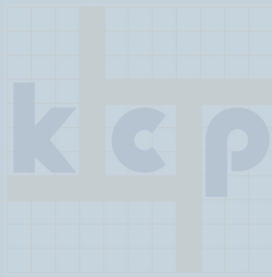


For a Sustainable Tomorrow...



The KCP Limited
83rd Annual Report 2023-2024





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Key Financial Summary - The KCP Limited (Standalone)

(Rs. in Crores)

| | 31-3-2024 | 31-3-2023 | 31-3-2022 | 31-3-2021 | 31-3-2020 | 31-3-2019 | 31-3-2018 | 31-3-2017 | 31-3-2016 | 31-3-2015 |
|---------------------------------|-------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|---------------|---------------|
| Share Capital | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 |
| Reserves & Surplus | 714.26 | 670.76 | 710.72 | 606.50 | 454.11 | 477.44 | 452.89 | 397.68 | 366.52 | 345.92 |
| Net Worth | 727.15 | 683.65 | 723.61 | 619.39 | 467.00 | 490.33 | 465.78 | 410.57 | 379.41 | 358.81 |
| Fixed Assets (Net) | 786.30 | 825.47 | 868.06 | 907.66 | 957.69 | 981.10 | 907.10 | 722.23 | 718.38 | 694.86 |
| Debt | 229.07 | 298.67 | 336.31 | 396.41 | 509.03 | 558.98 | 479.24 | 413.08 | 393.71 | 318.28 |
| | | | | | | | | | | |
| Gross Income | ↑ 1,762.53 | 1,721.69 | 1,648.52 | 1,336.99 | 970.52 | 1,163.52 | 1,100.48 | 954.76 | 865.82 | 708.93 |
| Gross Profit | 155.51 | 67.61 | 278.83 | 328.59 | 102.42 | 140.54 | 196.69 | 148.35 | 149.65 | 106.80 |
| Depreciation | 66.76 | 66.27 | 65.17 | 69.42 | 71.41 | 51.93 | 49.03 | 48.61 | 39.12 | 34.31 |
| Interest | 27.06 | 32.55 | 31.58 | 42.41 | 56.41 | 33.81 | 35.29 | 47.25 | 45.41 | 48.86 |
| Profit Before Tax | 61.68 | (31.21) | 182.08 | 216.76 | (25.40) | 54.80 | 112.37 | 52.49 | 65.12 | 23.63 |
| Profit After Tax | ↑ 45.01 | (25.54) | 129.30 | 153.32 | (6.77) | 39.51 | 81.27 | 33.81 | 42.86 | 15.87 |
| Other Comprehensive Income | (0.23) | (1.53) | 0.70 | 1.00 | (3.53) | (2.06) | (0.27) | (2.66) | | |
| Total Comprehensive Income | 44.79 | (27.07) | 130.00 | 154.32 | (1 0.30) | 37.45 | 81.00 | 31.15 | | |
| | | | | | | | | | | |
| Earnings Per Share (Rs.) | ↑ 3.49 | (1.98) | 10.03 | 11.89 | (0.52) | 3.06 | 6.30 | 2.62 | 3.32 | 1.17 |
| Book Value Per Share (Rs.) | 56.41 | 53.04 | 56.14 | 48.05 | 36.23 | 38.04 | 36.13 | 31.85 | 29.43 | 27.84 |
| Debt Equity Ratio | 0.32 | 0.44 | 0.46 | 0.64 | 1.09 | 1.14 | 1.03 | 1.01 | 1.04 | 0.89 |
| Dividend On Equity (%) | 100 | 10 | 100 | 200 | 15 | 100 | 100 | 200 | 100 | 75 |

Key Financial Summary - The KCP Limited (Group)

(Rs. in Crores)

| | 31-3-2024 | 31-3-2023 | 31-3-2022 | 31-3-2021 | 31-3-2020 | 31-3-2019 | 31-3-2018 | 31-3-2017 | 31-3-2016 | 31-3-2015 |
|---------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Share Capital | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 | 12.89 |
| Reserves & Surplus | 1,397.18 | 1,211.46 | 1,164.11 | 982.72 | 825.43 | 797.66 | 723.24 | 662.51 | 594.73 | 518.96 |
| Net Worth | ↑ 1,410.07 | 1,224.35 | 1,177.00 | 995.61 | 838.32 | 810.55 | 736.13 | 675.40 | 607.62 | 531.85 |
| Fixed Assets (Net) | 950.73 | 1,008.47 | 1,066.02 | 1,118.73 | 1,195.67 | 1,227.73 | 1,164.08 | 980.78 | 975.12 | 765.42 |
| Debt | 477.70 | 555.21 | 434.32 | 467.94 | 544.91 | 591.70 | 555.85 | 516.40 | 474.12 | 318.34 |
| | | | | | | | | | | |
| Gross Income | ↑ 2,916.16 | 2,292.08 | 2,146.77 | 1,719.35 | 1,427.71 | 1,669.26 | 15,22.92 | 1,371.18 | 1,414.50 | 1,292.29 |
| Gross Profit | 423.10 | 212.02 | 412.83 | 390.28 | 194.87 | 237.89 | 255.58 | 228.55 | 241.40 | 179.90 |
| Depreciation | 89.35 | 89.91 | 87.06 | 91.71 | 96.09 | 75.62 | 70.51 | 62.59 | 48.29 | 48.21 |
| Interest | 40.85 | 38.03 | 33.85 | 46.37 | 59.40 | 38.71 | 42.34 | 49.93 | 52.34 | 51.46 |
| Profit Before Tax | 292.90 | 84.08 | 291.92 | 252.20 | 39.38 | 123.56 | 142.73 | 116.03 | 140.77 | 80.23 |
| Profit After Tax | ↑ 188.55 | 41.74 | 188.14 | 162.99 | 27.13 | 82.22 | 89.51 | 76.55 | 93.35 | 50.37 |
| Other Comprehensive Income | (1.54) | 18.70 | 19.03 | (3.76) | 13.66 | 5.17 | (2.91) | (8.69) | | |
| Total Comprehensive Income | 187.02 | 60.44 | 207.17 | 159.23 | 40.79 | 87.39 | 86.60 | 67.86 | | |
| | | | | | | | | | | |
| Earnings Per Share (Rs.) | ↑ 14.63 | 3.24 | 14.59 | 12.64 | 2.10 | 6.38 | 6.94 | 5.94 | 7.24 | 3.84 |
| Book Value Per Share (Rs.) | 109.39 | 94.98 | 91.31 | 77.24 | 65.04 | 62.88 | 57.11 | 52.40 | 47.14 | 41.26 |
| Debt Equity Ratio | 0.34 | 0.45 | 0.37 | 0.47 | 0.65 | 0.73 | 0.76 | 0.76 | 0.78 | 0.60 |
| Dividend On Equity (%) | 100 | 10 | 100 | 200 | 15 | 100 | 100 | 200 | 100 | 75 |

* Debt includes current maturities.

* Figures for FY 2015-2016 and 2016-2017 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. V.H. Ramakrishnan
Sri. P.S. Kumar
Sri. Vijay Sankar
Sri. M. Narasimhappa
Smt. Janaki Pillai (Women Director)
Sri. Thiruvengadam Parthasarathi
Sri. Harish Lakshman

Non- Executive Non-Independent Directors

Sri. V. Chandrakumar Prasad
Dr. Subbarao Vallabhaneni
Sri. Ravi Chitturi

Chief Financial Officer

Sri. Anis Tyebali Hyderi

Company Secretary

Sri. Y. Vijayakumar

Statutory Auditors

M/s. K.S. Rao & Co., Chartered Accounts,
D No. 29-28-78, Dasarivari Street, Suryaraopet
Vijayawada - 520 002

Internal Auditors

M/s. Sriramamurty & Co., Visakhapatnam, Andhra Pradesh
M/s. M. Bhaskara Rao & Co. Hyderabad, Telangana

Registered & Corporate Office

"Ramakrishna Buildings",
2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008, India.
Phone: +91 44 66772600 E-Mail: investor@kcp.co.in,
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. Narasimha Murthy & 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. M. Narasimhappa
Smt. V. Kavitha Dutt Sri. V. H. Ramakrishnan
Sri. Vijay Sankar

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 Sri. M. Narasimhappa
Sri. P.S. Kumar

Risk Management Committee:

Smt. V. Kavitha Dutt Sri. Anis Tyebali Hyderi
Dr. V.L. Indira Dutt Sri. V.M. Rao
Sri. P.S. Kumar Sri. V.V. Ramana
Sri. Vijay Sankar Sri. K. Ramakrishna
Sri. V. Chandrakumar Prasad Sri. M. Narayana Rao
Sri. Ravi Chitturi

Corporate Social Responsibility Committee:

Dr. V.L. Indira Dutt Sri. P.S. Kumar
Smt. V. Kavitha Dutt Sri. Vijay Sankar
Smt. Janaki Pillai Sri. V. H. Ramakrishnan

Innovation and Best Practices Committee:

Sri. M. Narasimhappa Sri. Vijay Sankar
Smt. V. Kavitha Dutt Sri. Ravi Chitturi
Sri. P.S. Kumar

Finance Committee:

Dr. V.L. Indira Dutt Sri. P.S. Kumar
Smt. V. Kavitha Dutt Sri. Vijay Sankar

Investment Committee:

Dr. V.L. Indira Dutt Sri. Vijay Sankar
Smt. V. Kavitha Dutt Sri. M. Narasimhappa
Sri. P.S. Kumar Sri. V. H. Ramakrishnan

Bankers:

Bank of Baroda HDFC Bank
Canara Bank Axis Bank
State Bank of India Federal Bank

Plant Locations

Cement

Macherla, Palnadu District, Andhra Pradesh
Muktyala, NTR District, Andhra Pradesh
Cement Packing Plant, Arakkonam, Tamilnadu

Heavy Engineering

Thiruvottiyur, Chennai, Tamilnadu
Arakkonam, Tamilnadu

Hydel Power

Nekarikallu, Palnadu District, Andhra Pradesh

Waste Heat Recovery Power

Macherla, Palnadu District, Andhra Pradesh

Thermal Power

Muktyala, NTR District, Andhra Pradesh

Solar Power

Muktyala, NTR District, Andhra Pradesh

Wind Power

Uthumalai Village, Tirunelveli District, Tamilnadu

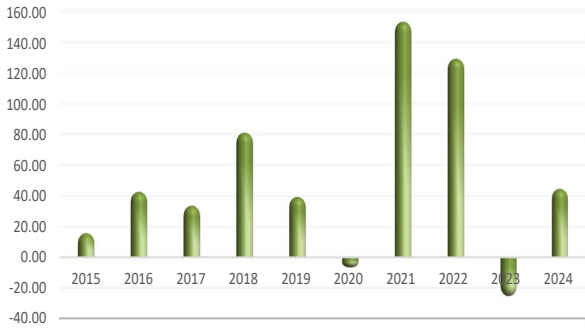
Hotel

Mercure Hyderabad KCP
Somajiguda, Hyderabad, Telangana

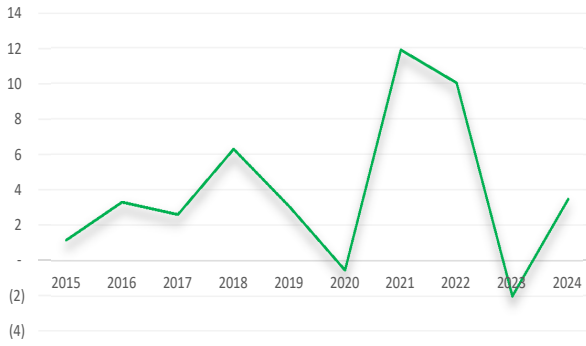
At a Glance

The KCP Limited

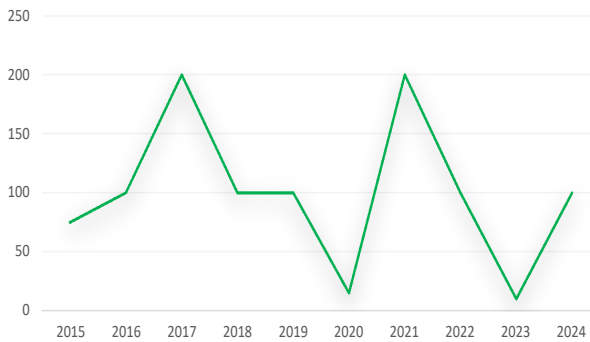
Profit After Tax (Rs. Crores)



Earnings Per Share (Rs.)

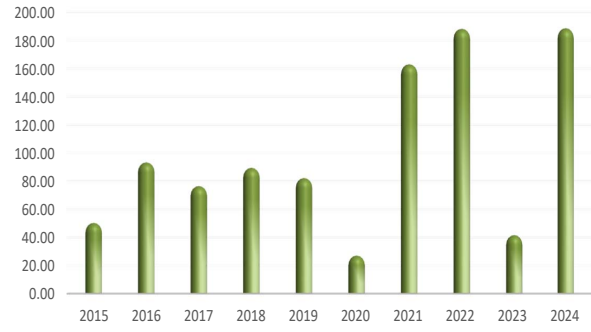


Dividend on Equity (%)

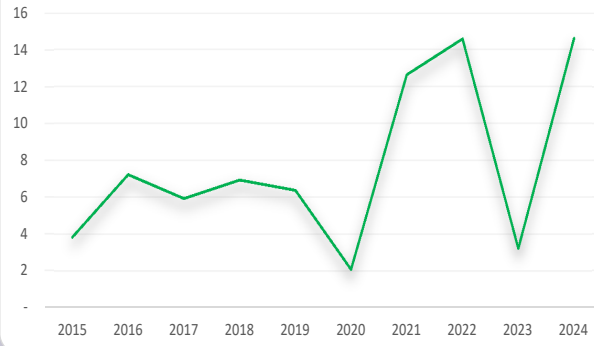


The KCP Limited (Group)

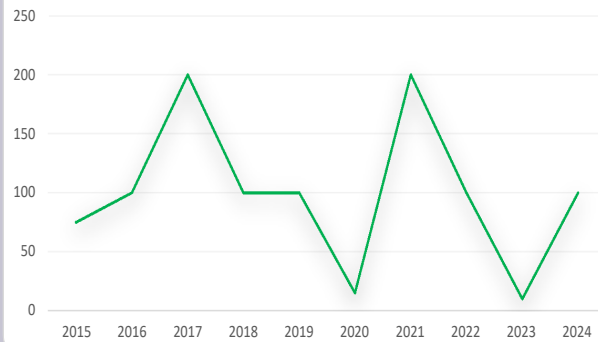
Profit After Tax (Rs. Crores)



Earnings Per Share (Rs.)



Dividend on Equity (%)



From the Chairperson & Managing Director

“Be the change you wish to see in the world.”
— Mahatma Gandhi



Dear Shareholders,

KCP group finds its roots in the rich legacy of fair, transparent and ethical governance practices, many of which were in place even before they were mandated. The group has been creating success stories in the Heavy engineering, Cement, Hospitality, Sugar, Energy and Turnkey machinery supplies for Sugar and Steam boiler businesses, by focusing on best-in-class products, supplier management systems, external partnerships and community initiatives.

When we look back at all these wonderful years of building our group, one aspect shines through the entire journey as a guiding star. It has been our extraordinary focus on sustainable value creation for all our stakeholders.

India's growth rate continues to be resilient with robust progress in highways and railways, driven by Government initiatives like, Bharatmala, Sagarmala, Gati Shakti schemes, combined with policies like Make in India. The Indian economy is acknowledged to be the fastest-growing large economy by major multilateral organizations. India is estimated to remain a bright spot in an otherwise lack-lustre world economy.

In terms of our financial performance, we delivered yet another year of good results. Our Sales volume (Cement) witnessed a healthy increase of 8% from 3.12 million tons in FY 2022-2023 to 3.38 million tons in FY 2023-2024. However, corresponding net revenue from operations grew only by 3.8% from Rs.1,524 Crores in FY 2022-2023 to Rs.1,583 Crores in FY 2023-2024, signifying heavy regional competition.

Softening of coal prices improved the margins in this segment; this coupled with increase in volume resulted in better capacity utilisation, enabling better recovery of overheads.

Indian Cement industry is expected to record moderate growth over the next few years. Government spending on infrastructure projects, coupled with rising urbanization fuelling housing demand, is expected to drive cement consumption across the regions. New capacity additions in the region would counter this buoyant trend.

The top line performance of Heavy Engineering Business was lower by 30% as compared to FY 2022-2023. Production was affected due to the Michaug floods in December 2023. Due to under recovery of overheads, the losses mounted substantially. In spite of this financial set back, this unit bagged very prestigious orders in the defense and space segment. We delivered the prestigious order of Gaganyaan Crew Module structure in October 2023, and Metallic canopy for Missile Cannister was delivered for defense sector during the year. We are currently working on another crew module for delivery in FY 2024-2025.

Hotel Mercure KCP Hyderabad, continued to consolidate its position as a preferred business hotel with increased occupancy level at 84% for financial year 2023-2024. Consequently, the turnover increased by 30%, with doubling of margins. We also won many accolades for the roof top restaurant and other facilities & services of the Hotel.

The Subsidiary company KCP Vietnam Industries Limited, recorded the best business results in history backed by second highest sugar cane quantity milled, highest ever sugar quantity produced and sold, as well as highest average prices realised for sugar and by-products.

With an enhanced crushing of 30%, sugar production increased by 50%, signifying better recovery. Power pumped to grid increased by 40%. Turnover doubled, while the margins increased by 85%. This is one of exceptional all round performance in the history of this facility.

Our Joint Venture company Fives-Cail KCP Limited, recorded an exceptional year with doubling of turnover and tripling of margins, due to better recovery of overheads. In addition to sugar machinery, incinerator boiler is the flag ship product of this company. We expect that with the continued emphasis on ethanol blended fuel, for environmental requirements, demand for machinery will be stable for the next three years.

Reaffirming our commitment to sustainable practices, we continue to increase the share of alternative fuels and green power in our operations with the existing investments in Hydel Power (8.25 MW), Wind Power (3.75 MW), Waste Heat Recovery (2.50 MW) and Solar Power(1.15 MW). The company has embarked on setting up a 16 MW Waste Heat Recovery (WHR) Plant at its Cement Production facility at Muktyala, Andhra Pradesh.

We have further plans for de-bottlenecking and expansion in our core competence. Our proposed investment in Railway siding project at Muktyala will offer compelling economic advantages by reducing freight and forwarding costs, optimising lead distances and warehouse operations.

Further, our efforts be greener in all our energy usage and to achieve such targets ahead of the curve and mandates, is leading us to explore use of hydrogen in our activities.

Our CSR initiatives and outreach activities within the communities we operate, continued to reflect our endeavour to operate as a socially conscious and responsible organisation which strives to build resilient and empowered communities in areas of Education, skill development, Nutrition, Health, Livelihood and Women & Youth empowerment.

The Board of Directors of the Company have recommended a dividend of 100% of paid-up capital, equivalent to Re.1/- per share. This recommendation is subject to the approval of Shareholders in the ensuing Annual General Meeting.

In conclusion, I wish to compliment the employees who are supporting us in bringing up our organisation, to thank our customers and business partners and to express my gratitude to our esteemed shareholders for their continued support and trust in our Company.

Dr. V.L. Indira Dutt

Chairperson & Managing Director

Board of Directors



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

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

She has over 36 years of experience and has ably supported the then 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 Chairperson of Fives Cail – KCP Limited, KCP Vientam Industries Limited, Director of Velagapudi Foundation and V. Ramakrishna Sons Private Limited. She is the President of the Word Telugu Federation (WTF) and Andhra Chamber of Commerce.

Dr. V.L. Indira Dutt is the Chairperson of the Corporate Social Responsibility Committee, Investment Committee, Finance Committee and member of Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committees of the Company.

She was the President of FICCI Ladies Organization (FLO) and was the Chairperson of SAARC Chamber Women Entrepreneurs Council (SCWEC) and is the President of Gandhinagar Ladies Club, Chennai, Advisory Committee Member of Andhra Mahila Sabha, Chennai, Managing Committee Member of Cement Manufacturers Association and Advisory Committee Member of Centre for Entrepreneurship Training & Development (CED), Hyderabad.



Smt. V Kavitha Dutt
Joint Managing Director
DIN: 00139274

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 23 years' experience and has significantly contributed at all levels of management, including strategy, new projects, financial and human resources management.

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.

Presently she serves as Director on the Boards of DCM Shriram Industries Limited, Apollo Hospitals Enterprise Limited, Apollo Healthco Limited, ABI Showatech (India) Limited, Bharat Biotech Limited, Centum Electronics Limited, KCP Vietnam Industries Limited, V Ramakrishna Sons Private Limited, Velagapudi Foundation, Chennai Willington Corporation Foundation and Member - Board of Directors - United Way of Chennai.

She is currently Vice President of World Telugu Federation (WTF), Executive Committee Member of Federation of Indian Chambers of Commerce and Industry (FICCI) and Andhra Chamber of Commerce.

She was the President of FICCI Ladies Organization (FLO), Vice Chairman of SCWEC, India, Chairperson of FICCI Tamil Nadu State Council and President of Madras Management Association (MMA).

Smt. V. Kavitha Dutt is the Honorary Consul General of Vietnam in Chennai.



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

Sri.V. H. Ramakrishnan is a qualified Chartered Accountant and a Cost Accountant and has extensive experience spanning over 36 years in both domestic and international banking with his long stint with Bank of India (BOI), from where he retired as the General Manager. During his tenure at BOI, he headed various departments such as International Operations, Comptrollers Department, Treasury and Subsidiaries. He also has significant international banking exposure, first as Manager Nairobi Branch and then as Executive Director of Allied Bank of Nigeria Ltd.

Post retirement he was a Shareholders' Director in Andhra Bank for 6 years from 2006-12. He was also a director in a few companies as Nominee of UTI and IDBI. Canara Bank had also appointed him as a director in their Joint Venture Canara Rebeco AMC Ltd for a period of about 4 years., He was an independent Director on the Board of Sagar Cements Limited; He is an independent director of Andhra Cements Ltd (a subsidiary of Sagar Cements Ltd)

Sri. V.H. Ramakrishnan is the Chairman of Nomination and Remuneration Committee, Member of Audit Committee, Investment Committee, CSR Committee and Stakeholders Relationship Committees of the Company.



Sri. Vijay Sankar
Independent Director
DIN: 00007875

Sri. Vijay Sankar holds a Master's in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, and is also a qualified Chartered Accountant.

Vijay Sankar is the Chairman of The Sanmar Group, which is headquartered in Chennai, India, with manufacturing facilities in the Mexico, Egypt, and several locations across South India.

Sri.Vijay Sankar is an Independent Director on the Boards of TVS Motor Company Limited, Transport Corporation of India Limited, Oriental Hotels Limited and Kaveri Retreats and Resorts Ltd. He is the Non-Executive Chairman of Chemplast Sanmar Limited.

He also serves as a Vice President of the Tamil Nadu Tennis Association, Trustee of The Childs Trust Hospital and the Voluntary Health Services (VHS). He serves on the Board of Governors of the Medical Research Foundation (Sankara Nethralaya) and CPR Environment Education Centre. He also serves as a member of the Governing Body of The Cancer Institute (WIA), Adyar, Chennai.

He is a Member of Audit Committee, Stakeholders Relationship Committee, Investment Committee, Nomination and Remuneration Committee, Innovation and Best Practices Committee, Finance Committee, Risk Management Committee and Corporate Social Responsibility Committee of the company.

Vijay Sankar is the Honorary Consul General of Denmark in Chennai.



Sri. M. Narasimhappa
Independent Director
DIN: 03319847

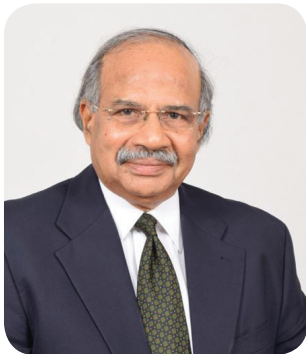
Sri. M. Narasimhappa holds a Masters Degree in Economics from Sri. Venkateswara University, Tirupathi. He served in various capacities in the Indian Revenue Service (IRS) like Joint Commissioner, Additional Commissioner, Commissioner of Income Tax and retired as Chief Commissioner of Income Tax.

He was the Chairman of Eesavyasa Technologies (P) Limited and was a Director of Eesavyasa Agrotech (P) Ltd and Vijay Nirman (P) Limited. He was an Independent Director in Amara Raja Power System Limited.

He is a Director in Endiya Trust Private Limited, Rajanna Foundation, Tirupathi (Section 8) and Director of OHM Organic Farming Private Limited

He has received awards for Excellence in Tax Administration from Management Association of Pune (2009) and Delhi Telugu Academy (2004). He was awarded Certificate of Merit and Certificate of Appreciation from Central Board of Direct Taxes, Ministry of Finance, Government of India for outstanding contribution in Best Practices. He was also awarded UNDP scholarship and received a Certificate of Comprehensive Course for the Development of Tax Administrator from Golden Gate University, Los Angeles, USA.

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



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

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 Brahmayya & Co., Chartered Accountants, Bengaluru.

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.

He is Chairman of the Board of Directors of Sri Sarvaraya Sugars Ltd.

Sri. Kumar serves as a 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.



Smt. Janaki Pillai
Independent Women Director
DIN: 08713712

Dr. Janaki Pillai has a B.A. (Hons) in Economics from Lady Shriram College, New Delhi and a PhD in Sociology from Jawaharlal Nehru University, New Delhi.

Dr. Janaki Pillai has previously worked as a college lecturer and as a development professional. She has a continuing interest in development and education and is also an English language trainer.

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

She is a member of Corporate Social Responsibility (CSR) Committee of the Company.



Sri. Thiruvengadam Parthasarathi
Non-Executive Independent Director
DIN: 00016375

Sri. Thiruvengadam Parthasarathi holds B.Tech in Chemical Engineering from IIT Madras, Post Graduate Diploma in Industrial Engineering and he is a Fellow Member of the Institute of Cost Accountants of India.

He is having 42 years of experience of Professional Management Consultancy, formally retired as Senior Director from Deloitte Touche Tohmatsu India in 2015 held various positions in the firm.

His area of specialization includes Operations, Cost Management, Strategy, Joint Ventures and Acquisitions, Risk Management and Talent Management. Have been involved in engagement in Private, Public Sectors, Government, International Organisations, Voluntary and NGOs in India, South east Asia, Middle east Asia, Europe and the USA.



Sri. Harish Lakshman
Non-Executive
Independent Director
DIN: 00012602

Sri. Harish Lakshman is the Chairman of Rane Group, a Rs. 7,200 Crores (USD 870 million) automotive components manufacturing group based out of Chennai.

He holds Bachelor's degree in Mechanical Engineering from BITS, Pilani, and Master's degree in Business from Krannert School of Management at Purdue University, USA.

Sri. Harish Lakshman started his career as Management Associate in TRW Automotive Inc. in 1996. He joined Rane Group, in 1998 as AGM-Marketing at Rane TRW Steering Systems. He became Managing Director in 2008 and under his leadership Rane TRW Steering Systems won the Deming Grand Prize in 2011.

As an active member of several industrial associations and government panels he has been a well-regarded spokesman of the automotive industry. He also played a key role as President of Automotive Component Manufacturers Association of India (ACMA) for the period 2013-14. He currently serves in the Past President's Council and as Chairman of Finance Committee of ACMA.

In addition to being a Director in Rane Group of Companies, Harish serves as an Independent Director on the Board of Oriental Hotels Limited.

He is also Chairman of Worth Trust and a Trustee of Swabodhini Charitable Trust both of which serves persons with disabilities.



Sri. V. Chandrakumar Prasad
Non-Executive
Non-Independent Director
DIN: 008744154

Sri V. Chandrakumar Prasad, US National (NRI) has a B.S. in Chemistry from Loyola College, Chennai and M.S. in Management Science (Chemical Engineering, Economics, Finance and Industrial Psychology) from Stevens Institute of Technology, New Jersey (USA). He is also certified in Productivity in Manufacturing (New Jersey Institute of Technology) and SAP in Procurement / Engineering (Nestle University, USA). He was also a member of NCC Air Wing and played Tennis for Loyola College.

After his MS, Mr. Prasad joined Buitoni / Perugina (Head quartered in Italy and reported directly to the owner from 1970 to 1987). He held various positions from Engineering team leader to Director of Engineering / Procurement and helped to build 3 green field factories for Buitoni in USA.

On acquisition of Buitoni by NESTLE, Switzerland in 1988, Mr. Prasad joined them as a Corporate project Engineer and Strategic procurement Manager for North America (Canada, USA and Mexico) and handled 60 factories globally on various project activities for the head office in Switzerland. From 2006-2012 he was assigned to join a team of 3 to build the largest green field food factory in the world in Indiana and upgrade several other factories in USA. His expertise is in line layouts, creating standards, safety, root cause analysis, waste, cost savings, etc. He also spent time mentoring engineers, technicians and operators in continuous improvement techniques and team building. After 46 years of solid manufacturing and procurement expertise, he retired at the end of 2015.

He is a member of Risk Management Committee of the Company.

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



Dr. Subbarao Vallabhaneni
 Non-Executive
 Non-Independent Director
 DIN: 008746927

Dr. Subbarao Vallabhaneni MD FACS, US National (NRI) is a physician by profession.

He has received MBBS degree from Andhra University and Completed residency in General Surgery at ST. Joseph's Hospital and Medical Center in Paterson, NJ.USA. Board Certified in General Surgery and became a fellow of the American College of Surgeons.

He was in private practice as a General Surgeon during the years 1977 – 2008 and afterwards retired from the Practice.



Sri. Ravi Chitturi
 Non-Executive
 Non-Independent Director
 DIN: 00328364

Sri. Ravi Chitturi, has a Bachelor Degree in Mechanical Engineering from College of Engineering, Anna University, Chennai and Master's Degree in Computer Science from Alabama A & M University, Huntsville, AL, USA.

He has over 36 years experience in Automotive, Banking, IT and Capital Goods Manufacturing sector with specific expertise in Portfolio & Risk Management and Manufacturing strategies.

He was the Managing Director of KCP Technologies Limited. Earlier he was a Senior Technology Analyst with Republic New York Corporation, New York.

He is on the Boards of KCP Technologies Limited, BGE Engineering India Private Limited and KCP Vietnam Industries Limited.

He is a member of Risk Management Committee and Innovation and Best Practices Committees of the Company.

Awards and Appreciations



CII-SR EHS Excellence Awards 2023, CPU Muktyala.

QCFI National Sustainability Excellence Award 2024- CPU Muktyala.



Mines Environment and Mineral Conservation Week 2024 – CPU, Macherla



Top taxpayer award, CPU Macherla



Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a self-regulating business model that helps a Company be socially accountable to itself and its Stakeholders, we keep focussing on accelerating the progress of holistic community development, institution-building with dedicated approach in the areas of Health and wellness, Skill development, Education, Women empowerment and Rural infrastructure development.

A brief overview of the Company's CSR projects undertaken in the year 2023-2024, which are largely in accordance with Schedule VII of the Companies Act, 2013 and rules made there under is presented below.

Health & Wellness

KCP believes that preventive healthcare boosts individual's health and promotes equity by benefiting disadvantaged and marginalized groups. During the year, we partnered with local organizations, health care providers, NGOs for organising Health Awareness Camps for primary and preventive Health Care. Through these programmes, we promote healthy living across the communities in which we operate, by organising Diagnosis, Eye check-up camps, Vaccination camps, Blood donation camps, cancer awareness camps for women and medical camps for rural poor.

A Mega health check-up camp was organised in Kavanor village of Arakkonam district on 24th June 2023 in association with Indira Medical College & Hospitals, Thiruvallur and Dr. Agarwal Eye Hospitals, Chennai, in which a team of 12 specialist doctors of various areas of medicine like General Medicine, Gynaecology, Cardiology, Paediatrics, Dermatology, Dentistry, Diabetics and Ophthalmology have rendered their service to more than 408 patients from the surrounding villages.



Health check-up camps were also organised in Macherla and Muktyala on 14th September, 2024, in association with Seshadri Super Speciality (Cancer) Hospital, Narasaraopet, Sree Hospitals, Narasaraopet, Kiran Nursing home, Macherla, Kamineni hospitals, Vijayawada and Win Vision eye hospitals, Vijayawada. In which Specialist Doctors in various areas of medicine like Oncology, General Medicine, Cardiology, Orthopaedics have rendered their services to 600 patients from the surrounding villages.

Free Eye screening camp was organised in Terala and Mandadi villages of Macherla mandal on 23rd and 24th December 2023, with the support from Dr. P.S.R. Anjaneyulu and Meenaskhi Eye Vision Centre, Macherla. 400 people benefitted.



These health camps have provided essential health screenings like X ray, Ultrasound Scan, ECG, 2D ECHO, Blood Pressure, Blood Sugar and overall wellness evaluations by health care professionals. Integral to these camps are, health education sessions for imparting knowledge about preventive health care measures and healthy life style choices.

We supported for cataract surgeries of 15 patients at PSR Anjaneyulu and Meenakshi eye vision centre, Macherla

On the occasion of our Former Executive Chairman Late Dr.V.L.Dutt's Birthday, Blood donation Camp was organized at our Muktyala Unit on 27th December, 2023 with blood bank partner Lions Club, Vijayawada.



We supported the Pulse polio immunization programme of Government of India to eliminate Polio in India by vaccinating children under the age of 5 years against the polio virus at Veldurthi and Durgi mandals and Macherla town.

In Muktyala village, we are supporting 12 children, living with HIV (CLHIV) by providing nutritious diet through Foster care kits (supplementary nutrition food, emergency medicines).



We have supported LEPRA Society, a non-governmental organisation to promote quality health care among persons with Leprosy / LF (Lymphatic filariasis) by preventing the disabilities and increase their mobility, we have supported Lepra Society for establishment & operation of Customized foot care unit in Jaggayyapet for two years from January 2022 to December 2023. From January 2024 onwards this program is self-sustaining.

Education

Education is one of our CSR initiative of utmost importance, as we firmly believe that Education provides strong foundation for the future of a Nation.

Our CSR Initiatives that are undertaken in Education include building school infrastructure, supporting teacher training programs, providing scholarships to meritorious students, providing Teaching, Learning Materials (TLM's) and supporting digital education.



KCP continues to support the pre-primary sections in Raja Vasireddy Rama Gopala Krishna Maheshwara Prasad Memorial (SRVRGKMPM) Primary School students, Muktyala with Text books, Note books, School uniforms, Shoes, Socks etc.

We Supported Sri. V. Ramakrishna Hr. Sec. School, Thiruvottiyur with Lab Equipment, Library books, Stools, Fans, lights, CCTV Cameras and provided financial support for repair and painting of school buildings.



We Supported KIDS Patasala, Macherla with Teaching Learning Materials, indoor and outdoor play equipment, Chairs & Benches etc.,



KCP continues to support Sri. V.R. Polytechnic college, Tiruvottiyur to upgrade their infrastructure facilities with modern lab, smart class rooms in terms of the norms prescribed by All India Council of Technical Education (AICTE), New Delhi.



During the year, we supported 8 meritorious students with Scholarships worth Rs. 2.38 Lakhs, to pursue higher education.

KCP supported the students of Muktyala and surrounding areas, provided Free RTC Bus Passes for attending the schools in and around Jaggaiahpet Town.

Bus facility has been provided from Muktyala to Jaggayyapet for the convenience of children attending schools in Jaggayyapet.

Skill Development

Skill development is our future oriented CSR initiative, highly benefiting the unemployed youth, producing human resources with desired levels of skills set by the industries.

We partnered with TMI Foundation Trust, Hyderabad and conducted 60 days placement linked skill training program in Muktyala village.

On successful completion of Welder and Fitter training programme, certificates were distributed to the 1st batch of trainees.



In today's fast-paced digital world, where information is abundant yet often overwhelming, information centres stand as beacons of guidance, offering a heaven of knowledge and resources. These centres play a vital role in facilitating access to information and serves as a gateway to a vast array of resources, including books, magazines, articles and digital databases, all tailored to meet the informational needs of the students and unemployed youth.



We continued to support the Village Knowledge Centre (VKC) in Muktyala village, which proved useful for all categories of people in the village, for preparing resumes, downloading hall tickets/rank cards/ results, verification of key papers, applying Navodaya / APRJC/ Polytechnic entrance applications, applying for applying jobs in Government and Private Sectors.

Women Empowerment

Recognising the fact that social barriers and limited access to vocational education restricts economic opportunities for women in rural areas, KCP undertakes strategic initiatives of designing and organising Skill training programs to address this challenge.



We offered comprehensive training in Tailoring, Light Motor Vehicles driving for women in Muktyala village to equip them with skills that open doors to income generation and economic self-reliance.

Rural development initiatives

Rural Development being our top priority, investing in Rural Infrastructure has been a CSR intervention of the company to support improved quality of life of rural communities in which we operate.

We support provision of safe drinking water, adequate sanitation, and easily accessible hygiene services are some of our CSR initiatives of Rural Development.

In view of severe water scarcity in Kavanoor village (Tamilnadu), we supported the village panchayat with New Bore well, Motor and Storage tank, more than 150 families benefitted.

We renovated rest rooms with new sanitary wares, arranged new electrical fittings, lights, fixtures and new fans for Sathangadu police Station.

We continued to supply Drinking Water from our RO plants in Macherla, Muktyala and other surrounding villages.



RO drinking water was dispensed to all Pilgrims round the clock, on the eve of Maha Shivaratri festival for three days in Muktyala.

Infrastructure development

We address the need of basic infrastructure in different villages in and around areas of our operation by coordinating with community leaders and village heads.



KCP provided 15 Nos. of Cement Benches to Polepalli Gram panchayat of Macherla Mandal for public use and extended support to the district administration of Palnadu and contributed 250 Nos. of Cement Bags for construction of Compound Wall to Gurajala RDO Office.

Constructed Compound wall around MPP Primary school, RKC Elementary School in Macherla.

Sports promotion:

Considering that sports is a vital component for overall development of an individual as well as that of a nation, KCP has taken initiative to promote sports among youth, with particular focus on rural areas.



KCP provided Financial assistance to Mr. Yandrathi Rama Rao, swimmer from Muktyala village, to participate in 6th National Masters games Goa, Organized by super Masters Games & Sports federation. He won 2 silver medals in 200 free style, 100 meters back stroke and One Bronze medal 400 meters free style swimming.

Environment

Through our CSR initiatives, we are making a positive impact on the environment, building inclination among communities to maintain pollution free and sustainable environment. Village level door-to-door garbage collection mechanisms are implemented in Muktyala to help the house-holds segregate wet and dry waste. Such collected waste is processed into value-added products.

KCP recognises the importance of tree plantation drives in promoting Environment sustainability and planted saplings in Macherla, Muktyala and surrounding areas and is maintaining park at Muktyala and developed a park and done plantation around Muktyala Rajavari statue at Chillakallu.



During the year we extended support in development of Park at Jaggayyapeta with walking track, Open Gym and Children play areas.



Directors' Report

Dear Shareholders,

Your directors take pleasure in presenting their 83rd Annual Report of the company together with the Audited Financial Statements for the financial year ended 31st March, 2024.

