledged as debt		
	A.1) In respect of Statutory levies	3,307.86	3,381.99
	A.2) In respect of Contractual levies	127.11	127.11
	A.3) In respect of Others	579.86	571.78
B	Guarantees issued by the Bankers on behalf of the Company		
	B.1) Against Advances obtained	5,816.84	4,207.26
	B.2) Towards Performance Guarantees	1,102.67	689.68

38	COMMITMENTS	As at 31st March, 2019	As at 31st March, 2018
A	Estimated amount of contracts remaining to be executed on capital account and not provided for	2,713.26	9,402.73
B	Other commitments - Sale contracts	16,020.78	10,680.82
	- Export Obligation under EPCG Scheme	144.29	716.31

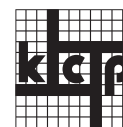
39	VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	FY 2018-19	FY 2017-18
	a) Raw Materials and Stock-in-Trade	2,902.39	1,322.21
	b) Components ,Spares parts , Consumables & Coal	13,501.38	13,497.15
	c) Tools	0.34	0.75
	d) Capital goods	-	2,720.84

STANDALONE

Rs in Lakhs

40	Comparison between Consumption of imported and indigenous raw materials, spare parts and components during the financial year:	FY 2018-19		FY 2017-18	
		Rs	%	Rs.	%
a	Raw materials				
	(i) Imported	2,622.77	10.03%	2,318.00	13.71%
	(ii) Indigenous	23,517.63	89.97%	14,594.96	86.29%
		26,140.40	100.00%	16,912.96	100.00%
b	Components ,Spare parts , Consumables & Coal (debited to respective heads)				
	(i) Imported	17,525.17	50.09%	17,964.56	58.68%
	(ii) Indigenous	17,459.30	49.91%	12,647.34	41.32%
		34,984.47	100.00%	30,611.90	100.00%

41	A . UNALLOCATED CAPITAL EXPENDITURE	FY 2018-19	FY 2017-18
	Opening Unallocated Capital Expenditure	1,536.81	592.94
	Salaries,wages & Bonus	185.45	180.32
	Staff welfare Expenses	0.63	0.64
	Stores and Spares Consumed	38.93	3.03
	Power	85.56	57.27
	Insurance	18.57	12.90
	Repairs to Building	-	0.85
	Repairs to Machinery	-	0.42
	Repairs to Other Assets	0.21	0.32
	Payment to auditors	-	0.23
	Rent	2.27	1.33
	Professional Fees	76.50	103.06
	Travelling Expenses	10.04	13.69
	Security Charges	11.01	8.86
	Rates & taxes	54.12	2.03
	Interest on Fixed Loan	1,432.61	893.47
	Depreciation	17.64	10.36
	Miscellaneous expenses	16.17	74.38
	Net expenditure during trial run period	614.29	-
		4,100.82	1,956.10
	Less:		
	Interest Received	7.89	15.80
	Miscellaneous Income	0.03	0.00
		4,092.91	1,940.29
	Less:		
	Capitalised/Allocated to fixed assets	3,730.55	403.48
	Closing unallocated Capital Expenditure	362.36	1,536.81



Rs in Lakhs

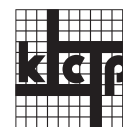
42	EXPENDITURE IN FOREIGN CURRENCY	FY 2018-19	FY 2017-18
	a) Travelling expenses	3.63	6.94
	b) Membership	4.22	4.13
	c) Other matters- Seminars, advance to suppliers, business support services	190.93	135.43
43	EARNINGS IN FOREIGN EXCHANGE	FY 2018-19	FY 2017-18
	a) F.O.B value of goods exported during the year	748.60	374.67
	b) Income from Service charge	226.69	191.88
	c) Dividend from Investments	1,383.65	3,881.29
44	REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND	FY 2018-19	FY 2017-18
	a) Number of Non Resident Shareholders	525	660
	b) Number of Equity Shares held by them	6,290,756	3,244,751
	c) (1) Amount of Dividend Paid (Gross) (in Foreign Currency)	Nil	Nil
	(2) Tax Deducted at Source	Nil	Nil
	(3) Year to which dividend relates	Nil	Nil
	Note: Dividend remitted to Non-resident shareholders in Indian currency.		
45	REVENUE EXPENDITURE CAPITALISED DURING THE YEAR	FY 2018-19	FY 2017-18
	a) Opening unallocated capital expenditure	1,536.81	592.94
	Add:		
	Salaries,wages, Bonus, PF & FPS	185.45	180.32
	Staff welfare Expenses	0.62	0.64
	Stores and Spares Consumed	38.93	3.03
	Power	85.56	57.27
	Insurance	18.57	12.90
	Repairs to Building	-	0.85
	Repairs to Machinery	-	0.42
	Repairs to Other Assets	0.21	0.32
	Payment to auditors	-	0.23
	Rent	1.79	1.33
	Professional Fees	76.50	103.06
	Travelling Expenses	9.69	13.69
	Security Charges	11.01	8.86
	Rates & taxes	51.92	2.03
	Interest on Term Loan	1,432.61	893.47
	Depreciation	17.64	10.36
	Miscellaneous expenses	16.17	74.38
	Net expenditure during trial run period	614.29	-
		4,097.77	1,956.10

Rs in Lakhs

Less:			
Interest Received		7.89	15.80
Miscellaneous Income		0.03	-
		4,089.86	1,940.29
Less:			
Capitalised/Allocated to fixed assets		3,730.55	403.48
Closing unallocated Capital Expenditure		362.36	1,536.81
		4,092.91	1,940.29
b) Net expenditure during trial run production			
Raw material consumed		1,528.74	-
salaries&wages		12.71	-
contribution to provident and other funds		0.02	-
staff welfare expenses		0.27	-
Power & fuel		2,486.62	-
Interest paid to Bankers&Others		288.16	-
Insurance		1.76	-
Miscellaneous expenses		81.72	-
Depreciation		262.20	-
		4,662.19	
Less:			
Sales/Inter Unit Transfer			
Raw-meal transfered to LINE I		25.54	-
Clinker transfered to LINE I		3,007.69	-
Stocks at the end of trail run production			
Raw Meal		83.27	-
Clinker		931.41	-
Net Income/Expenditure during trial period :		(614.29)	-

46	REVENUE FROM OPERATIONS	FY 2018-19	FY 2017-18
	Finished goods sold (inclusive of Excise duty/Service tax)		
	Cement	101,644.72	95,106.05
	Heavy Engineering products	9,717.32	7,378.63
	Electrical energy	583.50	49.87
	Service Receipts	1,697.96	1,777.80
	Others	473.92	895.57
	TOTAL	114,117.43	105,207.92

47	EARNINGS PER SHARE (EPS)	FY 2018-19	FY 2017-18
	i) Net Profit after tax as per Profit and Loss Statement	3,951.35	8,126.67
	ii) Net Profit attributable to Equity Shareholders	3,951.35	8,126.67
	iii) Weighted Average number of equity shares used as denominator for calculating EPS	128921160	128921160
	iv) Basic and Diluted Earnings per share	3.06	6.30
	v) Nominal value per each Equity share	1.00	1.00



Rs in Lakhs

48	Disclosures required by Indian Accounting Standard 19- Employee Benefits	FY 2018-19		FY 2017-18	
		Gratuity	Leave Absentees	Gratuity	Leave Absentees
a) Reconciliation for present value of obligations					
	Present value of obligations as at beginning of the year	1,279.26	1,212.71	1,215.56	831.81
	Interest cost	91.14	81.07	85.18	51.11
	Current service cost	94.70	93.80	85.29	77.21
	Past service cost	-	-	53.87	-
	Benefits paid	(181.91)	(311.58)	(128.99)	(282.27)
	Actuarial loss/(gain) on obligation	93.18	223.83	(31.65)	534.85
	Present value of obligations as at end of the year	1,376.37	1,299.83	1,279.26	1,212.71
b) Reconciliation for fair value of plan assets					
	Fair Value Of Plan Assets At The Beginning Of The Year	1,253.90	-	1,140.12	-
	Expected Return On Plan Assets	94.99	-	85.27	-
	Contributions	158.40	311.58	153.45	282.27
	Benefits Paid	(181.91)	(311.58)	(128.99)	(282.27)
	Actuarial Gain On Plan Assets	5.96	-	4.03	-
	Fair Value Of Plan Assets At The End Of The Year	1,331.34	-	1,253.90	-
c) Net Liability recognised in the Balance Sheet					
	Present value of obligations as at the end of the year	1,376.37	1,299.83	1,279.26	1,212.71
	Fair value of plan Assets as at the end of the year	1,331.34	-	1,253.90	-
	Amount determined under para 63 of IND AS 19	45.03	1,299.83	25.36	1,212.71
	Net defined benefit liability recognised in the Balance sheet	45.03	1,299.83	25.36	1,212.71
	Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
d) Expenses recognised in statement of Profit & Loss					
	Current service cost	94.70	93.80	85.29	77.21
	Net interest on net Defined benefit obligations	(3.84)	-	(0.10)	-
	Interest cost	-	81.07	-	51.11
	Net actuarial (gain)/loss recognised in the year	-	-	-	-
	Past service Cost	-	-	53.87	-
	Expense to be recognised in the Profit & Loss a/c	90.86	174.87	139.06	128.32
e) Amount recognised in the statement of OCI					
	Actuarial (gain)/loss on Plan obligation	93.18	223.83	(31.65)	534.85
	Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(5.96)	-	(4.03)	-
	Effect of Balance Sheet asset limit	-	-	-	-
	Amount recognized in OCI for the current period	87.22	223.83	(35.68)	534.85

STANDALONE

Rs in Lakhs

f) Actuarial Assumptions				
Assumptions as at 31 March, 2019				
Discount rate	7.65%	7.65%	7.67%	7.67%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	7.65%	0.00%	7.67%	0.00%
Mortality	IALM (2012-14)		LIC 94-96	
g) Date of Valuation	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
h) Average Duration of Defined Benefit Obligation (in Yrs)	9.13	5.33	6.5	6.9

i) Sensitivity Analysis

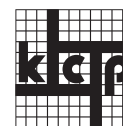
Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase (+) or decrease(-) in the reported assumption by 100/ PY 50 basis points.

Particulars	FY 2018-19		FY 2017-18	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
Discount Rate + 100/ (50) BP	8.65%	8.64%	8.17%	8.17%
Defined Benefit Obligation (PVO)	1,307.49	1,259.02	1,243.34	1,151.68
Current Service Cost	88.01	90.44	85.06	97.89
Discount Rate - 100/(50) BP	6.65%	6.64%	7.17%	7.17%
Defined Benefit Obligation (PVO)	1,453.58	1,344.03	1,317.22	1,225.75
Current Service Cost	102.41	97.46	92.37	105.62
Salary Escalation Rate + 100/(50) BP	7.00%	7.00%	6.50%	6.50%
Defined Benefit Obligation (PVO)	1,459.50	1,352.64	1,317.06	1,226.19
Current Service Cost	102.91	97.95	92.50	109.67
Salary Escalation Rate - 100/(50) BP	5.00%	5.00%	5.50%	5.50%
Defined Benefit Obligation (PVO)	1,300.94	1,250.13	1,243.22	1,150.96
Current Service Cost	87.49	89.92	84.91	97.82

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date.

Projected plan Cash flows:

j) Expected Contribution in following Years [mid-year cash flows]				
Year 1	102.94	368.29	Not Available	104.18
Year 2	109.11	205.75	Not Available	241.83
Year 3	115.66	213.52	Not Available	89.07
Year 4	122.60	191.43	Not Available	126.82
Year 5	129.95	135.87	Not Available	136.42
next 5 years	137.75	415.62	Not Available	445.83



Rs in Lakhs

k) Expected Benefit payments in following Years [mid- year cash flows]				
Year 1	294.43	368.29	104.33	104.18
Year 2	119.16	205.49	339.14	241.83
Year 3	173.16	213.25	134.26	89.07
Year 4	168.38	191.20	169.42	126.82
Year 5	130.57	135.70	149.54	136.42
next 5 years	609.25	415.62	551.70	445.83

49 RELATED PARTY DISCLOSURE

(as per separate annexure-I enclosed)

50 A. DERIVATIVE INSTRUMENT 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 instrument are stated below.

Currency	Amount (\$)	Indian Rupees Equivalent (In Lakhs)
USD	402,500	278.65

50 B. Foreign Currency Exposure not hedged by forward contracts

Particulars	FY 2018-19	FY 2017-18
(i) Export Receivables	211.53	38.86
(ii) Import Creditors Payables	-	-

51	DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES (MSMED ACT, 2006)	As at 31st March, 2019	As at 31st March, 2018
a	The amounts remaining unpaid to Micro, Small and Medium Enterprises at the end of each accounting year		
	- Principal amount of bills to be paid	46.19	42.64
	- Interest due thereon	0.01	-
b	The amount of interest paid by the buyer in terms of Section 6 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
d	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-
Note: For the purpose of the above details, of the status of the supplier's under the Act has been determined, to the extent of and based on information furnished by the respective parties and has accordingly, been relied upon by the company and its auditors.			

52	CORPORATE SOCIAL RESPONSIBILITY (CSR)	As at 31st March, 2019	As at 31st March, 2018
	In terms of section 135 of the Companies Act 2013, the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition promoting education, Art and Culture, Health care, destitute care and rehabilitation and Rural development projects.		
	-> Gross amount required to be spent by the company during the year	123.44	86.56
	(-) Amount spent by the company during the year towards CSR	108.81	54.00
	Amount yet to be spent by the company	14.63	32.55
53	PROVISION FOR ONEROUS CONTRACTS- IND AS 37	As at 31st March, 2019	As at 31st March, 2018
	As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable loses on long term contracts at its Engineering Unit and made provision.	56.10	30.00

54. EXCEPTIONAL ITEM

Current FY- **Rs. Nil**. For Previous year, Consequent to the orders from the Honourable Supreme Court of india on the Electricity Duty charges levied by the State on captive consumption, the Company had provided **Rs. 871.22 lakhs** as liability as on 31.03.2018 and the same has been reported as Exceptional Item in the Profit & Loss Statement.

55. PROPOSED DIVIDEND

In repect of the year ended March 31, 2019 the Directors proposed a dividend of Re. 1/- per equity share. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.1289.21 lakhs excluding Dividend Distribution Tax.

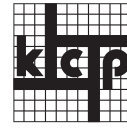
56. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

(as per separate annexure-II enclosed)

57. GENERAL

Figures in brackets indicate those for the previous year.

Figures for the previous have been regrouped, wherever necessary to make them comparable.



Rs in Lakhs

ANNEXURE - I TO STANDALONE NOTES- RELATED PARTY DISCLOSURE

Refer Note No 49. Related party Disclosure

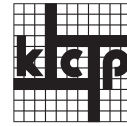
A). List of Related parties

Subsidiary Company	KCP Vietnam Industries Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	Dr. V.L. Dutt - Executive Chairman Dr. V.L. Indira Dutt - Managing Director Smt. V Kavitha Dutt - Joint Managing Director Sri V.Gandhi - Technical Director Sri. G. N. Murty - Chief Financial Officer Sri. Y. Vijaya Kumar - Company Secretary
Relatives of Key Managerial Personnel (KMP)	Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Dr. V.L. Indira Dutt - Late Smt. S.R.V. Rajyalakshamma - Mother Sri. V. Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V. Rama Kumari - Sister Smt. V Kavitha Dutt Kum.Shivani Dutt Chitturi - Daughter Sri. Ravi Chitturi - Husband Sri. V.Gandhi - Smt. V. Kamala Devi - Wife Sri. V. Praveen Kumar - Son Smt. V. Anupama - Daughter
Companies controlled by Key Managerial Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Private Limited The Jeypore Sugar Company Ltd. BGE Engineering (India) Private Limited VRK Grandsons Investment (Private) Limited V. Ramakrishna Charitable Trust Bala Tripurasundari Ammavaru Trust Fives Combustion Systems Pvt.Ltd Tyco Sanmar Limited

STANDALONE

Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Sale of Goods					
Fives Cail KCP Limited		10.68 (1.14)			
Services -Rendered					
Fives Cail KCP Limited		120.11 (119.10)			
V. Ramakrishna Sons Pvt Limited					(0.07)
KCP Technologies Limited					- (1.63)
V. Ramakrishna Charitable Trust					0.16 (0.15)
Services -Received					
KCP Technologies Limited					- (15.80)
Divdend Income					
KCP Vietnam Industries Limited	1,371.00 (3,869.25)				
Fives Cail KCP Limited		40.00 (40.00)			
BGE Global Inc.					12.65 (12.04)
Loans/Deposits received					
Dr V L Dutt			337.68 (33.50)		
Dr V L Indira Dutt			435.00 (455.00)		
Smt. V Kavitha Dutt			315.00 (66.53)		
VL Dutt (HUF)				50.00 (600.00)	
Kum.Shivani Dutt Chitturi				58.00 (252.00)	
Sri.V.Chandra kumar				0.96 -	
Purchase of Goods					
Fives Cail KCP Limited		18.22 -			
KCP Technologies Limited					0.46 (1.02)
Tyco Sanmar Limited					- (2.16)
Fives Combustion Systems Pvt Ltd.					13.32 -



