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KEY FINANCIAL HIGHLIGHTS - THE K.C.P LTD

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

DUTT V.L
Chairman and Managing Director

INDIRA DUTT V.L
Joint Managing Director

KAVITHA D. CHITTURI
Executive Director

GANDHI V.
Technical Director

INDEPENDENT DIRECTORS

KOTESWARA RAO P.

RAMAKRISHNA A.

RAMAKRISHNAN V.H.

SWAMINATHA REDDY O.

CHIEF FINANCIAL OFFICER

RAMACHANDRAN M.R.

COMPANY SECRETARY

VIJAYA KUMAR Y.

AUDITORS

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

COST AUDITORS

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

BANKERS

BANK OF BARODA
BANK OF INDIA
CANARA BANK
HDFC BANK LTD

INTERNAL AUDITORS

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

REGISTERED AND CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

PLANT LOCATIONS

CEMENT

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

ENGINEERING

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

HYDEL UNIT

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

WIND POWER

Uthumalai Village, Tirunelveli District, Tamilnadu

THERMAL UNIT

Macherla - 522426, Guntur District, AP

BIO TECH

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

Notice to Shareholders

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

ORDINARY BUSINESS

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

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

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

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

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

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

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES:

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

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

Place: Chennai
Date: 28th, May, 2010

For and on behalf of the Board



(V. L. DUTT)

Chairman and Managing
Director

Annexure to Notice

EXPLANATORY STATEMENT

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

Item No.7:

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

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

Your Directors commend the resolution for your approval.

Interest of Directors:

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

Item No.8:

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

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

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

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

Your Directors commend the resolution for your approval.

Interest of Directors:

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

Item No.9:

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

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

Your Directors commend the resolution for your approval.

Interest of Directors:

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

Item No.10

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

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

Your Directors commend the resolution for your approval.

Interest of Directors:

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

Place: Chennai
Date: 28th, May, 2010

For and on behalf the Board



(V. L. DUTT)

Chairman and Managing
Director

Board of Directors

Dr. V.L. Dutt
Chairman and Managing Director



Smt. V.L. Indira Dutt
Joint Managing Director

Smt. Kavitha Dutt Chitturi
Executive Director



Sri. V. Gandhi
Technical Director

Sri. O. Swaminatha Reddy
Director



Sri. V.H. Ramakrishnan
Director

Sri. A. Ramakrishna
Director



Sri. Pinnamaneni Koteswara Rao
Director