



**and his
legacy lives on**

Contents

	Page No.
Corporate Information	3
Board of Directors	7
Corporate Social Responsibility	11
Directors' Report	16
Management Discussion and Analysis	26
Annual Report on CSR	38
Extract of Annual Return	41
• Form AOC-1	58
• Form AOC-2	59
Secretarial Audit Report	61
Business Responsibility Report	65
Report on Corporate Governance	75
Certifications on Corporate Governance	96
Independent Auditors' Report	98
Standalone Financial Statements (The K.C.P. Limited)	108
Consolidated Financial Statements (The K.C.P. Limited Group)	169

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

(Rs. In Lakhs)

	Year Ended											
	31-3-20	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	31-3-09
SHARE CAPITAL	1289	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289	1289
RESERVES & SURPLUS	45411	47744	45289	39768	36652	34592	34250	34458	33168	29542	27189	22780
NET WORTH	46700	49033	46578	41057	37941	35881	36339	37247	36457	32831	30478	24069
FIXED ASSETS (NET)	95769	98110	90710	72223	71838	69486	66453	60639	54374	50668	33448	13147
GROSS INCOME	97052	116360	110048	95476	86582	70893	75723	88971	72654	37626	42289	41788
GROSS PROFIT	10242	14092	19669	14835	14965	10680	8002	11348	15208	8224	11052	11369
DEPRECIATION	7141	5193	4903	4861	3912	3431	3409	3197	2935	1233	1056	914
INTEREST	5641	3419	3529	4725	4541	4886	4473	3812	3795	1394	949	671
PROFIT BEFORE TAX	(2540)	5480	11237	5249	6512	2363	120	4339	8478	5597	9047	9784
PROFIT AFTER TAX	(677)	3951	8127	3381	4286	1587	127	3046	6153	4135	6002	6591
OTHER COMPREHENSIVE INCOME	(353)	(206)	(27)	(266)								
TOTAL COMPREHENSIVE INCOME	(1030)	3745	8100	3115								
EARNINGS PER SHARE (Rs.)*	(0.52)	3.06	6.30	2.62	3.32	1.17	(0.04)	2.16	4.56	2.99	45.88	51.13
BOOK VALUE PER SHARE (Rs.)*	36.23	38.04	36.13	31.85	29.43	27.84	27.57	27.34	26.73	23.92	220.93	186.72
DIVIDEND ON EQUITY (%)	100	100	100	200	100	75	10	100	150	100	100	100
DEBT EQUITY RATIO	1.09	1.14	1.03	1.01	1.04	0.89	0.86	0.54	0.51	0.71	0.33	0.27

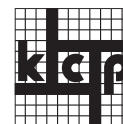
KEY FINANCIAL HIGHLIGHTS - THE K.C.P. LIMITED GROUP

(Rs. In Lakhs)

	Year Ended											
	31-3-20	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	31-3-09
SHARE CAPITAL	1289	1289	1289	1289	1289	1289	2089	2789	3289	3289	3289	1289
RESERVES & SURPLUS	82543	79766	72324	66251	59473	51896	48425	47574	46890	41684	33434	26791
NET WORTH	83832	81055	73613	67540	60762	53185	50514	50363	50179	44973	36723	28080
FIXED ASSETS (NET)	119567	122773	116408	98078	97512	76542	74502	67124	61561	57821	40750	22401
GROSS INCOME	142771	166926	152952	137118	141450	129229	118246	133590	115004	72100	69471	60401
GROSS PROFIT	19487	23827	25558	22855	24140	17990	14766	18316	23625	15288	17298	15428
DEPRECIATION	9609	7562	7051	6259	4829	4821	4713	4442	4104	2233	2167	2015
INTEREST	5940	3909	4234	4993	5234	5146	4631	3971	4154	1565	1336	1279
PROFIT BEFORE TAX	3938	12356	14273	11603	14077	8023	5422	9903	15367	11490	13795	12134
PROFIT AFTER TAX	2713	8223	8951	7655	9335	5037	3449	6524	10605	7874	9076	8118
OTHER COMPREHENSIVE INCOME	1366	517	(291)	(869)								
TOTAL COMPREHENSIVE INCOME	4079	8739	8660	6786								
EARNINGS PER SHARE (Rs.)*	2.1	6.38	6.94	5.94	7.24	3.84	2.54	4.89	8.01	5.89	69.70	62.98
BOOK VALUE PER SHARE (Rs.)*	65.04	62.88	57.11	52.40	47.14	41.26	38.57	37.91	37.38	33.33	269.38	217.84
DIVIDEND ON EQUITY (%)	100	100	100	200	100	75	10	100	150	100	100	100
DEBT EQUITY RATIO	0.65	0.73	0.76	0.76	0.78	0.60	0.60	0.39	0.38	0.53	0.42	0.07