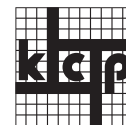
Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Remuneration paid					
Dr V L Dutt			242.49 (498.64)		
Dr V L Indira Dutt			181.87 (373.98)		
Smt. V Kavitha Dutt			147.31 (186.99)		
Sri V .Gandhi			145.19 (186.99)		
Sri G.N. Murty			78.16 (69.13)		
Sri Y. Vijayakumar			29.28 (23.14)		
Directors Out of pocket Exp. & Sitting fees					
Sri O. Swaminatha Reddy			2.37 (2.27)		
Sri V. H Ramakrishnan			2.48 (2.27)		
Sri Vijay shankar			2.20 (1.70)		
Sri P. S. Kumar			2.63 (2.32)		
Sri M. Narasimhappa			2.48 (1.61)		
Interest paid					
Dr V L Dutt			179.98 (171.01)		
Dr V L Indira Dutt			25.09 (27.82)		
Smt. V Kavitha Dutt			31.69 (18.82)		
Other Relatives					
Kum. Shivani D. Chitturi				33.53 (32.61)	
VL Dutt (HUF)				77.45 (86.50)	
Late Smt. S. R.V. Rajyalakshamma				- (6.61)	
V. Ramakrishna Sons Pvt Limited					36.12 (56.18)
Sri O. Swaminatha Reddy			0.47 (0.54)		

STANDALONE

Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Dividend paid					
Dr V L Dutt			60.06 (120.11)		
Dr V L Indira Dutt			33.64 (67.29)		
Smt. V Kavitha Dutt			11.80 (23.60)		
Sri V .Gandhi			0.02 (0.04)		
Other Relatives					
Kum.Shivani Dutt Chitturi				13.00 (26.00)	
Late Smt.S R V Rajyalakshamma				0.01 (0.01)	
Smt.Uma S Vallabhaneni				1.63 (3.26)	
Smt.Rajeswary Ramakrishnan				0.07 (4.68)	
Smt.Kamala Devi Valluri				0.05 (0.10)	
Smt.Anupama				0.02 (0.05)	
V. Ramakrishna Sons Pvt Limited					389.56 (779.13)
The Jeypore Sugar Company Ltd.					2.78 (5.57)
VRK Grandsons Investment (Private) Limited					52.35 (110.33)
Dr V L Dutt (HUF)				1.14 (2.27)	
Loans/Deposit Repaid					
Dr V L Dutt			30.00 (41.18)		
Dr V L Indira Dutt			620.00 (410.00)		
Smt. V Kavitha Dutt			10.00 (13.33)		
V. Ramakrishna Sons Pvt Limited					270.00 (55.00)



Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Kum. Shivani Dutt Chitturi				13.00	
Sri O. Swaminatha Reddy			5.00	-	
Rent Paid					
Dr V L Indira Dutt			136.46		
			(79.53)		
Smt. V Kavitha Dutt			5.06		
			(4.83)		
Other Relatives					
Smt. Uma.s. Vallabhaneni				143.68	
				(103.60)	
Late Smt. S R V Rajyalakshamma				-	
				(9.62)	
Smt. V. Rama Kumari				104.25	
				(75.50)	
Bala Tripurasundari Ammavaru Trust					144.41
					(102.95)
Sri. V. Chandra kumar				58.50	
				(44.67)	
Balances as at 31.03.2019					
Share Capital held by KCP in					
KCP Vietnam Industries Limited	2,371.44				
	(2,371.44)				
Fives Cail KCP Limited		40.00			
		(40.00)			
Fives Cail KCP Limited		1.74			
		(17.29)			
Receivable - Rent					
Fives Cail KCP Limited		0.03			
		-			
Share capital in KCP held by					
Dr. VL Dutt			60.06		
			(60.06)		
Dr V L Indira Dutt			34.67		
			(33.64)		
Smt. V Kavitha Dutt			12.25		
			(11.80)		
Sri V. Gandhi			0.02		
			(0.02)		

STANDALONE

Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Other Relatives					
Kum.Shivani Dutt Chitturi				13.00	
				(13.00)	
Smt.Rajeswary Ramakrishnan				0.07	
				(0.07)	
Late Smt.S R V Rajyalakshamma				0.01	
				(0.01)	
Smt.Uma S Vallabhaneni				1.63	
				(1.63)	
Smt.Anupama				0.02	
				(0.02)	
Smt.Kamala Devi Valluri				0.05	
				(0.05)	
V. Ramakrishna Sons Pvt Limited					389.56
					(389.56)
The Jeypore Sugar Company Ltd.					2.78
					(2.78)
VRK Grandsons Investment (Private) Limited					42.49
					(53.06)
Dr. VL Dutt (HUF)				1.14	
				(1.14)	
Loans/Advances held					
Dr V L Dutt			1,000.00		
			(792.32)		
Dr V L Indira Dutt			215.00		
			(400.00)		
Smt. V Kavitha Dutt			450.00		
			(235.00)		
V. Ramakrishna Sons Pvt Limited					350.00
					(620.00)
Sri V.Chandra kumar				0.96	
				-	
Sri Chandramoulieswara Nursing Home Trust					0.36
					-
Bala Tripurasundari Ammavaru Trust					0.54
					(0.54)



Rs in Lakhs

Transactions during the year	Subsidiary Company	Joint Venture	KMP	Related parties Other Relatives	Companies Controlled by KMP
Deposits held with the company					
Dr V L Dutt			1,133.50 (1,033.50)		
Dr V L Indira Dutt			25.00 (25.00)		
Smt. V Kavitha Dutt			101.53 (11.53)		
Other Relatives					
VL Dutt [HUF]				850.00 (800.00)	
Kum.Shivani Dutt Chitturi				370.00 (325.00)	
Late Smt.S R V Rajyalakshamma				- (62.50)	
Commission payable					
Sri. V L Dutt			100.13 (426.43)		
Dr V L Indira Dutt			40.55 (236.32)		
Smt. V Kavitha Dutt			- (32.22)		
Sri V .Gandhi			- (39.92)		
Payable-Trade Dues					
Dr V L Indira Dutt			33.13 (21.03)		
Smt. V Kavitha Dutt			1.16 (1.16)		
Xomox Sanmar Limited					0.06 -
Other Relatives					
Smt.V.Rama Kumari				26.71 (20.01)	
Sri.V.Chandra kumar				11.79 (8.31)	
Smt.Uma.s.Vallabhaneni				29.59 (21.17)	
Bala Tripurasundari Ammavaru Trust					37.05 (26.13)

STANDALONE

Annexure - II Referred in Note No. 56

56A. Financial Assets & Financial Liabilities and their fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs, other than quoted prices which are included in Level 1, that are observable for the asset or liability, either **directly** (i.e as prices) or indirectly (i.e derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31st March, 2019

Particulars	Note	Carrying amount				Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total		
Financial instruments measured at fair value													
Investments	6	-	16.45	2,873.43	-	2,889.88	16.45	-	-	-	-	-	16.45
Financial assets not measured at fair value													
Trade receivables	7 & 11	-	-	2,937.88	319.68	3,257.56	-	2,937.88	-	-	-	-	2,937.88
Cash and Cash Equivalents	12	-	-	-	1,166.62	1,166.62	-	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	1,853.53	1,853.53	-	-	-	-	-	-	-
Loans													
Loans and advances to employees	13	-	-	-	37.06	37.06	-	-	-	-	-	-	-
Other Financial assets													
EMD	8	-	-	-	25.08	25.08	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	11.85	11.85	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	46.06	46.06	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	5.74	5.74	-	-	-	-	-	-	-
Gratuity plan assets (Net)	13	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	1.75	1.75	-	-	-	-	-	-	-
Contract Assets	13	-	-	-	2,833.95	2,833.95	-	-	-	-	-	-	-
Others	13	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	-	2,937.88	6,301.32	9,239.20	-	2,937.88	-	2,937.88	-	-	2,937.88

Rs in Lakhs

Particulars	Note	Carrying amount				Fair value						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total	
Financial liabilities not measured at fair value												
Borrowings	18, 23 & 25	-	-	-	55,761.58	-	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	7,424.23	-	-	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	5,049.14	-	-	-	-	-	-	-
Other financial liabilities (Current) :-												
Accrued salaries and benefits	25	-	-	-	676.95	-	-	-	-	-	-	-
Payable to director	25	-	-	-	140.68	-	-	-	-	-	-	-
Others	25	-	-	-	8,015.19	-	-	-	-	-	-	-
TOTAL					77,067.77							

As at 31st March, 2018

Particulars	Note	Carrying amount				Fair value						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total	
Financial instruments measured at fair value												
Investments	6	-	19.95	-	2,873.43	-	2,893.38	19.95	-	-	-	19.95
Financial assets not measured at fair value												
Trade receivables	7 & 11	-	2,574.74	-	257.53	-	2,832.27	-	2,574.74	-	-	2,574.74
Cash and Cash Equivalents	12	-	-	-	1,350.25	-	1,350.25	-	-	-	-	-
Bank balances other than above	12A	-	-	-	1,385.38	-	1,385.38	-	-	-	-	-

Rs in Lakhs

Particulars	Note	Fair value hedging instruments	Carrying amount			Fair value								
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to employees	13	-	-	29.05	-	29.05	-	-	-	-	-	-	-	-
Other Financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-
EMD	8	-	-	20.87	-	20.87	-	-	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	7.45	-	7.45	-	-	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	37.44	-	37.44	-	-	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	5.74	-	5.74	-	-	-	-	-	-	-	-
Gratuity plan assets (Net)	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	17.29	-	17.29	-	-	-	-	-	-	-	-
Others	13	-	-	0.92	-	0.92	-	-	-	-	-	-	-	-
TOTAL		-	2,594.69	5,985.35	-	8,580.04	-	2,574.74	19.95	2,594.69	-	-	-	2,594.69
Financial liabilities not measured at fair value														
Borrowings	18, 23 & 25	-	-	-	-	47,924.43	-	-	-	-	-	-	-	-
Trade payables	19&24	-	-	-	-	5,473.59	-	-	-	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	-	3,953.95	-	-	-	-	-	-	-	-
Other financial liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits	25	-	-	-	-	720.73	-	-	-	-	-	-	-	-
Payable to director	25	-	-	-	-	734.89	-	-	-	-	-	-	-	-
Others	25	-	-	-	-	8,820.94	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	67,628.53	-	-	-	-	-	-	-	-

56B. Financial instruments - Fair values and risk management
Financial risk management objectives and policies:-

The Company's activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

b) Interest rate risk

The Company's exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

The Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Company's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

The interest rate profile of the Company's interest-bearing instruments is as follows.

Particulars	31-03-2019	31-03-2018
Fixed rate instruments		
Financial liabilities	10711.49	10787.80
Financial assets	25.08	20.87
Variable rate instruments		
Financial liabilities	45049.95	37136.63
Total financial liabilities	55786.52	47945.30

i) Sensitivity analysis

Particulars ⁰	Impact on profit or loss		Impact on other components of equity	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
1% increase in MCLR rate	450.50	371.37	450.50	371.37
1% decrease in MCLR rate	(450.50)	(371.37)	(450.50)	(371.37)

ii) Fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value.

iii) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The company's credit risk for trade receivables is as follows:

Particulars	31-03-2019	31-03-2018
Trade receivables	1,486.30	2832.27

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for Credit Loss	31-03-2019	31-03-2018
Balance at the beginning	6.41	9.22
Impairment loss recognised	(1.85)	(2.81)
Balance at the end	4.56	6.41

No single customer accounted for more than 10% of the revenue as of 31-03-2019 and 31-03-2018. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

56C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting period.

As at 31st March 2019

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	33,319.07	-	8,108.20	16,405.66	8,805.21	33,319.07
Current maturities of long term borrowings	11,047.73	11,047.73	-	-	-	11,047.73
Financial liabilities (Non current)	5,049.14	-	5,049.14	-	-	5,049.14
Cash credit and demand loans	11,394.64	11,394.64	-	-	-	11,394.64
Trade payables (current)	7,152.97	7,152.97	-	-	-	7,152.97
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities (Current)	8,831.58	8,831.58	-	-	-	8,831.58
	77,066.39	38,426.92	13,428.60	16,405.66	8,805.21	77,066.39

As at 31st March 2018

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	33,588.42	-	10,596.58	21,917.14	1,074.70	33,588.42
Current maturities of long term borrowings	8,407.23	8,407.23	-	-	-	8,407.23
Financial liabilities (Non current)	3,953.95	-	3,953.95	-	-	3,953.95
Cash credit and Demand Loans	5,928.78	5,928.78	-	-	-	5,928.78
Trade payables (current)	5,202.33	5,202.33	-	-	-	5,202.33
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities (Current)	10,276.56	10,276.56	-	-	-	10,276.56
	67,628.53	29,814.90	14,821.79	21,917.14	1,074.70	67,628.53



Rs in Lakhs

56D. Foreign exchange risk

The Company imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation on its segments performance is as follows

Particulars	Impact on profit	
	2018-19	2017-18
Increase in Exchange Rate by Re.1		
Cement	(194.28)	(193.85)
Captive Power Plant	(1.44)	(21.51)
Engineering	(1.53)	2.08
Decrease in Exchange Rate by Re.1		
Cement	194.28	193.85
Captive Power Plant	1.44	21.51
Engineering	1.53	(2.08)

56E. Commercial risk

Sale price risk

Particulars	Impact on profit	
	2018-19	2017-18
Selling price increase by 5%		
Cement	5,082.24	4,755.30
Power	29.18	2.49
Engineering	485.87	382.21
Hospitality & other Services	88.18	78.65
	5,685.45	5,231.95
Selling price decrease by 5%		
Cement	(5,082.24)	(4,755.30)
Power	(29.18)	(2.49)
Engineering	(485.87)	(382.21)
Hospitality & other Services	(88.18)	(78.65)
	(5,685.45)	(5,231.95)

Raw material price risk

Particulars	Impact on profit	
	2018-19	2017-18
Raw material price increase by 5%		
Cement	(1,154.66)	(772.46)
Engineering	(141.71)	(63.40)
Hospitality & other Services	(10.65)	(10.78)
	(1,307.02)	(846.64)
Raw material price decrease by 5%		
Cement	1,154.66	772.46
Engineering	141.71	63.40
Hospitality & other Services	10.65	10.78
	1,307.02	846.64



KCP

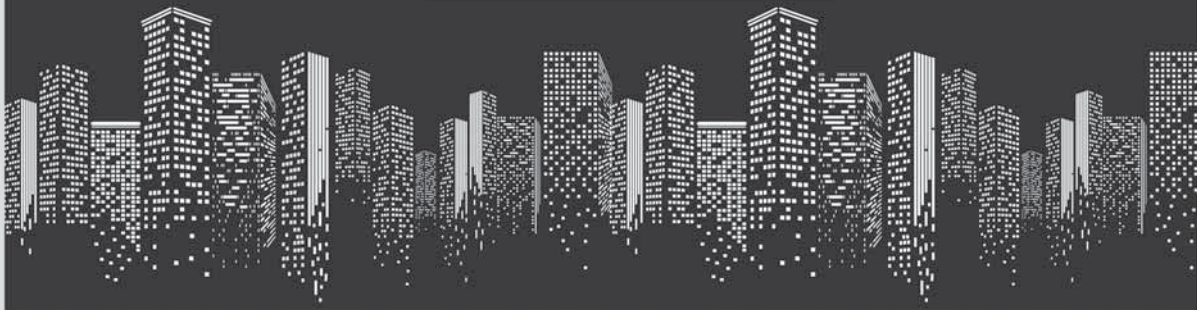
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THE K.C.P. LIMITED GROUP
CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of The KCP Limited, Chennai

Report on Consolidated Financial Statements:

Opinion

We have audited the accompanying consolidated financial statements of **THE KCP LIMITED** ("the Holding Company") its subsidiary and its joint venture (together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><u>Revenue recognition on Adoption of "Ind AS 115-Revenue from contracts with customers"</u></p> <p>As described in Note --- to the financial statements, the company has adopted Ind AS 115, Revenue from contracts with customers which is the new revenue accounting standard, effective from 1st April, 2018.</p>	<p><u>Principal audit procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of new revenue accounting standard.</p> <p>Our audit approach consisted of testing of the design and operating effectiveness of the internal controls and substantive testing as given below:</p> <ul style="list-style-type: none"> evaluated the design and implementation of the processes and internal control relating to implementation of the new accounting revenue standard, evaluated the detailed analysis performed by management on revenue streams. We have selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations, determination of transaction price and allocation of transaction price to the respective performance obligations.

