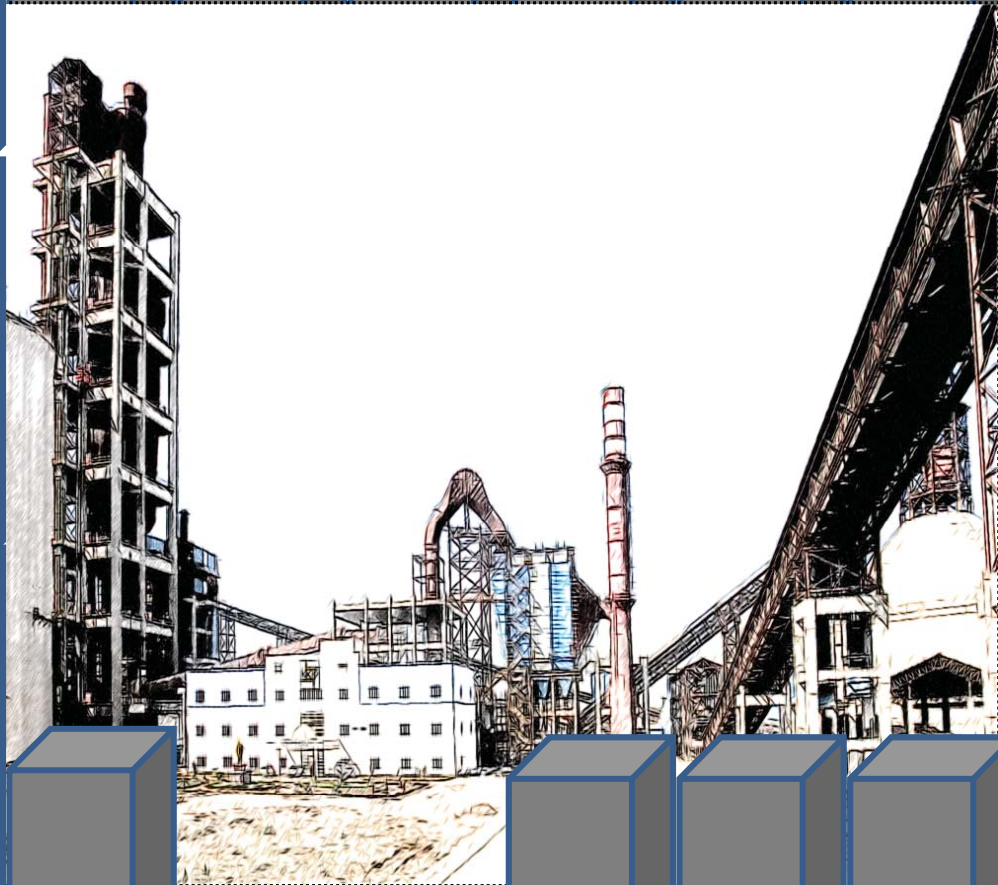


2011-12



Looking Beyond Future

71st Annual Report

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

(Rs. in Lakhs)

	Year Ended									
	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03
SHARE CAPITAL	3289	3289	3289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	33168	29542	27189	22780	17697	12984	9625	8610	8084	8112
NET WORTH	36457	32831	30478	24069	18986	14273	10914	9899	9373	9401
FIXED ASSETS (NET)	54374	50668	33448	13147	12653	11704	7572	6850	7091	7556
GROSS INCOME	72654	37626	42289	41788	41604	30051	20680	16863	14722	14353
GROSS PROFIT	15208	8224	11052	11369	11284	8321	3448	2445	1386	1123
DEPRECIATION	2935	1233	1056	914	858	618	519	494	667	688
INTEREST	3795	1394	949	671	692	444	444	489	584	774
PROFIT BEFORE TAX	8478	5597	9047	9784	9734	7259	2485	1462	135	-339
PROFIT AFTER TAX	6153	4135	6002	6591	6654	4829	1750	967	117	-178
EARNINGS PER SHARE(Rs)**	4.56	2.99	45.88	51.13	51.62	37.46	13.58	7.50	0.91	-1.38
BOOK VALUE PER SHARE(Rs)**	26.73	23.92	220.93	186.72	147.27	110.72	84.66	76.79	72.71	72.93
DIVIDEND ON EQUITY(%)	150*	100	100	100	100	100	50	30	10	10
DEBT EQUITY RATIO	0.51	0.71	0.33	0.27	0.15	0.21	0.39	0.03	0.05	0.13