1. Statement of Affairs of the Company

The performance of the business is detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. Financial Performance:

(Rs. in Crores)

| Particulars | Standalone | | Consolidated (Group) | |
|--|-----------------|-----------------|----------------------|-----------------|
| | FY 2023-2024 | FY 2022-2023 | FY 2023-2024 | FY 2022-2023 |
| Revenue from Operations | 1,702.40 | 1,672.10 | 2,846.74 | 2,253.65 |
| Profit for the year (PBDIT) | 155.51 | 67.61 | 423.10 | 212.02 |
| Less: a) Interest and Finance charges | 27.06 | 32.55 | 40.85 | 38.03 |
| b) Depreciation | 66.76 | 66.27 | 89.35 | 89.91 |
| Profit before Tax | 61.68 | (31.21) | 292.90 | 84.08 |
| Tax Expense | 16.67 | (5.67) | 16.67 | (5.67) |
| Profit for the Year from Continuing Operations | 45.01 | (25.54) | 276.23 | 89.75 |
| Profit / (Loss) from Discontinued Operations | - | - | - | - |
| Less : Tax expense of Discontinued Operations | - | - | - | - |
| Profit / (Loss) After Tax from Discontinued Operations | - | - | - | - |
| Profit After Tax | 45.01 | (25.54) | 276.23 | 89.75 |
| Add : Share of Profit from Joint Venture | | | 4.22 | 1.38 |
| Less : Non-Controlling Share of Profit | | | 91.89 | 49.39 |
| Profit / (Loss) after Non-Controlling interest | 45.01 | (25.54) | 188.55 | 41.74 |
| Other Comprehensive Income (OCI) | (0.23) | (1.53) | (2.16) | 29.28 |
| Add : Share of OCI from Joint Venture | | | (0.09) | (0.31) |
| Less : Non-Controlling Share of OCI | | | (0.72) | 10.27 |
| OCI after Non-Controlling share | (0.23) | (1.53) | (1.54) | 18.70 |
| Total Comprehensive Income (TCI) | 44.79 | (27.07) | 278.19 | 120.10 |
| Less : Non-Controlling Share of TCI | | | 91.18 | 59.66 |
| Total Comprehensive income after Non-Controlling interest | 44.79 | (27.07) | 187.02 | 60.44 |

3. Overview of Company's Operational and Financial performance:

Sales Volume (Cement) witnessed a healthy increase of 8% from 3.12 Million tons in FY 2022-2023 to 3.38 million tons in FY 2023-2024.

Revenue from operations grew by 2% from Rs.1,672.10 Crores in FY 2022-2023 to Rs. 1,702.40 Crores in FY 2023-2024.

During the year the fuel prices have reduced from record levels of the previous year helping in lowering the cost of cement production. However, heightened competition and expansion of capacity in our areas of operation, led to fall in cement prices. Thus, partially off-setting the benefits of reduction in coal prices.

Overall during FY 2023-2024, Earnings Before Interest, Depreciation and Tax (EBIDTA) for the financial year increased by 130% to Rs. 155.51 Crores from Rs.67.61 Crores of previous year 2022-2023.

4. Dividend

The Board of Directors has recommended payment of dividend at a rate of Re.1/- per equity share (100%) for the year ended 31st March, 2024 subject to the approval of the Members at the 83rd Annual General Meeting ('AGM').

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), the Company has formulated a Dividend Distribution Policy.

The recommended dividend is in line with your Company's dividend policy, which is available on the Company's website at: <http://kcp.co.in/downloads/investor/corporate-governance/Dividend-Distribution-policy.pdf>

5. Transfer to Reserves

The Company has not transferred any amount to the Reserves for the year ended 31st March, 2024.

6. Share Capital

The Company's paid-up equity share capital continues to stand at Rs. 12.89 crores as on 31st March, 2024.

During the year under review, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to its Employees or Directors.

7. Financial liquidity

Consolidated cash and cash equivalent as on 31st March, 2024 stood at Rs.10.66 crores and Rs. 3.09 crores in the previous year. The Company's working capital management is robust and involves a well-organized process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

8. Credit Rating

CRISIL, a reputed rating agency, has given the credit rating of A+/ STABLE for the long-term and A1 for the short-term financial instruments of the Company. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meet its financial obligations.

| Facility | Rated Value (Rs. in Crores) | Period | Rating assured |
|--------------------------|-----------------------------|-------------------|---|
| Total Bank Loan Facility | 579.96 | Long-term Rating | CRISIL A+ / Stable (Outlook revised from "Negative"; Rating Reaffirmed) |
| | | Short-term Rating | CRISIL A1 (Reaffirmed) |
| Fixed Deposits | 125.00 | - | CRISIL A+/Stable (Outlook revised to "Stable" from "Negative" Rating reaffirmed). |

9. Fixed Deposits:

The total amount of Fixed Deposits outstanding as on 31st March, 2024 was Rs. 87.82 Crores as compared to the figure of Rs.86.73 Crores as on 31-3-2023. As on 31st March, 2024, Fixed Deposits matured and remained unclaimed were Rs. 8.04 Crores from 442 depositors. As on the date of this report, Fixed Deposits relating 141 Depositors amounting to Rs. 5.80 Crores have been renewed and Fixed Deposits of Rs. 0.41 Crores of 46 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). Accordingly, during the year, an amount of Rs. 0.03 crores towards unclaimed deposits and Rs. 0.01 crores towards Stale cheque unclaimed on deposits was transferred to the IEPF.

10. Particulars of Loans, Guarantees and Investments

The Company has no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

11. Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

12. Particulars of Contracts or Arrangements with Related Parties:

The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for the purpose of identification and monitoring Related Party transactions.

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 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 at large.

The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at <http://kcp.co.in/downloads/investor/corporate-governance/related-party-transaction-policy.pdf>

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.

13. 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 largely in accordance with Schedule VII of the Companies Act, 2013.

The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, healthcare, drinking water & sanitation and eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programmes;
- Promotion of sports through training of sports persons;
- Undertake rural development projects;

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 <http://kcp.co.in/downloads/investor/corporate-governance/corporate-social-responsibility-csr-policy.pdf>

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.

14. 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 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.

Most of the Company's mining leases extended up to March 31, 2052 thereby ensuring adequate limestone reserves to cater to the requirements of its plants till the said date, where after the Company will have to participate in auctions.

To address the above risks, the Company is also participating in auctions with a view to secure new mining leases for its existing plants as well as for its expansions at different locations as and when necessary.

Market Competition: The cement industry is witnessing a significant imbalance in its total installed capacity vis-a-vis the capacity utilization. Despite the capacity overhang, capacity expansion still continues, resulting in intense competition and adverse impact on the Company's market share, sales volume and profitability.

Efforts are also being made by the Company to widen the product portfolio by increasing the share of its premium products and expand into new areas for marketing.

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 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 risk.

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.

Risks, Concerns and Threats

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

15. Internal Control Systems

The Company's internal financial controls are commensurate with the 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 put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely Cementing Relationships through Sustainability, Innovation and Inclusivity Integrated Report Statutory Reports Financial Statements preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

16. Vigil Mechanism/ Whistle-blower Policy

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance for any form of unethical behavior.

Whistle-blower Policy is the vigil mechanism instituted by the Company to report concerns about unethical behavior in compliance with the requirements of the Act and the Listing Regulations.

The Audit Committee 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 the Company's Code of Conduct.

Details of the Whistle-blower Policy have been disclosed on the Company's website and can be accessed at <http://kcp.co.in/downloads/investor/corporate-governance/whistle-blower-policy.pdf>

17. Subsidiary, Associate and Joint venture companies

Joint venture

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

Subsidiary Company:

Our 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 is available at <http://kcp.co.in/downloads/investor/corporate-governance/policy-on-material-subsidiaries.pdf>

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/ subsidiary 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 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

Consolidated Financial Statements

The consolidated financial statements of the Company for the Financial Year 2024 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

18. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year March 31, 2024 is uploaded on the website of the Company and is available at <http://www.kcp.co.in/downloads/financial-results/FormMGT72024.pdf>

19. 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 and 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 equipment. Further, Mock drills on emergency preparedness are conducted to meet any contingency.

e) Industrial Relations

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

20. Board of Directors & Key Managerial Personnel

Board of Directors

A. Appointments / Re-appointments

The Shareholders of the Company vide Postal Ballot conducted on 10th November 2023 approved the appointment of Sri. Thiruvengadam Parthasarathi and Sri. Harish Lakshman as Non-Executive Independent Director of the Company effective 1st February 2024 for a term of Five (5) years.

In terms of Section 152 of the Act, Sri. V. Chandra Kumar Prasad (DIN: 008744154), Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

In terms of Section 152 of the Act, Dr. Subbarao Vallabhaneni (DIN: 008746927), Non-Executive Non-

Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

In terms of Section 152 of the Act, Sri. Ravi Chitturi (DIN:00328364), Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The relevant details including profiles of Directors retiring by rotation and seeking re-appointment are included separately in the Notice of AGM.

B. Cessation

There was no instance of resignation/ cessation of Directorship during the year under review.

21. Key Managerial Personnel ('KMP')

There is no change in the KMP of the Company during the financial year ended on 31st March, 2024 and the KMP of the Company are as under:

1. Dr.V.L. Indira Dutt, Chairperson & Managing Director
2. Smt.V. Kavitha Dutt, Joint Managing Director
3. Sri. Anis Tyebali Hyderi , Chief Financial Officer
4. Sri.Y. Vijayakumar, Company Secretary

22. Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of manufacturing, finance, strategy, auditing, tax and risk advisory services, infrastructure, banking, ; and they hold high standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA').

Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company except Smt. Janaki Pillai (independent Women Director) have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute and Smt. Janaki Pillai has appeared and cleared the proficiency test.

23. Remuneration policy and criteria for selection of candidates for appointment as Directors, KMP and Senior Leadership positions

The Company has in place a policy for remuneration of Directors and KMP as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMP.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates.

The policy on remuneration of Directors, KMP can be accessed at <http://kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

24. Board effectiveness

a) Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarization process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions.

The process has been aligned with the requirements under the Act and other related regulations. This process inter alia includes providing an overview of the cement industry, the Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, digitization measures etc.

Details of the familiarization programme are explained in the Report on Corporate Governance and are also available on the Company's website and is available at <http://www.kcp.co.in/downloads/investor/corporate-governance/familiarisation-programmes-for-independent-directors.pdf>

Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management, Stakeholders' Relationship and CSR Committees as mandated under the Act and the Listing Regulations, as amended from time to time.

The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

25. Disclosure on Audit Committee

The Audit Committee as on March 31, 2024 comprises of the following Directors:

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

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

26. 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.

27. Statutory 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 were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 80th Annual General Meeting until the conclusion of 85th Annual General Meeting of the company.

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

28. Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, M/s Narasimha Murthy & Co, Cost Accountants, Hyderabad and M/s. Mahadevan & Co, Chennai, Cost Accountants, as the Cost Auditors for the Cement and Engineering units for the year 2023-2024 were re-appointed as Cost Auditors for the financial year 2024-25 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 2023-2024, of M/s Narasimhamurthy & Co, Cost Accountants, Hyderabad and Mahadevan & Co, Chennai as the Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within the due date.

29. Secretarial Auditors and their Report

As required under Section 204 of the Companies Act, 2013 and Rules Thereunder, the Board appointed Mrs. Sobana Pranesh, Practising Company Secretary as Secretarial Auditor of the Company for financial year 2024- 2025.

The Secretarial Audit Report submitted by them 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 2023-2024.

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.

30. Number of meetings of the Board & its committees

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses.

The schedule of the Board/ Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time. During the year, four (4) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following eight (8) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Finance Committee
7. Investment committee
8. Innovation and Best Practices committee

The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report

31. Corporate Governance

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

32. Business Responsibility and Sustainability Reporting

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2) (f) of the Listing Regulations as **Annexure 4**.

33. Compliance with Secretarial Standards

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards ('SS') issued by the Institute of Company Secretaries of India (SS1 and SS2), relating to Meetings of the Board and its Committees and General Meetings respectively, which have mandatory application during the year under review.

34. Prevention of Sexual Harassment of Women at the Workplace

KCP is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias.

As an organization, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any employee, which may fall under the ambit of 'sexual harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee working in the Company.

The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). The said policy has been made available on the internal portal of the Company as well as the website of the Company.

There were no complaints reported during the year and are pending at 31st March, 2024.

35. Transfer to the Investor Education and Protection Fund

Details are provided in Corporate Governance Report forming part of the Annual Report.

36. 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**.

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.

- 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. in Crores) | Median employee's remuneration (Rs. in Crores) | Ratio |
|---|---------------------------------------|--|-------|
| Dr. V.L. Indira Dutt Chairperson & Managing Director | 2.65 | 0.06 | 44.42 |
| Smt. V. Kavitha Dutt Joint Managing Director | 2.45 | 0.06 | 40.96 |

- b) The percentage increase / (decrease) in the median remuneration of employees in the Financial Year : **(5.46%)**
- c) The number of permanent employees (Management staff) on the rolls of company: **652**
- d) If remuneration is as per the remuneration policy of the company: **Yes**

37. 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.

38. 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.

39. Other Disclosures

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

The Company has not issued any shares with differential voting rights/ sweat equity shares.

There was no revision in the Financial Statements.

There has been no change in the nature of business of the Company as on the date of this report.

There are no proceedings, either filed by KCP or pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2023-2024.

40. 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, 2024, 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, 2024 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

Place: Chennai
Date: May 20, 2024

Dr V L Indira Dutt
Chairperson and Managing Director

Management Discussion and Analysis

(A) Indian Economy overview

The Indian GDP recorded a growth of 7% amid challenging Global Geo political and Macro economic conditions in FY 2022-2023 and is expected to record a growth rate of 7.8%- 8% for FY 2023-2024. The Geo Political condition remained fragile due to the political tensions in the middle east region mainly triggered by the Israel Palestine conflict and the continued Russia Ukraine war.

The Global political conditions continued to affect the demand supply for commodities and kept the commodity prices buoyant.

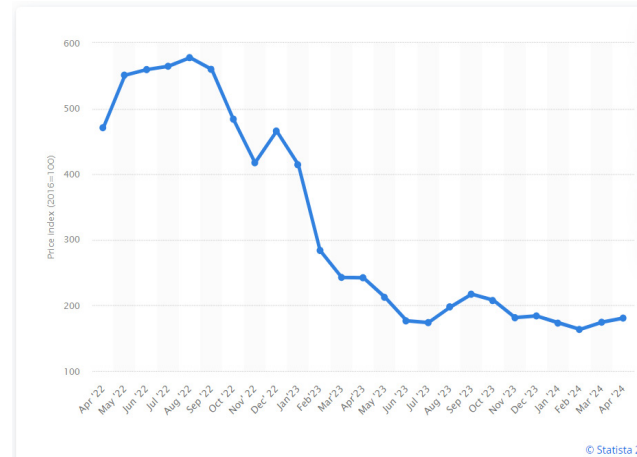
The monetary Policies helped ease the inflation for the FY 2023-2024. The Indian economy, witnessed inflation at 5% for FY 2023-2024, down from 6.8% recorded in the previous year . The Indian Economy witnessed steep rise in the interest cost in FY 2022-2023, the repo rates continued to remain at high levels at 6.5% as of the close of the FY 2023-2024. The Repo rates continued to be at these higher level since June 2023, affecting the borrowing cost of the corporates for both short term and long term financing.

The INR remained at a low level of Rs. 83.30 to USD as at the close of the FY 2023-2024, depreciating marginally from a level of Rs. 82.16 at the beginning of the year. This depreciated levels of the INR against dollar, affected the landed cost of imported raw materials adversely to the manufacturers.

Coal Price Movement

The Global coal price index softened considerably to a levels of 180, based on 2016 as the index base year. It may be recalled that the Coal price index touched a peak of 590 in FY 2022-2023. The imported coal price traded in the range of 100 USD to 125 USD in FY 2023-2024 still high as compared to the levels of 60 to 80 USD in 2018 to 2020 period. Geopolitical disruptions continued to keep the international coal prices buoyant. The unrest in the middle east and suez canal region caused due to the Israel Palestine conflict continued to affect the logistics costs adversely, affecting the landed price of coal to the importers. The table below exhibits the movement

in the coal price index, with 2016 considered as the index year.



Cement Industry in India

Indian Cement production reached a level of 375 million MTs for the FY 2022-2023, which marked a YOY growth rate of 6.8%, The Cement industry recorded a growth rate of 7.4% in FY 2023-2024 driven by infrastructure-led investment and mass residential projects. The Outlay of Rs. 10 Lakh crores in the budget for FY 2023 also gave a boost to the infrastructure spend, aiding to the growth in demand for cement. The drop in the coal prices benefited the manufacturers, by reducing the cost of production.

Outlook of Cement Industry

Indian Cement industry is expected to grow at a CAGR rate of around 6%-6.5% for the next 5 year. The FY 2024-2025 is expected to see the demand increase marginally over the current year.

(B) KCP Performance By Segment

(1) Cement

Cement production for the FY 2023-2024 showed an improvement of around 9% as compared to the last financial Year. The Cement market space was characterized by intense competition, it is estimated that approximately 40 Million Mts of capacity was added in FY 2023-2024, which constitutes approximately 10% of the sales for FY 2023-2024.

| Cement | (Amt Rs Crores) | |
|------------------------------|------------------------|-----------------|
| Description | FY 23-24 | FY 22-23 |
| Revenue | 1,582.94 | 1,524.46 |
| Profit Before Interest & Tax | 55.27 | (33.75) |

The softening of coal prices improved the margins in cement segment, coupled with increase in production and sales resulting in better capacity utilisation.

Risks

Whilst the outlook of the cement industry in India looks good on the back of the expected spend on the infrastructure by the government, the performance of cement division of KCP would largely depend on the cooling off effect on the Coal price, Regional competition and cost Management at the unit level. The company has embarked on cost reduction project spend in WHR. The cash flows for FY 2024-2025 may be affected because of the additional capex spent planned by the company.

(2) Heavy Engineering

The Performance of Heavy Engineering Segment was lower as compared to FY 2022-2023, The Turnover was lower by Rs 31.78 Crs, and the loss at PBT level before interest and Taxes was higher by Rs 10 Crs appx, for FY 2023-2024 as compared to the previous year. The business was affected due to the Michaung floods in December 2023, and operations were halted for 1 month and production level was at a reduced level for a period of 3 months. An estimated total loss was in excess of Rs 10 Crs, and we received a sum of Rs 7.5 Crs from the insurance companies as initial settlement. Further claims for material damage are under process. Though the restoration work to set right the material damages continued after the close of the FY 2023-2024, the unit operated closer to the normal capacity as on 31 March 2024. The challenges faced by the unit in the form of competition from unorganised sectors, continued to keep the margins of the unit under pressure. In FY 2023-2024 some very prestigious orders were bagged in the defense and space segment. The unit delivered the prestigious order of Gaganyaan crew module structure in October 2023, and is also working on another crew module for delivery in FY 2024-2025. The Metallic canopy for the Agni A5 Missile Cannister was delivered for the defense segment in FY 2023-2024. A strategic initiative to enhance business in the process equipment and defense & space vertical is

being undertaken in addition to an effort to increase exports.

| Heavy Engineering | (Amt Rs Crores) | |
|------------------------------|------------------------|-----------------|
| Description | FY 23-24 | FY 22-23 |
| Revenue | 81.49 | 117.40 |
| Profit Before Interest & Tax | (19.82) | (5.84) |

Way Forward and Risks:

The competition from the unorganised sectors continued to pose the risk to the business and kept the margins under pressure. Some of the sales enhancement initiative being taken is expected to yield positive result in the FY 2024-2025.

(3) Hospitality

The Hospitality industry continued to show good signs in the financial year 2023-2024. The Industry witnessed increased occupancy in the range of 75%-78%. The Average room rent for the hospitality industry also increased to a level of Rs 4500 to Rs 5000 for the FY 2023-2024. The KCP Mercure Hotel in Hyderabad, continued to consolidate its position as a preferred business hotel.

| Hotel | (Amt Rs Crores) | |
|------------------------------|------------------------|-----------------|
| Description | FY 23-24 | FY 22-23 |
| Revenue | 36.87 | 28.52 |
| Profit Before Interest & Tax | 7.50 | 3.30 |

The Mercure Hyderabad KCP saw increased occupancy level at 84% for FY 2023-2024. The Roof Top restaurant attracted many residents as well as non-resident guest. This gave a boost to the food and beverage revenue, along with the Room rent revenue growth. The Hotel also received many accolades and recognition during the year from prestigious institutions.

It received the customer's choice award in July 2023 from Make my trip, Best Roof top dining award in Oct 2023 from Restaurants India awards, Best Roof top restaurant award in Nov 2023 from Hybiz TV, and Traveler's choice award from Trip Advisor in Dec 2023.

Way Forward and Risks

The Hotel has established itself as a preferred hotel in the segment, and continues to improve its occupancy

and ARR. However the revenue and bottom line will be affected based on the economic situation in India. The F&B revenues and occupancy shall continue to perform at good level as it did in FY 2023-2024.

(C) Subsidiary & Joint Venture

(i) KCP Vietnam Industries Limited

| Details | 2023-2024 | 2022-2023 |
|------------------------------------|-----------|-----------|
| Crushing Capacity (TPD) | 11,000 | 11,000 |
| Cane Crushed (MT) | 12,59,972 | 9,60,718 |
| Sugar Produced (MT) | 1,45,715 | 96,963 |
| Recovery rate (%) | 11.56% | 10.09% |
| Average sales realization (Rs./MT) | 68,544 | 62,697 |
| Turnover (Rs in Crores) | 1,198.10 | 603.28 |
| PBT (Rs in Crores) | 275.68 | 148.18 |
| Power sold to National Grid (MWH) | 98,827 | 69,930 |

The season for crushing begins in January every year, The 2023 season also began in first week of January 2023 for Son Hua and at the end of January 2023 for Dong Xuan. The 2023 Season witnessed improved performance on all fronts.

The company took several initiatives in the previous season on farm input distribution and other farmer support initiatives, the total land under cultivation for 2023 season increased by 34%, the sugar cane yield was higher by 13% and the sugar yield increased by 3%.

The prices of refined sugar increased by around 9%, in FY 2023-2024 as compared to the previous year. The average refined sugar realisation stood at Rs 68,544 per MT of Sugar, as compared to Rs 62,697 in PY. The total volumes of refined sugar sales saw an increase of 89% in FY 2023-24 over previous year with volumes of current year recorded at 144,947 MTs

as compared to 76,877 MT previous year. The gross margins for FY 2023-2024 was 28.05% as compared to 28.93 % the previous year.

Sugar cane farmers earned historically the best average income per ha in the zone invested by the Company due to the highest average yield per hectare and the highest sugar cane price in the history of the Company. Company recorded the best business results in the history backed by second highest sugar cane quantity milled, highest ever sugar quantity produced and sold, highest average prices realised for sugar and by-products etc. Company's strong investment and purchase policies, favorable weather conditions, strong international sugar prices, trade remedies in place etc. are the major factors contributed to the successful results of the Company.

(ii) Fives-Cail KCP Limited

Sales during the year under review amounted to Rs. 355.73 Crores as against Rs. 177.06 Crores during the previous year. The Company recorded a profit from continuing operations of Rs. 10.55 Crores during the year under report as compared to a profit of Rs. 3.44 Crores in the previous year.

Operations

The Company booked orders worth Rs. 153.3 Crores (Exports Rs. 11.50 Crores) during the year under report and the order backlog position is Rs. 95.30 Crores (Exports Rs. 20.20 Crores) as at 31st March 2024 in comparison with a backlog of Rs. 30.06 Crores (Exports Rs. 10.92 Crores) at the end of the previous year.

Business Review

The total revenue for the year is Rs. 355.73 Crores as compared to Rs. 177.06 Crores in the previous year. The Company recorded a profit before tax of Rs. 14.69 Crores during the year ended 31st March 2024.

Though the government is keen to increase the blending of ethanol to optimise the fuel cost, the market for incinerator is little slow as compared to last year, due to drought and election.

Sugar Industry continues to be in the down ward trend in India. However, we foresee encouraging scenario in domestic and International Markets both for sugar and incinerator segment after the elections this year, to meet the blending of ethanol to 20% to fuel as against 12% at present.

The Company has been operating fully compliant with full safety measures in all our work places.

The Company carries an order backlog of INR 95.3 Crores as at 1st April 2024 and the current year revenue appears to be moderate.

(D) New Projects Update

Waste Heat Recovery Project :

During the last quarter of the current financial year, the company has embarked on setting up a 16 MW Waste Heat Recovery (WHR) Plant at its Cement Production facility at Muktyala, Andhra Pradesh to reduce the fuel cost in production process of Cement. It will also help in the Company's efforts in reducing the carbon footprints. The financing arrangements have been completed and the EPC Contractor for executing the Project has been finalised and orders placed. The Project is expected to be commissioned in the third quarter of FY 2025-2026.

(E) Internal Control Systems and their adequacy:

The Company has internal financial controls backed by proper procedures, delegation of powers. The company has clearly defined reporting system to Chairperson and Managing Director, Joint Managing Director, Heads of the Units and Functional Heads. The Company is ISO certified and has quality and procedure manuals.

Statutory Auditors have further certified on the internal financial controls in their report which is part of this Annual Report.

(F) Accounting Policies and Procedures:

In the preparation of financial statements, the company followed all laid down guidelines and standards. The company has policies in line with the applicable accounting standards and a few material accounting policies have been disclosed as part of accounts which are part of the Annual Report.

The Company has made all the disclosures in the accounts, as required under new Schedule III of the Companies Act, 2013

(G) Key Ratios

Key Ratios have been given in Note 53 of the Standalone Financial Statements.

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, Global Geo political factors and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Place: Chennai

Date: May 20, 2024

Dr V L Indira Dutt

Chairperson and Managing Director

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, as Amended.

| No. | Employee Name | Designation | Remuneration (Rs. in Crores) | Qualification | Age | Total Experience (in Years) | Date of Commencement of Employment | Particulars of Previous Employment | Period for which last post held | |
|-----|---------------------------|--------------------------------------|------------------------------|----------------------------------|-----|-----------------------------|------------------------------------|------------------------------------|---------------------------------|----------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1 | Dr. V.L. Indira Dutt | Chairperson & Managing Director (MD) | 2.47 | B.A. | 84 | 28 | 01-07-1996 | - | - | - |
| 2 | Smt. V. Kavitha Dutt | Joint Managing Director (JMD) | 2.45 | Grad. Business Management, PGDHR | 53 | 25 | 01-10-1999 | - | - | - |
| 3 | Sri. K. Ramakrishna | Executive President – GMU | 1.52 | B.Sc, PGDMSM | 59 | 39 | 22-04-1991 | Annapurna Cements Ltd | - | 10 years |
| 4 | Sri. Anis Tyebali Hyderi | Chief Financial Officer | 1.02 | CA, CWA, CS-Inter, B.Com | 51 | 28 | 14-10-2022 | Manali Petrochemicals Ltd | Chief Financial Officer | 9 Years |
| 5 | Sri. Chowdary BVPS | Senior General Manager | 0.92 | B.Com, ICWA | 54 | 26 | 19-12-1997 | - | - | - |
| 6 | Sri. V. Madhusudhanrao | Vice President – Operations CPU II | 1.00 | AMIE | 54 | 28 | 16-02-2019 | Bharati Cement | Senior GM | 10 Years |
| 7 | Sri. M.S. Swaminathan | CPO-HR | 0.59 | B.E., PGDBMHR | 53 | 28 | 21-11-2022 | BGR Energy Systems Ltd | Asst. VP-EPC-Business Vertical | 5 years |
| 8 | Sri. Roop Singh Chaudhary | Vice President & Head Procurement | 0.56 | B.E (Mechanical) M.B.A | 52 | 27 | 31-03-2018 | Ultratech Cement Limited | Asst. Vice President | 9 years |
| 9 | Sri. M. Narayanarao | President – Heavy Engineering | 1.00 | B.E. (Mechanical) | 69 | 46 | 04-06-2020 | MTAR Technologies Ltd | CEO | 2 years |
| 10 | Sri. Y. Vijayakumar | Company Secretary | 0.49 | ACS, BGL, MBA | 54 | 25 | 05-03-2008 | Cavincare Pvt. Ltd | Asst. Mgr. Secretarial | 1 year |

Notes:

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.
2. Nature of employment is Contractual in the case of Whole Time Directors.
3. 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.
4. None of the employees except Dr. V.L. Indira Dutt and Smt. V. Kavitha Dutt mentioned above is / are relative of any Director of the Company.
5. None of the employee except Dr. V.L. Indira Dutt (7.84%) and Smt. V. Kavitha Dutt owns not more than 2 % of the outstanding shares of the Company as on March 31, 2024
6. Total experience shown in Column 7 includes service with previous employers.

Annexures to the Director's Report

ANNEXURE - 2

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation of energy Measures

Cement Production Unit, Muktyala:

- Cement mill-3 bag house discharge air slides pipe line interconnected and made one blower in operation and another blower in standby.
- interconnection of RM-2 Load Centre AHU Cooling Tower process.
- Installation of LT Capacitor banks by replacing weakened LT Capacitors.
- Arrangement of Chute to Cement mill-3 at weigh feeder discharge belt.
- Replaced 110Nos. of conventional lights with LED Lights.
- Installation of Solar water heaters.
- Arrangement of interlock for Flyash concrete silo top bag Filter.
- Arrangement of interlock for coal crusher feed belt magnetic separator with coal crusher feed belt.
- Installation of 2 Nos of VFDs for Nose ring fans.

Cement Production Unit, Macherla

- Increase of Kiln production rate from 1885 TPD to 1928 TPD.
- Increase of Cement mill production rate from 121.96 to 124.88 TPH. So Sp. Power is reduced 1.3 Units/ Ton of cement.
- Heavy **Engineering:**

Replaced 250W SV Lamps with 120 W LED Lamps.

- Provided 100 KVA UPS backup for finishing operations on Gear hobbing.
- Replaced 630 CFM compressors.

2. Renewable power obligation

Your Company is putting all efforts to increase the share of Renewable Energy.

- The captive wind power generation from wind farms contributed considerably in this front for Heavy Engineering.
- Besides this, the Company sourced Solar power at Muktyala, Hydel power and WHR at Macherla .

B. Technology Absorption Research and Development (R&D)

1. Specific areas in which R&D is carried out by the Company

- a) Increase of PPC production from 27.92% to 40.69%;
- b) Maximisation of industrial wastes utilisation and looking into possibilities of environmentally friendly co -processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources;

2. Benefits derived as result of above R&D

- a) Increased absorption of blending materials like fly ash and slags in blended cements;
- b) Fuel efficiency;
- c) Reduction in special power consumption for grinding and cement mill production;
- d) Performance of cooling tower optimised

C. In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year) Nil**D. Foreign Exchange Earnings and Outgo:**

(Rs. in Crores)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|--|--------------|--------------|
| I) Earnings in Foreign Exchange | | |
| a) FOB Value of goods exported during the year | 2.95 | 13.57 |
| b) Income from service charge | 0.98 | 1.13 |
| c) Dividend from Investments | 44.40 | 33.27 |
| II) Expenditure in Foreign Currency | | |
| a) Travelling expenses | 0.08 | 0.05 |
| b) Membership | 0.25 | - |
| c) Other matters | 0.31 | 0.26 |

Annual Report On CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of the Company.

The Company is actively contributing to the social and economic development of the communities in which it operates. The Company's Corporate Social Responsibility ("CSR") policy encompasses formulation, implementation, monitoring, evaluation, documentation and reporting of CSR activities taken up by the Company.

2. Composition of CSR Committee:

| No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-----|------------------------|--------------------------------------|--|--|
| 1 | Dr. V.L. Indira Dutt | Chairperson & Managing Director | 1 | 1 |
| 2 | Smt. V. Kavitha Dutt | Joint Managing Director | 1 | 1 |
| 3 | Sri. Vijay Sankar | Independent Director | 1 | - |
| 4 | Sri. P.S. Kumar | Independent Director | 1 | 1 |
| 5 | Dr. Janaki Pillai | Independent Director | 1 | 1 |
| 6 | Sri. V.H. Ramakrishnan | Independent Director | 1 | 1 |

3. Provide the web-link (s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<http://kcp.co.in/downloads/investor/corporate-governance/corporate-social-responsibility-csr-policy.pdf>

4. Provide the executive summary along with the web-link (s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

NA

5. (a) Average net profit of the company as per section 135(5). **Rs. 78.04 crores**
 (b) Two percent of average net profit of the company as per section 135(5) **Rs.1.56 crores**
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Rs.0.88 crores**
 (d) Amount required to be set off for the financial year, if any **Rs.0.88 crores**
 (e) Total CSR obligation for the financial year ((b)+(c)-(d)). **Rs.0.68 crores**
6. (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects). **Rs. 0.98 Crores**
 (b) Amount spent in Administrative Overheads -
 (c) Amount spent on Impact Assessment, if applicable -
 (d) Total amount spent for the Financial Year ((a)+(b)+(c)) **Rs. 0.98 Crores**

(e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.Crores) | Amount Unspent (in Rs.) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| Rs. 0.98 Crores | - | - | - | - | - |

f) Excess Amount for set off, if any

| No. | Particular | Amount (Rs. in Crores) |
|-------|---|------------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) (Refer 5(e) above). | 1.56 |
| (ii) | Total amount spent for the Financial Year | 0.98 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.30 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.88 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.30 |

7. Details of Unspent CSR amount for the preceding three financial years:

| No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|-----|---------------------------|--|--|--|-----------------|-------------------|--|
| | | | | Name of the Fund | Amount (in Rs.) | Date of transfer. | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | Nil | | | |
| | Total | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| No | Short particulars of the property or assets(s) (including complete address and location of the property) | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/Authority/beneficiary of the registered owner | | |
|-----|--|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| - | | | | | | | |

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Nil

| | | |
|---|--|---|
| Sd/- | Sd/- | Sd/- |
| Dr. V.L. Indira Dutt Chairperson CSR Committee | Sri. Anis Tyebali Hyderi Chief Financial Officer | Sri. Y. Vijayakumar Company Secretary |

Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014) as amended.

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. (INR) in Crores |
| | Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | 1 INR = 287.90 VND as on 31.03.2024 | |
| 4 | Share Capital | 54,58,56,275 | 189.60 |
| 5 | Reserves & Surplus | 2,64,93,19,126 | 920.22 |
| 6 | Total Assets | 4,33,70,65,559 | 1,506.45 |
| 7 | Total Liabilities | 1,14,18,90,158 | 396.63 |
| 8 | Investments | - | - |
| 9 | Turnover | 3,44,43,05,411 | 1,198.10 |
| 10 | Profit before tax | 79,50,27,716 | 275.68 |
| 11 | Provision for tax | - | - |
| 12 | Profit after Tax | 79,50,27,716 | 275.68 |
| 13 | Dividend Proposed in USD | 80,00,000 | |
| 14 | % of shareholding | 66.667 | 66.667 |

Part "B" : Associates and Joint Ventures

| | Name of Joint Venture | Fives-Cail KCP Limited |
|---|--|--|
| 1 | Latest audited Balance Sheet Date | March 31, 2024 |
| 2 | Shares of Joint Venture held by the Company (Nos.) | 4,00,000 |
| | Amount of Investment in Joint Venture (Rs. Crores) | 0.40 |
| | 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. Crores) | 11.62 |
| 6 | Profit / (Loss) for the year | |
| | (i) Considered in Consolidation (Rs. Crores)* | 4.22 |
| | (ii) Not Considered in Consolidation** | 6.33 |

* Relates to 40% interest in the joint venture.

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

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

Place: Chennai
Date : May 20, 2024

Form AOC - 2

Particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) as amended.

Details of contracts or arrangements or transactions at Arm's length basis.

| No. | Name of the Related Party | Nature of Relationship | Nature of the Transaction | Value of the Transaction (Rs. in Crores) |
|-----|---------------------------------------|---|--------------------------------|--|
| 1 | Fives Cail KCP Limited | Joint Venture | Purchases | - |
| 2 | Fives Cail KCP Limited | Joint Venture | Sales and Services | 14.79 |
| 3 | Fives Cail KCP Limited | Joint Venture | Leasing of property & Services | 1.06 |
| 4 | Dr. V.L. Indira Dutt | Chairperson & Managing Director (CMD), Mother of V. Kavitha Dutt, Joint Managing Director (JMD) of the Company. | Lease rentals | 1.54 |
| 5 | Smt. Uma. S. Vallabhaneni | Sister of CMD | Lease rentals | 1.56 |
| 6 | Smt. V. Rama Kumari | Sister of CMD | Lease rentals | 1.15 |
| 7 | Bala Tripurasundari Ammavaru Trust | CMD is Trustee | Lease rentals | 1.54 |
| 8 | Sri. V. Chandra kumar | Brother of CMD | Lease rentals | 0.64 |
| 9 | Smt. Kavitha Dutt Velagapudi | Joint Managing Director | Lease rentals | 0.04 |
| 10 | V. Ramakrishna Charitable Trust | Trustees | Lease rentals | 0.00 |
| 11 | V. Ramakrishna Charitable Trust | Trustees | CSR | 0.14 |
| 12 | V Ramakrishna Higher Secondary School | Trustees | CSR | 0.15 |
| 13 | KIDS Patasala Macherla | Trustees | CSR | 0.06 |
| 14 | V Ramakrishna Higher Secondary School | Trustees | Donation | 0.07 |

- The transactions in Sl. No 1 and 2 in above table pertains to Boiler job work and other Services with Fives Cail KCP Limited.
- The transactions at Sl. No. 3 relates to leasing of office space owned by the company at "Ramakrishna Buildings" 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008 to Fives Cail KCP Limited, (10,500 sft), at the rate prevailing in that area.
- The transactions at Sl. No. 4 to 9 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 of limestone. The lease Rent payable to all parties both related and un-related parties is 25% of the Annual Dead Rent payable to the Government or 25% of the Royalty payable to the Government whichever is higher.
- The transaction at Sl. No. 10 relates to leasing of premises to V Ramakrishna Charitable Trust for education purpose.
- The transaction in Sl.No.11 and 14 in above table pertains to CSR Contribution and donation to Trust / Society and School in which CMD and JMD are interested.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 20, 2024

Dr V L Indira Dutt
Chairperson and Managing Director

Secretarial Audit Report

Form No. MR-3

For the Financial Year ended on March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration 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 with 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, 2024 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 2024 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 Byelaws 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 – Not Applicable
- 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
- h) The Contract Labour (Regulation & 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)
- l) The maternity Benefit Act

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

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2) 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 a proper balance of Executive Directors and Independent Directors. Sri. Harish Laskshman and Sri Thiruvengadam Parthasarathi were appointed as Non-Executive Independent Directors of the company with effect from 1st February 2024

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 processes 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. have been identified.

SOBANA PRANESH

Practising Company Secretary

Place: Chennai

FCS No. :9825

Date: May 9, 2024

C P No . : 2403

PR NO.2288/2022

UDIN: F009825F000612317

Note:

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.

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. Wherever 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.

SOBANA PRANESH
Practising Company Secretary

Place: Chennai
Date: May 9, 2024

FCS No. 9825
C P 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

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, 2024 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.

| No. | Name of Directors | DIN | Date of appointment in Company |
|-----|----------------------------------|----------|--------------------------------|
| 1. | Dr. V.L. Indira Dutt | 00139883 | 01/03/2023 |
| 2. | Smt. V. Kavitha Dutt | 00139274 | 01/03/2023 |
| 3. | Sri. Vijay Sankar | 00007875 | 07/08/2019 |
| 4. | Sri. V.H. Ramakrishnan | 00143948 | 07/08/2019 |
| 5. | Sri. P.S. Kumar | 00267280 | 07/08/2019 |
| 6. | Sri. M. Narasimhappa | 03319847 | 07/08/2019 |
| 7. | Dr. Janaki Pillai | 08713712 | 29/02/2020 |
| 8. | Sri. V. Chandrakumar Prasad | 08744154 | 10/08/2023 |
| 9. | Dr. Subbarao Vallabhaneni | 08746927 | 10/08/2023 |
| 10. | Sri. Ravi Chitturi | 00328364 | 10/08/2023 |
| 11. | Sri. Thiruvengadam Parthasarathi | 00016375 | 01/02/2024 |
| 12. | Sri. Harish Lakshman | 00012602 | 01/02/2024 |

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.