	<p>The application of the new revenue accounting standard involves certain judgements relating to identification of distinct performance obligations, determination of transaction price in relation to identified performance obligation, allocation of transaction price to the respective performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard mandates robust disclosures which involves collation of information in respect of periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<ul style="list-style-type: none"> we have analysed and comprehended the complexity of revenue recognition in relation to company's industry sector (estimates of engineering services – contract assets and contract liabilities), revenue recognition net of adjustments for allowances, discounts and returns, the existence of multiple performance obligations, etc., and also the complexity of measurement in relation to recognition of revenue /losses from long-term contracts. evaluated the appropriateness of the disclosure provided under the new revenue accounting standard and assessed the completeness and the mathematical accuracy of relevant disclosures. <p>We are satisfied with the controls and procedures laid down in implementation of the new revenue accounting standard and the disclosures made in the financial statements.</p>
2	<p><u>Provision for decommissioning cost</u></p> <p>The company is accounting provision for decommissioning cost in relation to mining land in respect of cement production in accordance with Ind AS 16, which is computed by estimating cost of decommissioning at the date of last year of assurance. This estimated amount of decommissioning cost is adjusted to the year in which decommissioning cost is to be incurred. The said provision is required to be discounted to the present value. This involves measuring the discounting rate which has high inherent uncertainty in capturing real finance cost rate.</p> <p>Given the application of estimates and significant judgements in this area, we determine this area to be a key audit matter.</p>	<p><u>Principal audit procedures</u></p> <p>We assessed company's process to identify the computation of estimated decommissioning cost which is based on quantity of limestone to be extracted each year, estimated limestone reserves available and discount rate.</p> <p>Our audit approach consists of-</p> <ul style="list-style-type: none"> substantive checking of the calculations involved with reference to the balance number of years left to fulfil decommissioning obligation and discounting rate and evaluating the estimated cost each year over the balance years left. <p>We are of the opinion that these estimations are found to be adequate and in line with Ind AS 16</p>
3	<p><u>Evaluation of uncertain tax positions</u></p> <p>The company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. There are material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note No. -35 to the Consolidated Financial Statements.</p>	<p><u>Principal audit procedures</u></p> <p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter. discussed the status and likelihood of the outcome of the litigation with the external legal counsel engaged by the management. we also evaluated the independence and competency of the management's legal expert. obtained and tested evidence to support the management assessment with regard to non-provisioning against the demand. <p>Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group .

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about

whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are companies incorporated outside India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated

financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

- (a) We did not audit the financial statements / financial information of KCP Vietnam Industries Limited (subsidiary), and whose financial statements/financial information reflect total assets of Rs 60,962 Lakhs as at 31st March 2019, total revenues of Rs. 51,985 Lakhs and net cash flows from operating activities amounting to Rs. 7276.80 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements include the share of net profit of Rs. 8287.46 Lakhs for the year ended 31st March 2019, as considered in the consolidated Ind AS financial statements, whose financial statements/ financial information have not been audited by us. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- (b) We did not audit the financial statements /financial information of Fives Cail KCP Limited (Joint Venture), and the consolidated Ind AS financial statements also includes the Group's share of net profit of Rs. 168.93 Lakhs for the year ended 31st March 2019, as considered in the consolidated Ind AS financial statements, in respect of Fives Cail KCP Limited (Joint Venture), whose financial statements/financial information have not been audited by us. These financial statements/

financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the report of Statutory auditor of a subsidiary , none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein;

- g) with respect to Managerial Remuneration to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;

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

- (i) the consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note No 37 of the consolidated financial statements;
- (ii) the Group has made provision, as required under the applicable law or accounting standards ,for material foreseeable losses, if any, on long term contracts but did not have derivative contracts—Refer Note 46 to the Consolidated Ind AS financial statements; and
- iii there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: 29th May, 2019

For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

P. Govardhana Reddy
Partner
(ICAI Memb. No. 029193)

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The KCP Limited ("the Holding Company") its subsidiary and its jointly controlled entity, as of 31st March 2019, in conjunction with our audit of the consolidated Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(2) Provide reasonable assurance that transactions are recorded as necessary

to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and jointly controlled entity, and its subsidiary which is incorporated outside India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one jointly controlled entity, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

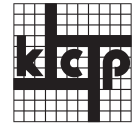
For K. S. RAO & Co
Chartered Accountants
Firm Registration No: 003109S

(P.GOVARDHANA REDDY)

Partner
(ICAI Memb. No. 029193)

Place: Chennai

Date: 29th May, 2019



Mercure Hyderabad KCP
 6-3-551, Somajiguda
 Hyderabad - 500 082, Telangana
 Phone: +91-40-67 88 88 44 /88
 Email: h8824-re@accor.com

GROUP

KCP[®]
Super Sreshtaa
 THE NEW GENERATION CEMENT

KCP Super Sreshtaa
 THE NEW GENERATION CEMENT
 PORTLAND POZZOLANIC CEMENT-FLY ASH BASED
 Net Quantity - 50 Kg
 Max. RETAIL PRICE INCL. ALL TAXES Rs.
THE KCP LIMITED

CONSOLIDATED BALANCE SHEET

Rs in Lakhs

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	2	118,316.44	90,609.13
	(b) Capital Work-in-progress	3	4,190.60	25,574.17
	(c) Investment Property	4	0.75	1.15
	(d) Other Intangible Assets	5	266.05	223.72
	(e) Financial Assets			
	(i) Investments	6	1,533.99	1,457.42
	(ii) Trade Receivables	7	319.68	257.53
	(iii) Loans		-	-
	(iv) Other financial assets	8	25.08	20.87
	(f) Deferred Tax Assets (Net)			
	(g) Other Non-current Assets	9	2,546.01	3,789.07
(2)	Current assets			
	(a) Inventories	10	34,908.11	35,950.15
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	11	8,049.30	7,314.02
	(iii) Cash and cash equivalents	12	1,570.68	1,685.96
	(iv) Bank balances other than (iii) above	12A	11,046.67	1,476.79
	(v) Loans			
	(vi) Other financial assets	13	2,938.85	101.34
	(c) Current Tax Assets (Net)	14	829.98	715.15
	(d) Other Current assets	15	9,187.24	11,564.12
	Total Assets		195,729.45	180,740.59
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	16	1,289.21	1,289.21
	(b) Other Equity	17	79,766.40	72,324.48
	Non Controlling Interest	17A	16,688.93	14,235.78
	Deferred Government Grant		32.41	34.40
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	35,727.45	37,230.06
	(ii) Trade Payables	19		
	Due to Micro and Small Enterprises		-	-
	Due to Others		271.26	271.26
	(iii) Other financial liabilities	20	7,815.97	6,879.15
	(b) Provisions	21	1,391.36	1,225.63
	(c) Deferred Tax Liabilities (Net)	22	6,160.28	5,762.18
	(d) Other non-current liabilities		-	-
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	23	11,394.64	8,587.05
	(ii) Trade payables	24		
	Due to Micro and Small Enterprises		46.19	42.64
	Due to Others		9,462.95	10,234.55
	(iii) Other financial liabilities	25	23,028.88	21,347.34
	(b) Other current liabilities	26	2,289.06	903.72
	(c) Provisions	27	364.46	373.14
	(d) Current tax Liabilities (Net)	14	-	-
	Total Equity and Liabilities		195,729.45	180,740.59

The accompanying notes are an integral part of the Consolidated financial statements.

1

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

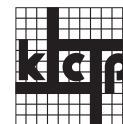
P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019



Rs in Lakhs, except no. of equity shares and per equity share data
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

PARTICULARS	Note No	Current Year	Previous Year
Income			
Revenue from Operations	28	166,056.52	151,250.72
Other Income	29	870.21	1,041.17
Total Revenue (I)		166,926.73	152,291.89
Expenses			
Cost of Raw Materials and Components consumed	30	53,576.56	56,740.89
[Increase]/Decrease in Inventories of finished goods, Work-in-progress and traded goods	31	4,778.82	(8,853.00)
Employee Benefits expense	32	10,732.41	11,442.13
Power and fuel		30,422.59	26,324.80
Freight and forwarding charges		27,034.52	20,574.76
Finance Costs	33	3,870.65	4,233.70
Depreciation and amortization expense	2	7,561.73	7,050.94
Excise duty		-	3,659.12
Other expenses	34	16,592.80	15,974.40
Total Expenses (II)		154,570.07	137,147.73
Profit/(Loss) before Exceptional items and tax		12,356.65	15,144.16
Add : Exceptional Items (Net)	47	-	871.22
Profit/(Loss) before tax		12,356.65	14,272.94
Add : Income Tax Refund			
Less : Tax expenses	35		
Short /Excess provision of Income Tax		(22.95)	(60.86)
Current tax		1,045.00	2344.55
Deferred tax		1,311.22	(38.88)
Add: MAT credit entitlement		(804.42)	866.79
Total tax expense		1,528.85	3,111.61
Profit/(Loss) for the year from continuing operations (A)		10,827.80	11,161.34
Profit / (Loss) from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax) (B)		-	-
Profit / (Loss) for the year (A) + (B)		10,827.80	11,161.34
Share of profit from joint venture		157.17	104.85
Less: Non Controlling share of Profit	17A	2,762.49	2,314.64
Profit / (Loss) after Non controlling interest		8,222.49	8,951.55
Other Comprehensive Income- OCI	36		
Items that will not be reclassified to P&L		819.28	(396.07)
Income tax relating to items that will not be reclassified to profit or loss		108.70	33.23
Share of OCI from joint venture		(28.95)	(30.11)
Less: Non controlling share of OCI	17A	382.25	(101.83)
OCI after Non controlling share		516.78	(291.12)
Total Comprehensive Income for the period (Comprising P&L + OCI)		11,884.01	10,873.23
Less: Minority share of Total Comprehensive income	17A	3,144.73	2,212.80
Total Comprehensive income after minority interest		8,739.27	8,660.42
Earnings per share (for Continuing Operations) Basic and diluted	42	6.38	6.94
Earnings per share (for Discontinued Operations) Basic and diluted		-	-
Total Earnings per share - Basic and diluted		6.38	6.94
(Face value of share is Rs.1)			
The accompanying notes are an integral part of the Consolidated financial statements.	1		

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital

Particulars	No of Shares	Amount
As at 1st April, 2017	128921160	1,289.21
Changes in equity share capital during 2017-18	-	-
As at 31st March, 2018	128921160	1,289.21
Changes in equity share capital during 2018-19	-	-
As at 31st March, 2019	128921160	1,289.21

B. Other Equity

Particulars	Reserves & Surplus						Other Comprehensive Income		Total	
	Capital Redemption Reserve	Capital Reserve on reorganization	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income		Actuarial Gains/losses reserve
Balance at the beginning of reporting period - 01-04-2017	2,000.00	279.91	103.83	9,548.48	609.40	27,248.40	26,792.30	1.27	(332.96)	66,250.64
Profit for the period							8,846.70			8,846.70
Share of profit of joint venture							104.85			104.85
Additions/(Deletions) during the year to translation reserve					(234.11)					(234.11)
Other Comprehensive Income (Note no. 36)								(0.71)	(56.30)	(57.01)
Total Comprehensive Income for the year					(234.11)		8951.55	(0.71)	(56.30)	8660.43
Transfer from/to General Reserve										
Final Dividend							(2,578.44)			(2,578.44)
Dividend Distribution tax							(8.14)			(8.14)

Particulars	Reserves & Surplus							Other Comprehensive Income		Total
	Capital Redemption Reserve	Capital Reserve on reorganisation	Capital Reserve on Amalgamation	Capital Reserve of Subsidiary	Translation Reserve	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/ losses reserve	
Balance at the end of reporting period - 31-03-2018	2,000.00	279.91	103.83	9,548.48	375.29	27,248.40	33,157.26	0.56	(389.26)	72,324.48
Profit for the period							8,065.32			8,065.32
Share of profit of joint venture							157.17			157.17
Additions/(Deletions) during the year to translation reserve				(1,093.30)	1,845.63					752.33
Other Comprehensive Income (Note no. 36)								(4.23)	(231.31)	(235.54)
Total Comprehensive Income for the year				(1,093.30)	1,845.63		8,222.49	(4.23)	(231.31)	8,739.28
Final Dividend							(1,289.21)			(1,289.21)
Dividend Distribution tax							(8.14)			(8.14)
Balance at the end of reporting period - 31-03-2019	2,000.00	279.91	103.83	8,455.18	2,220.92	27,248.40	40,082.40	(3.67)	(620.57)	79,766.40

The accompanying notes form an integral part of the Consolidated financial statements 1

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

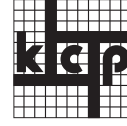
for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director
Place: Chennai
Date: 29th May, 2019

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)



CONSOLIDATED CASH FLOW STATEMENT

Rs in Lakhs

PARTICULARS	CURRENT YEAR 2018-19	PREVIOUS YEAR 2017-18
(A) Cash flow from operating activities		
Profit before tax from continuing operations	13,767.65	18,182.19
Profit before tax from discontinuing operations	-	-
Share of profits from joint venture	157.17	104.85
Profit before tax	13,924.83	18,287.04
Adjustments for :		
Depreciation on Tangible Assets	7,526.11	7,031.13
Amortization on Intangible Assets	35.62	19.81
Loss/[profit] on sale of fixed assets	(24.83)	11.46
Assets written off	79.87	55.21
Expected Credit loss	(1.85)	(2.81)
Discounting of trade receivables	-	(17.22)
Amortisation of government grant	(1.99)	(1.99)
Unrealised foreign exchange loss/ (gain)	28.92	(57.76)
Actuarial loss on defined benefit plan-gratuity	(99.39)	35.68
Actuarial loss on defined benefit plan-leave	(223.84)	(95.09)
Translation gain/loss during the year	1,146.74	(305.50)
Interest expense	3,380.83	3,528.99
Share of OCI of Associate	(28.95)	(30.11)
Interest income	(234.69)	(267.00)
Dividend income	(1,424.38)	(3,922.41)
Operating profit before working capital changes	24,094.13	24,269.29
Movements in working capital:		
Adjustments for Increase / (Decrease) in operating liabilities :		
Increase/[decrease] in trade payables	(768.05)	2,084.73
Increase/[decrease] in other financial liabilities (non-current)	936.83	151.71
Increase/[decrease] in long term provisions	165.73	73.13
Increase/[decrease] in other financial liabilities (Current)	1,681.55	1,097.64
Increase/[decrease] in other current liabilities	1,385.34	(996.17)
Increase/[decrease] in short-term provisions	(8.68)	311.16
Adjustments for [Increase]/decrease in operating assets :		
[Increase]/decrease in trade receivables (non-current)	(62.15)	132.85
[Increase]/decrease in other financial assets (non-current)	(4.21)	3.51
[Increase]/decrease in other non-current assets	1,243.06	1,826.16
[Increase]/decrease in inventories	1,042.03	(8,469.64)
[Increase]/decrease in trade receivables (current)	(3,625.38)	1,116.01
[Increase]/decrease in other bank deposits	(9,569.88)	(620.63)
[Increase]/decrease in other financial assets (current)	16.27	42.21
[Increase]/decrease in other current assets	2,376.88	2,224.67
Cash generated from/[used in] operations	18,903.47	23,246.76
Direct taxes paid (net of refunds)	(1,136.88)	(1,921.30)
Net cash flow from/[used in] operating activities (A)	17,766.59	21,325.46
(B) Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP	(14,011.57)	(25,547.72)
Proceeds from sale of fixed assets	29.11	99.49
Purchase of non-current investments	(0.72)	(1.13)
(Increase)/Decrease in value of investments in joint venture	(128.22)	(74.73)
Interest received	221.67	289.08
Dividends received	1,436.55	22.72
Net cash flow from/[used in] investing activities (B)	(12,453.18)	(25,212.28)
C. Cash flows from financing activities		
Repayment of long term Borrowings (net)	(1,502.61)	9,944.72
Proceeds from short term borrowings	2,807.59	(3,715.95)
Interest paid	(3,369.69)	(3,528.99)
Dividends paid	(3,363.97)	(4,528.29)
Net cash flow from/[used in] in financing activities [C]	(5,428.68)	(1,828.51)



Rs in Lakhs

Net increase/[decrease] in cash and Bank Balances (A+B+C)	(115.28)	(5,715.33)
Cash and Bank Balances at the beginning of the year	1,685.96	7,401.29
Cash and Bank Balances at the end of the year	1,570.68	1,685.96
Components of cash and Bank Balances		
Cash on hand	13.13	11.28
Deposits with original maturity of less than 3 months	700.00	862.92
With banks on current account	822.55	650.32
Cheques/drafts on hand	35.01	161.44
Total Cash and Bank Balances	1,570.68	1,685.96

As per our report annexed

(FOR AND ON BEHALF OF THE BOARD)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

for K.S. RAO & CO
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Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

Place: Chennai
Date: 29th May, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Group overview and significant accounting policies

1.1. Group overview

The KCP Limited ("the group") a public limited group incorporated and domiciled in India and has its registered office at Chennai. The securities of the group are listed in National Stock Exchange of India Limited. The Group is engaged in the business of manufacture and sale of cement, sugar, heavy engineering, power generation for captive use and hospitality.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorize for issue on 29th May, 2019.

The KCP Limited has a subsidiary by name KCP Vietnam Industries Ltd (KCP VIL), a group incorporated in Socialist Republic of Vietnam, in which it holds 2/3 rd of the share capital. KCP VIL owns and operates sugar business and also runs cogen power plant in Vietnam.

The KCP Limited has a joint venture by name Fives Cail KCP Ltd (FC KCP), a Group incorporated in India. In FC KCP group it holds 40% interest in equity capital. FC KCP manufactures sugar machinery, boilers and steam generating plants.