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

(Rs. in Lakhs)

	Year Ended									
	31-3-12	31-3-11	31-3-10	31-3-09	31-3-08	31-3-07	31-3-06	31-3-05	31-3-04	31-3-03
SHARE CAPITAL	3289	3289	3289	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	46890	41684	33434	26791	19601	13532	9219	7846	7092	6728
NET WORTH	50179	44973	36723	28080	20890	14821	10508	9135	8381	8017
FIXED ASSETS (NET)	61561	57821	40750	22401	20084	18377	14391	14247	15604	16648
GROSS INCOME	115004	72100	69471	60401	58059	42575	28835	23604	17898	17477
GROSS PROFIT	23625	15288	17298	15428	14462	11150	5338	4314	2606	2821
DEPRECIATION	4104	2233	2167	2015	1605	1312	1262	1221	1430	1655
INTEREST	4154	1565	1336	1279	912	923	908	688	1017	1456
PROFIT BEFORE TAX	15367	11490	13795	12134	11945	8915	3168	2405	159	-290
PROFIT AFTER TAX	10605	7874	9076	8118	8022	5945	2133	1602	136	-167
EARNINGS PER SHARE(Rs)**	8.01	5.89	69.7	62.98	62.23	46.12	16.55	12.43	1.06	-1.30
BOOK VALUE PER SHARE(Rs)**	37.38	33.33	269.38	217.84	162.06	114.98	81.52	70.87	65.02	62.20
DIVIDEND ON EQUITY(%)	150*	100	100	100	100	100	50	30	10	10
DEBT EQUITY RATIO	0.38	0.53	0.42	0.07	0.17	0.38	0.26	0.20	0.09	0.15

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

* Dividend for the year 2011-2012 includes a Special Dividend of 50% (Rs. 0.50 per share) recommended to commemorate the completion of 70th year of the Company.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Dr. V.L. DUTT
Chairman and Managing Director

Smt. V.L. INDIRA DUTT
Joint Managing Director

Smt. KAVITHA D. CHITTURI
Executive Director

Sri. V. GANDHI
Technical Director

INDEPENDENT DIRECTORS

Sri. P. KOTESWARA RAO

Dr. A. RAMAKRISHNA

Sri. V.H. RAMAKRISHNAN

Sri. O. SWAMINATHA REDDY

Sri. VIJAY SANKAR

CHIEF FINANCIAL OFFICER

Sri. M.R. RAMACHANDRAN

AUDITORS

M/s. BRAHMAYYA & CO
Chartered Accountants, Vijayawada

BANKERS

BANK OF BARODA

BANK OF INDIA

CANARA BANK

HDFC BANK LTD

INDIAN OVERSEAS BANK

COMPANY SECRETARY

Sri. Y. VIJAYA KUMAR

COST AUDITORS

M/s. NARASIMHAMURTHY & CO
Cost Accountants, Hyderabad

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

INTERNAL AUDITORS

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

M/s. M. BHASKARA RAO & CO
Hyderabad

REGISTERED AND CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/S INTEGRATED ENTERPRISES (INDIA) LIMITED

II Floor "Kences Towers"
No.1 Ramakrishna Street
North Usman Road, T. Nagar
Chennai - 600 017
Ph: 28140801/803 Fax: 28142479