SOBANA PRANESH

Practising Company Secretary

FCS No. :9825

C P No . : 2403

UDIN: F009825F000612317

Place: Chennai

Date: May 20, 2024

Business Responsibility & Sustainability Report for the year 2023-2024

SECTION A : General Disclosures

1. Details of the listed entity

| | | |
|-----|--|---|
| 1. | Corporate Identity Number (CIN) | L65991TN1941PLC001128 |
| 2. | Name of the Listed Entity | THE KCP LIMITED |
| 3. | Year of Incorporation | 1941 |
| 4. | Registered Office Address | Ramakrishna Buildings, 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 |
| 5. | Corporate Address | -do- |
| 6. | E-Mail | corporate@kcp.co.in |
| 7. | Telephone | 044-66772600 |
| 8. | Website | www.kcp.co.in |
| 9. | Financial Year for which reporting is being done | 2023 - 2024 |
| 10. | Name of the Stock Exchange(s) where shares are listed | NSE |
| 11. | Paid-up Capital | Rs.12.89 Crores |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Y. Vijayakumar, 044-66772600, vijaycs@kcp.co.in |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Disclosures made in this report are on a Standalone basis. |
| 14. | Name of Assurance Provider | NA |
| 15. | Type of Assurance Obtained | NA |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

| No. | Description of Main activity | Description of Business Activity | % of Turnover of the entity |
|-----|------------------------------|-------------------------------------|-----------------------------|
| 1. | Manufacture of cement | Manufacture and Marketing of cement | 92.98% |

17. Products/ services sold by the entity (accounting for 90% of the entity's Turnover):

| No. | Product / Service | NIC Code | % of total Turnover contributed |
|-----|--------------------------|----------|---------------------------------|
| 1. | Cement | 239 | 92.98% |
| 2. | Manufacture of Machinery | 281 | 4.79% |
| 3. | Hotel | 551 | 2.17% |

III. Operations

18. Number of locations where plants and / or operations / offices of the entity are situated:

| Location | Plants | Offices | Total |
|---------------|--------|---------|-------|
| National | 10 | 3 + | 13+ |
| International | Nil | Nil | Nil |

19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|---|
| National (No. of states) | States of Andhra Pradesh, Tamilnadu and Telangana |
| International (No. of Countries) | Nil |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.23%

c. A brief on types of customers (Cement):

Individual Home Builders; Dealers; Real Estate Developers; Infrastructure Companies

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

| No. | Particulars | Total | Male | | Female | |
|------------------|--------------------------------|-------|---------|-----------|---------|-----------|
| | | (A) | No. (B) | % (B / A) | No. (C) | % (C / A) |
| Employees | | | | | | |
| 1 | Permanent (D) | 652 | 638 | 97.85 | 14 | 2.15 |
| 2 | Other than Permanent (E) | 273 | 247 | 90.48 | 26 | 9.52 |
| 3 | Total employees (D + E) | 925 | 885 | 95.68 | 40 | 4.32 |
| Workers | | | | | | |
| 4 | Permanent (F) | 167 | 167 | 100 | 0 | 0 |
| 5 | Other than Permanent (G) | 97 | 97 | 100 | 0 | 0 |
| 6 | Total workers (F + G) | 264 | 264 | 100 | 0 | 0 |

b. Differently abled Employees and workers:

| No. | Particulars | Total | Male | | Female | |
|------------------------------------|--|-------|---------|-----------|---------|-----------|
| | | (A) | No. (B) | % (B / A) | No. (C) | % (C / A) |
| Differently abled Employees | | | | | | |
| 1 | Permanent (D) | Nil | Nil | Nil | Nil | Nil |
| 2 | Other than Permanent (E) | Nil | Nil | Nil | Nil | Nil |
| 3 | Total differently abled employees (D + E) | Nil | Nil | Nil | Nil | Nil |
| Differently abled Workers | | | | | | |
| 4 | Permanent (F) | Nil | Nil | Nil | Nil | Nil |
| 5 | Other than Permanent (G) | Nil | Nil | Nil | Nil | Nil |
| 6 | Total differently abled workers (F + G) | Nil | Nil | Nil | Nil | Nil |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--|--------------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 12 | 3 | 25 % |
| Key Management Personnel (Including CMD & JMD) | 4 | 2 | 50 % |

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | FY 2023-2024 (Turnover rate in current FY) | | | FY 2022-2023 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|----------------------------|--|--------|-------|---|--------|-------|---|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 13.63 | 7.41 | 13.5 | 12.59 | 21.43 | 12.78 | 11.67 | 7.14 | 11.57 |
| Permanent Workers | 6.38 | 0 | 6.38 | 11.58 | 0 | 11.58 | 11.29 | 0 | 11.29 |

V. Holding, Subsidiary and Associate Companies (including joint Ventures)

23. (a) Names of holding / subsidiary / associates companies / joint ventures

| No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding / subsidiary / Associate / Joint venture | % of shares held by listed entity | Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity ? (Yes / No) |
|-----|---|---|-----------------------------------|---|
| 1. | KCP Vietnam Industries Limited | Subsidiary | 66.67 | No |
| 2. | Fives Cail KCP Limited | Joint Venture | 40 | No |

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: **Yes**
(ii) Turnover (in Rs.) : **1,702.40 Crores**
(iii) Net worth (in Rs.) : **727.15 Crores**

VII. Transparency and Disclosures Compliances

25. Complaints / Grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in place (yes/ No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|---|---|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | No | Nil | Nil | NA | NA | NA | NA |
| Investors (other than shareholders) | No | Nil | Nil | NA | NA | NA | NA |
| Shareholders | Yes | Nil | Nil | NA | NA | NA | NA |

26. Overview of the entity’s material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| No. | Material issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-----|------------------------------------|--|---|---|---|
| 1. | Renewable Fuel and Renewable Power | Opportunity | Reduction of pollution and protection of the environment. | Move to renewable sources of energy across the manufacturing locations. Company is installing Waste Heat Recovery (WHR) plant at Muktyala that will help in reducing Green House Gases (GHG) emissions per annum. | initially because of capex, this will be negative but in medium to long term it will be positive. |

| | | | | | |
|----|--|-------------|---|--|--|
| 2. | Corporate Social Responsibility | Opportunity | <p>The Company had formalised a process of earmarking a portion of its profits each year to support projects which fulfil Corporate Social Responsibility (CSR) obligation. Key areas of CSR activities in FY22-23 were:</p> <ol style="list-style-type: none"> 1. Healthcare 2. Education 3. Livelihoods 4. Environmental sustainability | | For medium to long term it will be positive. |
| 3. | Health & Safety (Occupational Hazards) | Risk | <p>Occupational hazards can encompass many types of risks. The ones related to the Company's activities are biological hazards, psychosocial hazards and physical hazards. This type of risk signifies both long-term and short-term risks associated with the workplace environment. Short term risks may include physical injury, while long-term risks may be increased risk of developing a chronic diseases.</p> | <p>The Company follows 'Zero tolerance' policy for safety breaches by using:</p> <ul style="list-style-type: none"> • IT-enabled system for conducting safety audit from remote location and • Monthly safety campaigns on identified themes have been helping in sensitising people across plants. • Board and unit level committees monitoring Safety leading and lagging parameters. | Negative |

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

| | |
|----|--|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner |

| Disclosure Questions | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and Management processes | | | | | | | | | | |
| 1. | a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b) Has the policy been approved by the Board? (Yes /No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c) Weblink of the policies, if available. | www.kcp.co.in | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. (yes / no) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to your value chain partners? (yes / No.) | N | N | N | N | N | N | N | N | N |
| 4. | Name of the national and international codes/ certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards, (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | a) ISO 9001 : 2015 – Quality Management System Standard b) ISO 14001 : 2015 – Environmental Management System Standard c) ISO 45001 : 2018 – Occupational Health and Safety Management System Standard d) ISO 50001 : 2018 - Energy Management System Standard | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | Nil | | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Nil | | | | | | | | |

Governance, Leadership and Oversight

| | |
|---|---|
| <p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure.</p> <p>we are shaping a better, sustainable tomorrow, integrating social and environmental factors into our operations and decisions. Our blueprint drives efficiency, decarbonisation, and industry redefinition. We are committed to upholding the ESG principles and are pleased with the progress we have achieved towards a sustainable and socially responsible future.</p> | |
| 8. | <p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</p> <p>Board of Directors</p> |
| 9. | <p>Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues ? (Yes / No). If yes, provide details.</p> <p>Yes, CSR Committee and Risk Management Committee</p> |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board / Any other committee | | | | | | | | | Frequency (Annually / Half Yearly / Quarterly / Any other – please specify) | | | | | | | | |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | A | A | A | A | A | A | A | A |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances. | The Company is Compliant with relevant principles, applicable rules and regulations. Compliance to the regulatory requirement are reviewed on regular basis and as per the requirement | | | | | | | | | | | | | | | | | |

| | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency ? (Yes / No). If yes, provide name of the agency. | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | N | N | N | N | N | N | N | N | N |

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes / No) | The company is not statutorily required to have a third party assessment. As the company becoming aware of the issues of sustainability, corrective actions are being taken. As already pointed out, some of the issues that have emerged in the new context of corporate reporting under the BRSR on matters such as ESG are new to the corporate sector and the company is taking steps to meet the challenges. | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No) | | | | | | | | | |
| The entity does not have the financial or / human and technical resources available for the task (yes / NO) | | | | | | | | | |
| It is planned to be done in the next financial year (yes/no) | | | | | | | | | |
| Any other reason (Please specify) | | | | | | | | | |

Section C: Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

| Segment | Total number of training and awareness programs held | Topics / principles covered under the training and its impact | % of persons in respective category covered by the awareness programs |
|------------------------------------|--|---|---|
| Board of Directors | 2 | ESG | 100% |
| Key Managerial Personnel | 2 | ESG | 100% |
| Employees other than Bod and KMPs. | 1 | ESG | 50% |
| Workers | - | - | - |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory / enforcement agencies / judicial institutions |
|--------------|---|
| NA | NA |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. **Yes**

We strictly adhere to ethical business practices and comply with all applicable laws and regulations related to anti-corruption and anti-bribery. Our Anti-corruption and Anti-bribery policy govern our employees’ behaviour and prohibits any form of bribery, corruption, and unethical practices. We prioritise accountability and transparency in all our operations and take strict action against any non-compliance cases related to corruption, bribery, and anti-competitive behaviour.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

| | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|-----------|------------------------|-------------------------|
| Directors | NIL | |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| | FY 2023-2024 (Current) | | FY 2022-2023 (Previous) | |
|--|------------------------|---------|-------------------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | | | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs. | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. - NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|-------------------------------------|------------------------|-------------------------|
| Number of days of accounts payables | 26 | 27 |

9. Open-ness of Business

| Parameter | Metrics | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|----------------------------|---|------------------------|-------------------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | 43.58% | 51.70% |
| | b. Number of trading houses where purchases are made from | 6 | 11 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 100.00% | 98.41% |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | 68.95% | 71.15% |
| | b. Number of dealers / distributors to whom sales are made | 1,931 | 2,053 |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 11.62% | 12.94% |

| | | |
|------------------|--|--|
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | Details provided in Form AOC2 (Annexure 6) |
| | b. Sales (Sales to related parties / Total Sales) | |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | |
| | d. Investments (Investments in related parties / Total Investments made) | |

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|-------|------------------------|-------------------------|---|
| R & D | 0% | 0% | NA |
| Capex | 0% | 0% | NA |

- Does the entity have procedures in place for sustainable sourcing? **Yes.**
The main raw material is Limestone, which is readily available with our Mines and all health, safety and legal compliances are updated.
 - If yes, what percentage of inputs were sourced sustainably? (Exact details not available with the Company)
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
We do not reclaim our products. The Company follows circular economy principles in the manufacturing and end use stage of the product lifecycle.
 - The plastic used for packaging as well as generated otherwise is co-processed in cement kiln. A very small quantity of this waste is disposed through registered recyclers. The Company is plastic negative.
 - Cement manufacturing process does not produce any E-waste. However, E-waste is produced from office operations. All of e-waste generated is sold to registered recyclers.
 - Major quantity of hazardous waste generated during the process is co-processed in kiln within plant as per the permission from State Pollution Control Board. Remaining hazardous waste is sent to common incinerator authorised by State Pollution Control Board.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Yes. Extended producer Responsibility is applicable to the Company and we have procured EPR Credits equivalent to the target given by CPCB.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| % of employees covered by | | | | | | | | | | | |
|---------------------------------------|------------|------------------|------------|--------------------|------------|--------------------|-------------|--------------------|--------------|---------------------|----------|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | %(B/A) | Number (C) | %(C/A) | Number (D) | %(D/A) | Number (E) | %(E/A) | Number (F) | %(F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 638 | 638 | 100 | 638 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 14 | 14 | 100 | 14 | 100 | 14 | 100 | 0 | 0 | 0 | 0 |
| Total | 652 | 652 | 100 | 652 | 100 | 14 | 2.15 | 0 | 0 | 0 | 0 |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 247 | 247 | 100 | 247 | 100 | 0 | 0 | 93 | 37.65 | 0 | 0 |
| Female | 26 | 26 | 100 | 26 | 100 | 26 | 100 | 0 | 0 | 0 | 0 |
| Total | 273 | 273 | 100 | 273 | 100 | 26 | 9.52 | 93 | 34.07 | 0 | 0 |

b. Details of measures for the well-being of workers:

| % of workers covered by | | | | | | | | | | | |
|-------------------------------------|------------|------------------|------------|--------------------|------------|--------------------|----------|--------------------|----------|---------------------|----------|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | %(B/A) | Number (C) | %(C/A) | Number (D) | %(D/A) | Number (E) | %(E/A) | Number (F) | %(F/A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 167 | 167 | 100 | 167 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 167 | 167 | 100 | 167 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 97 | 97 | 100 | 97 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 97 | 97 | 100 | 97 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|---|------------------------|-------------------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 1.13 | 1.03 |

2. Details of Retirement Benefits, for Current and Previous Financial Year.

| Benefits | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|-------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Yes | 100 | 100 | YES |
| Gratuity | 100 | 100 | N.A | 100 | 100 | N.A |
| ESI | 21.41 | 21.97 | Yes | 20.93 | 26.21 | YES |
| Others – please specify | - | - | - | - | - | - |

3. Accessibility of Workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We don't have differently abled employees and workers and all our main offices/premises are accessible to differently abled people.

- Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. Yes, weblink for the policy http://www.kcp.co.in/downloads/investor/corporate-governance/Policy_on_EqualOpportunity.pdf
- Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

- Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes / No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent workers | Yes, We are practising open door policy and the grievances are being heard by heads of the local units and HR head. |
| Other than Permanent workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|----------------------------------|---|---|---------|---|---|---------|
| | No. of employees / Workers in respective category (A) | No. of employees / workers in respective category, who are part of association (S) or Union (B) | % (B/A) | No. of employees / Workers in respective category (A) | No. of employees / workers in respective category, who are part of association (S) or Union (B) | % (B/A) |
| Total Permanent Employees | | | | | | |
| Male | 885 | 0 | 0% | 868 | 0 | 0% |
| Female | 40 | 0 | 0% | 35 | 0 | 0% |
| Total Permanent Workers | | | | | | |
| Male | 167 | 157 | 94% | 179 | 169 | 94% |
| Female | 0 | 0 | 0% | 0 | 0 | 0% |

8. Details of training given to employees and workers:

| Category | FY 2023-2024 (Current) | | | | | FY 2022-2023 (Previous) | | | | |
|------------------|------------------------|-------------------------------|-------------|----------------------|------------|-------------------------|-------------------------------|-------------|----------------------|------------|
| | Total (A) | On Health and Safety Measures | | On Skill upgradation | | Total (D) | On Health and Safety Measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 885 | 885 | 100% | 340 | 38% | 868 | 868 | 100% | 552 | 64% |
| Female | 40 | 40 | 100% | 38 | 95% | 35 | 35 | 100% | 30 | 86% |
| Total | 925 | 925 | 100% | 378 | 41% | 903 | 903 | 100% | 582 | 64% |
| Workers | | | | | | | | | | |
| Male | 264 | 264 | 100% | 50 | 19% | 248 | 248 | 100% | 77 | 31% |
| Female | 0 | | | | | 0 | | | | |
| Total | 264 | 264 | 100% | 50 | 19% | 248 | 248 | 100% | 77 | 31% |

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|------------------|--|------------|------------|-------------------------|------------|------------|
| | Total (A) | No.(B) | % (B/A) | Total (C) | No.(D) | % (D/C) |
| Employees | | | | | | |
| Male | 885 | 733 | 83% | 868 | 739 | 85% |
| Female | 40 | 24 | 60% | 35 | 26 | 74% |
| Total | 925 | 757 | 82% | 903 | 765 | 85% |
| Workers | | | | | | |
| Male | Covered under union wage settlement (labour agreement) | | | | | |
| Female | | | | | | |
| Total | | | | | | |

10. Health and Safety Management System:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes – As per ISO 14001 & ISO 45001 policy & Health & Safety comes under Factories Act

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We are conducting periodical Safety Committee Meeting & Observation points from ISO Audits

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

- d. Do the employees / worker of the entity have access to non-occupational medical and health care services ? **(Yes / No)**

Yes

11. Details of safety related incidents, in the following format:

| Safety incident / Number | Category | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|---|-----------|------------------------|-------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one Million – person hours worked) | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| Total recordable work related injuries | Employees | Nil | Nil |
| | Workers | 1 | Nil |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | 1 |
| High consequence work - related injuries or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

| |
|---|
| a) Provided safe, healthy and secure work conditions for employees and workers |
| b) Designed a global Health and Safety Management System continuously improve our performance and actively manage risk. |
| c) Communicate openly with all Employees and workers on relevant health and safety issues. |
| d) Ensured strict following of all applicable legal, regulatory, industry requirements. |
| e) Our aim is zero harm |
| f) Program for Internal Auditor – ISO 45001 & ISO 14001 |
| g) Compliances on Renewal of Fire License / PVs / Crane & Sling Inspection / Dust & Fumes Extractor / Sand Blasting Inspection / Pollution Control Board / Building Stability |

13. No. of complaints on the following made by Employees and Workers

| | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|--------------------|------------------------|---|---------|-------------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health & Safety | Nil | Nil | Nil | Nil | Nil | Nil |

14. Assessments for the year

| | % of your plants and offices that were assessed (By entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and Safety practices | 100% |
| Working conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / consents arising from assessment of health and safety practices and working conditions:

| | |
|---|--|
| 1 | Fire Hydrant System - Work in progress - Complete by mid of May 2024 |
| 2 | Heat Resistance Suit for Foundry Laddle man - Completed |
| 3 | Lift - Approval obtained & work yet to be start |

PRINCIPLE 4

Businesses should respect the interest of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Company identifies the stakeholders based on the scope of the activities and the need of organization. Stakeholder meetings, workshops and other events help us deepen dialogue and develop our understanding of important societal and environmental issues and regulatory challenges. The interaction helps teams build their capabilities, facilitates collective action, and promotes trust and mutual respect. The engagement approach takes into consideration that each stakeholder group is unique and has a distinctive set of priorities. Feedback and insights from stakeholder engagements helps validate the Company's performance and shape new perspectives on the challenges and opportunities.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually / Half Yearly / Quarterly / Others – Please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---------------------------------------|---|---|--|---|
| Communities around our operations | Yes | We have designated office and team at unit level and they will have Community meetings. | Annually and as and when required Information exchange on key sustainability parameters | All CSR interventions of the Company is purposed to target the disadvantaged, vulnerable and marginalised stakeholders. |
| Industry Associations Meetings | No - | Meetings | Website - Annual Report - BRSR Report | Annually and as and when Required Information exchange on key sustainability parameters |
| Shareholders, Lenders & Investors | No | General meetings. - Investor meetings - Annual Report - BRS Report - Investor Presentation - One-on-One meetings | Quarterly; Annually and as and when required | The Company engages with all its stakeholders. It helps to enrich business conduct by understanding their priorities and addressing their queries and concerns. |
| Government and Regulatory Authorities | No | Annual report and regulatory filings - Facility Inspections - One-on-One meetings | Annually / Quarterly / Monthly and as and when required | Good governance practice; community engagement; regulatory compliance; environmental initiatives. |
| Employees | No | Internal communication platforms | Daily | Employee engagement is an on-going exercise conducted throughout the year. The Company has also set up a formal mechanism for this purpose. |
| Suppliers and Contractors | Yes | Community Visits & meetings - Surveys - Workshops | Periodical | Help benefit the communities in the areas surrounding the Company's operations through livelihood opportunities – through various CSR initiatives at the Company. |

PRINCIPLE 5

Business should respect and promote human rights

Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

| Category | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|------------------------|------------------------|--|-----------|-------------------------|--|-----------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 652 | 28 | 4% | 648 | 13 | 2% |
| Other than permanent | 273 | 5 | 2% | 255 | 5 | 2% |
| Total employees | 925 | 33 | 6% | 903 | 18 | 4% |
| Workers | | | | | | |
| Permanent | 167 | 0 | 0% | 179 | 0 | 0% |
| Other than permanent | 97 | 0 | 0% | 69 | 0 | 0% |
| Total workers | 264 | 0 | 0% | 248 | 0 | 0% |

2. Details of minimum wages paid to employees and workers, in the following format:

All employees and contractors have been paid more than minimum wages in accordance with applicable laws.

| Category | FY 2023-2024 (Current) | | | | FY 2022-2023 (Previous) | | | | | |
|-----------------------------|------------------------|-----------------------|---------|------------------------|-------------------------|-----------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 652 | | | 652 | 100 | 648 | | | 648 | 100% |
| Male | 638 | | | 638 | 100 | 635 | | | 635 | 100% |
| Female | 14 | | | 14 | 100 | 13 | | | 13 | 100% |
| Other than permanent | 273 | | | 267 | 97.80 | 255 | | | 235 | 92.16% |
| Male | 247 | | | 242 | 97.98 | 233 | | | 213 | 91.42% |
| Female | 26 | | | 25 | 96.15 | 22 | | | 22 | 100% |

| Workers | | | | | | | | | | |
|-----------------------------|-----|--|--|-----|-------|-----|--|--|-----|--------|
| Permanent | 167 | | | 167 | 100 | 179 | | | 179 | 100% |
| Male | 167 | | | 167 | 100 | 179 | | | 179 | 100% |
| Female | 0 | | | 0 | 0 | 0 | | | 0 | 0% |
| Other than permanent | 97 | | | 13 | 13.40 | 69 | | | 15 | 21.74% |
| Male | 97 | | | 13 | 13.40 | 69 | | | 15 | 21.74% |
| Female | 0 | | | 0 | 0.00 | 0 | | | 0 | 0% |

(All employees and contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates).

3. Details of remuneration / salary / wages,

a. Median remuneration / wages:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration / salary / wages of respective category | Number | Median remuneration / salary / wages of respective category |
| Board of Directors (BOD) | 0 | 0 | 2 | 14,20,000 |
| Key Managerial Personnel | 2 | 5,09,835 | 0 | 0 |
| Employees other than BOD and KMP | 883 | 33,000 | 38 | 21,857 |
| Workers | 264 | 33,233.5 | 0 | 0 |

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Gross wages paid to females as a % of total wages | 7.49 | 7.68 |

4. Do you have a focal point (Individual/ Committee) responsible for addressing humanrights impacts or issues caused or contributed to by the business? **(Yes/No)**

5. Describe the internal mechanisms in place to redress grievances related to human rightsissues. **No**
HR Departments of the units and Chief People Officer (CPO) at Corporate Office under the supervision of Joint Managing Director will take care of the Human Rights issues.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-2024 (Current) | | | FY 2022-2023 (Previous) | | |
|------------------------------|------------------------|---------------------------------------|---------|-------------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | NA | Nil | Nil | NA |
| Discrimination at work place | Nil | Nil | NA | Nil | Nil | NA |
| Child Labour | Nil | Nil | NA | Nil | Nil | NA |

| | | | | | | |
|------------------------------------|-----|-----|----|-----|-----|----|
| Forced Labour / Involuntary Labour | Nil | Nil | NA | Nil | Nil | NA |
| Wages | Nil | Nil | NA | Nil | Nil | NA |
| Other human rights related issues | Nil | Nil | NA | Nil | Nil | NA |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil | Nil |
| Complaints on POSH as a % of Female Employees / Workers | Nil | Nil |
| Complaints on POSH upheld | Nil | Nil |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Local plant management have the committee comprising of plant head, HR head and one more person preferably head plant operations. Any complaint regarding discrimination and harassment etc. in specific shall be treated most urgently and will be inquired on priority at the plant level itself.

9. Do human rights requirements form part of your business agreements and contracts? **(Yes/No) NO**

10. Assessment for the year :

| | % of your plants and offices that were assessed (By entity or statutory authorities or third parties) |
|------------------------------------|--|
| Child Labour | 100% |
| Forced Labour / Involuntary Labour | 100% |
| Sexual Harassment | 100% |
| Discrimination at work place | 100% |
| Wages | 100% |
| Others – Please specify | 100% |

11. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 10 above. **NA**

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of Total Energy Consumption (in joules or multiples) and energy intensity, in the following format

| Parameter | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|--|---|--|
| From Renewable sources | | |
| Total Electricity Consumption (A) | 8,29,23,134.40 | We have not measured renewable energy separately this year |
| Total Fuel Consumption (B) | 0 | |
| Energy Consumption through other sources (C) | 0 | |
| Total Energy consumed from Renewable Sources (A+B+C) | 8,29,23,134.40 | |
| From Non-Renewable Sources | | |
| Total Electricity Consumption (D) | 77,51,29,219.20 | 80,99,57,613.60 |
| Total Fuel Consumption (E) | 9,89,65,84,282.40 | 40,16,93,18,467.62 |
| Energy Consumption through other Sources (F) | 0.00 | 7,80,418.59 |
| Total Energy consumed from Non-Renewable Sources (D+E+F) | 10,67,17,13,501.60 | 40,98,00,56,499.81 |
| Total Energy consumed (A+B+C+D+E+F) | 10,75,46,36,636.00 | 40,98,00,56,499.81 |
| Energy Intensity per rupee of turnover (Total Energy consumed / Revenue from operations) | 0.631734 | 0.154518 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Energy consumed / Revenue from operations adjusted for PPP) | Since we are not exporting any product, hence revenue earned is in INR only and PPP adjustment is not applicable. | |
| Energy intensity in terms of physical output | Exact details not available with the Company | |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, we have achieved the targets given by M/s. BEE and got 393 positive E-scerbs.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|---|---|-------------------------|
| Water withdrawal by source (in KL) | | |
| (i) Surface Water | 3,11,303.00 | 20,935.00 |
| (ii) Ground Water | 2,44,071.00 | 28,3831.00 |
| (iii) Third Party Water | 13,735.00 | 14,876.00 |
| (iv) Sea Water / Desalinated Water | 0.00 | 0.00 |
| (v) Others | 0.00 | 0.00 |
| Total volume of water withdrawal (in KL) (i + ii + iii + iv + v) | 5,69,109.00 | 3,19,642.00 |
| Total volume of water consumption (in KL) | 5,69,109.00 | 3,19,642.00 |
| Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) | 0.000033429805 | 0.000019116201 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumption / Revenue from operations adjusted for PPP) | Since we are not exporting any product, hence revenue earned is in INR only and PPP adjustment is not applicable. | |
| Water intensity in terms of physical output | Exact details not available with the Company | |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Provide the following details related to water discharged:

| Parameter | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|--|---------------------------|----------------------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface Water | 69,550.00 | 43,949.00 |
| - No treatment | 7,589.00 | 0.00 |
| - With treatment – please specify level of treatment | 61,961.00 | 43,949.00 |
| (ii) To Ground Water | 0.00 | 26,178.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 26,178.00 |
| (iii) To Sea Water | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (iv) Sent to third-parties | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| (v) Others | 0.00 | 0.00 |
| - No treatment | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | 0.00 | 0.00 |
| Total Water Discharged (in KL) | 69,550.00 | 70,127.00 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have STP for waste water treatment and treated water is using for plantation, gardening and dust suppression.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify Unit | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|-------------------------------------|------------------------|---------------------------|----------------------------|
| NOx | mg/Nm3 | 718.16 | 734.00 |
| SOx | mg/Nm3 | 22.10 | 32.00 |
| Particulate matter (PM) | mg/Nm3 | 92.11 | 95.00 |
| Persistent Organic Pollutants (POP) | NA | 0.00 | 0.00 |

| | | | |
|----------------------------------|----|------|------|
| Volatile Organic Compounds (VOC) | NA | 0.00 | 0.00 |
| Hazardous Air Pollutants (HAP) | NA | 0.00 | 0.00 |
| Others – Please Specify | NA | 0.00 | 0.00 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|--|----------------------------------|---|----------------------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | MT of CO ₂ equivalent | 22,56,174.70 | 22,59,671.00 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | MT of CO ₂ equivalent | 1,49,748.90 | 1,14,369.00 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | 0.000139452538 | 0.000143886347 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted | | - | - |
| for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | Since we are not exporting any product, hence revenue earned is in INR only and PPP adjustment is not applicable. | |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | 24,03,667.60 | 23,74,040.00 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. Yes, The Company has taken multiple initiatives to reduce greenhouse gases. These include:
1) Improved technology 2) Energy efficiency 3) Use of renewable energy 4) Use of green energy like WHRS 5) Use of alternate fuels.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|---|------------------------|-------------------------|
| Total Waste Generated (in metric tonnes) | | |
| Plastic Waste (A) | 18.54 | 34.72 |
| E-Waste (B) | 0.05 | 0.25 |
| Bio-Medical waste (C) | 0.13 | 0.09 |
| Construction and demolition waste (D) | 2,182.00 | 2,070.00 |
| Battery Waste (E) | 0.90 | 5.70 |
| Radioactive Waste (F) | 0.00 | 0.00 |
| Other Hazardous waste. Please specify, if any. (G) | 5.82 | 3.19 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 18,227.00 | 0.00 |
| Total (A + B + C + D + E + F + G + H) | 20,434.44 | 2,113.95 |

| Parameter | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|---|---|-------------------------|
| Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) | 0.0000012003 | 0.0000001264 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | Since we are not exporting any product, hence revenue earned is in INR only and PPP adjustment is not applicable. | |
| Waste intensity in terms of Physical output | Exact details not available with the Company | |
| Waste intensity (optional) – the relevant metric may be selected by the entity | - | - |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of Waste | MTS | MTS |
|---------------------------------|------------------|--------------|
| (i) Recycled | 6.40 | 41.69 |
| (ii) Re-used | 20,416.73 | 1.15 |
| (iii) Other recovery operations | 3.82 | 0.00 |
| Total | 20,426.95 | 42.84 |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of waste | MTS | MTS |
|---------------------------------|-----------------|-----------------|
| (i) Incineration | 0.00 | 1.15 |
| (ii) Land Filling | 1,800.00 | 1,800.00 |
| (iii) Other disposal operations | 0.00 | 5.50 |
| Total | 1,800.00 | 1,806.65 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. NA
11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|-----|--------------------------------|--------------------|--|
| | | NA | |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| | | NA | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes**

| No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|-----|---|---------------------------------------|---|---------------------------------|
| | | NA | | |

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a) **Number of affiliations with trade and industry chambers / associations.**
- b) **List of top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**

(Your Company works with major industry chambers/associations and professional bodies that are engaged in policy advocacy as well as various other forums. During the year, your Company had active affiliations with 6 such trade and industry chambers/associations.)

| No | Name of the trade and industry chambers / associations | Reach of trade and industry chambers / associations (State / National) |
|----|--|--|
| 1. | Cement Manufacturing Association (CMA) | National |
| 2. | Confederation of Indian Industries (CII) | National |
| 3. | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 4. | National Safety Council (NSC) | National |
| 5. | Indian Green Buildings Council (IGBC) | National |
| 6. | Andhra Chamber of Commerce | Tamilnadu & Andhrapradesh |
| 7. | Madras Management Association | Tamilnadu |
| 8. | Federation of Indian Exports Organization | National |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Company engages with local communities to discuss and understand their needs, identify the priority intervention areas and gauge the impact of its interventions and None of the projects undertaken by KCP in FY 2023-2024 required Social Impact Assessments (SIA)

| Name of authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| NA | | |

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Company engages with local communities to discuss and understand their needs, identify the priority intervention areas and gauge the impact of its interventions and None of the projects undertaken by KCP in FY 2023-2024 required Social Impact Assessments (SIA)

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| NA | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|----|--|-------|----------|---|--------------------------|---|
| NA | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

Company's societal initiatives are structured in a way to get feedback on the interventions and also understand if communities have any views, issues, complaints and grievances related to these interventions.

During the year 2023-2024, no grievances were brought to Company's notice.

Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing and re-designing of ongoing and new programs.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|--|---|-------------------------|
| Directly sourced from MSMEs/ small producers | Exact details not available with the Company. | |
| Directly from within India | | |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-2024 (Current) | FY 2022-2023 (Previous) |
|--------------|--|-------------------------|
| Rural | Exact details not available with the Company, both the Cement Production Units are located at Small Towns / Villages only. | |
| Semi-urban | | |
| Urban | | |
| Metropolitan | | |

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to Customer Complaints and Feedback :

Company has a well-established consumer care and response management system in place to support our consumers with queries, feedback or concerns that they may have. The 24*7 consumer care set up ensures that Company is not just meeting the consumer needs at the moment, but also delighting them by building authentic relationships that stand the test of time. Company understands that consumers may have different needs, and therefore Company has created specialized desks with specifically trained people who can manage these requirements related to the products & services. Consumers can reach out at anytime via their preferred channels – phone, email, chat, social media, WhatsApp or website for assistance.

- a) Customer Care contact number : Cement Marketing Unit (CMU) printing customer care contact number on all KCP Cement Bags so that if any customer require further details may contact and get clarification.
- b) Customer Care e-mail : CMU printing customer care e-mail ID on all KCP Cement Bags so that if any customer require further details may contact and get clarification.

Web Portal : CMU is having web portal www.cement.kcp.co.in for KCP Cement and customers can get all details pertaining to various grades of cements producing under KCP brand.

- c) Customer Feedback: KCP is a Trade Brand supplying through dedicated authorised Stockists. CMU collecting feedback from stockists on monthly basis on 18 parameters as furnished below:

1. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

As a percentage to total turnover Environmental and social parameters relevant to the product Safe and responsible usage No Recycling and / or safe disposal

2. Number of consumer complaints in respect of the Data privacy; Advertising; Cyber-Security; Delivery of essential services; Restrictive Trade Practices; Unfair Trade Practices, other :

There are no Customer Complaints registered by KCP, there may be requests from customers for technical support during constructions. KCP providing Mobile Testing Vans and our Technical Engineers will visit customer site and explain / clarify doubts if any expressed by customers.

3. Does the entity have a framework / policy on cyber security and risks related to data privacy ? (Yes / No)

If available provide a web-link of the policy.

Yes, Weblink for the policy <http://kcp.co.in/downloads/investor/corporate-governance/risk-policy-procedures.pdf>

4. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

All communications have necessary disclaimer as per Advertising Standard Council of India (ASCI) and Bureau of Indian Standard (BIS) guidelines.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches. **NIL**
- b. Percentage of data breaches involving personally identifiable information of customers. **NA**
- c. Impact, if any, of the data breaches. **NA**

Corporate Governance Report

The Board of Directors present the Company's report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") and Provisions of the Companies Act, 2013 (The Act) as amended.

The Company's philosophy on code of Governance

Our Board recognizes the importance of maintaining high standards of corporate governance, which underpins our ability to deliver consistent financial performance and value to our stakeholders. In line with the above philosophy, the Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance

and disclosure practices. The Company has a strong legacy of fair, transparent and ethical governance practices and continues to make progressive actions that promote excellence within our business and the marketplace.

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 and the Board remains custodian of trust and acknowledges its responsibilities towards stakeholders.
- 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;
- As part of Corporate Social Responsibility, believing in working and supporting sustainable projects both for people & planet and providing valuable contribution to social and economic development;

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. Indira Dutt, Chairperson & 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.

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Act.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2024, none of the Directors of the Company:

- holds Directorship positions in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies];
- holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and
- is a member of more than ten (10) Committees and/ or Chairperson of more than five (5) Committees, across all the Indian public limited companies in which they are Directors.

For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee ('AC') and the

Stakeholders' Relationship Committee ('SRC') have been considered in terms of Regulation 26 of the SEBI Listing Regulations.

The Shareholders' approval has been obtained for the Directors, who have attained the age of Seventyfive (75) years by way of special resolution.

Duties and Functions of the Board

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, which is responsible for the day-to-day operations.

It does this by providing strategic guidance, monitoring operational performance and ensures that robust policies and procedures are in place.

The Board through its various committees, also reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards Risk, Sustainability and Social Responsibility.

In particular, the Board reviews and approves quarterly/half-yearly, unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure.

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 and Non-Executive Directors to maintain independence.

The Board of the Company is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial, and Marketing, backgrounds.

Dr. V.L. Indira Dutt Chairperson of the Board is an Executive Director.

Executive, Non-Executive and Non-executive Independent Directors were appointed for a specific term as recommended by Nomination and Remuneration Committee(NRC) and their

appointments were approved by the Board and the members at their respective meetings.

Composition of the Board and category of the Directors as on March 31, 2024:

| Category | Number of Directors |
|--|---------------------|
| Executive Promoter Directors including the Chairperson | 2 |
| Non-Executive Independent Directors (Including One Independent Woman Director) | 7 |
| Non-Executive Non-Independent Directors | 3 |
| Total | 12 |

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.

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 units of the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairperson & Managing Director of the Company.

The Board also requests special invitees to attend the meetings, as appropriate.

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 Members and suggestions or comments for changes, if any, received are suitably incorporated in the minutes and the minutes are signed by the Chairperson of the same meeting or by the Chairperson of the succeeding meeting within the prescribed time period.

In Financial Year 2023-2024, the Board met four times. The Meetings were held on 24TH May 2023, 10th August 2023, 10th November 2023 and 9th February 2024. 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 details of attendance of Directors at Board Meetings (“BM”), last Annual General Meetings (“AGM”) were as under:

| Name of the Director | 24-05-2023 | 10-08-2023 | 10-11-2023 | 09-02-2024 | No. of meetings attended | 82 nd AGM on 17-08-2023 |
|-----------------------------------|------------|------------|------------|------------|--------------------------|------------------------------------|
| Dr. V.L. Indira Dutt | P | P | P | P | 4 | P |
| Smt. V. Kavitha Dutt | P | P | P | P | 4 | P |
| Sri V.H. Ramakrishnan | P | P | P | P | 4 | P |
| Sri. Vijay Sankar | P | A | P | P | 2 | A |
| Sri. P.S. Kumar | P | P | P | P | 4 | P |
| Sri. M. Narasimhappa | P | P | P | P | 4 | P |
| Smt. Janaki Pillai | P | P | P | P | 4 | P |
| Dr. Subbarao Vallabhaneni | P | P | P | P | 4 | P |
| Sri. V. Chandrakumar | P | P | P | P | 4 | P |
| Sri. Ravi Chitturi | P | P | P | P | 4 | P |
| *Sri. Thiruvengadam Parthasarathi | - | - | - | P | 1 | NA |
| *Sri. Harish Lakshman | - | - | - | P | 1 | NA |

* Appointed as Non-Executive Independent Directors on the Board w.e.f. 1st February 2024.

Board meetings through VC/OAVM

Video-conferencing facility as per procedure mandated under the Act, is also provided to facilitate the Directors participating in the meetings conveniently.

The AGM of the Company was held on August 17, 2023 through Video Conference (VC)/Other Audio Video Means (OAVM) as permitted by circulars issued by MCA from time to time.

c) Directorships and Chairmanship/membership of committees.

The Directors have informed about their directorships and committee memberships/chairmanships including any change in their positions. The number of directorships, committee membership(s)/chairmanship(s) of all Directors is within respective limits prescribed under the Act and the Listing Regulations. The details of the Board of Directors as on March 31, 2024 and memberships/chairmanships including any changes in their positions are given below:

| Name of the Director | * Number of Directorship(s) held in Indian Public limited companies (Including KCP) | Directorships with listed companies | ** Committees position (Including KCP) | | No. of shares held by Directors |
|---|---|--|--|--------|---------------------------------|
| | | | Chairperson | Member | |
| Non-Executive Independent Directors: | | | | | |
| Sri V.H. Ramakrishnan | 2 | Andhra Cements Limited | 1 | 2 | 0 |
| Sri. Vijay Sankar | 5 | 1.Oriental Hotels Limited 2.Transport Corporation of India Limited 3. Chemplast Sanmar Limited 4.TVS Motor Company Limited | 0 | 5 | 0 |
| Sri. P.S. Kumar | 2 | 1. Sri. Sarvaraya Sugars Limited | 2 | - | 0 |
| Sri. M. Narasimhappa | 1 | - | - | 2 | 0 |
| Smt. Janaki Pillai | 1 | - | - | - | 0 |
| Sri. Thiruvengadam Parthasarathi | 4 | 1. Centum Electronics Limited 2. Western India Plywood Limited 3. Fine Organic Industries Limited | | | |
| Sri. Harish Lakshman | 6 | 1. Rane Holdings Limited 2. Rane (Madras) Limited 3. Rane Engine Valve Limited 4. Rane Brake Lining Limited 5. Oriental Hotels Limited | 2 | 3 | 0 |
| Executive Promoter Directors: | | | | | |
| Dr. V.L. Indira Dutt Chairperson & Managing Director | 2 | | - | 1 | 1,01,09,466 |
| Smt. V. Kavitha Dutt, Joint Managing Director | 7 | 1. DCM Shriram Limited 2. Apollo hospitals Limited 3. Centum Electronics Limited | 1 | 3 | 13,60,000 |
| Non-Executive Non Independent Directors | | | | | |
| Dr. Subbarao Vallabhaneni | 1 | - | - | - | 1,90,900 |
| Sri. Chandra Kumar Prasad | 2 | - | - | - | 1,000 |
| Sri. Ravi Chitturi | 2 | - | - | - | 0 |

* Includes the names of listed entities where the person is a director and the category of directorships.