1.2. Basis for preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

a) Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle held primarily for the purpose of trading and
- expected to be realized within twelve months after the reporting period.
- b) All other assets are classified as non-current.
- c) A liability is treated as current when:
 - it is expected to be settled in the normal operating cycle it is held primarily for the purpose of trading
 - it is due to be settled within twelve months after the reporting period, or
 - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- d) All other liabilities are classified as non-current.
- e) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.3. Basis of consolidation

The KCP Limited (Parent) has prepared the group consolidated financial statements by Consolidating its accounts and those of its subsidiary KCP VIL and Joint venture FC KCP. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

KCP VIL:

The subsidiary accounts have been consolidated by combining line-by-line like items of assets, liabilities, equity, income, expenses and cash flows after eliminating material intra group balances and transactions.

Non-controlling share of the minority in the net profit for the year is identified and adjusted against the profit after tax of the group to the extent of the share of minorities in the equity.

FIVES CAIL KCP:

The accounts of FC KCP have been consolidated based on equity method. As per the equity method, only share of the KCP Limited in the profits and reserves of FC KCP which is 40%, have been added to the profits and equity respectively in the consolidated accounts.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted there-after to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its Joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1(v) below.

Changes in ownership interests:-

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes

the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1.4. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of The KCP Limited (the 'Group') and its subsidiary and the Joint Venture group.

i. Revenue Recognition

Revenue from contracts with customers

The company derives revenues primarily from sale of goods comprising Cement, Engineering Job work, Power, Hospitality in the brand name of Mercure.

Effective April 1, 2018 the company adopted Ind AS 115 "Revenue from contracts with the customers" and applied prospectively to contracts with the customers existing as on 1st April 2018.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration that the entity expect to receive in exchange for those products or services.

Revenue relating to products sale is recognized when control over the promised goods is transferred to the customers. Engineering job work can be either 'material cum service' contracts or service contracts.

Performance obligation in case of 'material cum services' is satisfied at a point in time consequently revenue is recognized when customer obtains control over promised goods and the entity has satisfied performance obligation. In case of 'service contracts' revenue is recognized based on performances completed to date by using either 'Input method' or 'output method' as prescribed for measuring progress of performance obligation under IND AS 115.

The company accounts for Discount such as Quantity discounts, performance discounts and selling commission to dealers as a reduction from revenue based on target achievement by customer towards earning the discount/ commission.

Trade receivables and contract balances

The company classifies the right to consideration in exchange for transferring control over goods or services either as a trade receivable or as contract asset.

Trade Receivable is a right to consideration that is unconditional and contract assets is a right to consideration that is conditional on something other than passage of time.

Other Income:-

Dividend is recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

Other Income: Revenue in respect of other income is recognised when there is a reasonable certainty as to its realisation.

ii. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all stipulated conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

iii. Employee benefits:

Employee benefits includes short term employee benefits, Post-employment benefits, Other long-term benefits and Termination benefits.

Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include

performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Post employment benefits:

Defined contribution plans:

These benefits include PF, superannuation and Employee state insurance. Entity contributes at statutorily specified rate monthly to Provident fund, Employee state insurance and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation. So, these PF, superannuation, ESI benefits will be defined contribution plans. Employer contributions for these benefits will be recognized in statement of profit and loss by way of charge against income.

Defined benefit plans:

These benefits include leave absences, gratuity. Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components one is 'service cost' and 'Remeasurements'. Service cost comprises a) current service cost including gains/loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses as result of experience adjustment and changes in actuarial assumptions.

iv. PROPERTY, PLANT AND EQUIPMENT

Tangible assets:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use and initial estimate cost of decommissioning & restoring the site on which it is located. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less

any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Construction Period Expenses on Projects : 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets /components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.

Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other Current Assets".

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non-Current Assets".

Stripping Costs:

Developmental stripping costs

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of stripping costs ends when commercial production of mineral reserves begins.

Intangible Assets:

Intangible assets are initially recorded at the consideration paid for acquisition and stated in the account each year net of amortized value and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortisation methods and useful lives are reviewed periodically including in each financial year end.

Investment Property:

Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated Impairment loss, if any.

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Depreciation

Depreciation is provided in accordance with the useful life as prescribed as follows.

In respect of assets existing as on 30-6-1988, under the written down value method; and in respect of assets acquired on or after 1-7-1988, under the straight line method except for decommissioning cost. Decommissioning cost is depreciated using depletion method.

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

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

v. Impairment:

Recognizing Impairment does not require for financial assets classified at fair value through profit and loss (FVTP&L) and fair value through other comprehensive income (FVTOCI). It is required only in respect of financial assets classified as amortized cost i.e. Loans, Debt securities and trade receivables. Impairment for such financial assets is recognized by Expected credit loss (ECL) model. In this approach expected credit loss means expected shortfall in contractual cash flows. The estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. Expected credit loss (ECL) for trade receivable is measured at Lifetime ECL.

The amount of ECL required during the period is arrived after considering the already recognized ECL in books and it is reported either as expense or income in statement of profit & loss.

vi. Financial Instruments: -

a. Initial Recognition:

The group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are directly measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

b. Subsequent Recognition & Classification:

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is

to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset gives rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset and contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

De-recognition of financial assets and liabilities:

Financial assets:

A financial asset shall be derecognised when, and only when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfer the financial asset and the transfer qualifies for de-recognition.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received shall be recognised in profit or loss.

Financial Liabilities:

A financial liability shall be derecognised when, and only when, obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability extinguished or transferred and consideration paid shall be recognised in profit or loss.

vii. Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to

their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost (net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

viii. Cash And Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ix. Cash flow Statement:

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

x. Foreign Exchange Transactions:

Functional Currency of the group is Indian Rupee and the Subsidiary KCP VIL is Vietnamese Dongs (VND) These financial statements are presented in Indian Rupees, rounded off to Lakhs.

Transactions and translations:

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 in determining net profit for the period.

- Foreign currency denominated monetary assets/liabilities- are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.
- Foreign currency denominated non-monetary assets/non-liabilities are translated at the exchange rate prevalent at the date of the transaction.

- Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expenses in the year in which they are arise.

xi. Income tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

xii. Earnings Per Share

The Group Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

xiii. Provisions/ Contingent Liabilities and Contingent Assets

Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Contingent assets:

Wherever there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when the inflow of economic benefit is probable.

xiv. Segment reporting:

Operating segments are defined as components for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The group has identified business segments as reportable segments. The business segments comprise 1) Cement unit. 2) Engineering Unit. 3) Power Generation unit 4) Hotel and 5) Sugar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Lands	3,611.79	553.24	-	-	4,165.04	-	-	-	-	-	4,165.04	3,611.79
2. (a) Buildings	19,368.76	445.28	-	220.40	20,034.44	24.53	1,408.74	740.57	-	2,173.84	17,860.60	17,960.02
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	0.48	0.24	-	0.73	8.21	8.45
3 Roads	186.17	13.18	-	-	199.35	-	89.75	24.30	-	114.05	85.30	96.42
4 Plant & Machinery	74,659.58	32,569.89	68.89	1,007.35	108,167.93	190.11	10,248.79	6,038.49	12.91	16,464.48	91,703.46	64,411.30
5 Furniture, Fixtures	1,832.13	10.90	0.00	0.16	1,843.18	0.16	494.25	236.09	-	730.50	1,112.68	1,337.87
6 Motor Vehicles	897.65	224.27	16.40	1.81	1,107.33	1.25	356.34	170.19	13.22	514.56	592.77	540.80
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	6.30	3.15	-	9.45	23.08	26.23
8 Ropeway Structures	115.93	153.98	93.39	-	176.52	-	42.24	99.41	69.88	71.76	104.76	73.69
9 Office Equipment	153.15	12.51	0.06	1.55	167.15	1.17	65.77	29.02	0.05	95.90	71.25	87.38
10 Computer & Data Processing Units	288.73	28.71	0.14	-	317.31	-	129.70	69.70	0.13	199.27	118.03	159.03
11 Laboratory Equipment	30.54	5.02	-	-	35.56	-	13.77	6.15	-	19.92	15.65	16.78
12 Electrical Installation & Equipment	2,383.90	148.67	2.70	-	2,529.86	-	615.30	312.65	1.23	926.72	1,603.15	1,768.60
13 Hydraulic Works, Pipeline & Sluices	82.41	-	-	-	82.41	-	11.38	5.69	-	17.06	65.34	71.03
15 Leased Mines (Decommissioning)	460.51	385.79	-	-	846.29	-	20.78	38.38	-	59.16	787.14	439.73
Total	104,112.71	34,551.44	181.58	1,231.28	139,713.84	217.21	13,503.58	7,774.03	97.43	21,397.40	118,316.44	90,609.13
Less: Depreciation capitalised during the year							(17.63)					
TOTAL							13,485.95					

* During the year an amount of Rs.230.68 Lakhs (Previous year: Rs.240.40 Lakhs) has been adjusted against Scientific and Technology Development fund

Rs in Lakhs

Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Lands	0.47		0.00		0.47		0.00	0.00	0.00	0.00	0.47	0.47
2. Buildings	1.67				1.67		0.99	0.40		1.39	0.28	0.68
TOTAL	2.14	0.00	0.00		2.14		0.99	0.40	0.00	1.39	0.75	1.15

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2019 as follows

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	COST AS ON 31-03-2018	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2019	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2018	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2019	AS AT 31-03-2019	AS AT 31-03-2018
1 Intangible Asset	277.89	77.95	-	-	355.84	-	54.17	35.62		89.79	266.05	223.72

Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2018 as follows

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST AS ON 31-03-2017	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2018	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1 Lands	2,944.67	667.12	-	-	3,611.79	-	-	-	-	-	3,611.79	2,942.61
2. (a) Buildings	19,044.91	383.27	1.56	(57.86)	19,368.76	(3.79)	680.65	732.00	0.11	1,408.74	17,960.02	18,364.26
(b) Leasehold Buildings	8.93	-	-	-	8.93	-	0.24	0.24	-	0.48	8.45	8.69
3 Roads	176.36	9.82	-	-	186.17	-	48.69	41.06	-	89.75	96.42	127.66
4 Plant & Machinery	65,754.59	9,436.04	355.73	(175.31)	74,659.58	(27.14)	4,803.05	5,598.84	126.47	10,248.28	64,411.30	60,950.53
5 Furniture, Fixtures	1,784.88	47.67	0.38	(0.04)	1,832.13	(0.04)	248.71	245.70	0.11	494.25	1,337.87	1,536.17
6 Motor Vehicles	810.30	165.01	77.18	(0.49)	897.65	(0.22)	203.14	188.17	34.24	356.85	540.80	599.42
7 Railway Siding, Locomotives	32.53	-	-	-	32.53	-	3.15	3.15	-	6.30	26.23	29.38
8 Ropeway Structures	7.32	108.61	-	-	115.93	-	2.33	39.91	-	42.24	73.69	4.99
9 Office Equipment	141.53	12.41	0.38	(0.42)	153.15	(0.22)	34.93	31.23	0.18	65.77	87.38	106.60
10 Computer & Data Processing Units	155.86	139.14	6.28	-	288.73	-	60.83	73.26	4.39	129.70	159.03	95.03
11 Laboratory Equipment	29.12	1.44	0.02	-	30.54	-	8.83	4.94	-	13.77	16.78	20.29
12 Electrical Installation & Equipment	2,252.79	148.09	16.98	-	2,383.90	-	322.34	309.56	16.60	615.30	1,768.60	1,941.26
13 Hydraulic Works, Pipeline & Sluices	82.41	-	-	-	82.41	-	5.69	5.69	-	11.38	71.03	76.72
15 Leased Lands (Decommissioning)	171.11	289.39	-	-	460.51	-	5.89	14.88	-	20.78	439.73	165.22
Total	93,397.32	11,408.03	458.51	(234.12)	104,112.71	(31.40)	6,428.48	7,288.62	182.11	13,503.58	90,609.13	86,968.85
Less: Depreciation capitalised during the year								(10.36)				
TOTAL								7,278.26				

Rs in Lakhs

Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2018 as follows

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST AS ON 31-03-2017	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2018	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1 Lands	0.47	-	-	-	0.47	-	-	-	-	-	0.47	0.47
2. Buildings	1.67	-	-	-	1.67	-	0.15	0.84	-	0.99	0.68	1.52
TOTAL	2.14	-	-	-	2.14	-	0.15	0.84	-	0.99	1.15	1.99

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2018 as follows

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK			
	COST AS ON 31-03-2017	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	EXCHANGE FLUCTUATION ON OPENING BLOCK OF FOREIGN SUBSIDIARY	COST UPTO 31-03-2018	EXCHANGE FLUCTUATION OF FOREIGN SUBSIDIARY	UPTO 31-03-2017	DURING THE YEAR	ON DEDUCTIONS	UPTO 31-03-2018	AS AT 31-03-2018	AS AT 31-03-2017
1 Intangible Asset	208.18	69.71	0.00	0.00	277.89	0.00	34.36	19.81	-	54.17	223.72	173.82

Rs in Lakhs

Note. 3 Capital Work-in-Progress	As at 31st March 2019	As at 31st March 2018
1. BUILDING UNDER CONSTRUCTION		
Opening Balance	120.89	76.39
Additions during the year (net)	545.82	297.54
Less : Capitalisation during the year (net)	(30.00)	(253.04)
Closing Balance	636.70	120.89
2. PLANT & MACHINERY UNDER INSTALLATION		
Opening Balance	25,453.28	10,856.51
Additions during the year (net)	10,753.53	24,469.34
Less : Capitalisation during the year (net)	(32,652.91)	(9,872.57)
Closing Balance	3,553.90	25,453.28
TOTAL	4,190.60	25,574.17

Note. 6 Non current Financial Assets- Investments	As at 31st March 2019	As at 31st March 2018
Unquoted Equity instruments-Investments measured at cost		
Investment in Joint Venture:		
4,00,000 (31 March 2018: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fivescail KCP Ltd.,	1,055.55	975.46
Common Stock (unquoted):		
1640 (31 March 2018: 1640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share	77.00	77.00
Preferred Shares (unquoted):		
750 (31 March 2018: 750) Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share.	385.00	385.00
Subtotal	1,517.54	1,437.46
Investments at fair value through other comprehensive income investment in equity instruments(quoted):		
100 (31st March 2018: 100) equity shares of Rs.10/- each, fully paid up in IFCI Ltd.	0.01	0.02
14240 (31st March 2018: 14240) equity shares of Rs.10/- each, fully paid up in IDBI Bank	6.64	10.28
Equity shares (unquoted):		
30 (31st March 2018: 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/-)	-	-
100000 (31st March 2018: 100000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd., (Written off to the extent of Rs. 9,99,999/-) (The Shares are not traded in the Stock Exchange though listed).	-	-
Other Investments - Unit Trust of India - Quoted:		
35536.18 (31st March 2018 : 32936.861) UTI Balanced Fund Units of Rs.10/- each	9.79	9.65
Subtotal	16.45	19.95
TOTAL	1,533.99	1,457.42
Aggregate amount of quoted Investments - Market Value	16.45	19.95
Aggregate amount of quoted Investments - Book Value	16.45	19.95
Aggregate amount of unquoted Investments	1,517.54	1,437.46
Aggregate amount of impairment in value of Investments	Nil	Nil

Rs in Lakhs

Note. 7 Non Current Financial Assets- Trade Receivables	As at 31st March 2019	As at 31st March 2018
Secured, considered good		
Unsecured, considered good	319.68	257.53
Receivables having Significant increase in credit risk	59.36	48.23
Credit Impaired	-	-
Less : Provision for expected credit loss	59.36	48.23
TOTAL	319.68	257.53

Note. 8 Non current- Other Financial Assets	As at 31st March 2019	As at 31st March 2018
Earnest money deposit	25.08	20.87
TOTAL	25.08	20.87

Note.9 Non current- Other asset	As at 31st March 2019	As at 31st March 2018
Capital Advances	1,070.16	2,402.84
[A]	1,070.16	2,402.84
Advances other than Capital Advances		
Security Deposits	655.54	736.39
(B)	655.54	736.39
Others		
Prepaid expenses	76.68	103.23
Balance with Government Authorities	742.23	501.68
Others	1.40	44.92
(C)	820.31	649.83
TOTAL [A+B+C]	2,546.01	3,789.07

Note.10 Inventories	As at 31st March 2019	As at 31st March 2018
Raw materials and components at Cost (includes those in transit Rs. 178.91 Lakhs) (As on 31-03-2018-Rs. 79.74 Lakhs)	1,249.81	743.38
Coal at Cost (includes those in transit Rs. 3046.92 lakhs-) (As on 31-03-2018-Rs. 1015.43 lakhs)	5,770.46	4,105.29
Work-in-progress		
: At Cost	4,581.66	4,342.23
: At Estimated Realisable Value	2,399.49	785.09
Finished goods		
: At Cost	16,888.10	23,520.75
: At Estimated Realisable Value	-	-
Stores, spares at Cost (includes in transit Rs. 1.62 lakhs) (As on 31-03-2018 Rs. 27.51 lakhs)	4,018.60	2,453.40
TOTAL	34,908.11	35,950.15

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs.395.46 lakhs for year ended 31-03-2019 (Rs. 338.07 lakhs for the year ended 31-03-2018).