E-mail: corpserv@integratedindia.in Website: www.integratedindia.in

PLANT LOCATIONS

CEMENT

Macherla - 522426
Guntur District, Andhra Pradesh

Muktyala - 521175
Krishna District, Andhra Pradesh

HYDEL

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

THERMAL

Macherla - 522426, Guntur District, AP

ENGINEERING

Tiruvottiyur
Chennai 600 019. Tamilnadu

Arakonam
Mosur Road, Ekhunagar, 631 004, Tamilnadu

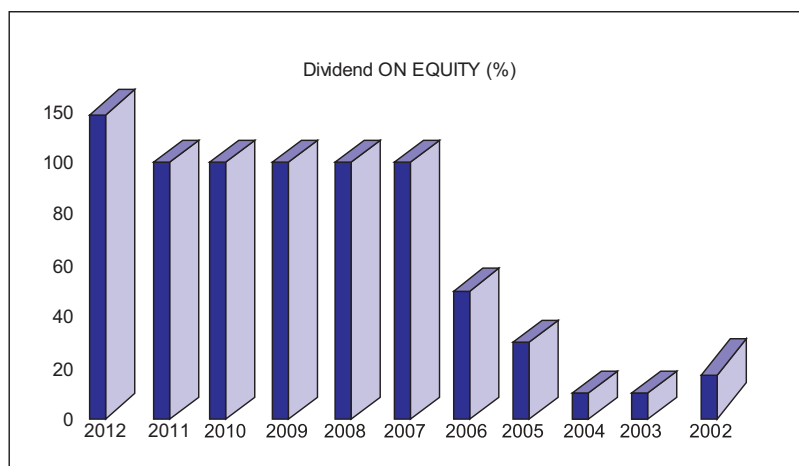
WIND POWER

Uthumalai Village, Tirunelveli District, Tamilnadu

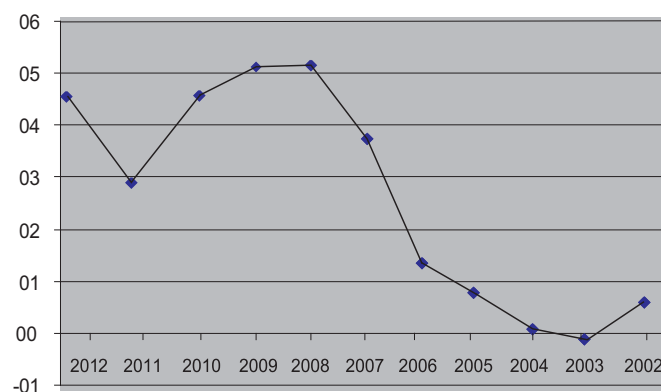
BIOTECH

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

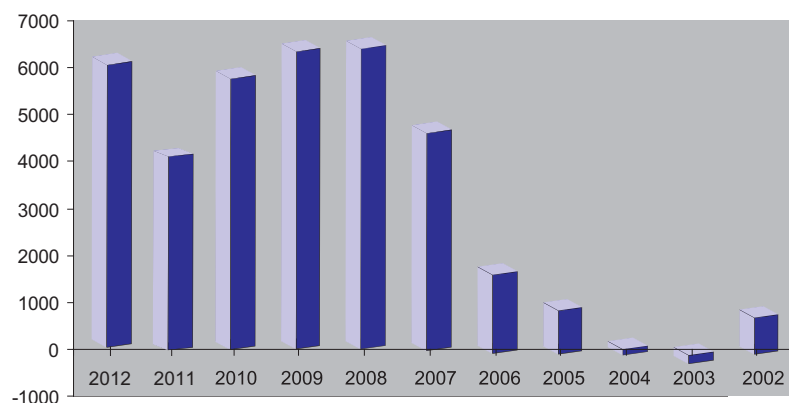
At a Glance



Dividend History



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

(Not to Scale)

Board of Directors



Dr. V.L. Dutt
Chairman and Managing Director

Smt. Kavitha Dutt Chitturi
Executive Director

Smt. V.L. Indira Dutt
Joint Managing 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



Sri. Vijay Sankar
Director

Corporate Social Responsibility

Corporate Social Responsibility, as can be seen globally, is gradually emerging as a mainstream activity where it was once practised as a tokenism. The rapid societal changes in the era of globalisation and the incumbent challenges that need immediate attention have been making it imperative on corporations to take up social responsibilities in a big way.

While that being the emerging scenario, your company has always been in the forefront in tending to all its communities long before this trend caught up with others. There has always been a total integration of all our stakeholders, such as investors, customers, vendors, suppliers, employees, and the communities in which we have been operating. We have forever been emphasising on our external relationships as much as we have been on our internal relationships which has stood us in good stead over the last seven decades. For long, it has been helping us build trust with our communities.

Notable efforts have been put forward to realise our responsibilities and in the process your company has been building value for all its stake-holders. In the past seven decades since inception, KCP has taken up innumerable social and community initiatives.

Our aim has been to touch the lives of communities positively by taking up health-care, infrastructural, environmental, social, cultural and educational programs. Following is a brief note on KCP fulfilling its part of the social responsibilities during the year 2011-12.