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

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

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

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

Relationship between directors inter-se:

Dr. V.L. Indira Dutt, Chairperson & Managing Director, Smt. V. Kavitha Dutt, Joint Managing Director and Sri. V. Chandra Kumar Prasad, Dr. Subbarao Vallabhaneni, Sri. Ravi Chitturi, Non-Executive Non-independent Directors of the company are related to each other.

None of the other Directors are related inter-se.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board’s decisionmaking and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders, particularly the minority shareholders.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations.

The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

None of the Independent Directors serve as Independent Directors in more than seven (7) listed companies in line with the requirements of the SEBI Listing Regulations and they have submitted respective declarations confirming that they continue

to meet the criteria of independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

Also, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Board of Directors have noted the declaration received from the Independent Directors pursuant to the Act and Listing Regulations with regard to their Independence and are of the opinion that the Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned or was re-appointed during the financial year under review.

During the year the Independent Directors met on February 9, 2024, inter alia to discuss:

- evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairperson & Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board’s freedom to express its views on matters transacted at the meetings and the openness and transparency with which the Management discusses various subject matters specified in the agendas of meetings.

Induction programme for new Directors and on-going familiarization programme for existing Independent and Non-Independent Directors.

A formal induction programme for new Directors and an on-going familiarization process with respect to the business/ working of the Company, the Company's business model for all Directors is a major contributor to familiarize the Directors with the dynamics of the industry to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, inter alia, explains the role, functions, duties and responsibilities of the Director and the Board's expectations from him/ her.

The requirement of obtaining declarations from a Director under the Act, the SEBI Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations are taken from them in respect thereto.

The details of the familiarization programme for Directors are available at <http://www.kcp.co.in/downloads/investor/corporate-governance/familiarisation-programmes-for-independent-directors.pdf>

Core Skills / Expertise / Competencies available with the Board

The Board evaluates its composition to ensure that the appropriate mix of skills, experience, independence and knowledge to ensure its continued effectiveness.

The Board Members should, at a minimum, have background that when combined provide a portfolio of experience and knowledge that will serve KCP's governance and strategic needs.

The Directors have demonstrated experience and ability that is relevant to the Board's oversight role with respect to KCP's business and affairs.

In terms of Listing Regulations, the following skills, expertise and competencies have been identified by the Board of Directors as required in the context of its business and sector for it to function effectively:

| 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. |

| No | Areas | Skills |
|----|----------------------|--|
| 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. |

| Name of Director | Strategy & Policy development | Ethics and Integrity | Leadership | Contribution | Previous Board experience | Industry specific skills | Executive Management | Board Training | Risk Compliance |
|----------------------------------|-------------------------------|----------------------|------------|--------------|---------------------------|--------------------------|----------------------|----------------|-----------------|
| Dr. V.L. Indira Dutt | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Smt. V. Kavitha Dutt | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. P.S. Kumar | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. V.H. Ramakrishnan | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. Vijay Sankar | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri.M. Narasimhappa | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. Janaki Pillai | √ | √ | √ | √ | X | X | √ | X | √ |
| Sri. Chandrakumar Prasad | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Dr.Subbarao Vallabhaneni | √ | √ | √ | √ | X | X | √ | X | √ |
| Sri. Ravi Chitturi | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. Thiruvengadam Parthasarathi | √ | √ | √ | √ | √ | √ | √ | X | √ |
| Sri. Harish Lakshman | √ | √ | √ | √ | √ | √ | √ | X | √ |

Board diversity

KCP has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board.

Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board has formalized a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy on diversity is available on the Company's website and can be accessed on web link at <http://www.kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

II. Committees of the Board

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, Innovation and Best Practices Committee and Finance committee.

Each Committee is mandated to operate within a well-defined Charter which is re-visited by the Board periodically. Each Committee contributes and assists the Board, resulting in an effective discharge of roles and responsibilities by the Directors of the Company.

These committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these committees lend immense value and support, enhancing the qualitiveness of the decision-making process of the Board. The Board reviews the functioning of these committees from time to time.

The meetings of each of these committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings.

The minutes of the committee meetings are sent to all members individually for their approval/ comments as per the prescribed Secretarial Standards-1 and after the minutes are duly approved and are placed in the Board meetings for noting.

The constitution, terms of reference and the functioning of the existing committees of the Board is explained hereunder. Each committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields.

a) Audit Committee - Statutory Committee

The Audit Committee is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than two-third (2/3rd) of the members of the Committee, including the Chairman of the committee are Independent Directors.

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations.

The Audit Committee comprises 4 Independent Directors and an Executive Director. The Committee was chaired by an independent Director Sri. P.S. Kumar, a Chartered Accountant by qualification.

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 Audit Committee met 4 (four) times during the year on 24-05-2023, 10-08-2023, 10-11-2023 and 09-02-2024.

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. P.S. Kumar- Chairperson | 4 | 4 |
| Sri V.H. Ramakrishnan – Member | 4 | 4 |
| Sri. Vijay Sankar- Member | 4 | 2 |
| 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.

The Chairperson & Managing Director 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

A. The role of the audit committee (Terms of Reference) shall include the following:

- | | |
|--|--|
| <ul style="list-style-type: none"> (1) 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; (2) recommendation for appointment, remuneration and terms of appointment of Statutory auditors and Cost Auditors of the listed entity; (3) approval of payment to statutory auditors including Cost Auditors and for any other services rendered by the statutory auditors; (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: <ul style="list-style-type: none"> a) matters required to be included in the director's 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; b) changes, if any, in accounting policies and practices and reasons for the same; c) major accounting entries involving estimates based on the exercise of judgment by management; d) significant adjustments made in the financial statements arising out of audit findings; e) compliance with listing and other legal requirements relating to financial statements; f) disclosure of any related party transactions; g) modified opinion(s) in the draft audit report, if any; (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval; | <ul style="list-style-type: none"> (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter; (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; (8) approval or any subsequent modification of transactions of the Company with related parties; (9) scrutiny of inter-corporate loans and investments; (10) valuation of undertakings or assets of the listed entity, wherever it is necessary; (11) evaluation of internal financial controls and risk management systems; (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; (13) 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; (14) discussion with internal auditors of any significant findings and follow up there on; (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case |
|--|--|

of non-payment of declared dividends) and creditors;

- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (21) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (22) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management; management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and statement of deviations;
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee formulates a detailed plan for the Internal Auditors for the financial year, which is reviewed subsequently at

the Audit Committee Meetings. The Internal Auditors attend the Meetings of the Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

The Chairman of the Audit Committee was present at the 82nd Annual General Meeting of the Company held on 17th August 2023.

b) Stakeholders Relationship Committee (SRC) - Statutory Committee

The composition of the SRC of the Board is in line with the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The SRC comprises five (5) members of which two-thirds (2/3rd) of the members including the Chairperson of the committee are Independent Directors.

The Committee is governed by its Charter and the terms of reference of the Committee are:

- To review the steps taken to resolve 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.;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA);
- To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund (IEPF) of the Government of India in line with the relevant Rules made thereunder;
- Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors

Sri. P.S. Kumar is the Chairperson of the committee.

The composition of the SRC as on March 31, 2024 and details of the members participation at the meetings of the Committee are as under

| Members | No. of meetings held | No. of Meetings attended |
|-------------------------------|----------------------|--------------------------|
| Sri. P.S. Kumar, Chairperson | 1 | 1 |
| Dr. V.L. Indira Dutt, Member | 1 | 1 |
| Sri V.H. Ramakrishnan, Member | 1 | 1 |
| Sri. Vijay Sankar, Member | 1 | 1 |
| Sri. M. Narasimhappa, Member | 1 | 1 |

The Stakeholders Relationship Committee met on February 9, 2024 during the year 2023-2024.

Company Secretary, functions as the compliance officer.

He has also been appointed as the Nodal officer in line with statutory requirements.

The total number of complaints received and resolved from Stakeholders during the year ended March 31, 2024 were NIL.

There were no complaints outstanding as on March 31, 2024.

Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except were constrained by disputes or legal impediments.

No investor grievances remained unattended / pending for more than thirty days.

c) Nomination and Remuneration Committee (N&RC) -Statutory Committee

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations.

The Chairperson of the Committee Sri. V.H. Ramakrishnan is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors.

The Chairperson & Managing Director of the Board is a Member of the Committee but does not chair the Committee.

The terms of reference of the Committee inter alia, include the following:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulate criteria for determining qualifications, attributes and Independence of a Director;
- Devising a policy on Board Diversity;
- Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company;
- Formulate the criteria for evaluating the performance of the Board of Directors;
- Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel ('KMP') and Senior Management employees;
- Identifying individuals for appointment as KMP and other Senior Management positions, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard;
- Specify the manner for effective evaluation of performance of Board, its committees, individual Directors and review its implementation and compliance;
- Review the performance evaluation of the Directors, KMP and Senior Management Employees;
- Administration of the Employee Stock Option Schemes (ESOS), if any.

The composition of the N&RC as on March 31, 2024 and details of the Members participation at the meetings of the Committee are as under:

| Members | No. of meetings held | No. of meetings attended |
|------------------------------------|----------------------|--------------------------|
| Sri V.H. Ramakrishnan, Chairperson | 1 | 1 |
| Dr. V.L. Indira Dutt, Member | 1 | 1 |
| Sri. Vijay Sankar, Member | 1 | 1 |
| Sri. P.S. Kumar, Member | 1 | 1 |
| Sri. M. Narasimhappa, Member | 1 | 1 |

The Nomination and Remuneration Committee met on November 10, 2023 during the year 2023-2024.

The Chairperson of the Committee was present at the 82nd Annual General Meeting of the company in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Remuneration Policy

The Company has formulated Nomination, Remuneration and Board Diversity Policy, The Nomination, Remuneration and Board Diversity Policy is available at <http://kcp.co.in/downloads/investor/corporate-governance/Remuneration-policy.pdf>

There were no pecuniary relationship /transactions between Non-Executive Independent Directors and the Company.

The remuneration of the Board of Directors during the year is as set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of 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 Non-Executive Directors and Non-Executive Independent Directors of the Company were paid sitting fees of Rs. 40,000/- (Rupees forty thousand only) each for every meeting of the Board and Audit Committees of the company attended by them and for other Committee Meetings Rs. 20,000/- (Rupees twenty 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.

The details of sitting fees paid to Non-Executive Independent Directors and Non-Executive Non-Independent Directors for the year 2023-2024 (for attending the Board Meetings, Audit Committee and other Committee Meetings) are given below:

| Particulars | Sitting Fees paid (Rs. in Crores) |
|----------------------------------|-----------------------------------|
| Sri V.H. Ramakrishnan | 0.04 |
| Sri. Vijay Sankar | 0.03 |
| Sri. P.S. Kumar | 0.05 |
| Sri. M. Narasimhappa | 0.04 |
| Smt. Janaki Pillai | 0.02 |
| Dr. Subbarao Vallabhaneni | 0.02 |
| Sri. V. Chandrakumar Prasad | 0.02 |
| Sri. Ravi Chitturi | 0.02 |
| Sri. Thiruvengadam Parthasarathi | 0.01 |
| Sri. Harish Lakshman | 0.00 |

(ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairperson & Managing Director and Joint Managing Director 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
- 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, 2024 are given below:

| Executive Directors | Salary & Perquisites (Rs. in Crores) | Commission (Rs. in Crores) | Total (Rs. in Crores) |
|---|---|-------------------------------|--------------------------|
| Dr. V.L. Indira Dutt Chairperson & Managing Director | 2.18 | 0.48 | 2.66 |
| Smt. V. Kavitha Dutt Joint Managing Director | 2.45 | - | 2.45 |

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

d) Corporate Social Responsibility (CSR) Committee: Statutory Committee

The Company has always been conscious of its obligations vis-à-vis the communities it impacts and has been pursuing various CSR activities long before these were mandated by law.

The CSR Committee was set up by the Board of Directors to assist the Board in fulfilling its corporate social responsibility and to strive for overall sustainable development in the conduct of the Company's business. in line with the provisions of Section 135 of the Act.

The terms of reference of the CSR Committee broadly includes the following:

- To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the Companies Act, 2013 as amended from time to time;
- To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company;
- To ensure that the Company's overall business strategy reflects its long-term objectives on corporate social responsibility;
- To consider and advise the Board and the Management on various CSR projects to be implemented by the Company either directly or through other agencies /organizations /societies /trusts established for this purpose in furtherance of its social obligations;
- To review the annual CSR budget and recommend to the Board the amount of expenditure to be incurred on various CSR programmes/ activities either directly or through the other agencies/organizations/societies/ trusts;
- To oversee impact assessment of CSR projects of the Company;
- To advise the Board on significant stakeholder concerns relating to CSR;
- To review and recommend to the Board for its approval any other reporting on CSR;
- Such other related matters which the Committee may deem appropriate, required by law or assigned to the Committee by the Board of Directors from time to time.

The Committee's scope will encompass Company policies and performance related to CSR as described above.

The Committee shall review the Company's objectives, plans and performance and recommend actions, as necessary, to ensure continuous performance improvement and alignment with the expectations of stakeholders (both internal and external).

The Corporate Social Responsibility Committee met on August 10, 2023 during the year 2023-2024 and 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 |
|-----------------------------------|----------------------|--------------------------|
| Dr. V.L. Indira Dutt- Chairperson | 1 | 1 |
| Smt. V. Kavitha Dutt – Member | 1 | 1 |
| Sri. Vijay Sankar – Member | 1 | 0 |
| Sri. V.H. Ramakrishnan- Member | 1 | 1 |
| Sri. P.S. Kumar - Member | 1 | 1 |
| Smt. Janaki Pillai - Member | 1 | 1 |

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. <http://kcp.co.in/downloads/investor/corporate-governance/corporate-social-responsibility-csr-policy.pdf>

The CSR report, as required under the Companies Act, 2013 for the year ended 31st March, 2024 is attached as Annexure to the Board's report.

e) Risk Management Committee (RMC): Statutory Committee

The composition of the Risk Management Committee is in conformity with the requirements of Listing Regulations, with majority of members being Directors of the Company. The Terms of Reference for the Risk Management Committee were amended to include terms of reference relating to ESG matters and disclosures to be made in Business Responsibility and Sustainability Report ('BRSR').

Role and Terms of Reference

The Committee is governed by a policy and its terms of reference comprises the following:

- Developing Risk Management Policy and Risk Management system framework for the Company;
- Overseeing key risks including identification, assessment, monitoring, and mitigation and reporting of various risks including strategic, financial, operation and compliance risks;

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Assist the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;
- The Committee shall review the adequacy of Risk Management Process applied by the management;
- The role and responsibilities of the Committee shall include such other items as may be applicable under the relevant Regulations and/or included within the scope by the Board.
- To advise the Board on stakeholder proposals and other significant stakeholder concerns relating to ESG Matters; and
- Do such other acts, deeds and things as deemed necessary for achievement of ESG goals, targets and strategy of the Company.

The meetings of the Risk Management Committee were held on December 28, 2023 and March 25, 2024 during the year, 2023-2024.

The composition of the RMC as on March 31, 2024 and details of the Members attendance at the Meetings of the Committee are as under:

| Members | No. of meetings held | No. of Meetings attended |
|----------------------------------|----------------------|--------------------------|
| Smt. V. Kavitha Dutt Chairperson | 2 | 2 |
| Dr. V.L. Indira Dutt Member | 2 | 2 |
| Sri. Vijay Sankar Member | 2 | 0 |
| Sri. P.S. Kumar Member | 2 | 2 |
| Sri. Chandrakumar Prasad Member | 2 | 2 |
| Sri. Ravi Chitturi Member | 2 | 2 |
| Sri. Anis Tyebali Hyderi Member | 2 | 2 |

| | | |
|----------------------------------|---|---|
| Sri. K. Ramakrishna Member | 2 | 2 |
| Sri. V. Venkata Ramana Member | 2 | 2 |
| Sri. Madhusudana Rao Member | 2 | 2 |
| Sri. M. Narayana Rao Member | 2 | 2 |

The Risk policy adopted by the Board of Directors of the company is available at <http://kcp.co.in/downloads/investor/corporate-governance/risk-policy-procedures.pdf>

f) Investment Committee: Non-Statutory 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 members:

| Members |
|-------------------------------------|
| Dr. V.L. Indira Dutt Chairperson |
| Smt. V. Kavitha Dutt Member |
| Sri V.H. Ramakrishnan Member |
| Sri. Vijay Sankar Member |
| Sri. P.S. Kumar Member |
| Sri. M. Narasimhappa Member |

The Investment Committee didn't have an occasion to meet during the year.

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

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

During the year, 15 meetings of Share Transfer Committee were held on the following dates:

21/04/2023, 24/05/2023, 23/06/2023, 08/08/2023, 28/08/2023, 11/09/2023, 30/09/2023, 13/10/2023,

14/12/2023, 11/01/2024, 31/01/2024, 09/02/2024, 15/02/2024, 22/03/2024 & 30/03/2024.

The Committee comprises of the following executives of the Company:

| | |
|--------------------------|-------------------------|
| Sri. Anis Tyebali Hyderi | Chief Financial Officer |
| Sri. Y. Vijayakumar | Company Secretary |

h) Finance Committee: Non-Statutory 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.

The Committee met on October 26, 2023 during the year 2023-2024 and the composition of the Committee as on March 31, 2024 and the details of Members participation are as under:

| Members | No. of meetings held | No. of meetings attended |
|-------------------------------------|----------------------|--------------------------|
| Executive Directors | | |
| Dr. V.L. Indira Dutt Chairperson | 1 | 1 |
| Smt. V. Kavitha Dutt Member | 1 | 1 |

| Independent Directors | | |
|--------------------------|---|---|
| Sri. Vijay Sankar Member | 1 | 1 |
| Sri. P.S. Kumar Member | 1 | 1 |

i) Innovation and Best practices committee: Non-Statutory Committee:

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

| Members | Category |
|----------------------|----------|
| Sri. Narasimhappa | Chairman |
| Smt. V. Kavitha Dutt | Member |
| Sri. Vijay Sankar | Member |
| Sri. P.S. Kumar | Member |
| Sri. Ravi Chitturi | Member |

During the year the committee didn't have an occasion to meet.

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken D&O for all its directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

III. General Shareholders' Information

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

| | |
|----------------------|---|
| Date and Time | August 22, 2024 at 11.00 am (IST) |
| Mode | Video conference and other audio-visual means |
| Venue | "Ramakrishna Buildings", No.2, Dr. P.V. Cherian Crescent, |

(Registered Office) Egmore, Chennai 600 008 will be the deemed venue for the meeting.

For details, please refer to the Notice of the 83rd Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

2. Financial Calendar: Key Financial Reporting Dates for the financial year 2023-2024

| | |
|--|---|
| First Quarter ending 30 th June, 2024 | Within forty five days from the end of the quarter. |
| Second Quarter ending 30 th September, 2024 | Within forty five days from the end of the quarter. |
| Third Quarter ending 31 st December, 2024 | Within forty five days from the end of the quarter. |
| Fourth Quarter ending 31 st March, 2025 | Within sixty days from the end of the quarter. |

3. Book Closure:

Friday, the 16th August 2024 to Thursday, the 22nd August 2024

4. Dividend:

The Board of Directors at their Meeting held on May 20, 2024, recommended dividend payout of Re.1/- per share (100%) of Re. 1/- per share, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company for the Financial Year 2023-2024.

The Dividend will be paid to the members whose names appear on Company's Register of Members on August 15, 2024 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on August 15, 2024 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting will be paid on or after September 12, 2024.

5. Listing on Stock Exchanges:

The Company's shares are listed on the following stock exchanges and the listing fees has been duly paid to the to the National Stock Exchange of India Limited (NSE).

| 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 (NSDL) | INE805C01028 |
| Central Depository Services (India) Ltd (CDSL) | INE805C01028 |

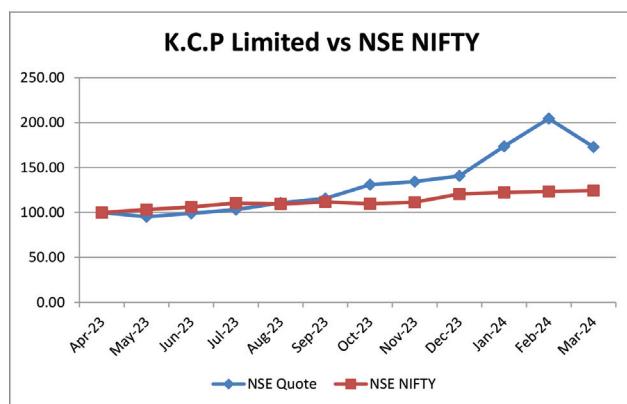
6. Share Price Data

National Stock Exchange (NSE)

| Month | High | Low |
|----------------|--------|--------|
| April 2023 | 114.40 | 101.00 |
| May 2023 | 109.00 | 99.30 |
| June 2023 | 113.35 | 101.25 |
| July 2023 | 118.00 | 106.45 |
| August 2023 | 126.60 | 112.00 |
| September 2023 | 132.15 | 112.80 |
| October 2023 | 149.80 | 115.50 |
| November 2023 | 153.70 | 128.30 |
| December 2023 | 161.00 | 140.15 |
| January 2024 | 198.60 | 147.75 |
| February 2024 | 234.00 | 175.75 |
| March 2024 | 197.80 | 154.00 |

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 (RTA)

For demat & physical shares:

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
 corpseiv@iepindia.com; www.integratedindia.in
CIN: U74900TN2015PTC101466

9. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialized mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialized form.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

10. Distribution of the Equity Shareholding as on March 31, 2024 by number of shares:

| No. of Equity Shares held | No. of Share holders | % Share holders | No. of Shares | % Share holding |
|---------------------------|----------------------|-----------------|------------------|-----------------|
| Upto 5000 | 54197 | 97.463 | 15880864 | 12.318 |
| 5001-10000 | 609 | 1.095 | 4424653 | 3.432 |
| 10001-20000 | 378 | 0.680 | 5369221 | 4.165 |
| 20001-30000 | 129 | 0.232 | 3197797 | 2.480 |
| 30001-40000 | 78 | 0.140 | 2689200 | 2.086 |
| 40001-50000 | 44 | 0.079 | 2052755 | 1.592 |
| 50001-100001 | 81 | 0.146 | 5598481 | 4.343 |
| Above 100001 | 92 | 0.165 | 89708189 | 69.584 |
| Total | 55608 | 100.00 | 128921160 | 100.00 |

11. Equity Shareholding as on March 31, 2024 by category

| Category | No. of Share holders | No. of Shares | % |
|-------------------------------|----------------------|---------------------|----------------|
| Clearing Member | 9 | 23,843 | 0.0185 |
| Bank Foreign | 1 | 500 | 0.0004 |
| IEPF | 1 | 20,34,857 | 1.5784 |
| Indian Financial Institutions | 3 | 4,490 | 0.0035 |
| Indian Promoters | 19 | 5,66,61,474 | 43.9505 |
| Insurance Company | 1 | 7,66,279 | 0.5944 |
| Limited Liability Partners | 13 | 93,028 | 0.0722 |
| Mutual Funds | 2 | 5,500 | 0.0043 |
| NRI / OCBs | 617 | 25,43,478 | 1.9729 |
| Private Corporate Bodies | 316 | 87,13,677 | 6.7589 |
| Indian Public | 54,620 | 5,73,64,433 | 44.4956 |
| Trusts | 3 | 1,27,810 | 0.0991 |
| Alternative Inv. Fund (AIF) | 3 | 5,81,791 | 0.4513 |
| Total | 55,608 | 12,89,21,160 | 100.000 |

12. Top Ten Equity Shareholders of the Company (Excluding Promoters) as on March 31, 2024

| No | Shareholder | No. of Shares | % |
|----|--|--------------------|--------------|
| 1 | Sandhya G Parikh | 28,66,371 | 2.22 |
| 2 | Chinmay G Parikh | 28,64,693 | 2.22 |
| 3 | Investor Education and Protection Fund | 20,34,857 | 1.58 |
| 4 | Gollamudi Venka Reddy | 12,87,250 | 1.00 |
| 5 | Integrated Investment Management Service (P) Limited | 12,60,000 | 0.98 |
| 6 | Maithan Alloys Limited | 12,54,855 | 0.97 |
| 7 | Satya Surekha Boppana | 10,52,410 | 0.82 |
| 8 | Dolly Khanna | 9,72,326 | 0.75 |
| 9 | Boppana Vinay Kumar | 9,47,530 | 0.73 |
| 10 | Padmini Rajan | 8,72,690 | 0.68 |
| | Total | 1,54,12,982 | 11.96 |

13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital of 12,89,21,160 Equity shares 12,67,41,176 (98.31%), Equity shares are held in dematerialized form with NSDL-10,85,47,258 shares (84.20%), CDSL - 1,81,93,918 (14.11%) and 21,79,984 (1.69%) shares are in physical form as on March 31, 2024.

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, as amended, 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) and the total issued and listed capital. 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 Palnadu District, Andhra Pradesh |
| | 2) Ramakrishnapuram Muktyala – 521457 NTR District, Andhra Pradesh |
| | 3) Cement Packing Terminal Plant, Arakkonam, Tamilnadu |
| Heavy Engineering | 1) Tiruvottiyur Chennai 600 019, Tamilnadu |
| | 2) Mosur Road, Ekhunagar Arakonam 631 004, Tamilnadu |
| Hydel Power | B.No. AE-1, NSP Colony Nekarikallu- 522 615, Palnadu District, Andhra Pradesh |
| Wind Power | Uthumalai Village Tirunelveli District, Tamilnadu |
| Waste Heat Recovery | Macherla - 522426 Palnadu District, Andhra Pradesh |
| Thermal Power | Ramakrishnapuram Muktyala – 521175 NTR District, Andhra Pradesh |
| Solar Power | Ramakrishnapuram Muktyala – 521175 NTR District, Andhra Pradesh |
| Hotel | Mercure Hyderabad KCP 6-3-552, Somajiguda Hyderabad - 500 082 |

The details of the plants, along with their addresses and telephone numbers are also available on the Company's website.

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, 2023, September 30, 2023, December 31, 2023 and March 31, 2024. 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 Chairperson & Managing Director 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 Chairperson

& Managing Director 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

Disclosure of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulations (2) of Regulation 46 are as follows:

| Regulation | Particulars of Regulations | Compliance Status (Yes/No) |
|-----------------|--|----------------------------|
| 17 | Board Of Directors | Yes |
| 17A | Maximum number of Directorships | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stakeholders Relationship Committee | Yes |
| 21 | Risk Management Committee | Yes |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance Requirements with respect to subsidiary of listed entity | Yes |
| 24A | Secretarial Audit & Secretarial Compliance Report | Yes |
| 25 | Obligations with respect to Independent Directors | Yes |
| 26 | Obligation with respect to employees including Senior Management, Key Managerial Person, Directors and Promoters | Yes |
| 27 | Other Corporate Governance Requirements | Yes |
| 46(2)(b) to (i) | Website (Updation) | Yes |

20. Other Information

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

1. Details of Annual General Meetings & Special Resolutions

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 |
|------|------------------|---|------------|-------|--------------------------------|--------|
| 2021 | 80 th | Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means). | 03/09/2021 | 10.15 | - | - |
| 2022 | 81 st | Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means). | 10/08/2022 | 10.30 | - | - |
| 2023 | 82 nd | Ramakrishna Buildings” 2, Dr. P.V. Cherian Crescent, Egmore, Chennai 600 008 (Held through Video Conferencing (VC) other Audio Visual means). | 17/08/2023 | 10.30 | - | - |

2. Extraordinary General Meeting (‘EGM’)

No EGM was held during the year 2023-2024.

3. Details of special resolutions passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year under review the company has obtained consent of members by way of Special Resolutions for the appointment of Sri. Thiruvengadam Parthasarathi and Sri. Harish Lakshman as Independent Directors on the Board.

Procedure for Postal Ballot

Postal Ballot Notice (“Notice”) containing the proposed resolution(s) and Explanatory Statement pursuant to Section 102 and other applicable provisions, if any, of the Act, are sent electronically to all the members whose email address is registered with the Company / their Depository Participant, the Company provided the facility to the members to cast their vote electronically instead of dispatching the Postal Ballot Form.

Based on the report of M/s A.K.Jain & Associates, Practicing Company Secretaries, appointed by the Board, the Chairperson and Managing Director of the Company declared the results on January 18, 2024. Both the resolutions were passed with requisite majority.

The results were also displayed on the Company’s website (www.kcp.co.in) besides being communicate to the stock exchanges. None of the businesses is proposed to be transacted through Postal Ballot before the ensuing Annual General Meeting.

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

During the year the AGM was conducted through Video Conferencing (“VC”) / Other Audio Visual Means (“OVAM”) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May 2020, 8th April 2020, 13th April 2020 and 5th May, 2020.

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.

The facility for voting at the AGM by e-voting was arranged for the members who have not already cast their vote by remote e-voting. M/s. A.K. Jain & Associates, Company Secretaries, Chennai were appointed by the Board as Scrutinizers for the e-voting process.

4. Subsidiary Company

Pursuant to Regulation 24 of the SEBI (LODR) Regulations, 2015, 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 at 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. Nomination

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company’s RTA or download the same from the Company’s website through the weblink <http://www.kcp.co.in/downloads/investor/shareholders-information/nomination-form.pdf>

Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard. Permanent Account Number Members who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide Circular SEBI /HO /MIRSD/MIRSD_RTAMB /P/ CIR/2021/655 dated November 3, 2021.

Dividend Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members’ Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks’ ACH mode. Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed dividends

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of seven (7) years from the date the dividend is due for payment to the Investor Education & Protection Fund (‘IEPF’) established by the Government.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company’s website at www.acclimited.com The dates by which the dividend amounts will be transferred to IEPF are as under

Guidelines for Investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF Investors/ depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/ or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/ guidelines stated as follows:

The Nodal Officer of the Company for IEPF Refunds Process is Sri. Y. Vijayakumar, Company Secretary whose e-mail id is vijaycs@kcp.co.in.

Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority.

Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company’s website at <http://kcp.co.in/downloads/investor/shareholders-information/unclaimed-dividend.xls>

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company.

Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2023-2024 are as follows:

| Financial Year | Meeting No | Type of Dividend | Dividend on Equity % | Dividend declaration date (AGM date / BM date) | Due date for remittance to IEPF (7years) | Date of remittance to IEPF (67days) (DUE DATE) |
|----------------|------------|------------------|----------------------|--|--|--|
| 2015-16 | 75 | Interim Dividend | 100% | 10-03-2016 | 09-04-2023 | 21-04-2023 |
| 2016-17 | 76 | Final Dividend | 200% | 31-08-2017 | 31-08-2024 | 06-11-2024 |

Equity Shares in the 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, 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. Shareholders are requested to write to the Registrar & Transfer Agent and provide the correct details to enable the Company to transfer the unclaimed share certificate directly to the Shareholders demat account.

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

| Particulars | 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 |
|----------------|--|--|--|---|--|---|
| No. of Holders | 437 | 10 | 10 | 31 | 1 | 397 |
| No. of Shares | 4,83,560 | 8,170 | 8,170 | 21,250 | 5,060 | 4,54,140 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2024 shall remain frozen till the rightful owner of such shares claims the shares.

Claims from the Investor Education and Protection Fund (IEPF):

The Members who have a claim on above shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the web Form No. IEPF-5.

No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent.

| Financial Year | Meeting No | Type of Dividend | Dividend on Equity % | Dividend declaration date (AGM date / BM date) | Due date for remittance to IEPF (7years) | Max date for remittance to IEPF (67days) (DUE DATE) |
|----------------|------------|------------------|----------------------|--|--|---|
| 2016-2017 | 76 | Final Dividend | 200% | 31-Aug-17 | 31-Aug-24 | 06-Nov-24 |
| 2017-2018 | 77 | Final Dividend | 100% | 30-Jul-18 | 30-Jul-25 | 05-Oct-25 |
| 2018-2019 | 78 | Final Dividend | 100% | 07-Aug-19 | 07-Aug-26 | 13-Oct-26 |
| 2019-2020 | 79 | Final Dividend | 15% | 04-Sep-20 | 04-Sep-27 | 10-Nov-27 |
| 2020-2021 | 80 | Final Dividend | 200% | 03-Sep-21 | 03-Sep-28 | 09-Nov-28 |
| 2021-2022 | 81 | Final Dividend | 100% | 10-Aug-22 | 10-Aug-29 | 16-Oct-29 |
| 2022-2023 | 82 | Final Dividend | 10% | 17-Aug-23 | 17-Aug-30 | 23-Oct-30 |

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.

V. Governance Codes

Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm on annual basis, compliance of this Code.

A declaration signed by the Chairperson and Managing Director of the Company to this effect is placed at the end of this Report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner and not to allow their independent judgement to be subordinated.

Conflict of Interest

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 therein during the year, if any.

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 participating in any discussions and voting on transactions in which they are concerned or interested.

Insider Trading Code

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

The Code is applicable to Promoters, Directors and Designated Persons as defined in the Code. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Code is suitably amended, from time to time to incorporate the amendments carried out by SEBI to PIT Regulations.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations. The Company has already implemented an online module for enabling the Promoters, Directors and Designated Persons to submit their Disclosures and take requisite approvals under the PIT Regulations. This online module also facilitates updating of their shareholding in the Company as well as details of their immediate relatives and the persons with whom they share material financial relationship in a seamless manner.

The Company has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Practices and Procedures for Fair Disclosure of UPSI as per the requirements of the PIT Regulations.

The Company Secretary is the Compliance Officer for ensuring implementation of the code for fair disclosure and conduct. The Board and designated persons have affirmed compliance with the Code. This Code is available at <http://kcp.co.in/downloads/investor/corporate-governance/insider-trading-policy.pdf>

VI. Affirmations and Disclosures

a. Related Party Transactions

In line with the requirements under Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Related Party Transactions ("Policy") which is also available at <http://kcp.co.in/downloads/investor/corporate-governance/related-party-transaction-policy.pdf>

The objective of the Policy is to ensure proper approval, disclosure, and reporting of transactions as applicable, between the Company or its subsidiary and any of its related parties.

The Audit Committee of the Company grants omnibus approval for the Related Party Transactions

(RPTs) which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All transactions entered into by the Company with the Related Parties as defined under the Act and Regulation 2(1)(zb) of the Listing Regulations during the financial year were on arm's length basis and were in compliance with the requirements of provisions of Section 188 of the Act. There were no material significant transaction(s) entered with Related Parties during the year under review.

Related party transactions are disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with IndAS 24 and a statement in summary form of transactions with Related Parties is periodically placed before the Audit Committee and the Board for review/ approval / noting on quarterly basis and placed before the Audit Committee and Board for noting.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are carried out on an arm's length or fair value basis.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations, circulars and guidelines issued by the SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or MCA or any other regulatory/ statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

c. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report concern about unethical behaviour, actual or suspected fraud or violation of Company's

code of conduct and ethics. 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 have been denied access to the Audit Committee. The Whistle Blower Policy is available at <http://kcp.co.in/downloads/investor/corporate-governance/whistle-blower-policy.pdf>

d. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations

During the year under review, the Company has not raised any funds either through preferential allotment or qualified institutions placement therefore disclosure of this information is not applicable to the Company.

e. A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

The certificate issued by Smt.Sobana pranesh, Practicing Company Secretary is annexed herewith as a part of the Report.

f. Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant Financial Year

During the year under review, all recommendations made by the Committee(s) of the Board which were mandatorily required have been accepted by the Board.

g. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part

Details relating to fees paid to the Statutory Auditors of the Company are given in Note 34 to the Standalone Financial Statements and Note 34 to the Consolidated Financial Statements.

h. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013

The details of number of complaints filed, disposed of during the year and pending as on March 31, 2024 are given in the Directors' report.

i. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

There are No Loans and advances in the nature of loans given to firms/companies in which directors are interested

j. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is reviewed by the Board from time-to-time. The status of compliance with the nonmandatory requirements of the Listing Regulations is provided below:

The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairperson of the Company is an Executive Director.

Shareholders Rights

The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Quarterly Financial Results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

Modified opinion(s) in audit report

During the year under review, the Auditors have expressed an unmodified opinion on the Financial Statements. The Company continues to adopt best practices to ensure regime of financial statements with un-modified opinion.

Reporting of Internal Auditors

In accordance with the provisions of Section 138 of the Act, the Company has appointed Internal Auditors who reports to the Audit Committee. Internal Auditors directly presents their Quarterly internal audit report to the Audit Committee for its consideration.

k. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification

As required by Listing Regulations, the CEO and CFO certification on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for FY 2023 – 2024 is enclosed to this Report.

l. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed Indian Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 20, 2024

Dr V L Indira Dutt
Chairperson and Managing Director

Declaration under the SEBI (LODR) Regulations, 2015

I, Dr. V.L. Indira Dutt, Chairperson & Managing Director 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 March 31, 2024.

For and on behalf of the Board of Directors

Place: Chennai
Date: May 20, 2024

Dr V L Indira Dutt
Chairperson & Managing Director

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 2024, 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 including preparation and maintenance of all relevant supporting documents and records. 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.

The Management along with the Board of Directors are also responsible for ensuring that the company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

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, 2024.
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. 003109S

Place : Chennai
Date : May 20, 2024

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809
UDIN No. 24238809BKGZSY8469

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 2024 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

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

For The KCP Limited

Anis Tyebali Hyderi
Chief Financial Officer

Place : Chennai

Date : May 20, 2024

Independent Auditor's Report

The members of The KCP Limited, Chennai

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the accompanying Standalone Financial Statements of **THE KCP LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2024, 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, notes to the financial statements, including a summary of the material accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us the accompanying standalone 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, 2024, and its profit and other comprehensive loss, 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 Auditor's responsibility for the Audit of Standalone 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 ICAI's 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 Standalone 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 Standalone 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 that there are no key audit matters to communicate in our report.