The mode of valuation of Inventories has been stated in accounting policy VII of Note1.4

The amount of goods in transit is Rs. 3048.54 lakhs (Rs. 1042.94 lakhs for previous year)

Note.11 Current- Trade receivables	As at 31st March 2019	As at 31st March 2018
Secured, considered good	2,495.32	2,301.25
Unsecured, considered good	5,558.53	5,019.18
Receivables having Significant increase in credit risk	-	-
Credit Impaired	-	-
Less : Provision for expected credit loss	4.55	6.40
Total	8,049.30	7,314.02

Note 12 Cash and cash equivalents	As at 31st March 2019	As at 31st March 2018
<u>Cash and Cash Equivalents :</u>		
Balances with Banks:		
On current accounts	822.55	650.32
Deposits with original maturity of less than 3 months	700.00	862.92
Cheques/drafts on hand	35.01	161.44
Cash on hand	13.13	11.28
TOTAL	1,570.68	1,685.96

Note 12A Bank balances other than Cash and Cash equivalents	As at 31st March 2019	As at 31st March 2018
Fixed Deposits with Banks (Maturity more than 3 months but less than 12 months)*	10,049.67	674.83
On Unpaid dividend account	235.66	162.96
Margin money deposit **	707.99	547.60
Balances with banks #	53.35	91.41
TOTAL	11,046.67	1,476.79

*Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

**Margin money deposits includes those earmarked for specific purpose

Balances with banks includes those maintained to pay matured Public deposits which are unclaimed.

Note 13. Current- Other Financial Assets	As at 31st March 2019	As at 31st March 2018
Interest accrued on fixed Deposits	46.06	37.44
Interest accrued on other Deposits	11.85	7.45
Loans to employees	39.50	32.50
Due from Gratuity Trusts	5.74	5.74
Non trade receivables From - Joint Venture	1.75	17.29
Contract Assets	2,833.95	-
Others	-	0.92
TOTAL	2,938.85	101.34

Note 14. Current Tax Assets (Net)	As at 31st March 2019	As at 31st March 2018
Advance tax		
Advance payment of Direct Taxes/TDS	2,678.00	3,961.20
	2,678.00	3,961.20
Provision for Tax		
Provision for Wealth tax	-	12.59
Provision for Income tax	1,848.02	3,233.45
	1,848.02	3,246.04
TOTAL	829.98	715.15

Rs in Lakhs

Note 15. Other Current Assets	As at 31st March 2019	As at 31st March 2018
Other Advances		
Advances recoverable in cash or kind		
Secured, considered good	-	-
Unsecured, considered good	3,838.68	5,068.65
Advances to Trade payables	1,507.99	1,664.41
Prepaid expenses	363.92	390.33
Balance with government Authorities	3,476.65	4,440.73
TOTAL	9,187.24	11,564.12

Note.16 Share Capital	As at 31st March 2019	As at 31st March 2018
Authorised Share Capital:		
35,00,00,000 (31 March 2018 : 35,00,00,000) Equity shares of Rs.1/- each	3,500.00	3,500.00
2,00,00,000(31 March 2018 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each	2,000.00	2,000.00
	5,500.00	5,500.00
Issued Share Capital:		
12,89,77,480 (31 March 2018 : 12,89,77,480) Equity shares of Rs.1/- each	1,289.77	1,289.77
	1,289.77	1,289.77
Subscribed and fully paid-up :		
12,89,21,160 (31 March 2018 :12,89,21,160) Equity shares of Rs.1/- each	1,289.21	1,289.21
Total issued, subscribed and fully paid-up capital	1,289.21	1,289.21

Note 16.1) Details of shareholders holding more than 5% share in the company:

M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Re.1/- each fully paid - 30.22% (30.22%)

Note 16.2) The reconciliation of the Opening and closing balance of the Subscribed and Paid-up equity & Preference shares of the company is set out below:

Particulars	For FY 2018-19	For FY 2017-18
Equity Share Capital at the beginning of the Year	1,289 .21	1,289 .21
Add/ Less;- Changes during the year	-	-
Equity Share Capital at the end of the Year	1,289 .21	1,289 .21

The Company has only one class of equity shares referred to equity shares having a par value of Re.1/- each holder of equity is entitled to vote per share. In the event of liquidation of company, the holder of equity share will be entitled to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the share holders.

Note 17. Other Equity	As at 31st March 2019	As at 31st March 2018
Capital Reserve		
Capital Redemption Reserve		
Balance as per the last Financial Statements	2,000.00	2,000.00
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	-	-
	2,000.00	2,000.00

Note 17. Other Equity	As at 31st March 2019	As at 31st March 2018
Capital Reserve On Reorganisation	279.91	279.91
<u>Translation Reserve</u>		
Balance as per the last Financial Statements	375.29	609.40
Additions/(Deletions) during the year	1,845.63	(234.11)
	2,220.92	375.29
Capital Reserve	8,455.18	9,548.48
Capital Reserve on Amalgamation Reserve	103.83	103.83
Total Capital Reserve	13,059.84	12,307.52
Investment Revaluation Reserve	0.56	1.27
Add: Current year revaluation gain/loss	(4.23)	(0.71)
	(3.67)	0.56
Actuarial Gain/Loss	(389.26)	(332.96)
Add: Current year actuarial gain/loss	(202.36)	(26.18)
Add : Share of Other Comprehensive income of joint venture	(28.95)	(30.11)
	(620.57)	(389.26)
<u>General Reserve</u>		
Balance as per the last Financial Statements	27,248.40	27,248.40
Add : Amount transferred from Surplus Balance in the Statement of Profit and Loss	-	-
Add/(Less): Ind AS Adjustments	-	-
Closing Balance	27,248.40	27,248.40
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	33,157.26	26,792.30
Profit for the year	8,065.32	8,846.70
Share of profit of joint venture	157.17	104.85
	41,379.76	35,743.85
Less : Appropriations		
Final Equity Dividend Paid @ Re.1/- per Share (@ Re.2/- per Share in FY 2017-18)	1,289.21	2,578.44
Tax on Distributed Profits	8.14	8.14
Total Appropriations	1,297.35	2,586.58
Net Surplus in Statement of Profit and Loss	40,082.40	33,157.26
Total Reserves and Surplus taken to Balance Sheet	79,766.40	72,324.48

General Reserve: This is used from time to time to transfer profits from retained earnings for appropriation purposes.

Investment Revaluation Reserve : This reserve represents the cumulative gain or loss arising on revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified, if any to retained earnings when those investments are disposed off.

Actuarial Gain/Loss Reserve : This reserve represents the cumulative gain or loss on account of remeasurement of defined benefit plans, net of amounts reclassified, if any to retained earnings.

Capital Redemption Reserve: This is created on redemption of redeemable preference shares issued. This can be utilised for issuing fully paid bonus shares in accordance with the provisions of Companies Act, 2013.

Retained Earnings: This represents the accumulated earnings net of losses if any made by the company over the years. This reserve can be utilised for the payment of dividend and other purposes in accordance with the provisions of the Companies Act, 2013

Rs in Lakhs

Note No. 17A: Financial information of Subsidiary having Non-Controlling interest is given below:

Name	Country of Incorporation	Non Controlling interest % As on 31-03-2019	Profits allocated to non-controlling interest	Other Comprehensive income allocated to non-allocated interest	Accumulated non-Controlling interest
KCP Vietnam Industries Limited	Socialist Republic Vietnam	33.33%	2,762.49	382.25	16,688.93

The summarised financial information of subsidiary is provided below. This information is based on amounts before inter-company eliminations.

The summarised Statement of Profit and Loss of subsidiary is provided below:-

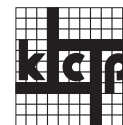
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Income	51,984.87	46,152.29
Expenses	43,697.42	39,207.03
Profit before tax	8,287.46	6,945.26
Tax expense	-	1.34
Profit for the year	8,287.46	6,943.91
-Attributable to the owners of the company	5,524.97	4,629.28
-Attributable to the non-controlling interest	2,762.49	2,314.64
Other comprehensive Income	1,146.74	(305.50)
-Attributable to the owners of the company	764.49	(203.67)
-Attributable to the non-controlling interest	382.25	(101.83)
Total comprehensive Income	9,434.20	6,638.41
-Attributable to the owners of the company	6,289.46	4,425.61
-Attributable to the non-controlling interest	3,144.73	2,212.80

Summarised Balance Sheet as on 31-03-2019

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Non-Current Assets	24,663.42	25,698.26
Current Assets	36,298.79	34,178.06
Non-Current Liabilities	5,175.21	6,566.84
Current Liabilities	5,720.22	10,602.13
Total Equity	50,066.78	42,707.34
-Attributable to the owners of the company	33,377.85	28,471.56
-Attributable to the non-controlling interest	16,688.93	14,235.78

Summarised Cash flow Statements for the year ended

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Net cash inflow in operating activities	7,276.80	4,975.25
Net cash inflow from investing activities	(1,333.56)	(1,984.31)
Net cash inflow in financing activities	(5,966.30)	(8,535.91)
Net decrease in Cash and Cash equivalent	(23.05)	427.12



Rs in Lakhs

NOTE 17A. NON CONTROLLING INTEREST

Particulars	As at 31.03.2018	Additions	Deductions	As at 31.03.2019
Share Capital of KCP Vietnam Industries Limited 10161668 Equity shares (10161668 shares) held by non-controlling shareholders	5,959.96	-	546.65	5,413.31
Profit & Loss account	8,072.95	2,762.49	(691.59)	10,143.85
Translation Reserve	202.87	928.90		1,131.77
Total	14,235.78	3,691.39	(144.93)	16,688.93
Total Dividend declared by KCP VIL	2,074.76			
Less: The KCP Ltd- share @ 2/3 rd	1,383.17			
Non Controlling Share in Dividends	691.59			

Note 18. Non current Financial Liabilities- Borrowings	As at 31st March 2019	As at 31st March 2018
Rupee Term Loans from Banks - Secured		
for Hotel Project	1,700.85	2,555.28
for Cement Plant- Macherla	-	81.33
for Captive Power Plant- Muktyala	2,292.93	2,983.93
for Cement Plant Muktyala Expansion	22,716.98	18,724.70
for Corporate Loan	1,720.00	3,640.00
for Sugar project	2,408.38	3,641.64
Sub-Total	30,839.14	31,626.88
Other Loans and advances:		
Deposits (unsecured)		
From Related Parties - Directors	240.03	1,045.03
From Others	4,648.28	4,558.15
Sub-Total	4,888.31	5,603.18
TOTAL	35,727.45	37,230.06
The above amount includes		
Secured borrowings	30,839.14	31,626.88
Unsecured borrowings	4,888.31	5,603.18

Amount disclosed under the head Current maturities of borrowings shown under "other current liabilities"	12,450.22	9,768.40
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Details of deposits held by Directors of the company including Current maturities

a) Dr. V. L. Dutt	1,133.50	1,033.50
b) Smt. V Kavitha Dutt	101.53	11.53
c) Dr V L Indira Dutt	25.00	-
d) Sri O.Swaminatha Reddy	5.00	-

Rs in Lakhs

Term Loans

Particulars	Macherla Cement	Muktyala Cement Expansion	Captive Power Plant	Hotel	Corporate Loan	Corporate Loan	Vietnam Industries Ltd.
Lending Bank	Bank of Baroda	State Bank of India	Canara Bank	Indian Overseas Bank	Bank of Baroda	Bank of India	Vietnam Development Bank
Loan Amount Sanctioned (Rs Lakhs)	2100	35400	7964	5973	4000	5600	330000 Million VND
Loan Amount Availed (Rs Lakhs)	1431	27498	7215	5973	4000	5600	281300 Million VND
Loan amount outstanding as on 31-03-2019	81	26298	3127	2555	1400	2240	128091 Million VND
No of Installments (Quarterly)	28	32	32	28	20	20	28
Installments Commencement	Nov,2014	Dec,2018	Mar,2015	May,2015	Jan,2017	June,2016	March,2016
Rate of Interest	1.20% over 1 Yr MCLR plus SP	1 Yr MCLR plus 0.65%	1 Yr MCLR plus 1.30%	1 Yr MCLR plus 1.00%	1.20% over 1 Yr MCLR plus SP	1.85% over 1 Yr MCLR	0.0855
Installment Amount (Rs Lakhs)	75	Varying installment amounts.	207.25	314	200	280	11785 Million VND
Security	First Charge on Fixed Assets of Macherla Cement Plant.	First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders.	First Charge on Fixed Assets of Captive Power Plant.	First Charge on Fixed Assets of Hotel.	Exclusive Charge on Hydel Division Assets and Property at Chennai.	Exclusive Charge on land in Chennai.	Pledge of Project Assets

Carrying value of assets Hypothecated for Term Loans

Particulars	Muktyala Plant Fixed Assets		Muktyala Plant Expansion Assets		Macherla Plant Fixed Assets		Hotel Fixed Assets		Hydel Unit Fixed Assets	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Plant & Machinery	23,501	24,909	34,550	-	3438	3531	2064	2367	783	929
Lands & Buildings	6,103	6,198	36	-	1264	1264	5078	5270	114	124
Furniture & fixtures	42	53	10	-	29	34	953	1154	-	-
TOTAL	29,646	31,159	34,596	-	4730	4829	8094	8791	897	1053

Cash Credit

Particulars	Muktyala		Macherla	Macherla	CPP	Engineering Unit	Engineering Unit - WCDDL	KCP - WCDDL	KCP - STL
	Bank of Baroda	Bank of India	Canara Bank	HDFC Bank	Canara Bank	Canara Bank	Canara Bank	HDFC	HDFC
Lending Bank	930	312	768	1167	379	319	2000	1000	2000
Outstanding Amount as on 31.03.2019	0.95% over 1 Yr MCLR plus SP	1.10% over 1 Yr MCLR	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.10%	1 Yr MCLR plus 1.80%	1 Yr MCLR plus 1.80%	3 Month MCLR	8.70%	8.70%
Rate of Interest on 31.03.2019	Paripassu Current Assets of Cement Unit	Paripassu First Charge on Current Assets of Muktyala Cement Unit	Paripassu First Charge on Current Assets of Muktyala Cement Unit	Paripassu First Charge on Current Assets of Macherla Cement Unit	Paripassu First Charge on Current Assets of Captive Powere Plant	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of Engineering Unit	Paripassu First Charge on Current Assets of the Company	Paripassu First Charge on Current Assets of the Company
Security									

Rs in Lakhs

Note 19. Non current- Trade payables	As at 31st March 2019	As at 31st March 2018
Trade payables		
Due to Micro and Small Enterprises	-	-
Due to Others	271.26	271.26
Note 20. Non current- Other Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Trade Deposits	3,883.40	2,726.32
Science & Technology development fund	2,766.83	2,925.20
Deposits Payable-Contractors	323.90	261.90
Interest accrued but not due	118.10	139.77
Outstanding Liabilities for Expenses	723.75	825.96
TOTAL	7,815.97	6,879.15
Note 21. Non current - Provisions	As at 31st March 2019	As at 31st March 2018
Provision for gratuity	35.40	22.35
Provision for leave benefits	945.01	842.58
Provision for Decommissioning expenses	410.96	360.70
TOTAL	1,391.36	1,225.63
Note 22. Deferred Tax Liability (Net)	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability		
Fixed assets: Difference between Tax depreciation and depreciation/ amortisation charged for the financial reporting	12,355.62	10,664.82
Discounting of legal cases	38.97	12.29
Unamortised transaction cost	-	13.55
Gross Deferred Tax Liability	12,394.59	10,690.66
Deferred Tax Asset		
MAT Credit	4,722.38	3,917.96
Expected Credit loss	1.59	2.24
Discounting of trade receivables	20.74	16.85
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	814.87	865.39
Unabsorbed Losses	483.50	-
Provision for decommissioning cost	143.60	126.04
Onerous Contracts	19.60	-
Others	28.01	-
Gross Deferred tax asset	6,234.31	4,928.48
Net Deferred Tax Liability	6,160.28	5,762.18

Note.23 Current Financial Liabilities- Borrowings	As at 31st March 2019	As at 31st March 2018
Cash credit from Banks		
Secured	4,379.64	2,881.46
Other Short Term Borrowings-Working Capital Demand Loan	5,000.00	3,658.28
Loan Repayable on Demand (Unsecured)		
from Related Parties - Directors	1,665.00	1,427.32
Inter-corporate deposit repayable on demand	350.00	620.00
TOTAL	11,394.64	8,587.05
The above amount includes		
Secured borrowings	9,379.64	6,539.74
Unsecured borrowings	2,015.00	2,047.32

Note.24 Current Financial liabilities- Trade payables	As at 31st March 2019	As at 31st March 2018
Due to Micro and Small Enterprises	46.19	42.64
Due to Others	9,462.95	10,234.55
TOTAL	9,509.14	10,277.19

Note 25. Current- Other Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term Borrowings(Refer Note below)	12,450.22	9,768.40
Interest Accrued but not due on borrowings	443.81	216.64
Interest Accrued and due on borrowings	49.21	79.83
Advance from customers	6,789.18	7,490.47
Unpaid Dividend	235.66	162.96
Accrued Salaries and Benefits	876.59	898.31
Directors Remuneration Payable	140.68	734.89
Project related payables	1,396.65	1,426.55
Outstanding Liabilities for Others	646.88	569.29
Total	23,028.88	21,347.34