* 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 2015-16 and 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. INDIRA DUTT

Chairperson & Managing Director

Smt. V. KAVITHA DUTT

Joint Managing Director

INDEPENDENT DIRECTORS

Sri. P.S. KUMAR

SRI. V.H. RAMAKRISHNAN

Sri. VIJAY SANKAR

Sri. M. NARASIMHAPPA

Smt. JANAKI PILLAI

ADDITIONAL DIRECTORS (w.e.f. 18.06.2020)

Sri. V. CHANDRAKUMAR PRASAD

SRI. SUBBARAO VALLABHAMANI

Sri. RAVI CHITTURI

CHIEF FINANCIAL OFFICER

Sri. G.N. MURTY

COMPANY SECRETARY

Sri. Y. VIJAYAKUMAR

AUDITORS

M/s. K.S. RAO & CO.,

Chartered Accounts,
Flat No. 601A, Golden Green Apartments,
Irrumangil Colony, Hyderabad 500 082

INTERNAL AUDITORS

M/s. SRIRAMAMURTY & CO., Visakhapatnam

M/s. 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

Email: 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: 044-28140801/803 Fax: 044-28142479
yuvraj@integratedindia.in, www.integratedindia.in

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

BOARD COMMITTEES & CONSTITUTION

AUDIT COMMITTEE

Sri. P.S. Kumar

Sri. V. H. Ramakrishnan

Sri. Vijay Sankar,

Smt. V. Kavitha Dutt

Sri. M. Narasimhappa

STAKEHOLDERS RELATIONSHIP COMMITTEE

Sri. P.S. Kumar

Sri. M. Narasimhappa

Dr. V.L. Indira Dutt

Sri. V. H. Ramakrishnan

Sri. Vijay Sankar,

NOMINATION AND REMUNERATION COMMITTEE

Sri. V. H. Ramakrishnan

Sri. Vijay Sankar

Dr. V.L. Indira Dutt (From 29/02/2020)

Sri. M. Narasimhappa

Sri. P.S. Kumar

Dr. V.L. Dutt (upto 18/02/2020)

RISK MANAGEMENT COMMITTEE

Smt. V. Kavitha Dutt

Sri. G.N. Murty

Dr. V.L. Indira Dutt

Sri. V.M. Rao

Sri. P.S. Kumar

Sri. B.V.P.S. Chowdary

Sri. Vijay Sankar

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

Sri. P.S. Kumar

Smt. V. Kavitha Dutt

Sri. Vijay Sankar,

FINANCE COMMITTEE

Dr. V.L. Dutt (upto 18/02/2020)