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, Business Responsibility and Sustainability 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

Responsibilities of Management and Those Charged with Governance 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management 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 Company's Board of Directors is also 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 with reference to Standalone Financial Statements 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone 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 financial controls 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, 2020 ("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 Standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements;
- 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 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 Auditor's) Rules, 2014, as amended 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 Financial Statements - Refer Note 37 to the Standalone 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 47 to the Standalone 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. a) The final dividend of the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - b) The Board of Directors of the Company have recommended a dividend of Rs. 1/- (100%) per share for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend recommended is in accordance with section 123 of the Act, as applicable. (Refer Note No 48 Notes to accounts of Standalone Financial Statements)
 - vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

(K. VAMSI KRISHNA)
Partner

ICAI Mem No: 238809
UDIN 24238809BKGZSZ8176

Place : Chennai
Date : May 20, 2024

Annexure A to the Independent Auditor's Report

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i)(a) in respect of the Company's Property, Plant and Equipment, right-of-use assets and Intangible Assets

(A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) the company has maintained proper records showing full particulars of intangible assets;

i)(b) the Property, Plant and Equipment and right-of-use 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, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies have been noticed on such verification;

i)(c) based on our examination of the property tax receipts, lease agreements for land, and registered sale deed/transfer deed/conveyance deed in respect of Free hold lands on which buildings were constructed, provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date, except the following (Refer note No. 2 of Standalone Financial Statements);

| Description of property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period Held | Reason for not being held in the name if company |
|---|----------------------|-----------------|--|-------------------|--|
| Building situated at Flat No.406, 4th floor, Ansol Chamber-2, New Delhi | Rs.1.67 Lakhs | - | No | 1986 to till date | Pending for registration. |
| Land Survey No.1027/3, Extent 25 cents in Macherla | Rs.180/- | - | No | 1958 to till date | Land registered by District civil court, Gurajala mentioning survey no.1026/B2 instead of 1027/3 |

i)(d) the company has not revalued any of its Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year and hence reporting under this clause is not applicable to that extent;

i)(e) no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

- ii)(a) the inventory has been physically verified by the management under a perpetual verification system which is focused on the verification of all high value items during the year and other items over a period of two years. During such verification the discrepancies noticed as compared to book records have been properly dealt with in the books of account. The discrepancies in each class of inventory does not exceed 10% of aggregate of each class of inventory.
- ii)(b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks on the basis of security of current assets and the quarterly returns filed by the company are in agreement with the books of accounts except in one segment, (Refer Note No. 50) varied with books of accounts, with regard to trade receivables and trade payables which are not material;
- iii) during the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)f of the said Order are not applicable for the year under report;
- 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 sections 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 and amounts which are deemed to be deposits. 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 Cost Records maintained by the company at its cement, power and engineering units pursuant to the Rules made by the Central Government 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. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii)(a) according to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the company is generally 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 statutory dues applicable to it; and 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 statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable;
- vii)(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, Provident fund, Employee State Insurance, Value added tax and other statutory dues applicable to it 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 the dues mentioned hereunder

| No | Nature of dues | Name of the statute | Period | Amount in Rs. Cr | Amount paid under protest (Rs. in Cr) | Forum where the dispute is pending |
|----|------------------------------------|-------------------------------|-----------------------|------------------|---------------------------------------|---|
| 1 | Excise duty and related demands | Central Excise Act 1944 | 1996-2017 | 10.93 | 0 | At various Appellate forums |
| 2 | Sales tax and related demands | AP Sales Tax Act 1957 | 1996-2001 and 2011-12 | 47.39 | 0.81 | AP High Court |
| 3 | GST | CGST and Odisha GST Act, 2017 | 2017-18 and 2018-19 | 2.30 | 0.23 | Appeal to be filed before Tribunal after its constitution |
| 4 | GST | CGST and Odisha GST Act, 2017 | 2018-19 | 12.17 | 0 | Writ petition filed before Hon'ble Orissa High Court in the month of May 24 |
| 5 | GST | TNGST and CGST Acts, 2017 | Mar 2019 | 3.96 | 0.06 | Appeal to be filed before Tribunal after its constitution |
| 6 | State Load Despatch Centre charges | AP Electricity Duty Act 1938 | 2010-11 | 0.36 | 0 | Hon'ble High Court of Andhra Pradesh |

- viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable;
- ix)(a) 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 other borrowings or in the payment of interest thereon to any lender during the year under report;
- ix)(b) the company has not been declared wilful defaulter by any bank or financial institution or other lender;
- ix)(c) the Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were taken;
- ix)(d) on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- ix)(e) on an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- ix)(f) the company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture. Hence, the reporting on clause 3(ix)(f) of the Order is not applicable;
- x)(a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable;
- x)(b) during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

- | | |
|--|--|
| <p>xi)(a) no fraud by the company and no material fraud on the company has been noticed or reported during the year;</p> <p>xi)(b) no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;</p> <p>xi)(c) we have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures;</p> <p>xii) the company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable;</p> <p>xiii) in our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards;</p> <p>xiv)(a) in our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business;</p> <p>xiv)(b) we have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;</p> <p>xv) in our opinion during the year the company has not entered into non-cash transactions with directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.</p> <p>xvi)(a) in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.</p> <p>xvi)(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;</p> <p>xvii) the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;</p> | <p>xviii) there has been no resignation of the statutory auditors of the Company during the year;</p> <p>xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p> <p>xx)(a) there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.</p> <p>xx)(b) There are no ongoing projects, and hence no unspent amount required to be transferred to special account in compliance with the provision of sub-section 6 of section 135 of the Companies Act, 2013.</p> |
|--|--|

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

(K. VAMSI KRISHNA)
Partner

ICAI Mem No: 238809
UDIN 24238809BKGZSZ8176

Place : Chennai
Date : 20.05.2024

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 with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **The KCP Limited** ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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

with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March 2024, based on the internal control with reference to Standalone Financial Statements 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 Regn.No.003109S

(K. VAMSI KRISHNA)

Partner

Place : Chennai
Date : May 20, 2024

ICAI Mem No: 238809
UDIN 24238809BKGZSZ8176



Balance Sheet

(Rs in Crores)

| | Particulars | Note No. | As at 31-03-2024 | As at 31-03-2023 |
|--|---|-------------|------------------|------------------|
| I | Assets | | | |
| 1 | <u>Non-current Assets</u> | | | |
| | (a) Property Plant and Equipment | 2 | 775.92 | 814.45 |
| | (b) Capital work-in-progress | 3 | 5.43 | 6.02 |
| | (c) Investment Property | 4 | - | - |
| | (d) Other Intangible Assets | 5 | 4.95 | 4.99 |
| | (e) Financial Assets | | | |
| | (i) Investments | 6 | 27.11 | 27.01 |
| | (ii) Trade Receivables | 7 | 2.95 | 4.34 |
| | (iii) Loans | | - | - |
| | (iv) Others financial assets | 8 | 28.70 | 30.02 |
| | (f) Deferred Tax Assets (Net) | | | |
| | (g) Other Non-current Assets | 9 | 33.30 | 19.21 |
| 2 | <u>Current Assets</u> | | | |
| | (a) Inventories | 10 | 159.58 | 207.31 |
| | (b) Financial Assets | | | |
| | (i) Investments | | - | - |
| | (ii) Trade Receivables | 11 | 68.91 | 75.46 |
| | (iii) Cash and cash equivalents | 12 | 0.55 | 0.35 |
| | (iv) Bank balances other than (iii) above | 12A | 127.85 | 116.46 |
| | (v) Other financial assets | 13 | 46.35 | 34.18 |
| | (c) Current Tax Assets (Net) | 14 | 10.92 | 13.47 |
| | (d) Other Current assets | 15 | 86.65 | 74.25 |
| | Total Assets | | 1,379.16 | 1,427.54 |
| II | Equity & Liabilities | | | |
| | <u>Equity</u> | | | |
| | (a) Equity Share Capital | 16 | 12.89 | 12.89 |
| | (b) Other Equity | 17 | 714.26 | 670.76 |
| | (c) Deferred Government Grant | | 0.22 | 0.24 |
| | <u>Liabilities</u> | | | |
| 1 | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 18 | 83.98 | 130.98 |
| | (ia) Lease Liabilities | | 2.38 | 2.44 |
| | (ii) Trade Payables | 19 | - | - |
| | Due to Micro and Small Enterprises | | - | - |
| | Due to Others | | - | - |
| | (iv) Other financial liabilities | 20 | 19.21 | 20.82 |
| | (b) Provisions | 21 | 15.84 | 14.45 |
| | (c) Deferred Tax Liabilities (Net) | 22 | 87.80 | 81.80 |
| | (d) Other non-current liabilities | | - | - |
| 2 | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 23 | 145.09 | 167.70 |
| | (ia) Lease Liabilities | | 0.06 | 0.05 |
| | (ii) Trade payables | 24 | - | - |
| | Due to Micro and Small Enterprises | | 4.92 | 2.53 |
| | Due to Others | | 65.52 | 95.72 |
| | (iv) Other financial liabilities | 25 | 187.29 | 183.30 |
| | (b) Other current liabilities | 26 | 32.49 | 36.43 |
| | (c) Provisions | 27 | 7.20 | 7.44 |
| | (d) Current tax Liabilities (Net) | | - | - |
| | Total Equity & Liabilities | | 1,379.16 | 1,427.54 |
| The accompanying notes form an integral part of the financial statements | | 1, 37 to 54 | | |

(For and on behalf of the Board)

As per our report annexed

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

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

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

(Rs in Crores, except no. of equity shares, EPS and per equity share data)

| Particulars | Note No | FY 2023-2024 | FY 2022-2023 |
|---|------------|-----------------|-----------------|
| Income | | | |
| Revenue from Operations | 28 | 1,702.40 | 1,672.10 |
| Other Income | 29 | 60.13 | 49.59 |
| Total Income | | 1,762.53 | 1,721.69 |
| Expenses | | | |
| Cost of Raw Materials and Components consumed | 30 | 349.81 | 317.97 |
| [Increase]/Decrease in Inventories of finished goods and Work-in-progress | 31 | (1.67) | 22.40 |
| Employee Benefits expense | 32 | 101.35 | 88.08 |
| Power and fuel | | 610.00 | 693.18 |
| Freight and Forwarding expense | | 356.96 | 342.43 |
| Finance Costs | 33 | 27.06 | 32.55 |
| Depreciation and amortization expense | 33A | 66.76 | 66.27 |
| Other expenses | 34 | 189.93 | 190.02 |
| Total Expenses | | 1,700.21 | 1,752.90 |
| Profit/(Loss) before Exceptional items and Tax | | 62.32 | (31.21) |
| Less : Exceptional Items (Net) | 34A | 0.64 | - |
| Profit/(Loss) before Tax | | 61.68 | (31.21) |
| Less : Tax expenses | 35 | | |
| Short /(Excess) provision of Income Tax of Earlier Years | | (0.73) | (0.13) |
| Current tax (including utilisation of MAT Credit of Rs 1.84 Crores) | | 12.65 | - |
| Reduction in MAT credit entitlement | | - | 4.57 |
| Deferred tax | | 4.75 | (10.11) |
| Total Tax Expense | | 16.67 | (5.67) |
| Profit/(Loss) for the year from continuing operations - after tax (A) | | 45.01 | (25.54) |
| 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) | | 45.01 | (25.54) |
| Other Comprehensive Income- OCI | | | |
| a) Items that will not be reclassified to P&L | 36 | (0.40) | (2.35) |
| b) Items that will be reclassified subsequently to Profit or loss | | - | - |
| c) Impact of income tax on above (a) and (b) | | 0.17 | 0.82 |
| Total Other Comprehensive Income- OCI | | (0.23) | (1.53) |
| Total Comprehensive Income for the period (Comprising P&L + OCI) | | 44.79 | (27.07) |
| Earnings per share (for Continuing Operations) Basic and diluted | 46 | 3.49 | (1.98) |
| Earnings per share (for Discontinued Operations) Basic and diluted | | - | - |
| Total Earnings per share (Face value of share is Rs. 1) Basic and diluted Rs per share | | 3.49 | (1.98) |
| (Face value of share is Rs.1) | | | |
| Computed on the basis of total profit for the year | | | |
| The accompanying notes form an integral part of the Standalone financial statements | 1,37 to 54 | | |

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

As per our report annexed

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

K VAMSJI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Statement of Changes in Equity for the year ended March 31, 2024
(Rs in Crores, except equity share)
A Equity share capital

| Particulars | Amount (Rs.Crores) |
|---|--------------------|
| Balance as at 1st April, 2022 | 12.89 |
| Changes in equity share capital due to prior period errors during 202-23 | - |
| Restated Balance at the beginning of the current period | 12.89 |
| Changes in equity share capital during 2022-2023 | - |
| Balance as at 31st March, 2023 | 12.89 |
| Changes in equity share capital due to prior period errors during 2023-2024 | - |
| Restated Balance at the beginning of the current period | 12.89 |
| Changes in equity share capital during 2023-2024 | - |
| Balance as at 31st March, 2024 | 12.89 |

B Other Equity

| Particulars | 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 reporting period - 01-04-2022 | 20.00 | 2.80 | 1.04 | 267.64 | 426.73 | (0.02) | (7.46) | 710.72 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated Balance at the beginning of the previous reporting period | - | - | - | - | - | - | - | - |
| Profit for the period | - | - | - | - | (25.54) | - | - | (25.54) |
| Other Comprehensive Income | - | - | - | - | - | (0.00) | (1.53) | (1.53) |
| Total Comprehensive Income for the year | - | - | - | - | (25.54) | (0.00) | (1.53) | (27.07) |
| Transfer from/to General Reserve | - | - | - | - | - | - | - | - |
| Adjustments for lease rentals under Ind AS 116. | - | - | - | - | - | - | - | - |
| Final Dividends | - | - | - | - | (12.89) | - | - | (12.89) |
| Interim Dividend | - | - | - | - | - | - | - | - |
| Dividend Distribution tax | - | - | - | - | - | - | - | - |
| Balance at the end of reporting period - 31-03-2023 | 20.00 | 2.80 | 1.04 | 267.64 | 388.30 | (0.02) | (8.99) | 670.76 |

(Rs. in Crores)

| Particulars | 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 |
|---|----------------------------|-----------------------------------|---------------------------------|------------------------------------|-------------------|---|---------------------------------|--------|
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated Balance at the beginning of the current reporting period | - | - | - | - | - | - | - | - |
| Profit for the period | - | - | - | - | 45.01 | - | - | 45.01 |
| Other Comprehensive Income | - | - | - | - | - | 0.09 | (0.32) | (0.23) |
| Total Comprehensive Income for the year | - | - | - | - | 45.01 | 0.09 | (0.32) | 44.79 |
| Transfer from/to General Reserve | - | - | - | - | - | - | - | - |
| Adjustments for lease rentals under Ind AS 116. | - | - | - | - | - | - | - | - |
| Final Dividends | - | - | - | - | (1.29) | - | - | (1.29) |
| Dividend Distribution tax | - | - | - | - | - | - | - | - |
| Balance at the end of reporting period - 31-03-2024 | 20.00 | 2.80 | 1.04 | 267.64 | 432.02 | 0.07 | (9.31) | 714.26 |

The accompanying notes form an integral part of the Standalone financial statements 1, 37 to 54

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

Place: Chennai

Date : May 20, 2024

As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809



Cash Flow Statement

(Rs in Crores)

| Particulars | Note No. | FY 2023-2024 | FY 2022-2023 |
|---|-------------|----------------|----------------|
| (A) Cash Flow from Operating Activities | | | |
| Profit before tax from continuing operations | | 62.32 | (31.21) |
| Add : Exceptional Items (Net) | | (0.64) | |
| Profit before Tax | | 61.68 | (31.21) |
| Adjustments for | | | |
| Depreciation on tangible fixed assets | 2&4 | 66.42 | 65.80 |
| Amortization on intangible fixed assets | 5 | 0.35 | 0.47 |
| Loss/[profit] on sale of fixed assets | 29 | (0.54) | (0.80) |
| Assets written off | | 1.17 | 0.95 |
| Expected Credit loss | | 0.01 | 0.07 |
| Discounting of trade receivables | | (0.16) | (0.06) |
| Amortisation of government grant | | (0.02) | (0.02) |
| Unrealised foreign exchange loss/ (gain) | | (0.27) | (1.14) |
| Actuarial gain on defined benefit plan-gratuity | | (0.36) | (1.02) |
| Actuarial loss on defined benefit plan-leave | | (0.14) | (1.32) |
| Interest expense | 33 | 27.06 | 32.55 |
| Interest income | | (12.48) | (12.26) |
| Dividend income | 29 | (44.41) | (33.28) |
| Operating profit before Working Capital Changes | | 98.32 | 18.73 |
| Movements in Working Capital: | | | |
| Adjustments for Increase / (Decrease) in operating liabilities : | | | |
| Increase/[decrease] in trade payables | | (27.81) | 11.96 |
| Increase/[decrease] in non current- other financial liabilities | | (1.60) | 5.73 |
| Increase/[decrease] in long term provisions | | 1.39 | 0.69 |
| Increase/[decrease] in current- other financial liabilities | | 4.48 | (16.09) |
| Increase/[decrease] in other current liabilities | | (3.94) | 2.64 |
| Increase/[decrease] in current provisions | | (0.24) | (0.20) |
| Adjustments for Decrease / (Increase) in operating assets : | | | |
| Decrease/[increase] in non current trade receivables | | 1.55 | (2.13) |
| Decrease/[increase] in non current other financial assets | | 1.32 | 7.66 |
| Decrease/[increase] in other non-current assets | | (14.09) | (7.93) |
| Decrease/[increase] in inventories | | 47.73 | (25.02) |
| Decrease/[increase] in current trade receivables | | 6.54 | (8.32) |
| Decrease/[increase] in other bank deposits | | (11.86) | 83.60 |
| Decrease/[increase] in current other financial assets | | (11.65) | 0.10 |
| Decrease/[increase] in other current assets | | (12.39) | 25.70 |
| Cash generated from/[used in] Operations | | 77.76 | 97.12 |
| Direct taxes paid [net of refunds] | | (7.94) | (5.37) |
| Net Cash Flow from/[used in] Operating Activities (A) | | 69.82 | 91.75 |
| (B) Cash Flows from Investing Activities | | | |
| Purchase of Fixed assets, including intangible assets, CWIP | 2, 3, 4 & 5 | (28.86) | (24.97) |
| Proceeds from sale of fixed assets | | 0.64 | 0.94 |
| Purchase of non-current investments | | 0.00 | 1.92 |
| Interest received | | 11.96 | 11.81 |
| Dividends received | | 44.67 | 1.53 |
| Net Cash Flow from/[used in] Investing Activities (B) | | 28.42 | (8.77) |
| C. Cash Flows from Financing Activities | | | |
| Proceeds/ (Repayment) from long term Borrowings (net) | | (46.99) | (47.92) |
| Proceeds/ (Repayment) of short term borrowings | | (22.61) | 10.28 |
| Principal repayment of lease liabilities | | (0.27) | (0.06) |
| Interest repayment of lease liabilities | | (0.05) | (0.28) |
| Interest paid | | (27.29) | (34.02) |
| Dividends paid | | (0.83) | (12.73) |
| Net Cash Flow from/[used in] in Financing Activities [C] | | (98.03) | (84.72) |
| Net increase/[decrease] in Cash & Cash Equivalents (A+B+C) | | 0.20 | (1.75) |
| Cash and Cash equivalents at the beginning of the year | | 0.35 | 2.10 |
| Cash and Cash equivalents at the end of the year | | 0.55 | 0.35 |
| Components of Cash & Cash Equivalents | | | |
| Cash on hand | | 0.09 | 0.07 |
| Cheques/drafts on hand | | - | - |
| Balance in current account | | 0.46 | 0.28 |
| On deposit account (< 3 months) | | - | - |
| Total Cash & Cash Equivalents | | 0.55 | 0.35 |
| The accompanying notes form an integral part of the Standalone financial statements | 1,37 to 54 | | |

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
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As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Standalone

Notes on Financial Statements (Standalone) as at 31st March, 2024

1. Company overview and material 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.

These financial statements for the year ended March 31, 2024 are presented in Indian rupees (INR) and rounded to nearest lakhs, were approved and authorized by the board of directors for issue on May 20, 2024, subject to the approval of shareholders in the ensuing Annual General Meeting.

1.2 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with the Indian accounting standards (“IND AS”), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as per the provision of The Companies Act 2013 (“the act”) and the guidelines of 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 (India Accounting standards) Rule 2015 and relevant amendments rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to existing accounting standard requires a change in the accounting policy hitherto in use.

The company assets and liabilities have been classified as current or non-current as per the company’s operating cycle and other criteria set out below.

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company’s normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company’s normal operating cycle is twelve months.

1.3 Use of Estimates, Judgements and Assumptions

The preparation of financial statements, in conformity with the IND AS, 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.
- Measurement of Lease liabilities and Right of Use Asset

1.4 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended March 31, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.5. Material Accounting Policies

I. Revenue Recognition

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

The company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects consideration which the entity expects to receive in exchange for those goods or services excluding the amount collected on behalf of the third parties.

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 income:- Dividend is recognized in statement of profit or loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the company and the amount of dividend can be reliably measured.
- Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

II. 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 borrowing 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.

III. Government Grants

Grants from government are recognized when there is a reasonable assurance that grant will be received, and the company will comply with all stipulated conditions.

Grants relating to revenue items will be presented separately as ‘Other income’ in statement of profit or loss or deducted in reporting the related expense.

Grants relating to assets are treated as deferred income under non-current liabilities and credited to statement of profit or loss on straight-line basis over the expected useful life of the related assets under other income.

IV. 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:-

a) Defined contribution plans: These benefits include Pension, superannuation and Employee State Insurance (ESI).

Entity contributes at statutorily prescribed minimum rates, monthly to Provident fund and ESI. Yearly contribution is paid to Life insurance corporation towards superannuation and pension. Monthly contributions are made in the case of Provident Fund and ESI. Thus, PF, Superannuation, ESI benefits are defined contribution plans. These contributions are recognized in statement of profit and loss by way of charge against income.

b) Defined benefits plans- Leave Absences and 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 other is 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, return on plan assets excluding interest and effect of change in assets ceiling. Service cost is recognized in statement of profit or loss while remeasurements are in other comprehensive income.

c) Defined benefits plans- Covid Death

Family of the employees who have died due to Covid are provided with monthly pension till the deemed superannuation date of the deceased employee, by subscribing to the customized insurance policy through lumpsum payment to the insurer.

The Plan assets created by the insurer are remeasured at the end of accounting period for recognition of gain or loss through FVTPL.

V. Property, Plant and Equipment

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 is 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 Property, Plant & Equipment and the use of which is irregular, are capitalized at cost.
- h) Non current assets held for sale:- Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-current assets and disposal group that cease to be classified as “Held for sale” shall be measured at the lower of carrying amount before the non-current assets and disposal group was classified as “Held for sale” and the recoverable amount at the date of subsequent decision not to sell.
- 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) Developmental stripping cost: - Developmental stripping cost incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as a part of mining assets.

VI. Mine closure, site restoration and decommissioning obligations:

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The company recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier.

The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting, etc.

The estimate of expenses are escalated for inflation, and then discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The company records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds creating an expense recognised as financial expenses.

Subsequent adjustments to the obligation for changes in the estimated cashflows/disbursement period/ discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

VII. Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and useful lives are reviewed at the end of financial year.

VIII. 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.

IX. 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 30-06-1988, under the written down value method; and
- In respect of assets acquired on or after 01-07-1988, 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, is assessed based on technical estimate which is different from the life given under the Schedule-II to The Companies Act, 2013, as given below.

| No | Description of the Asset | Estimated useful lives |
|----|---|------------------------|
| 1 | Transformers | 30 Years |
| 2 | Economisers in Boilers in CPP; Turbine, 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 preheater in Waste heat recovery plant; Evaporators in CPP | 5 Years |
| 5 | Moulds in Heavy Engineering Unit | 3 Years |

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceeds their recoverable amount.

Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization

or depreciation) had no impairment loss been recognised in previous years.

X. Financial Instrument

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 recognized 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.

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 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. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

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.

Impairment: -

The company recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade

receivables and unbilled revenue with no significant finance component is measured at an amount equal to life time ECL using provision matrix as shown below. This estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

De-recognition of financial instrument: -

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 transfers 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.

XI. 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.

XII. 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.

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.

XIII. Foreign Currency

Functional currency: The functional currency of the company is Indian Rupee.

Transactions and translations: Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction.

- 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.

XIV. Investment in Subsidiaries and Joint Venture

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.

XV. Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

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 realized, or the deferred income tax liability is settled.

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.

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.

XVI. Earnings Per Share (EPS)

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

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.

XVII. 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. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. 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:

Contingent liability is recognised when it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Onerous contracts:

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Company estimates and provides provision at the lower of the following for onerous contracts.

- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfil it i.e. Cost of terminating the contract.

Contingent assets:

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. A contingent asset is disclosed when the inflow of economic benefit is probable.

XVIII. Leases

The Company's lease asset consists of lease for Land, buildings and vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

XIX. Segment Reporting

The company publishes this financial statement along with the consolidated financial statements. In accordance with IND AS 108, Operating segments, the company has disclosed the segment information in the consolidated financial statements.

XX. Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2024 are as follows

(Rs in Crores)

| Note. 2A TANGIBLE ASSETS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|---|-----------------------|---------------------------|----------------------------|-----------------------|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 01-04-2023 | Additions During the Year | Deductions During the Year | Cost Up to 31-03-2024 | Total Depreciation upto 31-03-2023 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 |
| 1 (i) Lands | 46.77 | - | 0.00 | 46.77 | - | - | - | - | 46.77 | 46.77 |
| (ii) Lease Hold Lands | - | 3.92 | - | 3.92 | - | 0.13 | - | 0.13 | 3.79 | - |
| 2 (i) Buildings | 168.05 | 3.38 | 0.60 | 170.84 | 34.59 | 4.80 | 0.11 | 39.29 | 131.55 | 133.46 |
| (ii) Lease Hold Buildings | 0.09 | - | - | 0.09 | 0.02 | 0.00 | - | 0.02 | 0.07 | 0.07 |
| 3 Roads | 3.63 | 0.52 | - | 4.16 | 2.02 | 0.43 | - | 2.46 | 1.70 | 1.61 |
| 4 Plant & Machinery | 912.75 | 14.40 | 2.62 | 924.53 | 319.65 | 52.70 | 1.68 | 370.67 | 553.86 | 593.10 |
| 5 Furniture, Fixtures | 19.95 | 0.23 | 0.00 | 20.18 | 15.80 | 1.81 | 0.00 | 17.61 | 2.56 | 4.15 |
| 6 Motor Vehicles | 12.46 | 1.63 | 0.62 | 13.47 | 7.02 | 1.07 | 0.56 | 7.53 | 5.94 | 5.45 |
| 7 Railway Siding, Locomotives, Rolling Stocks | 0.33 | - | - | 0.33 | 0.20 | 0.02 | - | 0.21 | 0.11 | 0.13 |
| 8 Ropeway Structures | 2.92 | 1.54 | 2.50 | 1.97 | 2.36 | 0.76 | 2.29 | 0.83 | 1.13 | 0.56 |
| 9 Office Equipment | 2.10 | 0.05 | 0.00 | 2.15 | 1.32 | 0.17 | 0.00 | 1.49 | 0.66 | 0.78 |
| 10 Computer & Data Processing Units | 4.54 | 0.29 | 0.05 | 4.79 | 3.34 | 0.39 | 0.05 | 3.68 | 1.11 | 1.20 |
| 11 Laboratory Equipment | 0.43 | 0.03 | - | 0.46 | 0.30 | 0.04 | - | 0.34 | 0.11 | 0.13 |
| 12 Electrical Installation & Equipment | 28.21 | 1.00 | 0.06 | 29.14 | 19.36 | 2.15 | 0.05 | 21.47 | 7.67 | 8.84 |
| 13 Hydraulic Works, Pipelines & Sluices | 0.91 | - | - | 0.91 | 0.41 | 0.06 | - | 0.47 | 0.44 | 0.50 |
| 14 Leased Lands (Decommissioning) | 19.50 | 2.61 | - | 22.11 | 3.94 | 1.77 | - | 5.71 | 16.40 | 15.56 |
| Total as at 31st March 2024 | 1,222.64 | 29.62 | 6.46 | 1,245.80 | 410.34 | 66.31 | 4.73 | 471.92 | 773.88 | 812.30 |
| Total as at 31st March 2023 | 1,203.29 | 22.89 | 3.53 | 1,222.64 | 347.11 | 65.67 | 2.44 | 410.34 | 812.30 | 856.17 |

| Note. 2B Leased Assets - Right of use | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--|--|---------------------------|----------------------------|-----------------------|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Addition on account of Transition to IndAS 116 - 1st April, 2023 | Additions during the year | Deductions during the year | Cost up to 31-03-2024 | Total depreciation upto 31-03-2023 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 |
| 1 Lands | 1.58 | - | - | 1.58 | 0.06 | 0.03 | - | 0.09 | 1.49 | 1.52 |
| 2 Buildings | 2.16 | - | - | 2.16 | 1.53 | 0.08 | - | 1.61 | 0.55 | 0.63 |
| Total as at 31st March 2024 | 3.74 | - | - | 3.74 | 1.59 | 0.11 | - | 1.70 | 2.04 | 2.15 |
| Total as at 31st March 2023 | 4.34 | 0.02 | 0.62 | 3.74 | 2.08 | 0.13 | 0.61 | 1.59 | 2.15 | 2.27 |
| Total (2A+2B) as at 31st March 2024 | 1,226.38 | 29.62 | 6.46 | 1,249.54 | 411.93 | 66.42 | 4.73 | 473.62 | 775.92 | 814.45 |
| Total (2A+2B) as at 31st March 2023 | 1,207.63 | 22.91 | 4.15 | 1,226.38 | 349.19 | 65.80 | 3.05 | 411.93 | 814.45 | 858.44 |

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2024 are as follows (Rs in Crores)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | |
|--|-----------------------|---------------------------|----------------------------|-----------------------|------------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 01-04-2023 | Additions during the year | Deductions during the year | Cost up to 31-03-2024 | Total depreciation upto 31-03-2023 | Depreciation on Deductions | Total depreciation upto 31-03-2024 | As at 31-03-2024 | As at 31-03-2023 |
| 1 Computer Software | 7.95 | 0.30 | - | 8.25 | 2.95 | - | 3.30 | 4.95 | 4.99 |
| Total as at 31st March 2024 | 7.95 | 0.30 | - | 8.25 | 2.95 | - | 3.30 | 4.95 | 4.99 |
| Total as at 31st March 2023 | 7.87 | 0.08 | - | 7.95 | 2.48 | - | 2.95 | 4.99 | 5.38 |
| Grand Total as at 31st March 2024 | 1,234.33 | 29.92 | 6.46 | 1,257.79 | 414.88 | 4.73 | 476.92 | 780.87 | 819.45 |
| Grand Total as at 31st March 2023 | 1,215.50 | 22.99 | 4.15 | 1,234.33 | 351.67 | 3.05 | 414.88 | 819.45 | 863.82 |

1. Property of value Rs. 0.0167 crores situated at flat no. 406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in possession of the company and paying municipal taxes since beginning.

2. One parcel of Land value of Rs. 180/- to the extent of 25 cents was registered by District Civil Court Gurajala. mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

Note : 2 The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2023 are as follows

(Rs in Crores)

| Note. 2 Tangible Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|-----------------------|---------------------------|----------------------------|-----------------------|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 01-04-2022 | Additions during the Year | Deductions during the year | Cost up to 31-03-2023 | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| 1 Lands | 46.77 | - | - | 46.77 | - | - | - | - | 46.77 | 46.77 |
| 2 (I) Buildings | 167.45 | 0.60 | 0.00 | 168.05 | 29.64 | 4.95 | 0.00 | 34.59 | 133.46 | 137.81 |
| (II) Lease Hold Buildings | 0.09 | - | - | 0.09 | 0.01 | 0.00 | - | 0.02 | 0.07 | 0.07 |
| 3 Roads | 3.02 | 0.61 | - | 3.63 | 1.71 | 0.31 | - | 2.02 | 1.61 | 1.31 |
| 4 Plant & Machinery | 901.02 | 13.19 | 1.46 | 912.75 | 267.49 | 52.70 | 0.53 | 319.65 | 593.10 | 633.53 |
| 5 Furniture, Fixtures | 19.99 | 0.08 | 0.12 | 19.95 | 13.98 | 1.94 | 0.11 | 15.80 | 4.15 | 6.01 |
| 6 Motor Vehicles | 11.55 | 2.65 | 1.74 | 12.46 | 7.60 | 1.02 | 1.60 | 7.02 | 5.45 | 3.95 |
| 7 Railway Siding, Locomotives, Rolling Stocks | 0.33 | - | - | 0.33 | 0.18 | 0.02 | - | 0.20 | 0.13 | 0.15 |
| 8 Ropeway Structures | 2.93 | - | 0.00 | 2.92 | 1.81 | 0.55 | 0.00 | 2.36 | 0.56 | 1.11 |
| 9 Office Equipment | 1.54 | 0.57 | 0.02 | 2.10 | 1.17 | 0.17 | 0.02 | 1.32 | 0.78 | 0.37 |
| 10 Computer & Data Processing Units | 3.98 | 0.60 | 0.03 | 4.54 | 3.05 | 0.32 | 0.03 | 3.34 | 1.20 | 0.93 |
| 11 Laboratory Equipment | 0.42 | 0.02 | 0.01 | 0.43 | 0.29 | 0.02 | 0.01 | 0.30 | 0.13 | 0.12 |
| 12 Electrical Installation & Equipment | 28.08 | 0.27 | 0.14 | 28.21 | 17.36 | 2.13 | 0.13 | 19.36 | 8.84 | 10.72 |
| 13 Hydraulic Works, Pipelines & Sluices | 0.91 | - | - | 0.91 | 0.35 | 0.06 | - | 0.41 | 0.50 | 0.57 |
| 14 Leased Lands (Decommissioning) | 15.21 | 4.28 | - | 19.50 | 2.46 | 1.48 | - | 3.94 | 15.56 | 12.75 |
| Total as at 31st March 2023 | 1,203.29 | 22.89 | 3.53 | 1,222.64 | 347.11 | 65.67 | 2.44 | 410.34 | 812.30 | 856.17 |
| Total as at 31st March 2022 | 1,163.26 | 41.70 | 1.68 | 1,203.29 | 283.28 | 64.42 | 0.58 | 347.11 | 856.17 | 879.98 |
| Note.2B Leased Assets - Right of use* | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
| | Cost as on 01-04-2022 | Additions during the year | Deductions during the year | Cost up to 31-03-2023 | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| 1 Lands | 1.58 | - | - | 1.58 | 0.04 | 0.03 | - | 0.06 | 1.52 | 1.54 |
| 2 Buildings | 2.51 | 0.02 | 0.37 | 2.16 | 1.79 | 0.10 | 0.36 | 1.53 | 0.63 | 0.72 |
| 3 Vehicles | 0.25 | - | 0.25 | - | 0.25 | - | 0.25 | - | - | - |
| Total as at 31st March 2023 | 4.34 | 0.02 | 0.62 | 3.74 | 2.08 | 0.13 | 0.61 | 1.59 | 2.15 | 2.27 |
| Total as at 31st March 2022 | 4.36 | - | 0.01 | 4.34 | 1.79 | 0.29 | - | 2.08 | 2.27 | 2.57 |
| Total (2A+2B) as at 31st March 2023 | 1,207.63 | 22.91 | 4.15 | 1,226.38 | 349.19 | 65.80 | 3.05 | 411.93 | 814.45 | 858.44 |
| Total (2A+2B) as at 31st March 2022 | 1,167.62 | 41.70 | 1.69 | 1,207.63 | 285.07 | 64.71 | 0.58 | 349.19 | 856.44 | 882.45 |

Note : 4 The changes in the carrying values of Investment Property for the year ended March 31, 2023 are as follows

(Rs in Crores)

| Note 2c Assets held for sale | GROSSBLOCK | | | | DEPRECIATION | | | | NETBLOCK | |
|--|--------------------------|---------------------------------|----------------------------------|--------------------------|---|------------------------------------|-------------------------------|--|---------------------|---------------------|
| | Cost as on 01-04-2022 | Additions during the year | Deductions during the year | Cost up to 31-03-2023 | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| 1 Lands | - | - | - | - | - | - | - | - | - | - |
| Total as at 31st March 2023 | - | - | - | - | - | - | - | - | - | - |
| Total as at 31st March 2022 | 0.47 | - | 0.47 | - | - | - | - | - | - | 0.47 |

Note : 5 The changes in the carrying values of Intangible Assets for the year ended March 31, 2023 are as follows

| Particulars | GROSSBLOCK | | | | DEPRECIATION | | | | NETBLOCK | |
|--|--------------------------|---------------------------------|----------------------------------|--------------------------|---|------------------------------------|-------------------------------|--|---------------------|---------------------|
| | Cost as on 01-04-2022 | Additions during the year | Deductions during the year | Cost up to 31-03-2023 | Total Depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total Depreciation Upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| 1 Computer Software | 7.87 | 0.08 | - | 7.95 | 2.48 | 0.47 | - | 2.95 | 4.99 | 5.38 |
| Total as at 31st March 2023 | 7.87 | 0.08 | - | 7.95 | 2.48 | 0.47 | - | 2.95 | 4.99 | 5.38 |
| Total as at 31st March 2022 | 7.51 | 0.36 | - | 7.87 | 2.00 | 0.48 | - | 2.48 | 5.38 | 5.51 |
| Grand Total as at 31st March 2023 | 1,215.50 | 22.99 | 4.15 | 1,234.33 | 351.67 | 66.27 | 3.05 | 414.88 | 819.45 | 863.83 |
| Grand Total as at 31st March 2022 | 1,175.14 | 42.06 | 1.70 | 1,215.50 | 287.07 | 65.19 | 0.58 | 351.67 | 863.82 | 888.07 |

* Depreciation capitalized during the year is Nil. (Depreciation capitalized during the previous year : Rs 0.02 crores)

** Company's Land located at Gujarat which has been classified as "Asset Held for Sale" under Non-Current Asset, as on 31/03/2022 has been disposed off during the current year.

Additional Regulatory Information:

1. Property of value Rs 0.0167 Crores situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.
2. One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurejala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

(Rs in Crores)

| Note. 3 Capital Work-in-Progress | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| 1. Building Under Construction | | |
| Opening Balance | 0.92 | 0.58 |
| Additions during the year | 2.88 | 0.94 |
| Less : Capitalisation during the year | (3.10) | (0.60) |
| Closing Balance | 0.70 | 0.92 |
| 2. Plant & Machinery Under Installation | | |
| Opening Balance | 5.10 | 3.65 |
| Additions during the year | 6.46 | 9.85 |
| Less : Capitalisation during the year | (6.83) | (8.40) |
| Closing Balance | 4.73 | 5.10 |
| Total | 5.43 | 6.02 |

CWIP Ageing Schedule for the Year 2023-2024

| Particulars | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|------------------|-----------------|-------------------|-------------|
| | Less than 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Projects in Progress | 4.79 | 0.62 | 0.01 | 0.00 | 5.43 |
| (ii) Projects temporarily Suspended | - | - | - | - | - |
| Total | 4.79 | 0.62 | 0.01 | 0.00 | 5.43 |

CWIP Ageing Schedule for the Year 2022-2023

| Particulars | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|------------------|-----------------|-------------------|-------------|
| | Less than 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Projects in Progress | 4.48 | 0.92 | 0.62 | 0.00 | 6.02 |
| (ii) Projects temporarily Suspended | - | - | - | - | - |
| Total | 4.48 | 0.92 | 0.62 | 0.00 | 6.02 |

| Note 6. Non Current Financial Assets - Investments: | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Unquoted Equity instruments | | |
| Investment in Subsidiary: | | |
| 2,03,23,332 (31 March 2023: 2,03,23,332) Equity shares of US \$ 1/- each fully paid up in K.C.P.Vietnam Industries Ltd. Vietnam. | 23.71 | 23.71 |
| Investment in Joint Venture: | | |
| 4,00,000 (31 March 2023: 4,00,000) equity shares of Rs.10/- each fully paid up in Fivescail KCP Ltd. | 0.40 | 0.40 |
| Common Stock (unquoted): | | |
| 1640 (31 March 2023: 1640) Non-Voting common stock of BGE Global Inc. par value \$0.01 per share | 0.77 | 0.77 |

| Note 6. Non Current Financial Assets - Investments: | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Preference Shares (unquoted): | | |
| 375 (31 March 2023: 375) Non-Voting preferred stock of BGE Global Inc. par value \$0.01 per share. | 1.92 | 1.92 |
| Sub Total | 26.81 | 26.81 |
| Investment in equity instruments(quoted): | | |
| 100 (31st March 2023: 100) equity shares of Rs.10/- each fully paid up in IFCI Ltd. | 0.00 | 0.00 |
| 14,240 (31st March 2023: 14,240) equity shares of Rs.10/- each fully paid up in IDBI Bank | 0.12 | 0.06 |
| Equity instruments (unquoted): | | |
| 30 (31st March 2023: 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/-) | 0.00 | 0.00 |
| 1,00,000 (31st March 2023: 1,00,000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Ltd. (Written off to the extent of Rs. 9,99,999/-) | 0.00 | 0.00 |
| (The Shares are not traded in the Stock Exchange though listed). | | |
| Other Investments - Unit Trust of India - Quoted: | | |
| 44,703.884 (31st March 2023 : 44,703.884) UTI Balanced Fund Units of Rs.10/- each | 0.18 | 0.14 |
| | 0.30 | 0.20 |
| Total | 27.11 | 27.01 |

| | | |
|--|-------|-------|
| Aggregate amount of quoted Investments - Market Value | 0.30 | 0.20 |
| Aggregate amount of quoted Investments - Book Value | 0.30 | 0.20 |
| Aggregate amount of unquoted Investments | 26.81 | 26.81 |
| Aggregate amount of impairment in value of Investments | - | - |

| Note. 6.1 Category wise Investment- as per IND AS 107 classification | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| 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 | 27.11 | 27.01 |
| Total | 27.11 | 27.01 |

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 XIV of note 1.5 forming part of the Accounts.