Note 25A Current maturities of long term borrowings	As at 31st March 2019	As at 31st March 2018
Rupee Term Loans from Banks - Secured		
for Hotel Project	854.43	854.43
for Cement Plant- Macherla	81.33	300.00
for Captive Power Plant- Muktyala	833.79	995.50
for Cement Plant Muktyala Expansion	3,550.00	1,200.00
for Corporate Loan	1,920.00	1,920.00
for Sugar Project	1,402.49	1,361.17
Sub Total	8,642.04	6,631.10

Rs in Lakhs

Other Loans and advances:		
Deposits (unsecured)		
From Related Parties - Directors	1,025.00	5.00
From Others	2,783.18	3,132.30
Sub Total	3,808.18	3,137.30
TOTAL	12,450.22	9,768.40

Note 26. Other Current Liabilities	As at 31st March 2019	As at 31st March 2018
Statutory Dues	2,289.06	902.66
Others	-	1.06
TOTAL	2,289.06	903.72

Note 27. Current- Provisions	As at 31st March 2019	As at 31st March 2018
Provision for gratuity	9.63	3.01
Provision for leave benefits	354.83	370.13
TOTAL	364.46	373.14

28. Revenue from operations	Current Year	Previous Year
Revenue from operations		
Sale of products	163,729.45	148,617.08
Sale of services	1,697.96	1,777.80
Other operating revenue		
Scrap sales	192.69	280.55
Packing & Forwarding	4.95	9.59
Interest Income on -		
Bank deposits	312.80	109.16
Others	102.13	157.84
Amortisation of govt. grant (VAT Incentive)	1.99	1.99
Insurance Claims Received	14.55	296.70
TOTAL	166,056.52	151,250.72

29. Other Income	Current Year	Previous Year
Dividend income on		
Long-term investments	13.38	13.16
Net gain on sale of Assets	24.83	7.58
Other non-operating income	832.00	1,020.43
TOTAL	870.21	1,041.17

30. Cost of raw material and components consumed	Current Year	Previous Year
Inventory at the beginning of the year	743.38	720.43
Add: Purchases	5,842.81	5,947.41
Add: Trial run production stocks (Refer Note No. 40)	1,014.68	-
Add: Cost of raw materials produced	47,225.49	50,816.43
	54,826.36	57,484.27
Less: Inventory at the end of the year	1,249.81	743.38
TOTAL	53,576.56	56,740.89

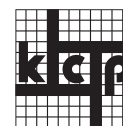
Details of raw material and components consumed	Current Year	Previous Year
i) Cement Unit		
Limestone	14,737.07	10,882.92
Laterite	1,227.64	993.70
Fly Ash	1,565.86	1,219.26
Gypsum	2,589.54	2,256.86
Clinker	2,973.17	76.56
Sub Total	23,093.29	15,429.31
ii) Engineering Unit		
Iron and Steel,Nickel,Scrap and Equipments	2,834.18	1,268.07
iii) Bricks Unit / Others		
Sand, Stoner Dust, Metal / Admixture Stock and Others	20.89	27.38
iv) Hotel		
Provisions	192.03	188.20
v) Sugar		
Sugar Cane	27,436.16	39,827.93
TOTAL	53,576.56	56,740.89
Details of Inventory	Current Year	Previous Year
Raw materials and components		
Limestone	570.37	328.51
Laterite	71.54	74.72
Fly Ash	6.49	4.75
Gypsum	416.77	303.15
Iron and Steel,Nickel,Scrap and Equipments - In Transit	178.91	29.47
Others		
Sand	2.82	1.93
Stone Crusher Dust	2.91	0.85
TOTAL	1,249.81	743.38
31. (Increase)/decrease in inventories	Current Year	Previous Year
Inventories at the beginning of the year		
Work in progress	5,127.32	4,981.76
Finished goods	23,520.75	14,813.31
Sub-Total	28,648.07	19,795.07
Inventories at the end of the year		
Work in progress	6,981.15	5,127.32
Finished goods	16,888.10	23,520.75
Sub-Total	23,869.25	28,648.07
TOTAL	4,778.82	(8,853.00)
32. Employee benefit expenses	Current Year	Previous Year
Salaries, Wages and bonus	8,906.86	9,773.65
Contribution to Provident and other funds	786.36	717.83
Gratuity expenses	90.54	139.06
Staff welfare expenses	948.65	811.58
TOTAL	10,732.41	11,442.13

Rs in Lakhs

33. Finance Costs	Current Year	Previous Year
Interest	3,823.02	4,144.14
Other Borrowing costs	47.63	89.56
TOTAL	3,870.65	4,233.70

Depreciation and amortization expense	Current Year	Previous Year
Depreciation of tangible assets	7,526.11	7,031.13
Amortization of intangible assets	35.62	19.81
TOTAL	7,561.73	7,050.94

34. Other expenses	Current Year	Previous Year
Consumption of stores and spares	7,504.48	6,469.25
Consumption of loose tools	174.36	145.13
Sub-contracting expenses	2,101.09	1,744.65
Insurance	163.53	192.56
Rent	157.84	147.66
Rates and taxes	503.85	482.48
Repairs and maintenance:		
Plant & Machinery	1,591.91	1,175.55
Buildings	496.79	661.24
Other Assets	227.17	335.26
Wheeling/Banking Charges	77.78	22.77
Advertising and sales promotion	450.60	1,048.92
Sales commission	-	131.37
Travelling and conveyance	277.10	285.61
Communication costs	128.37	126.43
Printing & Stationery	89.24	90.85
Donations	11.00	-
Corporate Social Responsibility	108.81	54.00
Professional, Consultancy and Legal fees	530.70	473.49
Directors' sitting fees	11.60	9.70
Payment to auditors (Refer details below)	38.33	43.10
Exchange Difference - Net Loss /(Gain)	38.46	69.60
Bad debts/advances written off	17.95	5.04
Bank Charges	96.29	221.53
Assets Written Off	79.87	55.21
Loss on sale of fixed assets (net)	-	11.46
Performance and Delivery Guarantee Claims	168.22	212.32
Miscellaneous expenses	1,547.45	1,759.22
TOTAL	16,592.80	15,974.40



Rs in Lakhs

Payment to Auditors	Current Year	Previous Year
As Auditor:		
Audit Fee	21.31	19.94
Certification & Other fees	8.41	15.94
In other capacity:		
Fees for Cost Auditor	6.60	5.10
Reimbursement of expenses	2.01	2.11
TOTAL	38.33	43.10

35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2019 & 31-03-2018 are:

S No	Income tax expense:-	FY 2018-19	FY 2017-18
a)	Current tax	1,045.00	2,344.55
b)	Deferred tax	1,311.22	(38.88)
c)	MAT credit Utilised/ (Entitlement)	(804.42)	866.79
d)	Short/(Excess) provision of income tax	(22.95)	(60.86)
	Total tax expense for the year	1,528.85	3,111.61

Reconciliation of effective tax rate

Tax on the company's profit before tax differs from the theoretical amount that would arise on using the enacted rate of corporate tax in India (34.944%) as follows:

S.No	Particulars	FY 2018-19	FY 2017-18
(a)	Net Profit / (Loss) before taxes	12,356.65	14,272.94
(b)	Corporate Tax as per Income Tax Act, 1961	34.944%	34.608%
(c)	Tax on Accounting Profit (c) = (a) X (b)	4,317.91	4,939.58
(d)	Increase/Decrease in tax expense on account of:-		
i)	Non taxable income/Exempt income	(2,910.20)	(2,415.22)
ii)	Reduction in Depreciation/ (Accelerated Depreciation)	(1,576.31)	107.71
iii)	Expenses not allowed under Income Tax	65.42	459.07
iv)	Expenses that are allowed under payment basis	(120.22)	(310.07)
v)	Expected Credit Loss(income) as per Ind AS	(0.65)	(0.97)
vi)	Amortization of Government Grant as per Ind AS	(0.70)	(0.69)
vii)	Finance Cost as per Ind AS	(6.52)	(6.09)
viii)	Stripping Cost Capitalized as per Ind AS	(130.62)	(100.15)
ix)	Difference in tax rate for foreign dividend	239.54	(671.62)
x)	Deduction under Sec 80-IA	(109.79)	(127.58)
xi)	Unabsorbed Depreciation	-	-
xii)	Difference due to lower tax rate applicable on subsidiary	-	1.11
xiii)	Difference due to elimination of dividend received from group companies	493.06	1,352.91
xiv)	Other adjustments	(21.39)	(16.64)

Rs in Lakhs

S.No	Particulars	FY 2018-19	FY 2017-18
(e)	Tax as per Normal Provision under Income Tax	239.54	3,211.34
(f)	Tax rate applicable to the company as per MAT Provisions	21.55%	21.34%
(g)	MAT Tax expense on Net Profits	2,662.71	3,046.07
(h)	Increase/Decrease in tax expense on account of:-		
i)	Items that will not be reclassified to Profit & Loss	(67.03)	(12.68)
ii)	Exempt Income	(1,794.62)	(1,491.01)
iii)	1/5th of transition amount u/s 115JB(2C)	(42.81)	(42.34)
iv)	Expected Credit Loss	(0.40)	(0.60)
v)	Expenses that are not allowed as per Section 115JB	(16.90)	9.50
vi)	Difference due to elimination of dividend received from group companies	304.05	834.30
(i)	MAT tax provision under 115JB (g+h)	1,045.00	2,343.24

Deferred Taxes:-

S.No	Particulars	FY 2018-19	FY 2017-18
	As on reporting date		
	Deffered tax arising due to		
a)	On OCI component		
	-Acturial Gain/Loss	(108.70)	(33.23)
b)	Other than OCI component		
	-Difference in W.D.V of Property Plant & Equipment	1,690.81	77.24
	-Discounting of trade receivables	(3.89)	5.80
	-Provision for Loss allowance	0.65	0.95
	-Discounting of Legal cases	26.68	0.12
	-Decommissioning cost	-	(1.42)
	-Unamortized transaction cost	(13.55)	(2.77)
	-Provision for Decommissioning cost	(17.56)	(14.59)
	-Other disallowances	111.60	(104.21)
	-Unabsorbed Losses	(484)	-
c)	Total for the year (a+b)	1,202.52	(72.11)

Expense/(income) recognised for the year ended:	FY 2018-19	FY 2017-18
Deferred tax liability/(asset) recognised in statement of profit and loss	1,311.22	(38.88)
Deferred tax recognised in other comprehensive income	(108.70)	(33.23)
Deferred tax recognised in Total comprehensive income	1,202.52	(72.11)

Details of Deferred tax liability/ (asset) arised during FY 2018-19:-

S. No	Particulars	Opening Balance	Recognised in Statement of Profit and loss	Recognised in other comprehensive income	MAT Credit Utilised	Closing Balance
1)	Temporary Timing difference arised in relation to : Property, Plant & Equipment - Depreciation charged as per income tax act and Companies Act	10,664.82	1,690.81	-	-	12,355.62
2)	Bank Processing Charges - Amortization	13.55	(13.55)	-	-	-
3)	Discounting of Legal Cases	12.29	26.68	-	-	38.97
4)	Expenditure charged to Statement of profit and loss in the current year but allowed for tax purpose on payment basis	(865.39)	159.21	(108.70)	-	(814.87)
5)	Provision for Discounting of Trade receivables	(16.85)	(3.89)	-	-	(20.74)
6)	Deferred Tax Asset on Expected Credit Loss	(2.24)	0.65	-	-	(1.59)
7)	Provision for Decommissioning Cost	(126.04)	(17.56)	-	-	(143.60)
8)	MAT Credit	(3,917.96)	-	-	(804.42)	(4,722.38)
9)	Unabsorbed Losses	-	(483.50)	-	-	(483.50)
10)	Onerous Contract	-	(19.60)	-	-	(19.60)
11)	Others	-	(28.01)	-	-	(28.01)
	TOTAL	5,762.18	1,311.22	(108.70)	(804.42)	6,160.28

36. Other Comprehensive Income- OCI	Current Year	Previous Year
Foreign translation reserve changes	1,134.57	(335.94)
Remeasurement of Defined Benefit Plan Loss/Gain		
Gratuity	(87.22)	35.68
Leave Encashment	(223.84)	(95.09)
Increase/Decrease in Fair Value of Investments	(4.23)	(0.71)
Deferred Tax Liability on above items	108.70	33.23
Share of OCI from Joint Venture	(28.95)	(30.11)
Sub Total	899.03	(392.95)
Less: Non Controlling interest share in OCI (Refer Note 17A)	382.25	(101.83)
TOTAL	516.78	(291.12)

Rs in Lakhs

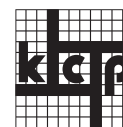
Statement showing additions, write off and payments made to provisions as per IND AS 37 Para 84

S.No	Provisions	Leave Benefits	Gratuity	Income Tax	Wealth Tax	Decommissioning cost in respect of mines
1	Balance as at 1st April, 2018	1,212.71	25.36	3,233.45	12.59	360.70
2	Provision recognised during the year					
	- In Statement of Profit & Loss	174.87	90.85	1,045.00	(12.59)	38.27
	- In Statement of Other Comprehensive Income	223.84	87.22	-	-	-
3	Amounts incurred and charged against the provision	(311.59)	(158.40)	(2,430.43)	-	11.98
4	Balance as at 31st March, 2019	1,299.84	45.03	1,848.02	-	410.96

37. CONTINGENT LIABILITIES	As at 31-03-2019	As at 31-03-2018
A. Claims against the company not acknowledged as debt		
Statutory Levies	3,307.86	3,381.99
Contractual Levies	127.11	127.11
Others	579.86	571.78
B. Guarantees issued by the Bankers on behalf of the Company		
Against Advances Received	5,816.84	4,207.26
Towards Performance Guarantees	1,462.15	689.68

38. COMMITMENTS	As at 31-03-2019	As at 31-03-2018
A. Estimated amount of contracts remaining to be executed on capital account and not provided for	2,713.28	9,402.73
B. Other commitments - Sale contracts	16,020.78	10,680.82
- Export Obligation under EPCG Scheme	144.29	716.31

39. UN ALLOCATED CAPITAL EXPENDITURE	As at 31-03-2019	As at 31-03-2018
a) Opening Unallocated Capital Expenditure	1,536.81	592.94
Add:		
Salaries, wages & Bonus	185.45	180.32
Staff welfare Expenses	0.63	0.64
Stores and Spares Consumed	38.93	3.03
Power	85.56	57.27
Insurance	18.57	12.90
Repairs to Building	-	0.85
Repairs to Machinery	-	0.42
Repairs to Other Assets	0.21	0.32
Payment to auditors	-	0.23
Rent	2.27	1.33
Professional Fees	76.50	103.06
Travelling Expenses	10.04	13.69



Rs in Lakhs

Security Charges	11.01	8.86
Rates & taxes	54.12	2.03
Interest on Fixed Loan	1,432.61	893.47
Depreciation	17.64	10.36
Miscellaneous expenses	16.17	74.38
Net expenditure during trial run period	614.29	-
	4,100.82	1,956.10
Less:		
Interest Received	7.89	15.80
Miscellaneous Income	0.03	-
	4,092.91	1,940.29
Less:		
Capitalised/Allocated to fixed assets	3,730.55	403.48
Closing unallocated Capital Expenditure	362.36	1,536.81

40. REVENUE EXPENDITURE CAPITALISED DURING THE YEAR	As at 31-03-2019	As at 31-03-2018
a) Opening unallocated capital expenditure	1,536.81	592.94
Add:		
Salaries,wages & Bonus	185.45	180.32
Staff welfare Expenses	0.62	0.64
Stores and Spares Consumed	38.93	3.03
Power	85.56	57.27
Insurance	18.57	12.90
Repairs to Building	-	0.85
Repairs to Machinery	-	0.42
Repairs to Other Assets	0.21	0.32
Payment to auditors	-	0.23
Rent	1.79	1.33
Professional Fees	76.50	103.06
Travelling Expenses	9.69	13.69
Security Charges	11.01	8.86
Rates & taxes	51.92	2.03
Interest on Fixed Loan	1,432.61	893.47
Depreciation	17.64	10.36
Miscellaneous expenses	16.17	74.38
Net expenditure during trial run period	614.29	-
	4,097.77	1,956.10
Less:		
Interest Received	7.89	15.80
Miscellaneous Income	0.03	-
	4,089.86	1,940.29
Less:		
Capitalised/Allocated to fixed assets	3,730.55	403.48
Closing unallocated Capital Expenditure	362.36	1,536.81

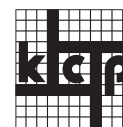
Rs in Lakhs

b) Net expenditure during trial run production		
Raw material consumed	1,528.74	-
salaries&wages	12.71	-
contribution to providend and other funds	0.02	-
staff welfare expenses	0.27	-
Power & fuel	2,486.62	-
Interest paid to Bankers&Others	288.16	-
Insurance	1.76	-
Miscellaneous expenses	81.72	-
Depreciation	262.20	-
	4,662.19	-
Less:		
Sales/Inter Unit Transfer		
Raw-meal transfered to LINE I	25.54	-
Clinker transfered to LINE I	3,007.69	-
Stocks at the end of trail run production		
Raw Meal	83.27	-
Clinker	931.41	-
Net Income/Expenditure during trial period :	(614.29)	-