Sri. P.S. Kumar

Dr. V.L. Indira Dutt

Sri. Vijay Sankar

Smt. V. Kavitha Dutt

INVESTMENT COMMITTEE

Dr. V.L. Indira Dutt

Sri. Vijay Sankar

Sri. P.S. Kumar

Sri. M. Narasimhappa

BANKERS

BANK OF BARODA

STATE BANK OF INDIA

CANARA BANK

IDFC FIRST BANK LTD

BANK OF INDIA

HDFC BANK LTD

INDIAN OVERSEAS BANK

PLANT LOCATION

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

HEAVY ENGINEERING

Tiruvottiyur – 600 019

Chennai, Tamilnadu

Arakonam- 631 004

Mosur Road, Ekhnagar, Tamilnadu

SOLAR POWER PLANT

Muktyala, Krishna District, Andhra Pradesh

WIND MILLS

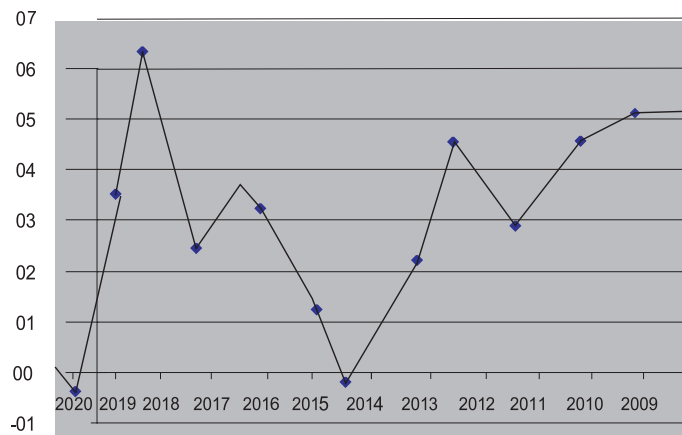
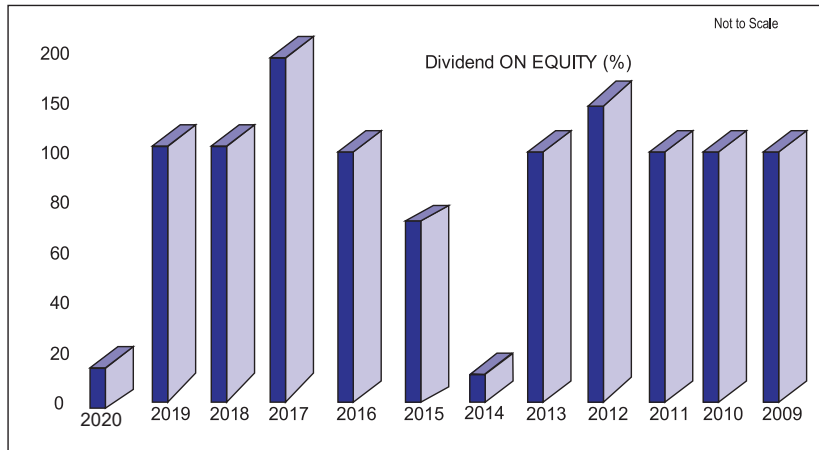
Uthumalai Village, Tirunelveli District, Tamilnadu

HOTEL

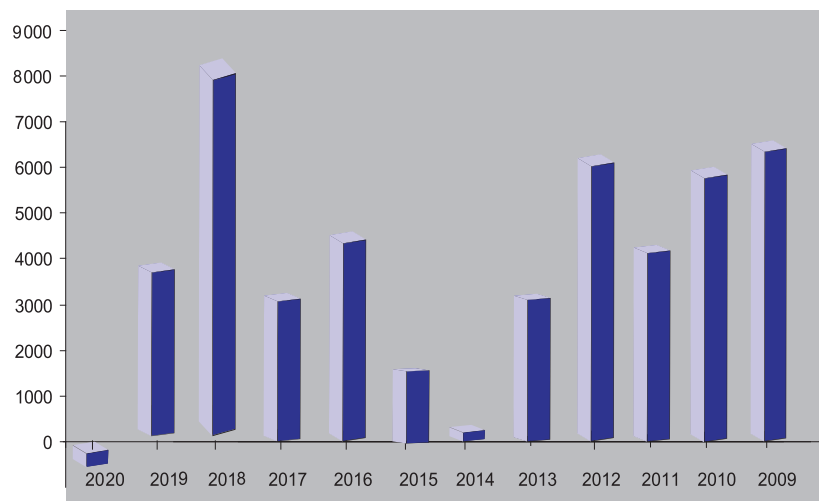
Mercure Hyderabad KCP

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

At a Glance



Earnings Per Share (EPS)