Note 6.2 Details of Subsidiary and Joint venture

(Rs in Crores)

| Name of the Company, Principal Activity & Place of domicile | Proportion of ownership interest / voting rights | |
|---|--|------------------|
| | As at 31-03-2024 | As at 31-03-2023 |
| 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 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Secured considered good | - | - |
| Unsecured considered good | 2.95 | 4.34 |
| Receivables having Significant increase in credit risk | 0.42 | 0.58 |
| | 3.37 | 4.92 |
| Less: Provision for Doubtful Receivables | 0.42 | 0.58 |
| Total | 2.95 | 4.34 |

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The provision matrix is as follows:

| Credit Risk | Default Rate (%) |
|----------------------------|------------------|
| Current | Nil |
| 1-60 days past due | 0.25 |
| 60-90 days past due | 0.50 |
| More than 90 days past due | 1.00 |

(Rs in Crores)

Non Current Trade Receivables for the year 2023-2024

| Particulars | Outstanding for following periods from due date payment | | | | | | Total |
|--|---|--------------------|------------------|------------------|------------------|-------------------|-------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3 Years | More than 3 Years | |
| (i) Undisputed trade receivables-Considered Good | 2.95 | - | - | - | - | - | 2.95 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | 0.42 | - | - | - | - | - | 0.42 |
| (iii) Undisputed trade receivables-credit impaired | | | | | | | |
| (iv) Disputed trade receivables-Considered Good | | | | | | | |
| (v) Disputed trade receivables-which have significant increase in credit risk | | | | | | | |
| (vi) Disputed trade receivables-credit impaired | | | | | | | |
| Total | 3.37 | | | | | | 3.37 |
| Less: Provision for doubtful debts | | | | | | | |
| Less: Provision for expected credit loss | | | | | | | 0.42 |
| Total | | | | | | | 2.95 |

Non Current Trade Receivables for the year 2022-2023

| Particulars | Outstanding for following periods from due date payment | | | | | | Total |
|--|---|--------------------|------------------|------------------|------------------|-------------------|-------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3 Years | More than 3 Years | |
| (i) Undisputed trade receivables-Considered Good | 4.34 | - | - | - | - | - | 4.34 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | 0.58 | - | - | - | - | - | 0.58 |
| (iii) Undisputed trade receivables-credit impaired | | | | | | | |
| (iv) Disputed trade receivables-Considered Good | | | | | | | |
| (v) Disputed trade receivables-which have significant increase in credit risk | | | | | | | |
| (vi) Disputed trade receivables-credit impaired | | | | | | | |
| Total | 4.92 | | | | | | 4.92 |
| Less: Provision for doubtful debts | | | | | | | |
| Less: Provision for expected credit loss | | | | | | | 0.58 |
| Total | | | | | | | 4.34 |

(Rs in Crores)

| Note. 8 Non current- Other Financial Assets | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Earnest money deposit | 0.15 | 0.06 |
| Bank deposits with maturity more than 12 months | 28.56 | 29.97 |
| Total | 28.70 | 30.02 |

| Note.9 Non current- Other asset | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Capital Advances | 2.64 | 0.36 |
| Sub-total | 2.64 | 0.36 |
| Advances other than Capital Advances | | |
| Security Deposits | 4.16 | 3.28 |
| Sub-total | 4.16 | 3.28 |
| Others | | |
| Prepaid expenses | 1.49 | 0.18 |
| Deposits/ Advances with Government Authorities | 25.00 | 15.39 |
| Others | 0.00 | 0.00 |
| Sub-total | 26.50 | 15.57 |
| Total | 33.30 | 19.21 |

| Note.10 Inventories | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Raw materials and components at Cost (includes those in transit Rs.0.44 Crores) (As on 31-03-2023-Rs 2.03 Crores) | 12.84 | 17.04 |
| Coal At Cost (includes those in transit Rs.1.74 Crores) (As on 31-03-2023-Rs. 0.24 Crores) | 29.97 | 78.06 |
| Work-in-progress | | |
| : At Cost | 48.89 | 55.97 |
| : At Estimated Realisable Value | 14.23 | 9.91 |
| Finished goods | - | - |
| : At Cost (includes in transit Rs. 0.70 Crores) (As on 31-03-2023 - Rs. 0.80 Crores) | 5.50 | 6.78 |
| : At Estimated Realisable Value | 5.72 | - |
| Stores spares at Cost (includes in transit Rs. 0.22 Crores) (As on 31-03-2023 Rs 0.35 Crores) | 42.43 | 39.55 |
| Total | 159.58 | 207.31 |

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs. 428.16 Crores for year ended 31-03-2024 (Rs. 427.75 Crores for the year ended 31-03-2023).

The Amount of Write down of inventories to Net Realisable Value recognised as an expense was Rs.3.71 Crores (Rs 4.42 Crores for the year ended 31-03-2023). The mode of valuation of Inventories has been stated in accounting policy XI of Note1.5 forming part of the Accounts.

The amount of goods in transit is Rs. 3.10 Crores (Rs. 3.42 Crores for previous year)

| Note.11 Current- Trade receivables | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Secured considered good | 15.62 | 50.82 |
| Unsecured considered good | 32.90 | 13.79 |
| Contract Assets | 20.53 | 11.07 |
| Less: Provision for doubtful debts | 0.07 | 0.05 |
| Less: Provision for expected credit loss | 0.07 | 0.16 |
| Total | 68.91 | 75.46 |

Current Trade Receivables for the year 2023-2024

| Particulars | Outstanding for following periods from due date payment | | | | | | |
|---|---|--------------------|-----------------|------------------|-----------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months-1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Undisputed trade receivables- Considered Good | 11.13 | 21.67 | 11.41 | 0.97 | 1.01 | 1.93 | 48.14 |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | 0.14 | 0.14 |
| (iii) Undisputed trade receivables- credit impaired | | | | | | - | - |
| (iv) Disputed trade receivables- Considered Good | - | - | - | - | 0.01 | 0.24 | 0.24 |
| (v) Disputed trade receivables- which have significant increase in credit risk | | | | | | - | - |
| (vi) Disputed trade receivables- credit impaired | | | | | | - | - |
| Total | 11.13 | 21.67 | 11.41 | 0.97 | 1.02 | 2.31 | 48.52 |
| Add: To be billed | | | | | | | 20.53 |
| Less: Provision for doubtful debts | | | | | | | 0.07 |
| Less: Provision for expected credit loss | | | | | | | 0.07 |
| Total | | | | | | | 68.91 |

Current Trade Receivables for the year 2022-2023

(Rs in Crores)

| Particulars | Outstanding for following periods from due date payment | | | | | | |
|---|---|--------------------|------------------|------------------|-----------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Undisputed trade receivables- Considered Good | 26.25 | 25.13 | 3.44 | 3.91 | 2.15 | 2.55 | 63.42 |
| (ii) Undisputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | 0.21 | 0.21 |
| (iii) Undisputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables- Considered Good | - | - | - | - | - | 0.24 | 0.24 |
| (v) Disputed trade receivables- which have significant increase in credit risk | | | | | | | |
| (vi) Disputed trade receivables- credit impaired | | | | | | | |
| Total | 26.25 | 25.13 | 3.44 | 3.91 | 2.15 | 2.76 | 63.87 |
| Add: To be billed | | | | | | | 11.80 |
| Less: Provision for Doubtful Debts | | | | | | | 0.05 |
| Less: Provision for expected credit loss | | | | | | | 0.16 |
| Total | | | | | | | 75.46 |

| Note 12 Cash and cash equivalents | As at 31-03-2024 | As at 31-03-2023 |
|-----------------------------------|------------------|------------------|
| Balances with Banks: | | |
| Current accounts | 0.46 | 0.28 |
| Cheques/drafts on hand | - | - |
| Cash on hand | 0.09 | 0.07 |
| Total | 0.55 | 0.35 |

| Note 12A Bank balances other than Cash and Cash equivalents | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Fixed Deposits with Banks (Maturity less than 12 months) | 112.52 | 99.38 |
| Fixed Deposits with banks maintained as required under the Companies Act in respect of Public deposits | 8.44 | 7.63 |
| Balance with banks for Unpaid dividend account | 1.67 | 2.13 |
| Margin money deposit for Bank Guarantees & Letters of credit | 5.22 | 7.31 |
| Balances with banks for public deposits | 0.01 | 0.01 |
| Total | 127.85 | 116.46 |

| Note 13. Current- Other Financial Assets | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Interest accrued on fixed Deposits | 0.41 | 0.35 |
| Interest accrued on other Deposits | 0.84 | 0.39 |
| Staff Advances | 0.33 | 0.27 |
| Non trade receivables from | | |
| - Joint Venture | 0.02 | 0.00 |
| - Subsidiary - KCP VIL | 44.47 | 32.89 |
| Others - Employee Benefit Plan | 0.28 | 0.29 |
| Total | 46.35 | 34.18 |

| Note 14. Current Tax Assets (Net) | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Advance tax | | |
| Advance payment of Direct Taxes/TDS/TCS Credit | 16.35 | 56.76 |
| Income Tax Refund Receivable | 7.22 | 7.22 |
| | 23.57 | 63.97 |
| Provision for Tax | | |
| Provision for Income tax | 12.65 | 50.50 |
| Total | 10.92 | 13.47 |

| Note 15. Other Current Assets | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Advances other than Capital Advances | | |
| Security Deposits | 0.04 | 1.22 |
| Sub-Total (a) | 0.04 | 1.22 |
| Other Advances | | |
| Advances receivable in cash or kind | | |
| Unsecured considered good | 0.31 | 0.32 |
| Advances to Suppliers | 50.78 | 32.71 |
| Prepaid expenses | 4.43 | 5.85 |
| Dues from Statutory/Government Authorities | 31.08 | 34.16 |
| Sub-Total (b) | 86.60 | 73.03 |
| Total (a+b) | 86.65 | 74.25 |

(Rs in Crores)

| Note.16 Share Capital | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Authorised Share Capital: | | |
| 35,00,00,000 (31 March 2023 : 35,00,00,000) Equity shares of Rs.1/- each | 35.00 | 35.00 |
| 2,00,00,000 (31 March 2023 : 2,00,00,000) 12% Redeemable cumulative Non-convertible Preference shares of Rs.10/- each | 20.00 | 20.00 |
| | 55.00 | 55.00 |
| Issued Share Capital: | | |
| 12,89,77,480 (31 March 2023 : 12,89,77,480) Equity shares of Rs.1/- each | 12.90 | 12.90 |
| | 12.90 | 12.90 |
| Subscribed and fully paid-up : | | |
| 12,89,21,160 (31 March 2023 :12,89,21,160) Equity shares of Rs.1/- each | 12.89 | 12.89 |
| Total issued, subscribed and fully paid-up capital | 12.89 | 12.89 |

Note 16.1) Details of shareholders holding more than 5% share in the company:-

1. M/s. V. Ramakrishna Sons Pvt Ltd - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. Dr. V.L. Indira Dutt - 1,01,09,466 (1,01,09,466) equity shares of Rs 1/- each fully paid- 7.84% (7.84%)

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 2023-2024 | For FY 2022-2023 |
|---|------------------|------------------|
| Equity Share Capital at the beginning of the Year | 12.89 | 12.89 |
| Add/Less: Changes during the year | - | - |
| Equity Share Capital at the end of the Year | 12.89 | 12.89 |

The Company has only one class of equity shares referred to equity shares having a par value of Rs.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 16.3 Disclosure of Share Holding of Promoters / Promoter Group

(Rs in Crores)

| No | Name of Promoter / Promoter Group | No of Share as on (31.03.2024) | % of Holdings | % change during the year |
|----|---------------------------------------|--------------------------------|---------------|--------------------------|
| 1 | V Ramakrishna Sons (P) Limited | 3,89,56,326 | 30.22 | 0.00 |
| 2 | Velagapudi Lakshmana Indira Dutt | 1,01,09,466 | 7.84 | 0.00 |
| 3 | VRK Grandsons Investments (P) Limited | 42,49,193 | 3.30 | 0.00 |
| 4 | Velagapudi Kavitha Dutt | 13,60,000 | 1.05 | 0.00 |
| 5 | Shivani Dutt Chitturi | 13,50,000 | 1.05 | 0.00 |
| 6 | Subbarao Vallabhaneni | 1,90,900 | 0.15 | 0.02 |
| 7 | Irmgard Velagapudi | 1,52,490 | 0.12 | 0.00 |
| 8 | Velagapudi Lakshmana Dutt (HUF) | 1,13,500 | 0.09 | 0.00 |
| 9 | R Prabhu | 62,880 | 0.05 | 0.00 |
| 10 | S Rajiv Rangasami | 50,000 | 0.04 | 0.00 |
| 11 | S. Nalini | 16,694 | 0.01 | (0.14) |
| 12 | Sivaramakrishnan Prasad | 12,650 | 0.01 | 0.00 |
| 13 | P Vikram Ramakrishnan | 12,655 | 0.01 | 0.00 |
| 14 | Uma S Vallabhaneni | 10,000 | 0.01 | 0.00 |
| 15 | Rajeswary Ramakrishnan | 6,500 | 0.01 | 0.00 |
| 16 | Anitha | 4,000 | 0.00 | 0.00 |
| 17 | Kiran Velagapudi | 4,220 | 0.00 | 0.00 |
| 18 | V Chandra Kumar Prasad | 1,000 | 0.00 | 0.00 |

| No | Name of Promoter / Promoter Group | No of Share as on (31.03.2023) | % of Holdings | % change during the year |
|----|---------------------------------------|--------------------------------|---------------|--------------------------|
| 1 | V Ramakrishna Sons (P) Limited | 3,89,56,326 | 30.22 | 0.00 |
| 2 | Velagapudi Lakshmana Indira Dutt | 1,01,09,466 | 7.84 | 0.11 |
| 3 | VRK Grandsons Investments (P) Limited | 42,49,193 | 3.30 | 0.00 |
| 4 | Velagapudi Kavitha Dutt | 13,60,000 | 1.05 | 0.00 |
| 5 | Shivani Dutt Chitturi | 13,50,000 | 1.05 | 0.00 |
| 6 | S. Nalini | 1,96,694 | 0.15 | 0.00 |
| 7 | Subbarao Vallabhaneni | 1,73,900 | 0.13 | 0.04 |
| 8 | Irmgard Velagapudi | 1,52,490 | 0.12 | 0.00 |
| 9 | Velagapudi Lakshmana Dutt (HUF) | 1,13,500 | 0.09 | 0.00 |
| 10 | R Prabhu | 62,880 | 0.05 | 0.00 |
| 11 | S Rajiv Rangasami | 50,000 | 0.04 | 0.00 |
| 12 | Sivaramakrishnan Prasad | 12,650 | 0.01 | 0.00 |
| 13 | P Vikram Ramakrishnan | 12,655 | 0.01 | 0.00 |
| 14 | Uma S Vallabhaneni | 10,000 | 0.01 | 0.00 |
| 15 | Rajeswary Ramakrishnan | 6,500 | 0.01 | 0.00 |
| 16 | Anitha | 4,000 | 0.00 | 0.00 |
| 17 | Kiran Velagapudi | 4,220 | 0.00 | 0.00 |
| 18 | V Chandra Kumar Prasad | 1,000 | 0.00 | 0.00 |

| Note 17. Other Equity | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Capital Reserve | | |
| Capital Redemption Reserve | 20.00 | 20.00 |
| Capital Reserve on Reorganisation | 2.80 | 2.80 |
| On Amalgamation | 1.04 | 1.04 |
| Total Capital Reserve | 23.84 | 23.84 |
| Investment Revaluation Reserve | | |
| Balance as per the last Financial Statements | (0.02) | (0.02) |
| Add: Current year revaluation gain/loss from OCI | 0.09 | (0.00) |
| Closing Balance | 0.07 | (0.02) |
| Actuarial Gain/Loss | | |
| Balance as per the last Financial Statements | (8.99) | (7.46) |
| Add: Current year revaluation gain/loss from OCI- Net of deferred tax | (0.32) | (1.53) |
| Closing Balance | (9.31) | (8.99) |
| General Reserve | | |
| Balance as per the last Financial Statements | 267.64 | 267.64 |
| Closing Balance | 267.64 | 267.64 |
| Surplus/(Deficit) in the Statement of Profit and Loss | | |
| Balance as per the last Financial Statements | 388.30 | 426.73 |
| Add : Profit for the year | 45.01 | (25.54) |
| | 433.31 | 401.19 |
| Less : Deductions | | |
| Equity Dividend Paid @ Rs.0.10 per Share (@ Re 1 per Share in FY 2022-2023) | 1.29 | 12.89 |
| Net Surplus in Statement of Profit and Loss | 432.02 | 388.30 |
| Total Other Equity taken to Balance Sheet | 714.26 | 670.76 |

-> **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.

Capital Management: Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

| Note 18. Non current Financial Liabilities- Borrowings | As at 31-03-2024 | As at 31-03-2023 |
|---|---------------------|---------------------|
| (A) Rupee Term Loans from Banks - Secured | | |
| Cement Plant Muktyala Expansion | 21.09 | 68.06 |
| Corporate Loan (Capex Reimbursement) | 5.69 | 10.25 |
| Sub-Total | 26.78 | 78.31 |
| (B) Other Loans and advances: | | |
| Public Deposits (unsecured) | | |
| From Directors | 17.95 | 21.45 |
| From Others | 39.25 | 31.21 |
| Sub-Total | 57.20 | 52.66 |
| Total | 83.98 | 130.98 |
| The above amount includes | | |
| Secured borrowings | 26.78 | 78.31 |
| Unsecured borrowings | 57.20 | 52.66 |
| Amount disclosed under the head | | |
| Current maturities of the borrowings shown under "Current Financial Liabilities-Borrowings(Note-23A)" | 82.18 | 85.62 |

Details of deposits held by Directors of the company (including Current Maturities disclosed separately)

| | | |
|-------------------------|-------|-------|
| a) Dr. V L Indira Dutt | 20.14 | 19.14 |
| b) Smt. V. Kavitha Dutt | 4.52 | 4.52 |

Term Loans

| Particulars | Muktyala Cement Expansion | Capex Reimbursement Loan |
|--|--|---|
| Lending Bank | State Bank of India | HDFC Bank |
| Loan Amount Sanctioned (Rs Crores) | 275.63 | 22.78 |
| Loan Amount Availed (Rs Crores) | 274.98 | 22.78 |
| Loan amount outstanding as on 31-03-2024 | 68.10 | 10.25 |
| No of Installments (Quarterly) | 32 | 20 |
| Installments Commencement | Dec,2018 | July,2021 |
| Rate of Interest | 3M MCLR plus 0.10% | 8.15% |
| Installment Amount (Rs Crores) | 11.75 | 1.14 |
| Security | First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders. | Exclusive Charge on Commercial Building at Hyderabad. |

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. 0.01 Crores. (Previous Year Rs.0.04 Crores)

Carrying value of assets Pledged for Term Loan (Rs. In Crores)

| Particulars | Muktyala Plant Fixed Assets (including Expansion Assets) | |
|----------------------|--|------------------|
| | As at 31-03-2024 | As at 31-03-2023 |
| Plant & Machinery | 427.16 | 455.43 |
| Lands & Buildings | 88.15 | 86.10 |
| Furniture & fixtures | 1.03 | 1.16 |
| Total | 516.34 | 542.69 |

Cash Credit

| Particulars | Muktyala | | Macherla | | CPP | Engineering Unit | |
|-------------------------------------|--|----------------------|--|-----------|--|----------------------|-----------|
| | Bank of Baroda | Canara Bank | Bank of Baroda | HDFC Bank | | Canara Bank | AXIS Bank |
| Lending Bank | Bank of Baroda | Canara Bank | Bank of Baroda | HDFC Bank | Canara Bank | Canara Bank | AXIS Bank |
| Outstanding Amount as on 31.03.2024 | (1.28) | 0.09 | (0.09) | (10.94) | 0.04 | 18.94 | 2.66 |
| Rate of Interest on 31.03.2024 | 3.00% over 1 Yr MCLR plus SP | 1 Yr MCLR plus 1.25% | 3.00% over 1 Yr MCLR plus SP | 8.00% | 1 Yr MCLR plus 1.25% | 1 Yr MCLR plus 1.25% | 8.30% |
| Security | 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 Engineering Unit | | |

Working Capital Demand Loan - Secured (Carved Out of Cash Credit)

| Particulars | Muktyala |
|--|--|
| Lending Bank | AXIS Bank- Secured |
| Outstanding Amount as on 31.03.2024 (Rs. Crores) | 18.00 |
| Rate of Interest on 31.03.2024 | 8.30% - 8.50% |
| Security | Paripassu First Charge on Current Assets of Engineering Unit |
| | Paripassu First Charge on Current Assets of Macherla Cement Unit |

Additional information:

- The Company is not declared willful defaulter by any bank.

| Note 18A. Lease Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|------------------------------------|-------------------------|-------------------------|
| Opening balance | 2.49 | 2.54 |
| Additions | - | 0.02 |
| Finance cost | 0.27 | 0.28 |
| Payment of lease liabilities | (0.32) | (0.34) |
| Others | | (0.01) |
| Closing balance | 2.44 | 2.49 |
| Non-current lease liabilities | 2.38 | 2.44 |
| Current lease liabilities | 0.06 | 0.05 |

| Note 19. Non current- Trade payables | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Due to Micro and Small Enterprises | - | - |
| Due to Others | - | - |

| Note 20. Non current- Other Financial Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Deposits Payable-Contractors | 3.97 | 3.83 |
| Interest accrued but not due | 0.77 | 0.78 |
| Outstanding Liabilities for Expenses | 14.47 | 16.21 |
| Total | 19.21 | 20.82 |

| Note 21. Non current - Provisions | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Provision for gratuity | - | - |
| Provision for leave benefits | 11.98 | 10.80 |
| Provision for Decommissioning expenses | 3.87 | 3.65 |
| Total | 15.84 | 14.45 |

| Note 22. Deferred Tax Liability (Net) | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Deferred Tax Liability | | |
| Property, Plant & Equipment and Intangible assets | 140.00 | 143.06 |
| Others | 0.25 | 0.25 |
| Gross Deferred Tax Liability (a) | 140.24 | 143.30 |
| Deferred Tax Asset | | |
| MAT Credit | 39.76 | 41.18 |
| Expected Credit Loss | 0.02 | 0.06 |
| Expenses allowable for tax purposes on payment basis | 10.13 | 8.05 |
| Discounting of Trade Receivables | 0.15 | 0.20 |
| Unabsorbed Losses | - | 9.82 |
| Provision for decommissioning cost | 1.35 | 1.28 |
| Onerous Contracts | 0.15 | 0.04 |
| Others | 0.88 | 0.89 |
| Gross Deferred tax asset (b) | 52.45 | 61.51 |
| Net Deferred Tax Liability (a - b) | 87.80 | 81.80 |

| Note.23 Current Financial Liabilities- Borrowings | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Cash credit from Banks | | |
| : Secured | 36.71 | 52.87 |
| : Unsecured | - | - |
| Current maturities of long term borrowings [Refer Note 23A] | 82.18 | 85.62 |
| Loan Repayable on Demand (Unsecured) | | |
| : from Directors | 17.00 | 18.00 |
| Inter-corporate deposit repayable on demand | 9.20 | 11.20 |
| Total | 145.09 | 167.70 |
| Current Financial liabilities-Borrowings includes the following: | | |
| Secured borrowings | 118.89 | 138.50 |
| Unsecured borrowings | 26.20 | 29.20 |

| Note 23A. Current maturities of long term borrowings | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| (A) Rupee Term Loans from Banks - Secured | | |
| Cement Plant Muktyala Expansion | 47.00 | 47.00 |
| Corporate Loan (Capex Reimbursement) | 4.56 | 4.56 |
| Sub Total | 51.56 | 51.56 |
| (B) Public Deposits (unsecured) | | |
| From Directors | 6.70 | 2.20 |
| From Others | 23.92 | 31.87 |
| Sub Total | 30.62 | 34.07 |
| Total | 82.18 | 85.62 |

| Note.24 Current Financial liabilities- Trade payables | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Micro and Small Enterprises | 4.92 | 2.53 |
| Others | 65.52 | 95.72 |
| Total | 70.44 | 98.25 |

Current Trade Payables Ageing Schedule:

F.Y 2023-2024

(Rs in Crores)

| Particulars | Outstanding for following periods from due date payment | | | | | |
|---|---|-------------------|------------------|-----------------|-------------------|--------------|
| | Not Due | Less than 1 Years | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) MSME | 4.92 | - | - | - | - | 4.92 |
| (ii) Others | 42.33 | 21.01 | 0.08 | 0.25 | 1.81 | 65.48 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | 0.04 | - | - | - | 0.04 |
| Total | 47.25 | 21.05 | 0.08 | 0.25 | 1.81 | 70.44 |
| Add: To be billed | | | | | | - |
| Less: Provison for expected credit loss | | | | | | |
| Total | | | | | | 70.44 |

F.Y 2022-2023

| Particulars | Outstanding for following periods from due date payment | | | | | |
|---|---|-------------------|------------------|-----------------|-------------------|--------------|
| | Not Due | Less than 1 Years | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) MSME | 2.52 | 0.00 | 0.00 | - | - | 2.53 |
| (ii) Others | 29.78 | 62.13 | 1.52 | 0.33 | 1.72 | 95.49 |
| (iii) Disputed dues- MSME | - | - | - | - | - | - |
| (iv) Disputed dues- Others | - | - | - | - | - | - |
| Total | 32.30 | 62.14 | 1.52 | 0.33 | 1.72 | 98.01 |
| Add: To be billed | | | | | | 0.23 |
| Less: Provison for expected credit loss | | | | | | - |
| Total | | | | | | 98.25 |

| Note 25. Current- Other Financial Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Interest Accrued but not due on borrowings | 1.06 | 1.44 |
| Interest Accrued and due on borrowings | 0.27 | 0.38 |
| Advance from customers | 53.98 | 61.76 |
| Unpaid Dividend | 1.67 | 2.13 |
| Accrued Salaries and Benefits | 8.09 | 4.40 |
| Directors Remuneration Payable | 0.48 | - |
| Trade deposits | 96.93 | 86.60 |
| Outstanding Financial Liabilities | 17.08 | 17.87 |
| Outstanding Liabilities for Others | 7.73 | 8.70 |
| Total | 187.29 | 183.30 |

(Rs in Crores)

| Note 26. Other Current Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|------------------------------------|------------------|------------------|
| Statutory Dues | 32.49 | 36.43 |
| Total | 32.49 | 36.43 |

| Note 27. Current- Provisions | As at 31-03-2024 | As at 31-03-2023 |
|------------------------------|------------------|------------------|
| Provision for gratuity | 2.10 | 2.78 |
| Provision for leave benefits | 5.11 | 4.66 |
| Total | 7.20 | 7.44 |

| Note 28. Revenue from operations | FY 2023-2024 | FY 2022-2023 |
|--|-----------------|-----------------|
| Revenue from operations | | |
| Sale of products | 1,647.49 | 1,619.60 |
| Sale of services | 51.68 | 46.87 |
| | 1,699.16 | 1,666.48 |
| Other operating revenue | | |
| Scrap sales | 0.46 | 2.84 |
| Other revenue | - | 0.02 |
| Duty Drawback | 0.05 | 0.22 |
| Interest Income on | | |
| - Bank deposits | 0.90 | 0.74 |
| - Others | 1.47 | 1.39 |
| Amortisation of government Grant (VAT Incentive) | 0.02 | 0.02 |
| Insurance Claims Received | 0.34 | 0.40 |
| Revenue from operations | 1,702.40 | 1,672.10 |

| Product wise bifurcation - Revenue from operations | FY 2023-2024 | FY 2022-2023 |
|--|-----------------|-----------------|
| Finished goods sold | | |
| Cement | 1,581.36 | 1,523.42 |
| Heavy Engineering products | 65.73 | 95.29 |
| Service Receipts | 51.68 | 46.87 |
| Others | 3.64 | 6.52 |
| | 1,702.40 | 1,672.10 |

Disaggregation of revenue information as per IND AS 115

| Particulars | FY 2023-2024 | FY 2022-2023 |
|------------------------------------|-----------------|-----------------|
| Revenue from Sale of goods | 1,647.49 | 1,619.60 |
| Revenue from Engineering Job works | 14.84 | 18.41 |
| Revenue from Hospitality services | 36.84 | 28.46 |
| Total | 1,699.16 | 1,666.48 |

Revenue from Contract with Customer as per disclosure requirements under para 126AA of IND AS-115:

(Rs in Crores)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|-----------------|-----------------|
| Revenue from contracts with customers (excl GST) | 1,952.18 | 1,914.91 |
| Less: | | |
| Discounts | 252.30 | 247.37 |
| Selling Agent commission | 0.72 | 1.06 |
| Gross sales as per Profit and loss account | 1,699.16 | 1,666.48 |

Disclosure requirements under IND AS 115 para 116 in respect of Engineering Job works

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------|------------|
| Opening balance of Trade Receivables | 41.32 | 34.55 |
| Opening balance of Contract assets | 12.54 | 11.71 |
| Opening balance of Contract liabilities | 18.47 | 26.17 |
| Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period | 10.67 | 17.55 |
| Revenue recognized in the reporting period from performance obligations satisfied in the previous period | - | - |
| Closing balance of receivables | 22.12 | 41.32 |
| Closing balance of contract assets | 20.53 | 12.54 |
| Closing balance of contract liabilities | 21.69 | 18.47 |

| Note 29 . Other Income | FY 2023-2024 | FY 2022-2023 |
|--|--------------|--------------|
| Interest Income on Investments | 10.12 | 10.13 |
| Dividend income on | | |
| Investment in subsidiary - KCP Vietnam Industries Ltd. Vietnam | 44.25 | 33.12 |
| Investment in BGE Global Inc, USA | 0.15 | 0.15 |
| Non current investments | 0.00 | 0.01 |
| Net gain on sale of Assets | 0.54 | 0.80 |
| Scrap Sales | 1.40 | 0.76 |
| Other non-operating income (See note below) | 3.67 | 4.63 |
| Total | 60.13 | 49.59 |

| Other Non-Operating Income | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Provision for doubtful debts no longer required credited back | 0.05 | 0.00 |
| Unclaimed balance Credited Back | 0.32 | - |
| Provision no longer required credited back | 0.45 | 1.59 |
| Reversal of Loss Allowance | 0.10 | - |
| Reversal of Provision for Discounting of Trade Receivables | 0.16 | 0.06 |
| Rent Recovery | 1.76 | 1.38 |
| Difference In Exchange-(Net) | 0.27 | 1.14 |
| Fair Value Gain on FVTPL investments | 0.03 | 0.01 |
| Miscellaneous Receipts | 0.54 | 0.46 |
| Total | 3.62 | 4.63 |

| Note 30. Cost of raw material and components consumed | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Inventory at the beginning of the year | 17.04 | 11.12 |
| Add: Purchases | 154.29 | 139.16 |
| Add: Cost of raw materials produced | 191.34 | 184.73 |
| | 362.66 | 335.00 |
| Less: Inventory at the end of the year | 12.84 | 17.04 |
| Cost of raw material and components consumed | 349.81 | 317.97 |

| Details of raw material and components consumed | FY 2023-2024 | FY 2022-2023 |
|---|---------------|---------------|
| i) Cement Unit | | |
| Limestone | 193.49 | 182.27 |
| Laterite | 22.12 | 18.63 |
| Fly Ash | 58.73 | 39.65 |
| Gypsum | 28.74 | 30.57 |
| Others | 26.05 | 14.94 |
| Sub Total | 329.13 | 286.06 |
| ii) Engineering Unit | | |
| Iron and Steel,Nickel,Scrap and Equipments | 17.65 | 29.05 |
| iii) Bricks Unit / Others | | |
| Sand, Stoner Dust, Metal / Admixture Stock and Others | 0.04 | 0.14 |
| iv) Hotel | | |
| Provisions | 2.99 | 2.72 |
| Total | 349.81 | 317.97 |

| Details of Inventory | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Raw materials and components | | |
| Limestone | 3.90 | 5.90 |
| Laterite | 1.67 | 1.61 |
| Fly Ash | 0.23 | 0.19 |
| Gypsum | 6.52 | 6.89 |
| Others | 0.36 | 2.33 |
| Iron and Steel,Nickel,Scrap and Equipments - In Transit | 0.07 | 0.09 |
| Others | 0.09 | 0.04 |
| Total | 12.84 | 17.04 |

Note 31. (Increase)/ Decrease in Inventories of finished goods and work in progress

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|---------------|--------------|
| Inventories at the end of the year | | |
| Work in progress | 63.12 | 65.88 |
| Finished goods | 11.22 | 6.78 |
| Sub Total | 74.34 | 72.66 |
| Inventories at the beginning of the year | | |
| Work in progress | 65.88 | 80.96 |
| Finished goods | 6.78 | 14.11 |
| Sub Total | 72.66 | 95.07 |
| (Increase)/ Decrease | (1.67) | 22.40 |

| Note 32. Employee benefits expense | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| Salaries, Wages and bonus | 82.16 | 70.85 |
| Contribution to Provident and other funds | 7.74 | 7.40 |
| Gratuity expenses | 1.60 | 1.49 |
| Staff welfare expenses | 9.84 | 8.33 |
| Total | 101.35 | 88.08 |

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:

| Particulars | FY 2023-2024 | FY 2022-2023 |
|--|--------------|--------------|
| Contribution to Provident Fund | 4.74 | 4.46 |
| Contribution to Superannuation Fund | 2.83 | 2.76 |
| Contribution to Employee State Insurance | 0.17 | 0.18 |
| Total | 7.74 | 7.40 |

| Note 33. Finance Costs | FY 2023-2024 | FY 2022-2023 |
|--|---------------------|---------------------|
| Interest | 26.03 | 31.44 |
| Other Borrowing costs | 0.72 | 0.78 |
| Unwinding of Finance Cost | 0.31 | 0.34 |
| Total | 27.06 | 32.55 |
| Note 33A. Depreciation and amortization expense | FY 2023-2024 | FY 2022-2023 |
| Depreciation of tangible assets | 66.42 | 65.80 |
| Amortization of intangible assets | 0.35 | 0.47 |
| Total | 66.76 | 66.27 |
| Note 34. Other expenses | FY 2023-2024 | FY 2022-2023 |
| Consumption of stores and spares | 78.88 | 84.32 |
| Consumption of loose tools | 1.14 | 3.06 |
| Sub-contracting expenses | 32.48 | 26.18 |
| Insurance | 3.01 | 3.06 |
| Rent | 1.68 | 1.63 |
| Rates and taxes | 6.85 | 6.83 |
| Repairs and maintenance : | | |
| Plant & Machinery | 11.56 | 12.79 |
| Buildings | 3.53 | 3.70 |
| Other Assets | 2.65 | 3.34 |
| Wheeling/Banking Charges | 1.07 | 1.99 |
| Advertising and sales promotion | 7.34 | 5.99 |
| Sales commission | 4.06 | 2.92 |
| Travelling and conveyance | 2.53 | 2.52 |
| Communication costs | 0.79 | 0.77 |
| Printing & Stationery | 0.70 | 0.65 |
| Donations | 0.07 | 0.04 |
| Corporate Social Responsibility (Refer Note No.51) | 0.98 | 1.97 |
| Professional, Consultancy and Legal fees | 8.48 | 7.87 |
| Directors' sitting fees | 0.24 | 0.24 |
| Payment to auditors (Refer details below) | 0.50 | 0.49 |
| Bad debts/advances written off | 0.12 | 0.06 |
| Bank Charges | 1.09 | 0.77 |
| Assets Written Off | 1.17 | 0.95 |
| Performance and Delivery Guarantee Claims | 1.81 | 2.03 |
| Provision for doubtful debts and advances | 0.07 | - |
| Expected Credit Loss | 0.01 | 0.07 |
| Security Charges | 6.06 | 5.64 |
| Miscellaneous expenses | 11.05 | 10.15 |
| Total | 189.93 | 190.02 |

| Payment to Auditors | FY 2023-2024 | FY 2022-2023 |
|----------------------------|--------------|--------------|
| As Auditor: | | |
| Audit Fee | 0.25 | 0.25 |
| Certification & Other fees | 0.11 | 0.10 |
| Fees for Cost Auditor | 0.12 | 0.12 |
| Reimbursement of expenses | 0.03 | 0.03 |
| Total | 0.50 | 0.49 |

Note 34A. Exceptional Item

In December 2023, the Engineering unit at Tiruvottiyur was affected due to Cyclone Michaung. The company initiated the restoration process immediately. Upto 31st March, 2024, the company incurred an amount of Rs. 8.13 Crores towards restoration process and an adhoc amount of Rs. 7.50 Crores received from insurance company has been deducted therefrom and net amount shown as exceptional item.