Health



Your company conducts health camps in Muktyala and surrounding villages like Dondapadu, Bugga Mahavaram, Agraharam to benefit more than 200 villagers every week. Private doctors and doctors from reputed hospitals are engaged to conduct these camps. Old cases are meticulously followed up in the subsequent camps and medicines are provided free of cost to the needy.

A pulse polio immunization program was held in association with Rotary Club of Macherla covering villages of Macherla, Veldurthy, Durgi Mandals and Macherla Town. Staff of your Macherla plant volunteered in conducting this camp.

Artificial limbs are distributed to the economically weaker sections in the villages surrounding Muktyala. The camps are conducted under the supervision of qualified specialists. Many hitherto disabled villagers expressed their gratitude to your company for such noble deeds.



Your Company extends ambulance facility to the surrounding villages, to help the villagers during Medical Emergencies.

A blood donation camp was organised in Indira Nagar Colony where more than 102 volunteers donated blood. Red Cross, Vijayawada Division conducted the camp on your company's behalf. Certificates were distributed to all the blood donors.



The Company has spent Rs. 10 lacs towards donation and campaign expenditure for LEPROA Organization and awareness programs on AIDS, TB and filaria.

Environment



A thousand saplings have been planted in the areas surrounding our mines in Macherla and the ITI College, Macherla. Another 200 saplings were planted near Terala Mines on the occasion of Environment Day that we observe every year on September 14.

CPU II R K Puram, Muktyala planted 30,000 saplings in open land at Muktyala village.



Infrastructure

A reverse osmosis (RO) water plant was installed by your company in Muktyala Village for supply of purified drinking water to the villagers. The plant was inaugurated by the Joint Managing Director, Smt. V.L. Indira Dutt.



Your Cement Production Unit in Ramakrishnapuram handed over a bus to the Muktyala Village School to enable the children travel to and from Jaggyyapeta. Nearly 110 school children stand to benefit from this facility. All maintenance expenses of the bus would be borne by your cement unit.

KCP has extended financial support for renovation of Sree Raja Vasireddy Rama



Gopala Krishna Maheswara Prasad Memorial Zilla Parishad Secondary and Upper Primary School. All the students were provided free shoes on the occasion.

Your company undertook laying of Road from Radhasaala to Buruju in old town Macherla.

KCP aided the Govt. High School in Gandrai Village by constructing toilets & water facilities which were hitherto in disrepair.

Your company arranged for cleaning of local irrigation canals in Gandrai Village for the benefit of the villagers.



Your Engineering Unit fabricated a Police Booth and installed the same in Thiruvottiur Market Junction in the presence of Asst. Commissioner of Police Mr. G. Sankaralingam.



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 71st Annual Report together with the Audited Accounts for the financial year ended 31st March, 2012.

Financial Results

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

(Rs. In Lacs)

Particulars	For the year ended		For the year ended	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
	Stand Alone		Consolidated (GROUP)	
Revenue from operations	68,725	36,182	1,10,557	70,467
Profit for the year (PBDIT)	15,208	8,224	23,625	15,288
Less: a) Interest and Finance charges	3,795	1,394	4,154	1,565
b) Depreciation	2,935	1,233	4,104	2,233
Profit before Tax	8,478	5,597	15,367	11,490
c) Current tax	1,675	1,118	1,983	1,529
d) Deferred Tax	1,701	1,361	1,685	1,380
e) Tax provision for earlier years	28	-	28	-
f) Minority share of profit	-	-	2146	1,725
Add:				
a) Refund of Income Tax	10	18	11	18
b) MAT Entitlement	1,070	751	1,070	751
c) Excess Provision of income tax of earlier years credited back	-	248	-	248
Profit for the year	6,153	4,135	10,605	7,874
Add: Surplus brought forward from earlier year	4,108	2,755	13,228	8,597
Amount available for appropriations	10,261	6,890	23,833	16,471
Less:				
Transfer to Preference Capital Redemption Reserve	500	-	500	-
Transfer to General Reserve	2,000	1,000	2,119	1,033
Proposed Dividend – Preference Shares	240	240	240	240
Proposed Final Dividend – Equity Shares	322	322	322	322
Proposed Special Dividend – Equity Shares	645	-	645	-
Interim Dividends Paid – Equity Shares	967	967	4,074	1,396
Tax on Distributed Profits – Equity Shares	314	214	314	214
Tax on Distributed Profits – Preference Shares	39	39	39	39
Surplus at the end of the year	5,234	4,108	15,580	13,227