41. REVENUE FROM OPERATIONS	FY 2018-19	FY 2017-18
Finished goods sold		
Cement	101,644.72	95,106.05
Heavy Engineering products	9,717.32	7,378.63
Electrical energy	661.97	713.18
Sugar	51,860.62	45,379.48
Service Receipts	1,697.96	1,777.80
Others	473.92	895.57
TOTAL	166,056.52	151,250.71

Rs in Lakhs, except per equity share data

42. EARNINGS PER SHARE (EPS)	FY 2018-19	FY 2017-18
i) Profit / (Loss) after Non controlling interest from continuing operations	8,222.49	8,951.55
i) Profit / (Loss) after Non controlling interest from discontinued operations	-	-
Total Profit / (Loss) after Non controlling interest	8,222.49	8,951.55
ii) Net Profit attributable to Equity Shareholders	8,222.49	8,951.55
iii) Weighted Average number of equity shares used as denominator for calculating EPS	128,921,160	128,921,160
Earnings per share (for Continuing Operations) Basic and diluted	6.38	6.94
Earnings per share (for Discontinued Operations) Basic and diluted	-	-
Total Earnings per share	6.38	6.94
Nominal value per each Equity share	1.00	1.00



Rs in Lakhs

43. Disclosures required by Indian Accounting Standard 19 - Employee Benefits	FY 2018-19		FY 2017-18	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
a) Reconciliation for present value of obligations				
Present value of obligations as at beginning of the year	1,279.26	1,212.71	1,215.56	831.81
Less: Difference in Opening Balance	-	-	-	-
Interest cost	91.14	81.07	85.18	51.11
Current service cost	94.70	93.80	85.29	77.21
Past service cost	-	-	53.87	-
Benefits paid	(181.91)	(311.58)	(128.99)	(282.27)
Actuarial loss/(gain) on obligation	93.18	223.83	(31.65)	534.85
Present value of obligations as at end of the year	1,376.37	1,299.83	1,279.26	1,212.71
b) Reconciliation for fair value of plan assets				
Fair Value Of Plan Assets At The Beginning Of The Year	1,253.90	-	1,140.12	-
Add : Increase In Value By LIC	-	-	-	-
Less: Decrease In Value	-	-	-	-
Expected Return On Plan Assets	94.99	-	85.27	-
Contributions	158.40	311.58	153.45	282.27
Benefits Paid	(181.91)	(311.58)	(128.99)	(282.27)
Actuarial Gain On Plan Assets	5.96	-	4.03	-
Fair Value Of Plan Assets At The End Of The Year	1,331.34	-	1,253.90	-
c) Net Liability recognised in the Balance Sheet				
Present value of obligations as at the end of the year	1,376.37	1,299.83	1,279.26	1,212.71
Fair value of plan Assets as at the end of the year	1,331.34	-	1,253.90	-
Amount determined under para 63 of IND AS 19	45.03	1,299.83	25.36	1,212.71
Net defined benefit liability recognised in the Balance sheet	45.03	1,299.83	25.36	1,212.71
Present value of future reduction in contribution under para 65 of IND AS 19	-	-	-	-
Net Defined benefit asset recognised under para 64 of IND AS 19	-	-	-	-
d) Expenses recognised in statement of Profit & Loss				
Current service cost	94.70	93.80	85.29	77.21
Net interest on net Defined benefit obligations	(3.84)	-	(0.10)	-
Interest cost	-	81.07	-	51.11
Net actuarial (gain)/loss recognised in the year	-	-	-	-
Past service Cost	-	-	53.87	-
Expense to be recognised in the Profit & Loss a/c	90.86	174.87	139.06	128.32
e) Amount recognised in the statement of OCI				
Actuarial (gain)/loss on Plan obligation	93.18	223.83	(31.65)	534.85
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(5.96)	-	(4.03)	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	87.22	223.83	(35.68)	534.85

Rs in Lakhs

f) Actuarial Assumptions				
Assumptions as at 31 March, 2019				
Discount rate	7.65%	7.65%	7.67%	7.67%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition rate	4.00%	4.00%	4.00%	4.00%
Expected return on Plan Assets	7.65%	-	7.67%	-
Mortality	IALM(2012-14)		LIC 94-96	
g) Date of Valuation	31- Mar-19	31- Mar-19	31- Mar-18	31- Mar-18
h) Average Duration of Defined Benefit Obligation (in Yrs)	9.13	5.33	6.50	6.9

i) Sensitivity Analysis

Gratuity and Leave benefit are lump sum plans and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following details summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of increase or decrease in the reported assumption by 50 basis points.

Particulars	FY 2018-19		FY 2017-18	
	Gratuity	Leave Absentees	Gratuity	Leave Absentees
Discount Rate + 100/ (50) BP	8.7%	8.6%	8.2%	8.2%
Defined Benefit Obligation (PVO)	1307.49	1,259.02	1243.34	1151.68
Current Service Cost	88.01	90.44	85.06	97.89
Discount Rate - 100/(50) BP	6.7%	6.6%	7.2%	7.2%
Defined Benefit Obligation (PVO)	1453.58	1344.03	1317.22	1225.75
Current Service Cost	102.41	97.46	92.37	105.62
Salary Escalation Rate + 100/(50) BP	7.0%	7.0%	6.5%	6.5%
Defined Benefit Obligation (PVO)	1459.50	1352.64	1317.06	1226.19
Current Service Cost	102.91	97.95	92.50	109.67
Salary Escalation Rate - 100/(50) BP	5.0%	5.0%	5.5%	5.5%
Defined Benefit Obligation (PVO)	1300.94	1250.13	1243.22	1150.96
Current Service Cost	87.49	89.92	84.91	97.82

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in the market conditions at the accounting date.

Projected plan Cash flows:				
i) Expected Contribution in following Years [mid-year cash flows]				
Year 1	102.94	368.29	Not Available	104.18
Year 2	109.11	205.75	Not Available	241.83
Year 3	115.66	213.52	Not Available	89.07
Year 4	122.60	191.43	Not Available	126.82
Year 5	129.95	135.87	Not Available	136.42
next 5 years	137.75	415.62	Not Available	445.83

j) Expected Benefit payments in following Years [mid- year cash flows]				
Year 1	294.43	368.29	104.33	104.18
Year 2	119.16	205.49	339.14	241.83
Year 3	173.16	213.25	134.26	89.07
Year 4	168.38	191.20	169.42	126.82
Year 5	130.57	135.70	149.54	136.42
next 5 years	609.25	415.62	551.70	445.83

44. Particulars disclosed pursuant to “IND AS-24 Related Party Disclosures” :-

(as per separate annexure-I enclosed)

45. Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act 2013, the CSR committee has been formed by the company. The areas of CSR activities are eradication of hunger and malnutrition, promoting education, Art and Culture, Health care, destitute care and rehabilitation and Rural development projects

Gross amount required to be spent by the company during the year

Less: Amount spent by the company during the year towards CSR

Amount yet to be spent by the company

123.44

86.56

108.81

54.00

TOTAL

14.63

32.55

46. Provision for Onerous Contracts as per IND AS-37

As per section 143(3)(j) of the Companies Act, 2013 and rule 11 of the Companies (Audit & Auditors) Rules, 2014, the Company estimated material foreseeable losses on long term contracts at its Engineering Unit and made provision for an amount of **Rs.56.10 lakhs** (Previous Year : **Rs.30.00 lakhs/-**)

47. Exceptional Item Comprises of the following :

For current FY - **Nil**. For previous FY, Consequent to the orders from the Honourable Supreme Court of India on the Electricity Duty charges levied by the State on captive consumption, the Company had provided Rs. Nil (**PY: 871.22 lakhs**) as liability as on 31.03.2019 and the same has been reported as Exceptional Item in the Profit & Loss Statement.

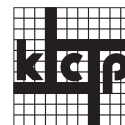
48. Particulars disclosed pursuant to IND AS 108 " Segment Reporting" are given in Annexure II.

49. Movement in Translation Reserve	Majority	Minority	Total
Opening Balance (Cr)	375.29	202.87	578.16
Movement due to Non Monetary items-			
Capital, Reserves, opening Stock etc.	1,857.80	928.90	2,786.70
Exchange Difference on Dividend Received	(12.17)	-	(12.17)
Closing balance(Cr)	2,220.92	1,131.77	3,352.69

Rs in Lakhs

50. Additional Information on Share of Parent Company, Subsidiaries and Joint Venture in Consolidation :

Name of the enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of consolidated profit or loss	Amount Rs.	As % of Total comprehensive income	Amount Rs.
Parent The KCP Limited	50.17	49,033.65	48.06	3,951.35	(39.98)	(206.59)	42.85	3,744.76
Subsidiary Foreign KCP Vietnam Industries Limited	34.15	33,377.85	100.79	8,287.46	221.90	1,146.74	107.95	9,434.20
Non Controlling Interest in all Subsidiaries	17.07	16,688.93	(33.60)	(2,762.49)	(73.97)	(382.25)	(35.98)	(3,144.73)
Joint Venture (Investment as per Equity Method) Indian Fives Cail KCP Limited	1.04	1,015.55	1.91	157.17	(5.60)	(28.95)	1.47	128.22
Less : Elimination on Consolidation Dividend received from Subsidiary & Joint Venture Difference in Foreign Exchange Investment in Foreign Subsidiary	(2.43)	(2,371.44)	(17.16)	1,411.00	(2.36)	(12.17)	(16.15)	1,411.00
Total	100.00	97,744.53	100.00	8,222.49	100.00	516.78	100.00	8,739.27



Rs in Lakhs

51. Proposed Dividend

In respect of the year ended March 31, 2019 the Directors proposed a dividend of Re. 1/- per equity share. This equity dividend is subject to approval by shareholders at the Annual General meeting. The Proposed Equity Dividend payable to all holders of fully paid equity shares and the total estimated equity dividend to be paid is Rs.1289.21 lakhs excluding Dividend Distribution Tax.

52. Financial Instruments- Fair value and risk management

(Separately given in the annexure-3)

53. General:

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)

V.L. DUTT
Executive Chairman

V.L. INDIRA DUTT
Managing Director

V KAVITHA DUTT
Joint Managing Director

As per our report annexed

for K.S. RAO & CO
Chartered Accountants
Firm Regn No.003109S

P S KUMAR
Director

G.N.MURTY
Chief Financial Officer

Y. VIJAYAKUMAR
Company Secretary

P. GOVARDHANA REDDY
Partner
(ICAI Memb. No.029193)

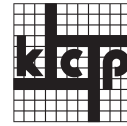
Place: Chennai
Date: 29th May, 2019

ANNEXURE - I TO CONSOLIDATED NOTES

44. RELATED PARTY DISCLOSURE

A. List of Related parties:

Subsidiary Company	KCP Vietnam Industires Limited
Joint Venture Company	Fives Cail KCP Limited
Key Managerial Personnel	Dr. V.L. Dutt - Executive Chairman Dr. V.L. Indira Dutt - Managing Director-The KCP Ltd Smt. V Kavitha Dutt - Joint Managing Director-The KCP Ltd Sri V.Gandhi - Technical Director-The KCP Ltd Sri O. Swaminatha Reddy- Independent Director- The KCP Ltd Sri V.H. Ramakrishnan- Independent Director- The KCP Ltd Sri P.S Kumar- Independent Director- The KCP Ltd Sri Vijay Sankar- Independent Director- The KCP Ltd Sri Narasimhappa Muttuluri- Independent Director- The KCP Ltd Shri K.B Pranesh - Managing Director - Fives Cail KCP Ltd Sri. G.N. Murty - Chief Financial Officer - The KCP Ltd Sri. Y. Vijaya Kumar - Company Secretary - The KCP Ltd
Relatives of Key Managerial Personnel (KMP)	Dr. V.L. Dutt - Smt. Rajeswary Ramakrishanan - Sister Dr. V.L. Indira Dutt - Late Smt. S.R.V.Rajyalakshamma - Mother Sri V.Chandra Kumar - Brother Smt. Uma S Vallabhaneni - Sister Smt.V.Rama Kumari - Sister Smt. V Kavitha Dutt - Kum.Sivani Dutt Chitturi - Daughter Sri Ravi Chitturi - Husband Sri V.Gandhi - Smt. V. Kamala Devi - Wife Sri V. Praveen Kumar - Son Smt. V. Anupama - Daughter Sri K.B Pranesh Smt. Sobana Pranesh - Wife
Companies controlled by Key Managerial Personnel/Relatives	KCP Technologies Limited V. Ramakrishna Sons Pvt Limited The Jeypore Sugar Company Ltd. BGE Engineering (India) Private Limited VRK Grandsons Investment Private Limited V Ramakrishna Charitable Trust Sri Chandramouleswara Nursing Home Trust Trust in the name of Bala Tripurasundari Ammavaru Fives Combustion Systems Pvt Ltd. Tyco Sanmar Ltd Xomox Sanmmar Limited



Rs in Lakhs

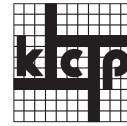
B. Transactions with the related parties:

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
Sale of Goods					
Fives Cail KCP Ltd	10.68 (1.14)				
Services -Rendered					
V. Ramakrishna Sons Pvt Limited				- (0.07)	
KCP Technologies Limited				- (1.63)	
V. Ramakrishna Charitable Trust				0.16 (0.15)	
Fives Cail KCP Ltd	120.11 (119.10)				
Services -Received					
KCP Technologies Limited				- (15.80)	
Dividend Income					
BGE Global Inc.				12.65 (12.04)	
Loans/Deposits/advances received					
Dr V L Dutt		337.68 (33.50)			
Dr V L Indira Dutt		435.00 (455.00)			
Smt. V Kavitha dutt		315.00 (66.53)			
VL Dutt (HUF)			50.00 (600.00)		
Kum.Shivani Dutt Chitturi			58.00 (252.00)		
Sri. V.Chandra Kumar			0.96 -		
Sri Chandramouleswara Nursing Home Trust				0.36 -	
Sri O. Swaminatha Reddy					5.00 -
Purchase of Goods					
KCP Technologies Limited				0.46 (1.02)	
Tyco Sanmar Ltd.				- (2.16)	

GROUP

Rs in Lakhs

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
Fives Cail KCP Limited	18.22				
	-				
Five Combution Systems Pvt. Ltd.				13.32	
				-	
Remuneration paid					
Dr V L Dutt		242.49			
		(498.64)			
Dr V L Indira Dutt		181.87			
		(373.98)			
Smt. V Kavitha dutt		147.31			
		(186.99)			
Sri V .Gandhi		145.19			
		(186.99)			
Sri G.N. Murty		78.16			
		(69.13)			
Sri Y. Vijaykumar		29.28			
		(23.14)			
Directors Out of pocket Exp. & Sitting fees					
Sri O. Swaminatha Reddy		2.37			
		(2.27)			
Sri V. H Ramakrishnan		2.48			
		(2.27)			
Sri Vijay shankar		2.20			
		(1.70)			
Sri P. S. Kumar		2.63			
		(2.32)			
Sri M. Narasimhappa		2.48			
		(1.61)			
Interest paid					
Dr V L Dutt		179.98			
		(171.01)			
Dr V L Indira Dutt		25.09			
		(27.82)			
Smt. V Kavitha dutt		31.69			
		(18.82)			
Other Relatives					
Shivani D. Chitturi			33.53		
			(32.61)		
VL Dutt (HUF)			77.45		
			(86.50)		
Smt. S R V Rajyalakshmamma			-		
			(6.61)		

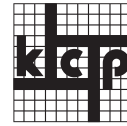


Rs in Lakhs

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
V. Ramakrishna Sons Pvt Limited				36.12 (56.18)	
Sri O. Swaminatha Reddy					0.47 (0.54)
Dividend paid					
Dr V L Dutt		60.06 (120.11)			
Dr V L Indira Dutt		33.64 (67.29)			
Smt. V Kavitha dutt		11.80 (23.60)			
Sri V .Gandhi		0.02 (0.04)			
Other Relatives					
Kum.Shivani Dutt Chitturi			13.00 (26.00)		
Smt.S R V Rajyalakshmamma			0.01 (0.01)		
Smt.Uma S Vallabhaneni			1.63 (3.26)		
Smt.Rajeswary Ramakrishnan			0.07 (4.68)		
Smt.Kamala Devi Valluri			0.05 (0.10)		
Smt.Anupama			0.02 (0.05)		
V. Ramakrishna Sons Pvt Limited				389.56 (779.13)	
The Jeypore Sugar Company Ltd.				2.78 (5.57)	
VRK Grandsons Investment (Private) Limited				52.35 (110.33)	
Dr V L Dutt (HUF)			1.14 (2.27)		
Loans/Deposit Repaid					
Dr V L Dutt		30.00 (41.18)			
Dr V L Indira Dutt		620.00 (410.00)			
Smt. V Kavitha dutt		10.00 (13.33)			
V. Ramakrishna Sons Pvt Limited				270.00 (55.00)	