35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2024

| Income tax expense:- | FY 2023-2024 | FY 2022-2023 |
|---|--------------|---------------|
| Current tax | 10.81 | - |
| Deferred tax | 4.75 | (10.11) |
| MAT credit Utilised/ (Entitlement) | 1.84 | 4.57 |
| Short /(Excess) provision of Income Tax/MAT | (0.73) | (0.13) |
| Total tax expense for the year | 16.67 | (5.67) |

Effective Tax reconciliation

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| (a) Net Profit / (Loss) before taxes | 61.68 | (31.21) |
| (b) Corporate Tax as per Income Tax Act, 1961 | 34.94% | 34.94% |
| (c) Tax on Accounting Profit (c) = (a)*(b) | 21.55 | (10.91) |
| (d) Increase/Decrease in tax expense on account of:- | | |
| (i) Non taxable income/Exempt income | - | - |
| (ii) Reduction in Depreciation/ (Accelerated Depreciation) | 5.30 | 2.38 |
| (iii) Expenses not allowed under Income Tax | 0.49 | 0.24 |
| (iv) Expenses that are allowed under payment basis | 2.22 | (0.11) |
| (v) Expected Credit Loss as per Ind AS | (0.03) | 0.03 |
| (vi) Amortisation of Government Grant as per Ind AS | (0.01) | (0.01) |
| (vii) Finance Cost as per Ind AS | 0.11 | 0.15 |
| (viii) Stripping Cost Capitalised as per Ind AS | (0.91) | (1.50) |
| (ix) Mining lease deed extension - registration charges capitalised as per Ind AS | (1.37) | - |
| (x) Deduction under Sec 80M | (4.51) | - |
| (xi) Capital Gain taxable at special rates | (0.05) | - |
| (xii) Utilisation of brought forward business losses | (10.12) | - |

Effective Tax reconciliation Continued

(Rs in Crores)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|--|--------------|---------------|
| (xiii) Adjustment for current tax of previous periods | (0.73) | (0.13) |
| (xiv) Carry forward of unabsorbed depreciation | - | 9.82 |
| (xv) Reduction in MAT Credit Entitlement | - | 4.57 |
| (xiv) Other adjustments | (0.03) | (0.10) |
| (xv) Deferred tax expense/(income) for the year | 4.75 | (10.11) |
| Tax Expense recognised in Statement of P & L | 16.67 | (5.67) |
| (e) Tax as per Normal Provision under Income Tax | 12.65 | 4.44 |
| (f) Tax rate applicable to the company as per MAT Provisions | 17.47% | 17.47% |
| (g) MAT Tax expense on Net Profits | 10.78 | (5.45) |
| (h) Increase/Decrease in tax expense on account of:- | | |
| (i) Items that will not be reclassified to Profit & Loss | (0.09) | (0.41) |
| (ii) Exempt Income u/s 10(34) | - | - |
| (iii) 1/5th of transition amount u/s 115JB(2C) | - | 0.00 |
| (iv) Expected Credit Loss | - | 0.00 |
| (v) Expenses that are not allowed as per Section 115JB | 0.05 | (0.23) |
| (vi) Book loss under MAT provisions | - | 6.10 |
| Other adjustments | 0.07 | (0.00) |
| MAT tax provision under 115JB (g+h) | 10.81 | 0.00 |
| MAT credit (entitlement) / utilised during the year | 1.84 | 4.57 |

Deferred Taxes:-

| Particulars | FY 2022-2023 | FY 2021-22 |
|--|--------------|----------------|
| As on reporting date | | |
| Deferred tax arising due to | | |
| a) On OCI component | | |
| -Actuarial Gain/Loss | (0.17) | (0.82) |
| b) Other than OCI component | | |
| -Difference in W.D.V of Property Plant & Equipment | (3.06) | (1.09) |
| -Impact of expenditure allowed under Income tax on payment basis | (1.91) | 0.40 |
| -Discounting of trade receivables | 0.05 | 0.02 |
| -Provision for Loss allowance | 0.03 | (0.02) |
| -Provision for Decommissioning cost | (0.07) | (0.07) |
| -Unabsorbed depreciation and business losses | 9.82 | (9.82) |
| -Other disallowances | (0.11) | 0.49 |
| c) Total for the year | 4.58 | (10.93) |

| Expense/(income) recognised for the year ended: | | |
|---|-------------|----------------|
| Deferred tax liability/(asset) recognised in statement of profit and loss | 4.75 | (10.11) |
| Deferred tax recognised in other comprehensive income | (0.17) | (0.82) |
| Deferred tax recognised in Total comprehensive income | 4.58 | (10.93) |

Details of Deferred tax liability/ (asset) arised during FY 2023-2024:-

| No. | Particulars | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-----|--|-----------------|--|--|---------------------|-----------------|
| | Temporary Timing difference arised in relation to | | | | | |
| 1) | Property, Plant & Equipment and Intanglbe assets | 143.06 | (3.06) | - | - | 140.00 |
| 2) | Expenses allowable for tax purposes on payment basis | (8.05) | (1.91) | (0.17) | - | (10.13) |
| 3) | Provision for Doubtful debts | (0.20) | 0.05 | - | - | (0.15) |
| 4) | Deferred Tax Asset on Expected credit loss | (0.06) | 0.03 | - | - | (0.02) |
| 5) | Provision for Decommissioning Cost | (1.28) | (0.07) | - | - | (1.35) |
| 6) | MAT Credit | (41.18) | - | - | 1.42 | (39.76) |
| 7) | Unabsorbed Losses | (9.82) | 9.82 | - | - | - |
| 8) | Onerous Contract | (0.04) | (0.12) | - | - | (0.15) |
| 9) | Others | (0.64) | 0.01 | - | - | (0.63) |
| | Total | 81.80 | 4.75 | (0.17) | 1.42 | 87.80 |

Details of Deferred tax liability/ (asset) arised during FY 2022-2023:-

| No. | Particulars | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-----|--|-----------------|--|--|---------------------|-----------------|
| | Temporary Timing difference arised in relation to | | | | | |
| 1) | Property, Plant & Equipment and Intanglbe assets | 144.15 | (1.09) | - | - | 143.06 |
| 2) | Expenses allowable for tax purposes on payment basis | (7.62) | (1.25) | 0.82 | - | (8.05) |
| 3) | Provision for Doubtful debts | (0.22) | 0.02 | - | - | (0.20) |
| 4) | Deferred Tax Asset on Expected credit loss | (0.03) | (0.02) | - | - | (0.06) |
| 5) | Provision for Decommissioning Cost | (1.21) | (0.07) | - | - | (1.28) |
| 6) | MAT Credit | (45.75) | - | - | 4.57 | (41.18) |
| 7) | Unabsorbed Losses | - | (9.82) | - | - | (9.82) |
| 8) | Onerous Contract | (0.50) | 0.46 | - | - | (0.04) |
| 9) | Others | (0.66) | 0.02 | - | - | (0.64) |
| | Total | 88.16 | (11.75) | 0.82 | 4.57 | 81.80 |

(Rs in Crores)

Note 36. Other Comprehensive Income

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|---------------|---------------|
| a) Items that will not be reclassified to P&L | | |
| - Remeasurement of Defined Benefit Plan (Loss)/Gain | | |
| Gratuity | (0.36) | (1.02) |
| Leave Encashment | (0.14) | (1.32) |
| - Increase/Decrease in Fair Value of Investments | 0.09 | (0.00) |
| b) Items that will be reclassified subsequently to Profit or loss | - | - |
| c) Impact of income tax on above (a) and (b) | 0.17 | 0.82 |
| Total - Other Comprehensive Income | (0.23) | (1.53) |

Statement of additions, write off and payments closing as per IND AS 37 Para 84

| S.No | Provisions | Leave Benefits | Gratuity | Income Tax | Decommissioning |
|------|--|----------------|-------------|--------------|-----------------|
| 1 | Balance as at 1st April, 2023 | 15.48 | 2.78 | 50.50 | 3.65 |
| 2 | Provision recognised during the year | | | | |
| | - In Statement of Profit & Loss | 4.11 | 1.60 | 12.65 | 0.21 |
| | - In Statement of Other Comprehensive Income | 0.14 | 0.36 | - | - |
| 3 | Amounts incurred and charged against the provision | (2.65) | (2.64) | (50.50) | - |
| 4 | Balance as at 31st March, 2024 | 17.08 | 2.10 | 12.65 | 3.87 |

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2022-2023 for Terala mines, 2025-26 for Macherla mines and 2021-22 for Mandadi mines.

| Note 37. Contingent Liabilities | As at 31st March, 2024 | As at 31st March, 2023 |
|---|-------------------------------|-------------------------------|
| A . Claims against the company not acknowledged as debt | | |
| A.1) In respect of Statutory levies | 77.11 | 64.85 |
| A.2) In respect of Contractual levies | 0.30 | 0.30 |
| A.3) In respect of Others | 0.90 | 4.62 |
| B. Guarantees issued by the Bankers on behalf of the Company | | |
| B.1) Against Advances obtained | 31.17 | 40.69 |
| B.2) Towards Performance Guarantees | 33.67 | 32.13 |

1) It is not practicable for the Company to estimate the timings cashflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

2) The Company does not expect any reimbursements in respect of the above contingent liabilities.

3) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

(Rs in Crores)

| Note 38. Commitments | As at 31st March, 2024 | As at 31st March, 2023 |
|--|-------------------------------|-------------------------------|
| A. Estimated amount of contracts remaining to be executed on capital account and not provided for | 173.71 | 0.49 |
| B. Uncalled liability pertaining to Investments | - | - |
| C. Other commitments - Sale contracts | 120.07 | 100.78 |
| - Export Obligation under EPCG Scheme | 1.80 | 1.80 |

| Note 39. Remittance in Foreign Currency on Account of Dividend | FY 2023-2024 | FY 2022-2023 |
|--|---------------------|---------------------|
| a) Number of Non Resident Shareholders | 504 | 604 |
| b) Number of Equity Shares held by them | 63,16,604 | 66,82,726 |
| 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 was remitted to Non-resident shareholders in Indian currency. | | |

| Note 40. Revenue Expenditure Capitalised during the year | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| a) Opening unallocated capital expenditure | - | - |
| Add: | | |
| Professional Fees | 0.08 | - |
| Travelling Expenses | 0.00 | - |
| Miscellaneous expenses | 0.00 | - |
| | 0.09 | - |
| Less: | | |
| Capitalised/Allocated to fixed assets | - | - |
| Closing unallocated Capital Expenditure | 0.09 | - |
| | 0.09 | - |

| 41 Earnings Per Share (EPS) | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| i) Net Profit after tax as per Profit and Loss Statement | 45.01 | (25.54) |
| ii) Net Profit attributable to Equity Shareholders | 45.01 | (25.54) |
| iii) Weighted Average number of equity shares used as denominator for calculating EPS | 12,89,21,160 | 12,89,21,160 |
| iv) Basic and Diluted Earnings per share - Rs. | 3.49 | (1.98) |
| v) Nominal value per each Equity share - Rs. | 1.00 | 1.00 |

| Note 42. Disclosures required by Indian Accounting Standard 19- Employee Benefits | FY 2023-2024 | | FY 2022-2023 | |
|--|---------------------|-------------------------|---------------------|-------------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Reconciliation for present value of obligations | | | | |
| Present value of obligations as at beginning of the year | 21.14 | 15.48 | 19.13 | 14.87 |
| Interest cost | 1.51 | 1.06 | 1.33 | 0.97 |
| Current service cost | 1.49 | 3.05 | 1.37 | 1.61 |
| Past service cost | - | - | - | - |
| Benefits paid | (1.92) | (2.65) | (1.86) | (3.29) |
| Actuarial loss/(gain) on obligation | 0.43 | 0.14 | 1.17 | 1.32 |
| Present value of obligations as at end of the year | 22.66 | 17.08 | 21.14 | 15.48 |
| b) Reconciliation for fair value of plan assets | | | | |
| Fair value Of plan assets at the beginning of the year | 18.36 | - | 16.05 | - |
| Expected Return On Plan Assets | 1.40 | - | 1.21 | - |
| Contributions | 2.64 | 2.65 | 2.82 | 3.29 |
| Benefits Paid | (1.92) | (2.65) | (1.86) | (3.29) |
| Actuarial Gain On Plan Assets | 0.07 | - | 0.14 | - |
| Fair value of plan assets at the end of the year | 20.56 | - | 18.36 | - |
| c) Net Liability recognised in the Balance Sheet | | | | |
| Present value of obligations as at the end of the year | 22.66 | 17.08 | 21.14 | 15.48 |
| Fair value of plan Assets as at the end of the year | 20.56 | - | 18.36 | - |
| Amount determined under para 63 of IND AS 19 | 2.10 | 17.08 | 2.78 | 15.48 |
| Net defined benefit liability recognised in the Balance sheet | 2.10 | 17.08 | 2.78 | 15.48 |
| Net Defined benefit asset recognised under para 64 of IND AS 19 | - | - | - | - |

| Note 42. Disclosures required by Indian Accounting Standard 19- Employee Benefits | FY 2023-2024 | | FY 2022-2023 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| d) Expenses recognised in statement of Profit & Loss | | | | |
| Current service cost | 1.49 | 3.05 | 1.37 | 1.61 |
| Net interest on net Defined benefit obligations | 0.11 | - | 0.12 | - |
| Interest cost | - | 1.06 | - | 0.97 |
| Past service Cost | - | | - | |
| Expense to be recognised in the Profit & Loss a/c | 1.60 | 4.11 | 1.49 | 2.57 |
| e) Amount recognised in the statement of OCI | | | | |
| Actuarial (gain)/loss on Plan obligation | 0.43 | 0.14 | 1.17 | 1.32 |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | (0.07) | - | (0.14) | - |
| Amount recognized in OCI for the current period | 0.36 | 0.14 | 1.02 | 1.32 |
| f) Acturial Assumptions | | | | |
| Assumptions as at 31 March, 2024 | | | | |
| Discount rate | 7.22% | 7.22% | 7.50% | 7.50% |
| 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 | 7.22% | 7.22% | 7.50% | 7.50% |
| Mortality | IALM (2012-14) | | IALM (2012-14) | |
| g) Date of Valuation | 31-Mar-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-23 |
| h) Average Duration of Defined Benefit Obligation (in Yrs) | 5.51 | 4.00 | 5.63 | 5.13 |

All the plan assets of the company are invested in insurance policies.

i) Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

(Rs in Crores)

| Sensitivity Analysis- Gratuity | FY 2023-2024 | | FY 2022-2023 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Defined Benefit Obligation [DBO] | Percentage Change | Defined Benefit Obligation [DBO] | Percentage Change |
| Under Base Scenario- Defined Benefit Obligation | 22.66 | 0.00% | 21.14 | 0.00% |
| Salary Escalation- up by 1% | 23.89 | 5.45% | 22.31 | 5.56% |
| Salary Escalation- down by 1% | 21.53 | (4.98%) | 20.06 | (5.08%) |
| Withdrawal rates- up by 1% | 22.71 | 0.21% | 21.20 | 0.30% |
| Withdrawal rates- down by 1% | 22.61 | (0.24%) | 21.07 | (0.33%) |
| Discount rates- up by 1% | 21.70 | (4.25%) | 20.22 | (4.35%) |
| Discount rates- down by 1% | 23.74 | 4.74% | 22.16 | 4.85% |

| Sensitivity Analysis- Leave Benefits | FY 2023-2024 | | FY 2022-2023 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Defined Benefit Obligation [DBO] | Percentage Change | Defined Benefit Obligation [DBO] | Percentage Change |
| Under Base Scenario- Defined Benefit Obligation | 17.08 | 0.00% | 15.48 | 0.00% |
| Salary Escalation- up by 1% | 17.74 | 3.90% | 16.09 | 3.90% |
| Salary Escalation- down by 1% | 16.46 | (3.70%) | 14.91 | (3.70%) |
| Withdrawal rates- up by 1% | 17.11 | 0.10% | 15.51 | 0.20% |
| Withdrawal rates- down by 1% | 17.06 | (0.10%) | 15.45 | (0.20%) |
| Discount rates- up by 1% | 16.58 | (3.00%) | 15.02 | (3.00%) |
| Discount rates- down by 1% | 17.63 | 3.20% | 15.98 | 3.20% |

The 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.

| Expected Cash flows for following years: | FY 2023-2024 | | FY 2022-2023 | |
|--|--------------|------------------|--------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Year 1 | 6.33 | 5.11 | 5.93 | 4.68 |
| Year 2 | 2.45 | 2.96 | 2.02 | 2.56 |
| Year 3 | 2.97 | 3.22 | 2.20 | 2.31 |
| Year 4 | 1.95 | 1.82 | 1.78 | 2.49 |
| Year 5 | 2.00 | 1.65 | 1.77 | 1.46 |
| Year 6 | 3.32 | 1.45 | 3.15 | 1.27 |
| Year 7 | 1.73 | 1.12 | 1.57 | 1.08 |
| Year 8 | 1.27 | 0.97 | 1.15 | 0.88 |
| Year 9 | 1.30 | 0.77 | 1.21 | 0.75 |
| Year 10 | 1.15 | 0.58 | 9.97 | 0.60 |

j) Other disclosures

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| (i) Best estimate of contribution during the next year - Gratuity | 2.10 | 2.78 |
| (ii) Discontinuance liability - Gratuity | 22.60 | 21.38 |
| (iii) Discontinuance liability - Leave Encashment | 17.24 | 15.79 |

Note 43. Related Party Disclosure
(as per Annexure-I enclosed)

Note 44. A Derivative Accounting for hedging

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 | FY 2023-2024 | | FY 2022-2023 | |
|----------|--------------|--------------------------|--------------|--------------------------|
| | Amount \$ | Indian Rupees Equivalent | Amount \$ | Indian Rupees Equivalent |
| USD | - | - | - | - |

B. Foreign Currency Exposure not hedged by forward contracts

| Particulars | FY 2023-2024 | FY 2022-2023 |
|--------------------------------|--------------|--------------|
| (i) Export Receivables | 1.32 | 0.23 |
| (ii) Import Creditors Payables | - | - |

Note 45. Details Of Dues To Micro And Small Enterprises (MSMED ACT,2006)

(Rs in Crores)

| | PARTICULARS | FY 2023-2024 | FY 2022-2023 |
|-----------|--|-------------------------|-------------------------|
| 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 | 4.92 | 2.53 |
| | - Interest due thereon | - | - |
| 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. | - | - |
| 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.

Note 46 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. A CSR committee has been formed by the company as per the Act. The areas of CSR activities are education, health care, women empowerment and rural development. The funds were utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 :

| | Particulars | FY 2023-2024 | FY 2022-2023 |
|--------------|--|---------------------|---------------------|
| (i) | Amount required to be spent by the company during the year | 1.56 | 1.09 |
| (ii) | Excess amount spent in the previous year (2022-2023) being setoff against the requirement to spend in the current year (2023-2024) as per rule 7(3) of companies (Corporate Social Responsibility Policy) Rules, 2014. | 0.88 | |
| (iii) | Amount of expenditure incurred | 0.98 | 1.97 |

| | Particulars | FY 2023-2024 | FY 2022-2023 |
|--------|--|---|--------------|
| (iv) | Excess amount spent in the current year | 0.30 | 0.88 |
| (v) | Shortfall at the end of the year | - | - |
| (vi) | Total of previous years shortfall | - | - |
| (vii) | Reason for shortfall | N.A. | N.A. |
| (viii) | Nature of CSR activities | Education, Health Care, Women Empowerment and Rural Development | |
| (ix) | Details of related party transactions - Contribution to a trust controlled by the company in relation to CSR expenditure | | |
| | V Ramakrishna Charitable Trust | 0.14 | 0.32 |
| | Kids Patasala Macherla | 0.06 | 0.14 |
| | V Ramakrishna Higher Sec.School | 0.15 | - |
| (x) | Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | NIL | NIL |

| Note 47. Provision For Onerous Contracts- IND AS 37 | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| 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 Heavy Engineering Unit and made provision. | 0.44 | 0.10 |

Note 48. Proposed Dividend : In respect of the year ended March 31, 2024 the Directors recommended a dividend of Re.1/- per share (100%) on equity share of Re.1/- each. 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.12.89 Crores.

Note 49. Relationship with Struck Off Companies :

| Name of struck-off company | Nature of transaction with struck-off company | Balance outstanding (Rs. in Crores) | Relationship with the struck-off company, if any |
|--|---|-------------------------------------|--|
| No transaction with struck-off company | | | |

Note 50. Details on Statements of Current Assets submitted to the Banks:

The Company has to submit the monthly statements on stock and debtors' positions to the bankers. During the current year in one of the segments of the Company, i) Debtors balance which were submitted to the bank in 2nd quarter are lower than the balance as per books of accounts by Rs.1.17 crores; ii) With respect to creditors balances the details submitted to bank are higher to an extent of Rs.0.04 crores, Rs.0.52 crores, Rs.0.04 crores, Rs.0.07 crores in Q1, Q2, Q3 and Q4 respectively. These variations are due to the adjustments considered in the books post submission of statements to the bankers.

Note 51. Registration/Satisfaction of Charges:

The charges detailed in the table given below, are appearing in INDEX of Charges in Ministry of Corporate Affairs (MCA) website. These were already satisfied and relevant forms were filed with the Registrar of Companies.

The company represented before the Registrar of Companies for rectification/correction of the Index of Charges in MCA website.

As no Form 17 filed for satisfaction of Charge The Registrar of Companies, Tamilnadu, Chennai has suggested to file fresh Form CHG 4 for satisfaction of the Charge.

The company is in the process of filing Form CHG 4 with the Registrar of Companies.

| SRN | Charge ID/Charge Holder | Date of Creation | Amount (Rs.) in Crores | Address of the Charge holder |
|-----------|--------------------------------|------------------|------------------------|---|
| Y10425237 | 90302310/Sundaram Finance Ltd* | 11-08-2004 | 0.05 | No 21, Patullos Road, Chennai, Tamil Nadu - 600002 |
| Y10427869 | 90304942/ IDBI* | 24-07-1995 | 20.30 | Chennai, Tamil Nadu, India |
| Y10423106 | 90300179/ ICICI | 30-07-1992 | 8.6 | Bank of Baroda Building, 16, Sansad Marg New Delhi 110001 |

* Note : The relevant documentation has been submitted to Registrar of companies, Pending deletion

Note 52. Compliance with number of layers of companies :

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

Note 53. Accounting Ratios

| | Ratio | Numerator/ Denominator | Ratio FY 2023-2024 | Ratio FY 2022-2023 | Change | Reasons for change by more than 25% |
|-----|-----------------------------|--|--------------------|--------------------|--------|--|
| (a) | Current Ratio | Current Assets/ Current Liabilities | 1.13 | 1.06 | 7% | |
| (b) | Debt-Equity Ratio | Borrowing (Non-Current & Current)/Networth | 0.58 | 0.71 | (19%) | |
| (c) | Debt Service Coverage Ratio | [Borrowing (Non-Current & Current) + Interest on Borrowings] / Profit before Interest, depreciation and taxes (EBIDTA) | 1.70 | 0.87 | 96% | Favourable Change : Cement margins improved during the current year due to reduction in input coal prices. |
| (d) | Return on Equity Ratio | Net Profit after Tax / Equity | 6.38% | (3.63%) | 276% | Favourable Change : Cement margins improved during the current year due to reduction in input coal prices. |
| (e) | Inventory Turnover Ratio | Revenue from sale of products / Average Inventory | 8.98 | 9.20 | (2%) | |

| | | | | | | |
|-----|----------------------------------|--|-------|---------|-------|---|
| (f) | Trade Receivables Turnover Ratio | Sales /Average trade receivables | 22.41 | 25.16 | (11%) | |
| (g) | Trade Payable Turnover Ratio | Purchases/ Average trade payables | 14.24 | 11.14 | 28% | Favourable Change : Improved cash profits helped in reducing average trade payables in the current year. |
| (h) | Net Capital Turnover Ratio | Sales / (Current Assets minus Current Liabilities) | 29.17 | 58.84 | (50%) | Unfavourable Change : Improved cash profits helped in reducing current liabilities including short term bank borrowings; However, the ratio change is unfavourable as a numerical formula, as surplus funds generated through operations are parked in banks pending strategic decisions on business development. |
| (i) | Net Profit Ratio | Net Profit after Tax/ Total Revenue | 2.65% | (1.53%) | 273% | Favourable Change : Cement margins improved during the current year due to reduction in input coal prices. |
| (j) | Return on Capital Employed | Profit before interest & tax (EBIT) / Total Assets minus current Liabilities | 9.47% | 0.14% | 6572% | Favourable Change : Cement margins improved during the current year due to reduction in input coal prices. |
| (k) | Return on Investment | Net Profit after Tax/ Net Worth | 8.87% | (3.16%) | 381% | Favourable Change : Cement margins improved during the current year due to reduction in input coal prices. |

Note 54. Financial instruments - Fair values and risk management
(as per Annexure-II enclosed)

Figures for the previous have been regrouped, wherever necessary to make them comparable.

(FOR AND ON BEHALF OF THE BOARD)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Annexure - I To Standalone Notes- Related Party Disclosure

Refer Note No 43. Related Party Disclosure

A. List of Related parties:

| | |
|--|--|
| Subsidiary Company | KCP Vietnam Industries Limited |
| Joint Venture Company | Fives Cail KCP Limited |
| Key Management Personnel | Dr. V.L. Indira Dutt - Chairperson & Managing Director Smt. V Kavitha Dutt - Joint Managing Director Sri. Anis Tyebali Hyderi - Chief Financial Officer Sri. Y. Vijayakumar - Company Secretary |
| Other Related Personnel | Sri V.H. Ramakrishnan- Independent Director Sri P.S Kumar- Independent Director Sri Vijay Sankar- Independent Director Sri Narasimhappa Muttuluri- Independent Director Smt. Janaki Pillai - Independent Director Sri V. Chandra Kumar Prasad - Non-Executive Non-Independent Director Dr. Subbarao Vallabhaneni - Non-Executive Non-Independent Director Sri. Ravi Chitturi - Non-Executive Non-Independent Director Sri Thiruvankadam Parthasarathi - Independent Director (With effect from 01/02/2024) Sri Harish Lakshman - Independent Director (With effect from 01/02/2024) |
| Relatives of Key Management Personnel (KMP) | Late Dr. V.L. Dutt - Smt. Rajeswary Ramakrishnanan - 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 Anis Tyebali Hyderi Smt. Fatema Anis Hyderi - Wife Sri Y. Vijayakumar Smt. Y Kavitha - Wife |

Companies/Trusts/Societies controlled by Key management Personnel

Dr. V. L . Indira Dutt -

V Ramakrishna Sons Pvt. Ltd. - Director
V.R.K. Grandsons Investments Pvt. Ltd. - Member
Velagapudi Foundation - Director
KCP Technologies Limited - Share Holder
Fives Cail KCP Limited - Director
Sri V Ramakrishna Charitable Trust - Trustee
Kids Academy of General and Technical Education, Macherla - Trustee

Smt. V Kavitha Dutt -

Fives Cail KCP Limited - Director
V Ramakrishna Sons Pvt. Ltd. - Director
V.R.K. Grandsons Investments Pvt. Ltd. - Member
Velagapudi Foundation - Director
ABI Showatech (India) Pvt. Ltd. - Director
Bharat Biotech International Ltd. - Director
Apollo Hospitals Enterprise Ltd. - Director
Centum Electronics Ltd. - Independent Director
Chennai Wellington Corpn.Foundation - Director
DCM Shriram Industries Ltd. - Independent Director
FLO Industrial Park Federation - Director
KCP Technologies Limited - Director
Sri V Ramakrishna Charitable Trust - Trustee
Kids Academy of General and Technical Education, Macherla - Trustee

B. Transactions with the related parties:

Note: Figures in brackets under Note no.43 (Annexure-I) related to previous year.

(Rs. in Crores)

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---------------------------------|--------------------|---------------|-----|---------------------------------|-----------------------------|
| Sale of Goods | | | | | |
| Fives Cail KCP Limited | | 4.89 | | | |
| | | (2.28) | | | |
| Services -Rendered | | | | | |
| Fives Cail KCP Limited | | 10.95 | | | |
| | | (5.39) | | | |
| V. Ramakrishna Charitable Trust | | | | | 0.00 |
| | | | | | (0.00) |
| Dividend Income | | | | | |
| KCP Vietnam Industries Limited | 44.25 | | | | |
| | (33.12) | | | | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|--|--------------------|---------------|---------|---------------------------------|-----------------------------|
| Loans/Deposits received | | | | | |
| Dr V L Indira Dutt | | | 7.09 | | |
| | | | (20.25) | | |
| Smt. V Kavitha Dutt | | | 0.12 | | |
| | | | (5.50) | | |
| V. Ramakrishna Sons Pvt Limited | | | | | - |
| | | | | | (4.50) |
| VL Dutt (HUF) | | | | 6.50 | |
| | | | | (4.50) | |
| Kum.Shivani Dutt Chitturi | | | | 3.47 | |
| | | | | (1.55) | |
| Advances Received | | | | | |
| Fives Cail KCP Limited | | 6.73 | | | |
| | | (2.64) | | | |
| Purchase of Goods | | | | | |
| Fives Cail KCP Limited | | - | | | |
| | | (0.01) | | | |
| Remuneration paid | | | | | |
| Dr V L Indira Dutt | | | 2.47 | | |
| | | | (1.62) | | |
| Smt. V Kavitha Dutt | | | 2.45 | | |
| | | | (1.90) | | |
| Sri Anis Tyebali Hyderi | | | 1.02 | | |
| | | | (0.17) | | |
| Sri Y. Vijayakumar | | | 0.49 | | |
| | | | (0.46) | | |
| Directors Out of pocket Exp. & Sitting fees | | | | | |
| Sri V. H Ramakrishnan | | | 0.04 | | |
| | | | (0.05) | | |
| Sri Vijay shankar | | | 0.03 | | |
| | | | (0.02) | | |
| Sri P. S. Kumar | | | 0.05 | | |
| | | | (0.05) | | |
| Sri M. Narasimhappa | | | 0.04 | | |
| | | | (0.05) | | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---------------------------------|--------------------|---------------|--------|---------------------------------|-----------------------------|
| Sri Janaki Pillai | | | 0.02 | | |
| | | | (0.02) | | |
| Sri V Chandra Kumar Prasad | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Subbarao Vallabhaneni | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Ravikumar Chitturi | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Thiruvenkadam Parthasarathi | | | 0.01 | | |
| | | | - | | |
| Sri Harish Lakshman | | | 0.00 | | |
| | | | - | | |
| Interest paid | | | | | |
| Dr V L Indira Dutt | | | 2.36 | | |
| | | | (2.23) | | |
| Smt. V Kavitha Dutt | | | 0.81 | | |
| | | | (0.68) | | |
| Other Relations | | | | | |
| Kum. Shivani D. Chitturi | | | | 0.43 | |
| | | | | (0.38) | |
| VL Dutt (HUF) | | | | 0.93 | |
| | | | | (0.93) | |
| V. Ramakrishna Sons Pvt Limited | | | | | 0.72 |
| | | | | | (0.50) |
| Dividend paid | | | | | |
| Dr V L Indira Dutt | | | 0.10 | | |
| | | | (1.00) | | |
| Smt. V Kavitha Dutt | | | 0.01 | | |
| | | | (0.14) | | |
| Other Relations | | | | | |
| Kum.Shivani Dutt Chitturi | | | | 0.01 | |
| | | | | (0.14) | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|--|--------------------|---------------|---------|---------------------------------|-----------------------------|
| Smt.Uma S Vallabhaneni | | | | 0.00 | |
| | | | | (0.00) | |
| Smt.Rajeswary Ramakrishnan | | | | 0.00 | |
| | | | | (0.00) | |
| V. Ramakrishna Sons Pvt Limited | | | | | 0.39 |
| | | | | | (3.90) |
| VRK Grandsons Investment (Private) Limited | | | | | 0.04 |
| | | | | | (0.42) |
| Dr V L Dutt (HUF) | | | | 0.00 | |
| | | | | (0.01) | |
| Sri Vallabhaneni Subbarao | | | 0.00 | | |
| | | | (0.02) | | |
| Loans/Deposit Repaid | | | | | |
| Dr. V. L. Indira Dutt | | | 7.09 | | |
| | | | (22.70) | | |
| Smt. V Kavitha Dutt | | | 0.12 | | |
| | | | - | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 2.00 |
| | | | | | - |
| Dr V L Dutt (HUF) | | | | 6.50 | |
| | | | | (3.50) | |
| Kum.Shivani Dutt Chitturi | | | | 2.52 | |
| | | | | (1.05) | |
| Rent Paid | | | | | |
| Dr V L Indira Dutt | | | 1.54 | | |
| | | | (1.43) | | |
| Smt. V Kavitha Dutt | | | 0.04 | | |
| | | | (0.04) | | |
| Other Relations | | | | | |
| Smt.Uma.S.Vallabhaneni | | | | 1.56 | |
| | | | | (1.44) | |
| Smt.V.Rama Kumari | | | | 1.15 | |
| | | | | (1.07) | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---|--------------------|---------------|--------|---------------------------------|-----------------------------|
| Bala Tripurasundari Ammavaru Trust | | | | | 1.54 |
| | | | | | (1.42) |
| Sri.V.Chandra Kumar | | | 0.64 | | |
| | | | (0.60) | | |
| Corporate Social Responsibility (CSR ACTIVITIES) | | | | | |
| V Ramakrishna Charitable Trust | | | | | 0.14 |
| | | | | | (0.32) |
| Kids Patasala Macherla | | | | | 0.06 |
| | | | | | (0.14) |
| Sri V Ramakrishna Higher Secondary School | | | | | 0.15 |
| | | | | | - |
| Donations | | | | | |
| Sri V Ramakrishna Higher Secondary School | | | | | 0.07 |
| | | | | | (0.04) |
| Balances as at 31.03.2024 | | | | | |
| Share Capital held by KCP in | | | | | |
| KCP Vietnam Industries Limited | 23.71 | | | | |
| | (23.71) | | | | |
| Fives Cail KCP Limited | | 0.40 | | | |
| | | (0.40) | | | |
| Receivable - Trade dues/others | | | | | |
| Fives Cail KCP Limited | | 2.61 | | | |
| | | (3.36) | | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 0.00 |
| | | | | | (0.00) |
| Dividend Receivable | | | | | |
| KCP Vietnam Industries Limited | 44.47 | | | | |
| | (32.89) | | | | |
| Share capital in KCP held by | | | | | |
| Dr. V. L. Indira Dutt | | | 1.01 | | |
| | | | (1.01) | | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|--|--------------------|----------------|------------------|---------------------------------|-----------------------------|
| Smt. V Kavitha Dutt | | | 0.14 (0.14) | | |
| Other Relations | | | | | |
| Kum.Shivani Dutt Chitturi | | | | 0.14 (0.14) | |
| Smt.Rajeswary Ramakrishnan | | | | 0.00 (0.00) | |
| Smt.Uma S Vallabhaneni | | | | 0.00 (0.00) | |
| Sri Vallabhaneni Subbarao | | | 0.02 (0.02) | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 3.90 (3.90) |
| VRK Grandsons Investment (Private) Limited | | | | | 0.42 (0.42) |
| Dr. VL Dutt (HUF) | | | | 0.01 (0.01) | |
| Loans/Advances held | | | | | |
| Fives Cail KCP Limited | | 2.12 (0.66) | | | |
| Dr V L Indira Dutt | | | 10.50 (11.50) | | |
| Smt. V Kavitha Dutt | | | 6.50 (6.50) | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 9.20 (11.20) |
| Deposits held with the company | | | | | |
| Dr V L Indira Dutt | | | 20.14 (19.14) | | |
| Smt. V Kavitha Dutt | | | 4.52 (4.52) | | |
| Other Relations | | | | | |
| VL Dutt [HUF] | | | | 11.50 (11.50) | |
| Kum.Shivani Dutt Chitturi | | | | 5.60 (4.65) | |

| | Subsidiary Company | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|------------------------------------|--------------------|---------------|--------|---------------------------------|-----------------------------|
| Commission payable | | | | | |
| Dr. V. L. Indira Dutt | | | 0.48 | | |
| | | | - | | |
| Payable-Trade Dues | | | | | |
| Dr. V. L. Indira Dutt | | | 0.42 | | |
| | | | (0.39) | | |
| Smt. V Kavitha Dutt | | | 0.01 | | |
| | | | (0.01) | | |
| Other Relations | | | | | |
| Smt.V.Rama Kumari | | | | 0.35 | |
| | | | | (0.33) | |
| Sri.V.Chandra Kumar | | | 0.16 | | |
| | | | (0.15) | | |
| Smt.Uma.S.Vallabhaneni | | | | 0.36 | |
| | | | | (0.34) | |
| Bala Tripurasundari Ammavaru Trust | | | | | 0.42 |
| | | | | | (0.39) |

Note: Figures in brackets under Note no.43 (Annexure-I) related to previous year.

Annexure - II Referred in Note No. 54

54 A. 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 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, 2024 (Rs in Crores)

| Particulars | Note | Carrying Amount | | | | Fair value of instruments measured at FVTPL / FVTOCI | | |
|---|---------|--------------------------|-------------------------|----------------------------------|---------------------------------------|--|---------------|-------------|
| | | Financial assets -FVTOCI | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total | Level 1 | Level 2 |
| Financial assets | | | | | | | | |
| Investments measured at cost | 6 | 26.81 | - | - | - | - | 26.81 | - |
| Investments | 6 | 0.30 | - | - | - | 0.30 | - | 0.30 |
| Trade receivables | 7 & 11 | - | - | 51.33 | - | 51.33 | - | - |
| Contract Assets | 11 | - | - | 20.53 | - | 20.53 | - | - |
| Cash and Cash Equivalents | 12 | - | - | 0.55 | - | 0.55 | - | - |
| Bank balances other than above | 12A | - | - | 127.85 | - | 127.85 | - | - |
| Loans | | - | - | - | - | - | - | - |
| Other Financial assets | | | | | | | | |
| EMD | 8 | - | - | 0.15 | - | 0.15 | - | - |
| Bank Balances with maturity more than 12 months | 8 | - | - | 28.56 | - | 28.56 | - | - |
| Interest accrued on other deposits | 13 | - | - | 0.84 | - | 0.84 | - | - |
| Interest accrued on fixed deposits | 13 | - | - | 0.41 | - | 0.41 | - | - |
| Due from Gratuity Trust | 13 | - | - | - | - | - | - | - |
| Non trade receivables from JV & Subsidiary | 13 | - | - | 44.49 | - | 44.49 | - | - |
| Staff Advance | 13 | - | - | 0.33 | - | 0.33 | - | - |
| Others (Employee Benefit Plan) | 13 | - | - | 0.28 | - | 0.28 | - | - |
| Total | | 27.11 | - | 275.32 | - | 302.43 | 0.30 | 0.30 |
| Financial liabilities | | | | | | | | |
| Borrowings | 18 & 23 | - | - | - | 229.07 | - | 229.07 | - |
| Trade payables | 19 & 24 | - | - | - | 70.44 | - | 70.44 | - |
| Other financial liabilities (Non Current) | 20 | - | - | - | 19.21 | - | 19.21 | - |
| Other financial liabilities (Current) :- | | | | | | | | |
| Accrued salaries and benefits | 25 | - | - | - | 8.09 | - | 8.09 | - |
| Payable to directors | 25 | - | - | - | 0.48 | - | 0.48 | - |
| Outstanding liabilities for expenses | 25 | - | - | - | 7.73 | - | 7.73 | - |
| Others | 25 | - | - | - | 170.99 | - | 170.99 | - |
| Lease Liability | | - | - | - | 2.44 | - | 2.44 | - |
| Total | | - | - | - | 508.45 | - | 508.45 | - |

As at 31st March, 2023

(Rs in Crores)

| Particulars | Note | Carrying Amount | | | | Fair value of instruments measured at FVTPL / FVTOCI | | |
|---|---------|---------------------------|--------------------------|-----------------------------------|--|--|---------|-------------|
| | | Financial assets - FVTOCI | Financial assets - FVTPL | Financial assets - Amortised cost | Financial liabilities - amortised cost | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | | |
| Investments measured at cost | 6 | 26.81 | - | - | - | - | - | - |
| Investments | 6 | 0.20 | - | - | - | 0.20 | - | 0.20 |
| Trade receivables | 7 & 11 | - | - | 68.73 | - | - | - | - |
| Contract Assets | 11 | - | - | 11.07 | - | - | - | - |
| Cash and Cash Equivalents | 12 | - | - | 0.35 | - | - | - | - |
| Bank balances other than above | 12A | - | - | 116.46 | - | - | - | - |
| Other Financial assets | | | | | | | | |
| EMD | 8 | - | - | 0.06 | - | - | - | - |
| Bank Balances with maturity more than 12 months | 8 | - | - | 29.97 | - | - | - | - |
| Interest accrued on other deposits | 13 | - | - | 0.39 | - | - | - | - |
| Interest accrued on fixed deposits | 13 | - | - | 0.35 | - | - | - | - |
| Non trade receivables from JV & Subsidiary | 13 | - | - | 32.89 | - | - | - | - |
| Staff Advance | 13 | - | - | 0.27 | - | - | - | - |
| Others (Employee Benefit Plan) | 13 | - | - | 0.29 | - | - | - | - |
| Total | | 27.01 | - | 260.83 | - | 287.84 | - | 0.20 |
| Financial liabilities | | | | | | | | |
| Borrowings | 18 & 23 | - | - | - | 298.68 | - | - | - |
| Trade payables | 19 & 24 | - | - | - | 98.25 | - | - | - |
| Other financial liabilities (Non Current) | 20 | - | - | - | 20.82 | - | - | - |
| Other financial liabilities (Current) :- | | | | | | | | |
| Accrued salaries and benefits | 25 | - | - | - | 4.40 | - | - | - |
| Payable to directors | 25 | - | - | - | - | - | - | - |
| Outstanding liabilities for expenses | 25 | - | - | - | 8.70 | - | - | - |
| Others | 25 | - | - | - | 170.20 | - | - | - |
| Lease Liability | | - | - | - | 2.49 | - | - | - |
| Total | | - | - | - | 603.54 | - | - | - |

Note 54 B. 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 majorly consists of project funding loans, working capital loans having variable rate of interest.

The interest rate profile of the Company's interest-bearing instruments as reported to management is as follows:

(Rs. in Crores)

| Particulars | As at 31.03.2024 | As at 31.03.2023 |
|---|------------------|------------------|
| Fixed rate instruments | | |
| Financial liabilities (Includes borrowings) | 114.02 | 116.36 |
| Financial assets | 154.88 | 144.07 |
| Variable rate instruments | | |
| Financial liabilities (Includes borrowings) | 115.05 | 182.26 |
| Total financial liabilities (Net) | 74.19 | 154.55 |

i) Sensitivity analysis

| Particulars | Impact on profit/(loss) | |
|--------------------------|-------------------------|------------|
| | 31.03.2024 | 31.03.2023 |
| 1% increase in MCLR rate | (1.15) | (1.82) |
| 1% decrease in MCLR rate | 1.15 | 1.82 |

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

(Rs in Crores)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|------------|------------|
| Trade receivables | 71.86 | 68.12 |

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

| Allowance for credit loss | 31.03.2024 | 31.03.2023 |
|----------------------------|-------------|-------------|
| Balance at the beginning | 0.16 | 0.09 |
| Impairment loss recognised | (0.09) | 0.07 |
| Balance at the end | 0.07 | 0.16 |

No single customer accounted for more than 10% of the revenue as of 31.03.2024 and 31.03.2023.

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 international and credit rating agencies.