Profit after Tax (Rs. in Lakhs)

Awards



From the Chairperson and Managing Director



Dear Shareholders,

It is my privilege to address you all, in my maiden communication as Chairperson and Managing Director of this esteemed company,

I profoundly thank you all for reposing confidence in me, to take this company forward, as Chairperson & Managing Director.

Before I commence the proceedings, I along with my team, pay our heartfelt homage to our Late Executive Chairman Dr VL Dutt, who passed away on 18th February this year. His sudden demise left us all in a shock and rendered an irreparable loss to the company and the family. KCP is deeply indebted to Dr Dutt, who took the organisation from a small domestic company to international level by setting up sugar plants in Vietnam and other collaborations with Fuller Inc, USA and Fives Group, France to form Joint Ventures. He was the driving force behind expansion of cement capacity from hardly 0.8 million tons to over 4 million tons.

Dr VL Dutt was known for his Values, Ethics and Socially responsible business decisions, his vision in setting up all kinds of power generation units, through renewable sources like Wind, Solar and Hydel, is admirable, apart from setting thermal and waste heat recovery plants. The entire KCP team places on record its deep gratitude and appreciation of his invaluable services to the company and the society around.

His Contributions to National and International Associations made the KCP one of the well-respected Business house in the country. FICCI, under the leadership of Dr Dutt as President for 1992-93, made important policy suggestions to the Government of India, during the transition of economy, under the then Hon'ble Prime Minister late Shri PV Narasimha Rao, FICCI nominated him as its Patron, recognizing his invaluable contributions.

He was also the Vice-Chair of the Commission on Trade and Invest Policy of International Chamber of Commerce, Paris in 1998 and 2007. Dr Dutt was honorary Consul General of the Republic of Turkey in Chennai, incharge of all the Southern States of India. Recognizing his contribution to the economy of Phu Yen Province of Vietnam, Hon'ble President of S.R. Vietnam, decorated Dr Dutt with Friendship Medal, a prestigious award.

Coming to business, India entered the pandemic amid slowing growth, shrinking fiscal space, and a weak financial sector. The exit from the Covid-19 crisis could well see some uncertainties in growth, fiscal constraint and risks to

financial sector with fall out on industries. Any sustainable recovery will require infrastructure spends, creation of a social security net, and easing of traditional sore points such as a weak financial sector, correction of outdated laws etc. India is staring at de-growth of economy and perhaps the worst ever recession.

KCP's all segments were affected by the pandemic, be it Cement production in Andhra Pradesh or the Hotel in Hyderabad or Heavy Engineering Unit in Chennai. Cement Production started in AP, with partial lifting of lockdown conditions.

The complete details of performance have been given in the statements included in the Annual Report, which is with you.

Going forward, it is expected that, booster doses given by the Government, in the form of Economic Packages, could help in revival of the economy and would help the fortunes of the sectors your company is operating in.

Internally strategies are being designed to reduce costs, to partially contain the impact of the pandemic. The Company is attempting to diversify the cement markets into States bordering Andhra Pradesh, the traditional stronghold.

I along with Board of Directors, thank all our stakeholders for standing by us in these troubled times.

Dr.V.L.Indira Dutt

Chairperson & Managing Director

Board of Directors



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

Dr. V. L. Indira Dutt, has a B.A (Economics) from Madras University and serves as Chairperson and 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, member of Investment Committee Remuneration Committee, Finance Committee, Risk Management Committee and Stakeholders relationship Committee of the company.