Rs in Lakhs

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
Kum. Shivani Dutt Chitturi			13.00		
Sri O . Swaminatha Reddy			-		5.00
					-
Rent Paid					
Dr V L Indira Dutt		136.46 (79.53)			
Smt. V Kavitha dutt		5.06 (4.83)			
Other Relatives					
Smt.Uma.s.Vallabhaneni			143.68 (103.60)		
Smt. S R V Rajyalakshamma			- (9.62)		
Smt.V.Rama Kumari			104.25 (75.50)		
Bala Tripurasundari Ammavaru Temple				144.41 (102.95)	
Sri.V.Chandra kumar			58.50 (44.67)		
<u>Balances as at 31.03.2019</u>					
Receivable - Trade dues/others					
Fives Cail KCP Ltd	1.74 (17.29)				
Receivable - Rent/Service					
Fives Cail KCP Ltd	0.03 -				
Share capital in KCP held by					
Dr V L Dutt		60.06 (60.06)			
Dr V L Indira Dutt		34.67 (33.64)			
Smt. V Kavitha dutt		12.25 (11.80)			
Sri V .Gandhi		0.02 (0.02)			
Other Relatives					
Kum.Shivani Dutt Chitturi			13.00 (13.00)		
Smt.Rajeswary Ramakrishnan			0.07 (0.07)		
Smt.S R V Rajyalakshamma			0.01 (0.01)		

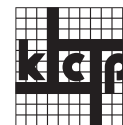


Rs in Lakhs

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
Smt.Uma S Vallabhaneni			1.63 (1.63)		
Smt.Anupama			0.02 (0.02)		
Smt.Kamala Devi Valluri			0.05 (0.05)		
V. Ramakrishna Sons Pvt Limited				389.56 (389.56)	
The Jeypore Sugar Company Ltd.				2.78 (2.78)	
VRK Grandsons Investment (Private) Limited				42.49 (53.06)	
VL Dutt (HUF)			1.14 (1.14)		
Loans/Advances held					
Dr V L Dutt		1,000.00 (792.32)			
Dr V L Indira Dutt		215.00 (400.00)			
Smt. V Kavitha dutt		450.00 (235.00)			
V. Ramakrishna Sons Pvt Limited				350.00 (620.00)	
Sri. V. Chanra Kumar			0.96 -		
Sri Chandramouleswara Nursing Home Trust			0.36 -		
Bala Tripurasundari Ammavaru Trust			0.54 (0.54)		
Deposits held with the company					
Dr V L Dutt		1,133.50 (1,033.50)			
Dr V L Indira Dutt		25.00 (25.00)			
Smt. V Kavitha dutt		101.53 (11.53)			
Other Relatives					
VL Dutt [HUF]			850.00 (800.00)		
Kum.Shivani Dutt Chitturi			370.00 (325.00)		
Smt.S R V Rajyalakshamma			- (62.50)		

Rs in Lakhs

Particulars	Joint Venture	KMP	Related parties - Other Relatives	Companies Controlled by KMP	Independent Directors
Sri O. Swaminatha Reddy					5.00 (5.00)
Commission payable					
Dr V L Dutt		100.13 (426.43)			
Dr V L Indira Dutt		40.55 (236.32)			
Smt. V Kavitha dutt		- (32.22)			
Sri V .Gandhi		- (39.92)			
Payable-Trade Dues					
Dr V L Indira Dutt		33.13 (21.03)			
Smt. V Kavitha dutt		1.16 (1.16)			
Xomox Sanmmar Limited					0.06 -
Other Relatives					
Smt.V.Rama Kumari			26.71 (20.01)		
Sri.V.Chandra kumar			11.79 (8.31)		
Smt.Uma.s.Vallabhaneni			29.59 (21.17)		
Bala Tripurasundari Ammavaru Temple				37.05 (26.13)	



Note 48: SEGMENT REPORT UNDER IND AS 108 AS AT 31ST MARCH 2019
Primary Segment Report - Business Segments

PARTICULARS	Engineering		Cement		Power		Hotel		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	Current Year	Previous Year
Revenue																
Revenue from Operations	9,986	8,240	101,684	95,132	12,855	11,144	1,614	1,515	51,861	45,379	214	233			178,214	161,643
Other Income	524	382	101	374	21	15	4	22	46	109	1,586	4,047	(1,411)	(3,909)	871	1,041
	10,511	8,622	101,785	95,506	12,876	11,158	1,618	1,537	51,906	45,489	1,800	4,280	(1,411)	(3,909)	179,085	162,684
Less : Inter Segment Sales	-	-	-	-	7,970	7,829	1,618	1,537	4,187	2,563	1,800	4,280	(1,411)	(3,909)	12,157	10,392
Revenue after Inter segment elimination	10,511	8,622	101,785	95,506	4,906	3,329	1,618	1,537	47,719	42,926	1,800	4,280	(1,411)	(3,909)	166,928	152,292
Result																
Segment Result	63	(792)	6,948	12,416	190	386	(655)	(806)	9,654	7,721	4	7	(1,411)	(3,909)	14,794	15,023
Less : Unallocated Corporate Expenses																(3,484)
Operating Profit / (Loss)	63	(792)	6,948	12,416	190	386	(655)	(806)	9,654	7,721	1,437	3,491	(1,411)	(3,909)	16,227	18,507
Less : Interest Expenses																(3,871)
Less : Tax Provisions																
Current Tax															1,022	3,150
Deferred Tax															1,311	(39)
MAT Entitlement Credit															(804)	
Total Tax Expense															1,529	3,111
Profit/(Loss) from Continuing Operations															10,828	11,162
Profit/(Loss) from Discontinued Activities															-	-
Less : Current Tax of Discontinued Operations															-	-
Profit After Tax of Discontinued Operations															-	-
Profit/(Loss) for the Year															10,828	11,162
Other Comprehensive Income															928	(363)
Add : Share of Profit from Joint Venture															128	75
Less : Minority Share of Profit / (Loss)															(3,145)	(2,213)
Total Comprehensive Income after Non-Controlling Interest															8,739	8,661

Rs in Lakhs

PARTICULARS	Engineering		Cement		Power		Hotel		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	Current Year	Previous Year
Other Information																
Segment Assets	15,170	10,450	89,826	78,371	25,290	22,796	9,487	10,320	49,394	51,722	246	404	(1,356)	(1,436)	188,057	172,627
Unallocated Corporate Assets															7,672	8,114
Total Assets	15,170	10,450	89,826	78,371	25,290	22,796	9,487	10,320	49,394	51,722	246	404	(1,356)	(1,436)	195,729	180,741
Segment Liabilities	9,026	5,358	52,305	42,834	4,277	5,261	2,940	3,743	10,841	17,108	4	9	(1,356)	(1,436)	78,036	72,877
Unallocated Corporate Liabilities															19,949	20,014
Minority Interest															16,689	14,236
Shareholders Funds	9,026	5,358	52,305	42,834	4,277	5,261	2,940	3,743	10,841	17,108	4	9	(1,356)	(1,436)	81,056	73,615
Total Liabilities															195,729	180,741
Depreciation	340	358	3,009	2,674	1,831	1,736	877	896	1,353	1,231	151	156			7,562	7,051

Secondary Segment Report - Geographical Segments

PARTICULARS	Sales Revenue		Carrying amount of Assets	
	Current Year	Previous Year	Current Year	Previous Year
India	119,208.34	109,365.79	134,766.99	129,018.74
South East Asia - Vietnam	47,719.50	42,926.39	60,962.20	51,722.00

Other Disclosures :

1. The Company and its subsidiary have disclosed Business Segment as the Primary Segments. Segments have been identified taking into account the nature of products, the different risks and rewards, the organisation structure and internal reporting system.
2. No external customer individually accounted for more than 10% of the revenues in the year ended 31-03-2019.
3. Inter-Segment revenues are recognised at market price.
4. Figures for previous year have been regrouped, wherever necessary, for reporting in accordance with Ind-AS.

Annexure - III Referred in Note No. 52

52A. Financial Assets & Financial Liabilities and their fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Levels in Fair value Hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs, other than quoted prices which are included in Level 1, that are observable for the asset or liability, either **directly** (i.e as prices) or indirectly (i.e derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31st March, 2019

Particulars	Note	Carrying amount					Fair value						
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total		
Financial instruments measured at fair value													
Investments	6	-	16.45	-	1,517.54	-	1,533.99	16.45	-	-	-	16.45	-
Financial assets not measured at fair value													
Trade receivables	7 & 11	-	-	8,049.30	319.68	-	8,368.98	-	-	8,049.30	-	-	8,049.30
Cash and Cash Equivalents	12	-	-	-	1,570.68	-	1,570.68	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	11,046.67	-	11,046.67	-	-	-	-	-	-
Loans													
Loans and advances to employees	13	-	-	-	39.50	-	39.50	-	-	-	-	-	-
Other Financial assets													
EMD	8	-	-	-	25.08	-	25.08	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	-	11.85	-	11.85	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	-	46.06	-	46.06	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	-	5.74	-	5.74	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	-	1.75	-	1.75	-	-	-	-	-	-
Others	13	-	-	-	2,833.95	-	2,833.95	-	-	-	-	-	-
TOTAL		-	-	8,065.75	17,418.50	-	25,484.25	16.45	8,049.30	-	-	8,065.75	-

Rs in Lakhs

Particulars	Note	Carrying amount				Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total		
Financial liabilities not measured at fair value													
Borrowings	18, 23 & 25	-	-	-	59,572.31	-	59,572.31	-	-	-	-	-	-
Trade payables	19 & 24	-	-	-	9,780.40	-	9,780.40	-	-	-	-	-	-
Other financial liabilities (Non Current)	20	-	-	-	7,815.97	-	7,815.97	-	-	-	-	-	-
Other financial liabilities (Current) :-													
Accrued salaries and benefits	25	-	-	-	876.59	-	876.59	-	-	-	-	-	-
Payable to director	25	-	-	-	140.68	-	140.68	-	-	-	-	-	-
Others	25	-	-	-	9,561.39	-	9,561.39	-	-	-	-	-	-
TOTAL		-	-	-	87,747.34	-	87,747.34	-	-	-	-	-	-

As at 31st March, 2018

Particulars	Note	Carrying amount				Fair value							
		Fair value hedging instruments	Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total		
Financial instruments measured at fair value													
Investments	6	-	19.95	-	1,437.46	-	1,457.41	19.95	-	-	-	-	19.95
Financial assets not measured at fair value													
Trade receivables	7&11	-	-	7,314.02	257.53	-	7,571.55	-	7,314.02	-	-	-	7,314.02
Cash and Cash Equivalents	12	-	-	-	1,685.96	-	1,685.96	-	-	-	-	-	-
Bank balances other than above	12A	-	-	-	1,476.79	-	1,476.79	-	-	-	-	-	-

Rs in Lakhs

Particulars	Note	Fair value hedging instruments	Carrying amount			Fair value								
			Financial assets -FVTOCI	Financial assets -FVTPL	Financial assets- Amortised cost	Financial liabilities- amortised cost	Total	Level 1	Level 2	Level 3	Total			
Loans		-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to employees	13	-	-	32.50	-	32.50	-	32.50	-	-	-	-	-	-
EMD	8	-	-	20.87	-	20.87	-	20.87	-	-	-	-	-	-
Interest accrued on other deposits	13	-	-	7.45	-	7.45	-	7.45	-	-	-	-	-	-
Interest accrued on fixed deposits	13	-	-	37.44	-	37.44	-	37.44	-	-	-	-	-	-
Due from Gratuity Trust	13	-	-	5.74	-	5.74	-	5.74	-	-	-	-	-	-
Non trade receivables from JV	13	-	-	17.29	-	17.29	-	17.29	-	-	-	-	-	-
Others	13	-	-	0.92	-	0.92	-	0.92	-	-	-	-	-	-
TOTAL		-	7,333.97	4,979.95	-	12,313.92	19.95	7,314.02	-	7,333.97	-	-	-	-
Financial liabilities not measured at fair value														
Borrowings	18, 23 & 25	-	-	-	-	55,585.51	-	55,585.51	-	-	-	-	-	-
Trade payables	19&24	-	-	-	-	10,548.45	-	10,548.45	-	-	-	-	-	-
Other financial liabilities (Current)	20	-	-	-	-	6,879.15	-	6,879.15	-	-	-	-	-	-
Other financial liabilities														
Accrued salaries and benefits	25	-	-	-	-	898.31	-	898.31	-	-	-	-	-	-
Payable to director	25	-	-	-	-	734.89	-	734.89	-	-	-	-	-	-
Others	25	-	-	-	-	9,945.74	-	9,945.74	-	-	-	-	-	-
TOTAL		-	-	-	-	84,592.05	-	84,592.05	-	-	-	-	-	-

52 B. Financial instruments - Fair values and risk management**Financial risk management objectives and policies**

Group activities exposed it to market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out by the Board of Directors. The board supervises overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and use of financial instruments. The financial authority limits or seek to limit and mitigate transactional risks by setting out the threshold of approvals required for entering into contractual obligations.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

b) Interest rate risk

Group exposure to market risk for changes in interest rate environment relates mainly to its debt obligations.

Group policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts and long-term and short-term borrowings. The Group's borrowings mostly consists of loans for funding the projects, working capital loans with variable rate of interest and public deposits & demand loans with fixed rates of interest.

The interest rate profile of the Company's interest-bearing instruments is as follows.

Particulars	31-03-2019	31-03-2018
Fixed rate instruments		
Financial liabilities	14522.36	15790.61
Financial assets	25.08	20.87
Variable rate instruments		
Financial liabilities	45,049.93	39,794.91
Total financial liabilities	59597.37	55606.39

i) Sensitivity analysis

Particulars	Impact on profit or loss		Impact on other components of equity	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
1% increase in MCLR rate	450.50	397.95	450.50	397.95
1% decrease in MCLR rate	(450.50)	(397.95)	(450.50)	(397.95)

ii) Fair value

The following methods and assumptions were used to estimate the fair values:

- The carrying value of financial asset approximates fair value.

iii) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The company's credit risk for trade receivables is as follows:

Particulars	31-03-2019	31-03-2018
Trade receivables	8368.98	7571.55

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

Allowance for Credit Loss	31-03-2019	31-03-2018
Balance at the beginning	6.41	9.22
Impairment loss recognised	(1.85)	(2.81)
Balance at the end	4.56	6.41

No single customer accounted for more than 10% of the revenue as of 31-03-2019 and 31-03-2018. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by credit rating agencies.

52 C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the company to meet its obligations.

The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting period.

As at 31st March 2019

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	35,727.45	-	14,399.00	17,411.55	3,916.90	35,727.44
Current maturities of long term borrowings	12,450.22	12,450.22	-	-	-	12,450.22
Financial liabilities (Non current)	7,815.97	-	7,815.97	-	-	7,815.97
Cash credit and demand loans	11,394.64	11,394.64	-	-	-	11,394.64
Trade payables (current)	9,509.14	9,509.14	-	-	-	9,509.14
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities (Current)	10,578.66	10,578.66	-	-	-	10,578.66
	87,747.34	43,932.66	22,486.23	17,411.55	3,916.90	87,747.33

As at 31st March 2018

Particulars	Carrying value	Contractual cash flows				Total
		Less than 1 year	1-2 years	2-5 years	More than 5 years	
Borrowings (Non current)	37,230.06	-	11,957.76	24,197.61	1,074.70	37,230.06
Current maturities of long term borrowings	9,768.40	9,768.40	-	-	-	9,768.40
Financial liabilities (Non current)	6,879.15	-	6,879.15	-	-	6,879.15
Cash credit and Demand Loans	8,587.06	8,587.06	-	-	-	8,587.06
Trade payables (current)	10,277.19	10,277.19	-	-	-	10,277.19
Trade payables (non -current)	271.26	-	271.26	-	-	271.26
Other financial liabilities (Current)	11,578.94	11,578.94	-	-	-	11,578.94
	84,592.06	40,211.59	19,108.17	24,197.61	1,074.70	84,592.06

52 D. Foreign exchange risk

The Company imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation on its segments performance is as follows

Particulars	Impact on profit	
	2018-19	2017-18
Increase in Exchange Rate by Re.1		
Cement	(194.28)	(193.85)
Captive Power Plant	(1.44)	(21.51)
Engineering	(1.53)	2.08
Decrease in Exchange Rate by Re.1		
Cement	194.28	193.85
Captive Power Plant	1.44	21.51
Engineering	1.53	(2.08)

52 E. Commercial risk**Sale price risk**

Particulars	Impact on profit	
	2018-19	2017-18
Selling price increase by 5%		
Cement	5,082.24	4,755.30
Sugar	2,593.03	2,268.97
Power	33.10	35.66
Engineering	485.87	368.93
Hospitality & other Services	108.59	133.67
	8,302.83	7,562.54
Selling price decrease by 5%		
Cement	(5,082.24)	(4,755.30)
Sugar	(2,593.03)	(2,268.97)
Power	(33.10)	(35.66)
Engineering	(485.87)	(368.93)
Hospitality & other Services	(108.59)	(133.67)
	(8,302.83)	(7,562.54)

Raw material price risk

Particulars	Impact on profit	
	2018-19	2017-18
Raw material price increase by 5%		
Cement	(1,154.66)	(772.46)
Engineering	(141.71)	(63.40)
Hospitality & other Services	(10.65)	(10.78)
	(1,307.02)	(846.64)
Raw material price decrease by 5%		
Cement	1,154.66	772.46
Engineering	141.71	63.40
Hospitality & other Services	173.13	88.62
	1,307.02	846.64



Dr. V.L.Indira Dutt was the Chief guest at the International Conference on Social Equity Organised by the Department of Bank Management, Ethiraj College Chennai.





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