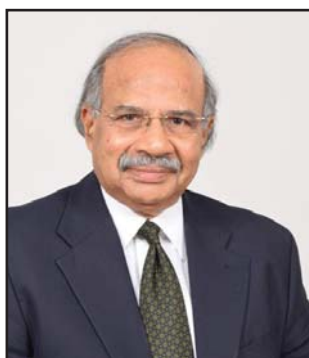


Smt. V Kavitha Dutt
DIN: 00139274
Joint Managing Director

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 16 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, Bharat Biotech Limited, Centum Electronics 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, Stakeholders Relationship Committee, Investment Committee, Finance committee and Innovation and Best Practices 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) and Institute of Chartered Accountants of India. Mr. Kumar is a practicing Chartered Accountant and is the Managing partner of Bangalore office of M/s. Brahmayya & Co.

Sri Kumar served as President of Andhra Chamber of Commerce, Chennai and serving currently as a member of the Executive Committee. He is currently 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.

He is also an Independent Director on the Board of Directors of Sri Sarvaraya Sugars Ltd.

Sri Kumar serves as an Independent Director and Chairman of the Audit Committee, Stakeholders Relationship Committee and 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. 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 retired as a General Manager of Bank of India.

Post retirement he served as a Director of Andhra Bank, 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, member of Audit committee, Investment committee, Innovation and Best practices committee and Stakeholders relationship committees of the company.



Sri. Vijay Sankar
DIN: 00007875
Independent Director

Vijay Sankar who 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.

Vijay Sankar is the Deputy Chairman of The Sanmar Group. He is responsible for the Group's operational management. Apart from organic growth of the main businesses, Vijay Sankar has been actively involved in Sanmar's entry overseas in the Group's core areas.

Vijay Sankar is an Independent Director on the Boards of The KCP Limited, 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. He had earlier served as the Honorary Consul for Spain in Chennai for close to 10 years.

Vijay Sankar is a member of Audit Committee, Stakeholders Relationship Committee and 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. 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 from 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.



Mrs Janaki Pillai
DIN: 08713712
Independent Director

Smt. Janaki Pillai is a B.A (Hons) in Economics from Lady Shriram College, New Delhi, She has Special Graduate Diploma in Development Law & Social Justice from the Institute of Social Studies, The Hague and she has Doctor of Philosophy (Phd) in Sociology from Jawaharlal Nehru University, New Delhi.

Smt. Janaki Pillai has worked as lecturer in Department of Sociology at Stella Marris College, Chennai.

She is currently the Director- Programmes, Ability Foundation and English Language Trainer, British Council, Chennai.



Sri. V. Chandrakumar Prasad
DIN: 008744154
Director

Sri.V. Chandrakumar Prasad, US national (NRI) is a B.S. in Chemistry from Loyola College, Chennai and M.S. in Chemical Engineering (Major) and Economics, Finance and Industrial Psychology as other subjects from Steven's Institute of Technology, New Jersey (USA) and has attended Special courses in Low acid food canning (university of Maryland), Increase productivity in Manufacturing (New Jersey Institute of Technology) and SAP for procurement/Engineering (Nestle University, USA).

Mr. Chandrakumar Prasad held several jobs in BUITONI Foods (Head quartered in Italy), from 1969-1991 reporting directly to the CEO of the organisation ranging from Production leader to Director of procurement and played key role in setting up of three green field food factories for BUITONI Foods in USA.

On acquisition of Buttoni Foods by NESTLE Switzerland, Mr.Prasad joined as Corporate Project Engineer and Procurement Manager with NESTLE (USA), during 1992-2015, he has handled 60 factories in US and across the globe as Project Leader for NESTLE.

Sri V. Chandrakumar Prasad is a Director on the Board of Directors of Fives-Cail KCP Limited.