Note 54 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 expected 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 below provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at March 31, 2024

(Rs in Crores)

| Particulars | Carrying value | Contractual cash flows | | | | Total |
|--|----------------|------------------------|---------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-5 years | More than 5 years | |
| Borrowings (Non-current) | 83.98 | - | 83.98 | 0.00 | - | 83.98 |
| Current maturities of long term borrowings | 82.18 | 82.18 | - | - | - | 82.18 |
| Financial liabilities (Non-current) | 21.59 | - | 21.59 | - | - | 21.59 |
| Cash credit & Demand Loans | 62.91 | 62.91 | - | - | - | 62.91 |
| Trade payables (Current) | 70.44 | 70.44 | - | - | - | 70.44 |
| Other financial liabilities (Current) | 187.39 | 187.39 | - | - | - | 187.39 |
| Total | 508.50 | 402.92 | 105.57 | 0.00 | - | 508.50 |

As at 31st March 2023

| Particulars | Carrying value | Contractual cash flows | | | | Total |
|--|----------------|------------------------|--------------|--------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-5 years | More than 5 years | |
| Borrowings (Non-current) | 130.96 | - | 73.84 | 57.11 | - | 130.96 |
| Current maturities of long term borrowings | 85.62 | 85.62 | - | - | - | 85.62 |
| Financial liabilities (Non-current) | 20.42 | - | 20.42 | - | - | 20.42 |
| Cash credit & Demand Loans | 82.07 | 82.07 | - | - | - | 82.07 |
| Trade payables (Current) | 97.77 | 97.77 | - | - | - | 97.77 |
| Other financial liabilities (Current) | 186.16 | 186.16 | - | - | - | 186.16 |
| Total | 602.99 | 451.62 | 94.26 | 57.11 | - | 602.99 |

Note 54 D. Foreign exchange risk

The Company imports coal/chromo sand for its production operations, and exports cement/engineering equipments.

The impact of foreign exchange rate variation (US \$) on its segments' performance is as follows. (Rs in Crores)

| Particulars | Impact on profit | |
|-----------------------------------|------------------|--------------|
| | FY 2023-2024 | FY 2022-2023 |
| Increase in Exchange Rate by Re.1 | | |
| Cement | (0.59) | (0.83) |
| Captive Power Plant | 0.00 | 0.00 |
| Heavy Engineering | 0.00 | 0.00 |
| Decrease in Exchange Rate by Re.1 | | |
| Cement | 0.59 | 0.83 |
| Captive Power Plant | 0.00 | 0.00 |
| Heavy Engineering | 0.00 | 0.00 |

Note 54 E. Commercial risk

Sale price risk

| Particulars | Impact on profit | |
|------------------------------|------------------|--------------|
| | FY 2023-2024 | FY 2022-2023 |
| Selling price increase by 5% | | |
| Cement | 79.07 | 76.17 |
| Heavy Engineering | 3.29 | 4.76 |
| Hospitality & other Services | 2.58 | 2.34 |
| Selling price decrease by 5% | | |
| Cement | (79.07) | (76.17) |
| Heavy Engineering | (3.29) | (4.76) |
| Hospitality & other Services | (2.58) | (2.34) |

Raw material price risk

(Rs in Crores)

| Particulars | Impact on profit | |
|-----------------------------------|------------------|--------------|
| | FY 2023-2024 | FY 2022-2023 |
| Raw material price increase by 5% | | |
| Cement | | |
| Limestone | (9.68) | (9.11) |
| Laterite | (1.11) | (0.93) |
| Fly Ash | (2.94) | (1.98) |
| Gypsum | (1.43) | (1.53) |
| Heavy Engineering | | |
| Iron and Steel, Nickel and Scrap | (0.88) | (1.45) |
| | (16.04) | (15.01) |
| Raw material price decrease by 5% | | |
| Cement | | |
| Limestone | 9.68 | 9.11 |
| Laterite | 1.11 | 0.93 |
| Fly Ash | 2.94 | 1.98 |
| Gypsum | 1.43 | 1.53 |
| Heavy Engineering | | |
| Iron and Steel, Nickel and Scrap | 0.88 | 1.45 |
| | 16.04 | 15.01 |



The KCP Limited (Group)

Financial Statements

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KCP Viet Nam Industries Limited



Independent Auditors' Report on Financial Statements (Group)

The members of The KCP Limited, Chennai

Report on Audit of Consolidated Financial Statements:

Opinion

We have audited the accompanying consolidated financial statements of **THE KCP LIMITED** ("the Holding Company") its subsidiary (Holding company and its subsidiary together referred as "the Group") and its joint venture, comprising the Consolidated Balance Sheet as at March 31, 2024, 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 material accounting policies and other explanatory information (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, 2024, 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 ICAI's 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 that there are no key audit matters to communicate in our report.

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

The Holding 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, Business Responsibility and Sustainability 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 and based on the work done/audit report of the other auditor, 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 joint venture 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 and Joint venture 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 and joint venture are responsible for assessing the Group's ability and joint venture 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 and joint venture are also responsible for overseeing the financial reporting process of the Group and joint venture

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, joint venture and its subsidiary company which is accompany incorporated outside India, have 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 and joint venture 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 and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the holding company included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity and joint venture included in the Consolidated Financial Statements, which has been audited by other auditors, such other auditors remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in para (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements 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.1,506.45 Crores as at 31st March 2024, total revenues of Rs. 1,198.10 Crores and net cash flows from operating activities amounting to Rs.31.33 Crores 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.183.79 Crores for the year ended 31st March 2024, as considered in the consolidated Ind AS financial statements, whose financial statements/ financial information have not been audited by us. This 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. 4.22 Crores and other comprehensive loss of Rs.0.09 Crores for the year ended 31st March 2024, 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 joint venture, 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

With reference to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditor of the Joint Venture company included in the consolidated financial statements, as provided to us by the management of the Parent, the unfavorable remarks, qualifications or adverse remarks given by respective auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO) is given in Annexure-A.

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 Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the report of Statutory auditor of a joint venture none of the directors of the Holding company and joint venture incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act except one of the directors of Joint venture who is disqualified due to deactivation of Directors Identification Number which was subsequently reactivated after the reporting period;
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements 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 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 year by the Holding Company and its joint venture is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its joint venture, 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 and joint venture – Refer Note No 37 of the Consolidated Financial Statements.
 - (ii) the Group and joint venture 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 45 to the Consolidated Financial Statements.
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and joint venture incorporated in India.
 - (iv) (a) The respective Managements of the Company and joint venture which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiary, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the Company and joint venture which are incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of subsidiary, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) (a) The dividend declared and paid during the year by the holding company is in compliance with section 123 of the Companies Act, 2013. The joint venture company incorporated in India have neither declared nor paid any dividend during the year.
 - (b) the Board of directors of the Holding Company have recommended a dividend of Rs.1/- (100%) per share subject to the approval of the members at the ensuing Annual General Meeting, The dividend recommended is in accordance with the provisions of section 123 of the Companies Act. With respect to Joint Venture incorporated in India, the dividend proposed by their Board of Directors at Rs.20/- per share is in accordance with section 123 of the Companies Act, 2013. We have relied upon the report submitted by the other auditor in respect of this matter.
 - (vi) Based on our examination which included test checks that performed by the other auditor of the joint venture which is company incorporated in India whose financial statements have been audited under the

Act, the company, joint venture have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and other auditor of the above referred joint venture did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place : Chennai
Date : May 20, 2024

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

(K. VAMSI KRISHNA)
Partner

ICAI Mem No: 238809
UDIN 24238809BKGZTB5404

Annexure 'A' To The Independent Auditor's Report

Annexure-A to the Independent Auditor's Report on the Consolidated Financial Statements of the The KCP Limited for the year ended 31st March, 2024.

In our opinion and according to the information and explanations given to us, following Companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| No | Name | CIN | Holding Company/Joint Venture | Clause number of the CARO report which is unfavourable or qualified or adverse |
|----|------------------------|-----------------------|-------------------------------|--|
| 1. | The KCP Limited | L65991TN1941PLC001128 | Holding Company | (i)(c) |
| 2. | The KCP Limited | L65991TN1941PLC001128 | Holding Company | (ii)(b) |
| 3. | The KCP Limited | L65991TN1941PLC001128 | Holding Company | (vii)(b) |
| 4. | Fives Cail KCP Limited | U29254TN1995PLC033300 | Joint Venture | (ii)(b) |
| 5. | Fives Cail KCP Limited | U29254TN1995PLC033300 | Joint Venture | (vii)(b) |

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

(K. VAMSI KRISHNA)
Partner

ICAI Mem No: 238809
UDIN 24238809BKGZTB5404

Place : Chennai
Date : May 20, 2024

Annexure ‘B’ 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”)

Opinion

In conjunction with our audit of the Consolidated Financial Statements of **The KCP Limited** (hereinafter referred to as “The Holding Company”) and its joint venture, as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to the consolidated financial statements of the holding company and such companies incorporated in India under the Companies Act, 2013 which are its joint venture as of that date.

In our opinion, the Holding Company and its joint venture company incorporated in India, in all material respects, an adequate internal financial controls system with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal control with reference to the Consolidated Financial Statements criteria established by such Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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 with reference to financial statements 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 those 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 its joint venture have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2024, based on the internal control with reference to Consolidated Financial Statements 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 with reference to financial statements insofar as it relates to one joint venture, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company

Our opinion is not modified in respect of the above matters.

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

(K. VAMSI KRISHNA)
Partner

ICAI Mem No: 238809
UDIN 24238809BKGZTB5404

Place : Chennai
Date : 20.05.2024

Balance Sheet (Group)

(Rs in Crores)

| | Particulars | Note No. | As at 31-03-2024 | As at 31-03-2023 |
|--|--------------------------------------|------------|------------------|------------------|
| I | Assets | | | |
| (1) | Non-current Assets | | | |
| (a) | Property, Plant and Equipment | 2 | 931.34 | 993.06 |
| (b) | Capital Work-in-progress | 3 | 14.44 | 10.42 |
| (c) | Investment Property | 4 | - | - |
| (d) | Other Intangible Assets | 5 | 4.95 | 4.99 |
| (e) | Financial Assets | | | |
| (i) | Investments | 6 | 14.61 | 10.39 |
| (ii) | Trade Receivables | 7 | 2.95 | 4.34 |
| (iii) | Loans | | - | - |
| (iv) | Other financial assets | 8 | 79.07 | 63.12 |
| (f) | Deferred Tax Assets (Net) | | | |
| (g) | Other Non-current Assets | 9 | 33.30 | 19.21 |
| (2) | Current Assets | | | |
| (a) | Inventories | 10 | 470.36 | 552.64 |
| (b) | Financial Assets | | | |
| (i) | Investments | | - | - |
| (ii) | Trade Receivables | 11 | 174.58 | 156.62 |
| (iii) | Cash and cash equivalents | 12 | 10.66 | 3.09 |
| (iv) | Bank balances other than (iii) above | 12A | 905.00 | 638.16 |
| (vi) | Other financial assets | 13 | 1.89 | 1.29 |
| (c) | Current Tax Assets (Net) | 14 | 10.92 | 13.47 |
| (d) | Other Current assets | 15 | 174.60 | 146.86 |
| | Total Assets | | 2,828.65 | 2,617.66 |
| II | Equity and Liabilities | | | |
| | Equity | | | |
| (a) | Equity Share Capital | 16 | 12.89 | 12.89 |
| (b) | Other Equity | 17 | 1,397.18 | 1,211.46 |
| | Non Controlling Interest | 17A | 369.94 | 295.10 |
| | Deferred Government Grant | | 0.22 | 0.24 |
| | Liabilities | | | |
| (1) | Non-Current Liabilities | | | |
| (a) | Financial Liabilities | | | |
| (i) | Borrowings | 18 | 83.98 | 130.98 |
| (ii) | Lease Liabilities | | 2.38 | 2.44 |
| (iii) | Trade Payables | 19 | | |
| | Due to Micro and Small Enterprises | | - | - |
| | Due to Others | | - | - |
| (iv) | Other financial liabilities | 20 | 102.20 | 76.11 |
| (b) | Provisions | 21 | 15.84 | 14.45 |
| (c) | Deferred Tax Liabilities (Net) | 22 | 87.80 | 81.80 |
| (2) | Current Liabilities | | | |
| (a) | Financial Liabilities | | | |
| (i) | Borrowings | 23 | 393.71 | 424.23 |
| (ii) | Lease Liabilities | | 0.06 | 0.05 |
| (iii) | Trade Payables | 24 | | |
| | Due to Micro and Small Enterprises | | 4.92 | 2.53 |
| | Due to Others | | 105.24 | 109.80 |
| (iii) | Other financial liabilities | 25 | 209.05 | 209.20 |
| (b) | Other current liabilities | 26 | 36.03 | 38.95 |
| (c) | Provisions | 27 | 7.20 | 7.44 |
| | Total Equity and Liabilities | | 2,828.65 | 2,617.66 |
| The accompanying notes form an integral part of the financial statements | | 1,37 to 52 | | |

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024



Statement of Profit and Loss (Group)

for the year ended 31st March 2024

(Rs in Crores)

| Particulars | Note No | FY 2023-2024 | FY 2022-2023 |
|---|---------|-----------------|-----------------|
| Income | | | |
| Revenue from Operations | 28 | 2,846.74 | 2,253.65 |
| Other Income | 29 | 69.43 | 38.43 |
| Total Income | | 2,916.16 | 2,292.08 |
| Expenses | | | |
| Cost of Raw Materials and Components consumed | 30 | 1,083.05 | 807.09 |
| [Increase]/Decrease in Inventories of finished goods and Work-in-progress | 31 | 16.96 | (123.47) |
| Employee Benefits expense | 32 | 136.25 | 117.29 |
| Power and fuel | | 610.61 | 693.92 |
| Freight and forwarding charges | | 387.59 | 360.55 |
| Finance Costs | 33 | 40.85 | 38.03 |
| Depreciation and amortization expense | 33A | 89.35 | 89.91 |
| Other expenses | 34 | 257.97 | 224.67 |
| Total Expenses | | 2,622.63 | 2,208.00 |
| Profit/(Loss) before Exceptional items and tax | | 293.53 | 84.09 |
| Add : Exceptional Items (Net) | 34A | 0.64 | - |
| Profit/(Loss) before Tax | | 292.90 | 84.09 |
| Less : Tax expenses | 35 | | |
| Short /Excess provision of Income Tax | | (0.73) | (0.13) |
| Current Tax | | 12.65 | - |
| Deferred Tax | | 4.75 | (10.11) |
| Add: MAT credit entitlement | | - | 4.57 |
| Total Tax expense | | 16.67 | (5.67) |
| Profit/(Loss) for the year from continuing operations (A) | | 276.23 | 89.76 |
| 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) | | 276.23 | 89.76 |
| Share of profit from joint venture | | 4.22 | 1.38 |
| Less: Non Controlling share of Profit | 17A | 91.89 | 49.39 |
| Profit / (Loss) after Non controlling interest | | 188.55 | 41.74 |
| Other Comprehensive Income- OCI | | | |
| Items that will not be reclassified to P&L | 36 | (2.34) | 28.46 |
| Income tax relating to items that will not be reclassified to profit or loss | | 0.17 | 0.82 |
| Share of OCI from joint venture | | (0.09) | (0.31) |
| Less: Non controlling share of OCI | 17A | (0.72) | 10.27 |
| OCI after Non controlling share | | (1.54) | 18.70 |
| Total Comprehensive Income for the period (Comprising P&L + OCI) | | 278.19 | 120.10 |
| Less: Minority share of Total Comprehensive Income | 17A | 91.18 | 59.66 |
| Total Comprehensive income after minority interest | | 187.01 | 60.44 |
| Earnings per share (for Continuing Operations) Basic and diluted | Rs. 42 | 14.63 | 3.24 |
| Earnings per share (for Discontinued Operations) Basic and diluted | | - | - |
| Total Earnings per share - Basic and diluted | Rs. | 14.63 | 3.24 |
| (Face value of share is Rs.1) | | | |
| The accompanying notes form an integral part of the Consolidated financial statements | | 1,37 to 52 | |

(For and on behalf of the Board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

As per our report annexed

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

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Group

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

| Particulars | Amount (Rs. Crores) |
|---|---------------------|
| Balance as at 1st April, 2022 | 12.89 |
| Changes in equity share capital due to prior period errors during 2022-2023 | - |
| Restated Balance at the beginning of the current period | 12.89 |
| Changes in equity share capital during 2022-2023 | - |
| Balance as at 31st March, 2023 | 12.89 |
| Changes in equity share capital due to prior period errors during 2023-2024 | - |
| Restated Balance at the beginning of the current period | 12.89 |
| Changes in equity share capital during 2023-2024 | - |
| Balance as at 31st March, 2024 | 12.89 |

B. Other Equity

| Particulars | Reserves & Surplus | | | | | | Retained Earnings | Other Comprehensive Income | | Attributable to owners of the Parent | Non-controlling interest | Total |
|--|----------------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------|------------------------------------|-------------------|---|---------------------------------|--------------------------------------|--------------------------|----------|
| | Capital Redemption Reserve | Capital Reserve on reorganisation | Capital Reserve on Amalgamation | Capital Reserve of Subsidiary | Translation Reserve | "Other Reserves (General reserve)" | | Equity instruments through Other Comprehensive Income | Actuarial Gains/ losses reserve | | | |
| Balance at the beginning of reporting period - 01-04-2022 | 20.00 | 2.80 | 1.04 | 96.33 | 41.13 | 272.48 | 738.13 | (0.02) | (7.98) | 1,163.91 | 235.44 | 1,399.35 |
| Changes in accounting policy or prior period errors | | | | | | | | | | | | |
| Restated Balance at the beginning of the previous reporting period | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 40.36 | - | - | 40.36 | 49.39 | 89.75 |
| Share of profit of joint venture | - | - | - | - | - | - | 1.38 | - | - | 1.38 | - | 1.38 |
| Additions/(Deletions) during the year to translation reserve | - | - | - | 6.73 | 13.81 | - | - | - | - | 20.54 | 3.36 | 23.90 |
| Other Comprehensive Income | - | - | - | 6.73 | 13.81 | - | - | (0.00) | (1.84) | (1.84) | 6.91 | 5.07 |
| Total Comprehensive Income for the year | - | - | - | 6.73 | 13.81 | - | 41.74 | (0.00) | (1.84) | 60.44 | 59.66 | 120.10 |
| Final Dividends | - | - | - | - | - | - | (12.89) | - | - | (12.89) | - | (12.89) |
| Balance at the end of reporting period - 31-03-2023 | 20.00 | 2.80 | 1.04 | 103.06 | 54.94 | 272.48 | 766.98 | (0.02) | (9.82) | 1,211.46 | 295.10 | 1,506.56 |

(Rs in Crores)

| Particulars | Reserves & Surplus | | | | | | Other Comprehensive Income | | | Attributable to owners of the Parent | Non-controlling interest | 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 | | | | |
| Changes in accounting policy or prior period errors | | | | | | | | | | | | |
| Restated Balance at the beginning of the current reporting period | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | 184.33 | - | - | - | 184.33 | 91.89 | 276.23 |
| Share of profit of joint venture | - | - | - | - | - | 4.22 | - | - | - | 4.22 | (0.19) | 4.22 |
| Additions/(Deletions) during the year to translation reserve | - | - | - | (0.37) | (0.85) | - | - | - | - | (1.22) | (0.19) | (1.41) |
| Other Comprehensive Income | - | - | - | - | - | - | - | 0.09 | (0.42) | (0.32) | (0.53) | (0.85) |
| Total Comprehensive Income for the year | - | - | - | (0.37) | (0.85) | 188.55 | - | 0.09 | (0.42) | 187.01 | 91.18 | 278.19 |
| Final Dividends | - | - | - | - | - | (1.29) | - | - | - | (1.29) | (16.34) | (17.63) |
| Balance at the end of reporting period - 31-03-2024 | 20.00 | 2.80 | 1.04 | 102.69 | 54.09 | 272.48 | 954.24 | 0.07 | (10.23) | 1,397.18 | 369.94 | 1,767.12 |

The accompanying notes are an integral part of the Consolidated financial statements. 1,37 to 52

(For and on behalf of the board)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024



Cash Flow Statement (Group)

(Rs.in Crores)

| Particulars | For FY 2023-2024 | For FY 2022-2023 |
|--|------------------|------------------|
| (A) Cash flow from operating activities | | |
| Profit before tax from continuing operations | 292.90 | 84.09 |
| Share of profits from joint venture | 4.22 | 1.38 |
| Profit before Tax | 297.12 | 85.47 |
| Adjustments for: | | |
| Depreciation on tangible fixed assets | 89.00 | 89.44 |
| Amortization on intangible fixed assets | 0.35 | 0.47 |
| Loss/[profit] on sale of fixed assets | (0.54) | (0.80) |
| Assets written off | 1.17 | 0.95 |
| Expected Credit loss | 0.01 | 0.07 |
| Discounting of trade receivables | (0.16) | (0.06) |
| Amortisation of government grant | (0.02) | (0.02) |
| Unrealised foreign exchange loss/ (gain) | (0.27) | (1.14) |
| Actuarial gain/(loss) on defined benefit plan-gratuity | (0.36) | (1.02) |
| Actuarial gain/(loss) on defined benefit plan-leave | (0.14) | (1.32) |
| Interest expense | 40.85 | 38.03 |
| Interest income | (63.26) | (33.87) |
| Dividend income | 0.06 | (0.39) |
| Translation gain/loss during the year | (2.15) | 30.81 |
| Share of OCI of joint venture | (0.09) | (0.31) |
| Operating profit before working capital changes | 361.58 | 206.31 |
| Movements in working capital: | | |
| Adjustments for Increase / (Decrease) in operating liabilities : | | |
| Increase/[decrease] in trade payables | (2.16) | 9.86 |
| Increase/[decrease] in other financial liabilities (non-current) | 26.10 | 16.41 |
| Increase/[decrease] in long term provisions | 1.39 | 0.69 |
| Increase/[decrease] in other financial liabilities (Current) | 0.34 | (13.71) |
| Increase/[decrease] in other current liabilities | (2.92) | 3.05 |
| Increase/[decrease] in current provisions | (0.24) | (0.20) |
| Adjustments for [Increase]/decrease in operating assets : | | |
| [Increase]/decrease in trade receivables (non-current) | 1.55 | (2.13) |
| [Increase]/decrease in other financial assets (non-current) | (15.95) | 4.26 |
| [Increase]/decrease in other non-current assets | (14.09) | (7.93) |
| [Increase]/decrease in inventories | 82.27 | (192.65) |
| [Increase]/decrease in trade receivables (current) | (17.97) | (31.06) |
| [Increase]/decrease in other bank deposits | (267.30) | (70.12) |
| [Increase]/decrease in other financial assets (current) | (11.65) | 0.10 |
| [Increase]/decrease in other current assets | (27.73) | 10.36 |
| Cash generated from/[used in] operations | 113.22 | (66.77) |
| Direct taxes paid (net of refunds) | (7.94) | (5.37) |
| Net cash flow from/[used in] operating activities (A) | 105.28 | (72.14) |
| (B) Cash flows from investing activities | | |
| Purchase of fixed assets, including intangible assets, CWIP | (32.87) | (33.66) |
| Proceeds from sale of fixed assets | 0.64 | 0.94 |
| Purchase of non-current investments | 0.00 | 1.92 |
| (Increase)/Decrease in value of investments in joint venture | (4.13) | (1.06) |
| Interest received | 62.74 | 33.42 |
| Dividends received | 44.67 | 1.53 |
| Net cash flow from/[used in] investing activities (B) | 71.05 | 3.08 |
| C. Cash flows from financing activities | | |
| Repayment of long term Borrowings (net) | (46.99) | (47.92) |
| Proceeds from short term borrowings | (30.52) | 168.80 |
| Principal repayment of lease liabilities | (0.27) | (0.06) |
| Interest repayment of lease liabilities | (0.05) | (0.28) |
| Interest paid | (41.08) | (39.49) |
| Dividends paid | (49.84) | (12.73) |
| Net cash flow from/[used in] in financing activities [C] | (168.76) | 68.33 |
| Net increase/[decrease] in cash and Bank Balances (A+B+C) | 7.57 | (0.74) |
| Cash and Bank Balances at the beginning of the year | 3.09 | 3.83 |
| Cash and Bank Balances at the end of the year | 10.66 | 3.09 |
| Components of cash and Bank Balances | | |
| Cash on hand | 0.15 | 0.11 |
| With banks on current account | 10.51 | 2.97 |
| Cheques/drafts on hand | - | - |
| Total Cash and Bank Balances | 10.66 | 3.09 |

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

(For and on behalf of the board)

As per our report annexed

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

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

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Notes Forming Part of the Financial Statements (Group)

1. Group overview and material 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, 2024 were approved by the Board of Directors and authorize for issue on 20th May, 2024, subject to the approval of shareholders in the ensuing Annual General Meeting. 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, under the provisions of the Companies Act, 2013 (‘the Act’) 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 re-measured 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 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

1.5. Material accounting policies

This note provides a list of the material 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 'Holding Company') and its subsidiary and the Joint Venture.

i. Revenue Recognition Revenue from contracts with customers

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

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 Group 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 Group 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 income:- Dividend is recognized in statement of profit or loss only when the right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to The Group, and the amount of dividend can be reliably measured.

Interest income:- Interest income is recognized as it accrues in the statement of profit or loss using effective interest rate.

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. 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: Leave Encashment and Gratuity

These benefits include leave encashment, 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.

Defined benefit plans: Covid Death

Family of the employees who have died due to Covid are provided with monthly pension till the deemed

superannuation date of the deceased employee, by subscribing to the customized insurance policy through lumpsum payment to the insurer.

The Plan assets created by the insurer are remeasured at the end of accounting period for recognition of gain or loss through FVTPL.

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 Property, Plant & Equipment and the use of which is irregular, are capitalized at cost.

Non-current assets held for sale : Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of management estimates and assumptions. Non-Current Assets and disposal group that cease to be classified as "Held for Sale", shall be measured at the lower of carrying amount before the Non - Current Assets and disposal group, was classified as "Held for Sale" and the recoverable amount at the date of subsequent decision not to sell.

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.

Mine closure, site restoration and decommissioning obligations

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The Group recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier.

The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations, which mainly includes cost of plantation, fencing, biodiversity management, sustainable development, rainwater harvesting, etc.

The estimate of expenses are escalated for inflation, and then discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The Group records a corresponding asset associated with the liability for final reclamation and mine closure. The obligation and corresponding assets are recognised in the period in which the liability is incurred. The asset representing the total site restoration cost as per mine closure plan is recognised as a separate item in PPE and amortised over the balance project/ mine life.

The value of the provision is progressively increased over time as the effect of discounting unwinds creating an expense recognised as financial expenses.

Subsequent adjustments to the obligation for changes in the estimated cashflows/disbursement period/ discount rate are made against fixed assets and depreciation/amortisation is modified prospectively.

Intangible Assets:

An intangible asset is an identifiable non-monetary asset without physical substance. It is measured at the consideration paid for its acquisition and stated at the end of each year net of amortization and impairment. Intangible assets are amortized over their individual estimated lives of 4-7 years. Amortization methods and useful lives are reviewed at the end of financial year.

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 30-06-1988, under the written down value method; and in respect of assets acquired on or after 01-07-1988, 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:

| 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 |
| 5 | Moulds in Heavy Engineering Unit | 3 Years |

v. Impairment - Non Financial Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceeds their recoverable amount.

Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

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. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

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.

Impairment: -

The Group recognizes loss allowances using the expected credit loss (ECL) model for financial assets and unbilled revenues which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue with no significant finance component is measured at an amount equal to lifetime ECL using provision matrix as shown below. This estimation of ECL should consider past events, current conditions and reasonable & supportable forecasts. For all other financial assets, expected credit loss are measured at an amount equal to 12-month ECL unless there is significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit loss (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as impairment gain or loss in the statement of profit or loss.

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 transfers 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 Crores.

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 arise.

xi. Income tax:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

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 realized, or the deferred income tax liability is settled.

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.

Where The Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, The Group 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.

xii. Earnings Per Share

The Group Basic EPS is calculated by dividing profit or loss 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. Provisions will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. 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:

Contingent liability is recognised when it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Onerous contracts:

Onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group estimates and provides provision at the lower of the following for onerous contracts.

- a) Net Cost of fulfilling the contract; or
- b) Compensation, penalties arising from the failure to fulfill it i.e. Cost of terminating the contract.

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. Leases :

The Group's lease asset consists of lease for Land, buildings and vehicles. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is re-measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately

presented in the Balance Sheet and lease payments have been classified as financing cash flows.

xv. 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) Heavy Engineering Unit. 3) Hotel and 4) 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.

Dividend Distribution

Dividends paid are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Note : 2A The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2024 are as follows

(Rs.in Crores)

| Particulars | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|--|-----------------------|---------------------------|----------------------------|---|-----------------------|--|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 31-03-2023 | Additions during the year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | Cost up to 31-03-2024 | Exchange fluctuation on foreign subsidiary | Total depreciation upto 31-03-2023 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2024 | As at 31-03-2024 | As at 31-03-2023 |
| | Rs. | Rs. | | | | | | | | | | |
| 1 (i) Lands | 46.77 | - | 0.00 | - | 46.77 | - | - | - | - | - | 46.77 | 46.77 |
| (ii) Lands | - | 3.92 | - | - | 3.92 | - | - | 0.13 | - | - | 3.92 | - |
| 2. (i) Buildings | 248.03 | 3.38 | 0.60 | (0.24) | 250.58 | (0.10) | 67.07 | 8.00 | 0.11 | 74.86 | 175.71 | 180.95 |
| (ii) Leasehold Buildings | 0.09 | - | - | - | 0.09 | - | 0.02 | 0.00 | - | 0.02 | 0.07 | 0.07 |
| 3 Roads | 3.63 | 0.52 | - | - | 4.16 | - | 2.02 | 0.43 | - | 2.46 | 1.70 | 1.61 |
| 4 Plant & Machinery | 1,348.17 | 18.03 | 2.62 | (1.29) | 1,362.29 | (0.93) | 624.45 | 75.76 | 1.68 | 697.60 | 664.69 | 723.72 |
| 5 Furniture, Fixtures | 20.69 | 0.23 | 0.00 | (0.00) | 20.91 | (0.00) | 16.54 | 1.81 | 0.00 | 18.35 | 2.56 | 4.15 |
| 6 Motor Vehicles | 15.25 | 1.63 | 0.62 | (0.01) | 16.25 | (0.01) | 9.41 | 1.21 | 0.56 | 10.05 | 6.20 | 5.84 |
| 7 Railway Siding, Locomotives | 0.33 | - | - | - | 0.33 | - | 0.20 | 0.02 | - | 0.21 | 0.11 | 0.13 |
| 8 Ropeway Structures | 2.92 | 1.54 | 2.50 | - | 1.97 | - | 2.36 | 0.76 | 2.29 | 0.83 | 1.13 | 0.56 |
| 9 Office Equipment | 3.63 | 0.17 | 0.00 | (0.00) | 3.79 | (0.00) | 2.75 | 0.22 | 0.00 | 2.97 | 0.82 | 0.88 |
| 10 Computer & Data Processing Units | 4.54 | 0.29 | 0.05 | - | 4.79 | - | 3.34 | 0.39 | 0.05 | 3.68 | 1.11 | 1.20 |
| 11 Laboratory Equipment | 0.43 | 0.03 | - | - | 0.46 | - | 0.30 | 0.04 | - | 0.34 | 0.11 | 0.13 |
| 12 Electrical Installation & Equipment | 28.21 | 1.00 | 0.06 | - | 29.14 | - | 19.36 | 2.15 | 0.05 | 21.47 | 7.67 | 8.84 |
| 13 Hydraulic Works, Pipeline & Sluices | 0.91 | - | - | - | 0.91 | - | 0.41 | 0.06 | - | 0.47 | 0.44 | 0.50 |
| 14 Leased Lands (Decommissioning) | 19.50 | 2.61 | - | - | 22.11 | - | 3.94 | 1.77 | - | 5.71 | 16.40 | 15.56 |
| Total | 1,743.09 | 33.36 | 6.46 | (1.54) | 1,768.46 | (1.05) | 752.18 | 92.75 | 4.73 | 839.03 | 929.43 | 990.91 |
| Total FY 2022-2023 | 1,694.23 | 24.88 | 3.53 | 27.52 | 1,743.09 | 17.42 | 644.30 | 92.90 | 2.44 | 752.18 | 990.91 | 1,049.92 |

Note. 2B LEASED ASSETS - RIGHT OF USE

(Rs.in Crores)

| | GROSSBLOCK | | | | | | DEPRECIATION | | | | NETBLOCK | |
|--------------------------------------|-----------------------|---------------------------|----------------------------|---|-----------------------|--|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 31-03-2023 | Additions during the year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | Cost up to 31-03-2024 | Exchange fluctuation on foreign subsidiary | Total depreciation upto 31-03-2023 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2024 | As at 31-03-2024 | As at 31-03-2023 |
| 1 Lands | 1.58 | - | - | - | 1.58 | - | 0.06 | 0.03 | - | 0.09 | 1.49 | 1.52 |
| 2 Buildings | 2.16 | - | - | - | 2.16 | - | 1.53 | 0.08 | - | 1.61 | 0.55 | 0.63 |
| Total | 3.74 | - | - | - | 3.74 | - | 1.59 | 0.11 | - | 1.70 | 2.04 | 2.15 |
| Total FY 2022-2023 | 4.34 | 0.02 | 0.62 | - | 3.74 | - | 2.08 | 0.13 | 0.61 | 1.59 | 2.15 | 2.27 |
| Total FY (2+2B) 2023-2024 | 1,746.83 | 33.66 | 6.46 | (1.54) | 1,772.20 | (1.05) | 756.87 | 92.86 | 4.73 | 840.73 | 931.47 | 993.06 |
| Total (2+2B) for FY 2022-2023 | 1,698.57 | 24.90 | 4.15 | 27.52 | 1,746.83 | 17.42 | 646.38 | 93.03 | 3.05 | 753.78 | 993.06 | 1,052.19 |

(Rs.in Crores)

| Note. 5 Intangible Assets | GROSS BLOCK | | | | | | DEPRECIATION | | | | NET BLOCK | |
|---|-----------------------------|---------------------------------|----------------------------------|--|--------------------------|---|---|------------------------------------|---|---|---------------------|---------------------|
| | Cost as on 31-03-2023 | Additions during the year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | Cost up to 31-03-2024 | Exchange fluctuation on foreign subsidiary | Total deprecia- tion upto 31-03-2023 | Depreciation during the year | Deprecia- tion on deduc- tions | Total de- preciation upto 31-03-2024 | As at 31-03-2024 | As at 31-03-2023 |
| 1 Computer Software | 8.09 | 0.30 | - | (0.02) | 8.38 | (0.02) | 3.10 | 0.35 | - | 3.43 | 4.95 | 4.99 |
| Total | 8.09 | 0.30 | - | (0.02) | 8.38 | (0.02) | 3.10 | 0.35 | - | 3.43 | 4.95 | 4.99 |
| TOTAL FOR FY 2022-2023 | 8.00 | 0.08 | - | 0.01 | 8.09 | 0.01 | 2.62 | 0.47 | - | 3.10 | 4.99 | 5.38 |
| GRAND TO- TAL FOR FY 2023-2024 | 1,754.93 | 33.66 | 6.46 | (1.55) | 1,780.58 | (1.06) | 756.87 | 93.21 | 4.73 | 844.16 | 936.42 | 998.05 |
| GRAND TOTAL FOR FY 2022-2023 | 1,706.57 | 24.98 | 4.15 | 27.53 | 1,754.93 | 17.43 | 649.00 | 93.50 | 3.05 | 756.87 | 998.05 | 1,057.58 |

* During the year an amount of Rs. 3.86 Crores (previous year: Rs. 3.56 Crores) has been adjusted against scientific and Technology Development Fund.

Additional Regulatory Information:

- Property of value Rs 0.0167 Crores situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.
- One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurajala, mentioning survey number: 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

Note : 2A The changes in the carrying values of Property, Plant and Equipment for the year ended March 31, 2023 are as follows

(Rs.in Crores)

| Particulars | GROSS BLOCK | | | | | | DEPRECIATION | | | | | | NET BLOCK | |
|--|-----------------------|---------------------------|----------------------------|---|-----------------------|--|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|-----------|--|
| | Cost as on 31-03-2022 | Additions during the Year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | Cost up to 31-03-2023 | Exchange fluctuation on foreign subsidiary | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 | | |
| | Rs. | Rs. | | | | | | | | | | | | |
| 1 (i) Lands | 46.77 | - | - | - | 46.77 | - | - | - | - | - | 46.77 | 46.77 | | |
| 2. (i) Buildings | 242.86 | 0.94 | 0.00 | 4.23 | 248.03 | 1.64 | 57.38 | 8.05 | 0.00 | 67.07 | 180.95 | 185.48 | | |
| (ii) Leasehold Buildings | 0.09 | - | - | - | 0.09 | - | 0.01 | 0.00 | - | 0.02 | 0.07 | 0.07 | | |
| 3 Roads | 3.02 | 0.61 | - | - | 3.63 | - | 1.71 | 0.31 | - | 2.02 | 1.61 | 1.31 | | |
| 4 Plant & Machinery | 1,312.06 | 14.53 | 1.46 | 23.04 | 1,348.17 | 15.54 | 532.75 | 76.69 | 0.53 | 624.45 | 723.72 | 779.30 | | |
| 5 Furniture,Fixtures | 20.69 | 0.08 | 0.12 | 0.04 | 20.69 | 0.04 | 14.68 | 1.94 | 0.11 | 16.54 | 4.15 | 6.01 | | |
| 6 Motor Vehicles | 13.94 | 2.92 | 1.74 | 0.13 | 15.25 | 0.12 | 9.78 | 1.11 | 1.60 | 9.41 | 5.84 | 4.16 | | |
| 7 Railway Siding, Locomotives | 0.33 | - | - | - | 0.33 | - | 0.18 | 0.02 | - | 0.20 | 0.13 | 0.15 | | |
| 8 Ropeway Structures | 2.93 | - | 0.00 | - | 2.92 | - | 1.81 | 0.55 | 0.00 | 2.36 | 0.56 | 1.11 | | |
| 9 Office Equipment | 2.94 | 0.62 | 0.02 | 0.08 | 3.63 | 0.07 | 2.48 | 0.21 | 0.02 | 2.75 | 0.88 | 0.46 | | |
| 10 Computer & Data Processing Units | 3.98 | 0.60 | 0.03 | - | 4.54 | - | 3.05 | 0.32 | 0.03 | 3.34 | 1.20 | 0.93 | | |
| 11 Laboratory Equipment | 0.42 | 0.02 | 0.01 | - | 0.43 | - | 0.29 | 0.02 | 0.01 | 0.30 | 0.13 | 0.12 | | |
| 12 Electrical Installation & Equipment | 28.08 | 0.27 | 0.14 | - | 28.21 | - | 17.36 | 2.13 | 0.13 | 19.36 | 8.84 | 10.72 | | |
| 13 Hydraulic Works, Pipeline & Sluices | 0.91 | - | - | - | 0.91 | - | 0.35 | 0.06 | - | 0.41 | 0.50 | 0.57 | | |
| 14 Leased Lands (Decommissioning) | 15.21 | 4.28 | - | - | 19.50 | - | 2.46 | 1.48 | - | 3.94 | 15.56 | 12.75 | | |
| Total | 1,694.23 | 24.88 | 3.53 | 27.52 | 1,743.09 | 17.42 | 644.30 | 92.90 | 2.44 | 752.18 | 990.91 | 1,049.92 | | |
| TOTAL FY 2021-22 | 1,627.36 | 43.36 | 1.68 | 25.18 | 1,694.23 | 14.63 | 539.84 | 90.42 | 0.58 | 644.30 | 1,049.92 | 1,087.52 | | |

Note.2.B Leased Assets - Right of use

(Rs.in Crores)

| | GROSS BLOCK | | | | Exchange fluctuation on foreign subsidiary | DEPRECIATION | | | | NET BLOCK | |
|-------------------------------------|-----------------------|---------------------------|----------------------------|---|--|-----------------------|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|
| | Cost as on 31-03-2022 | Additions during the Year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | | Cost up to 31-03-2023 | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 |
| 1 Lands | 1.58 | - | - | - | 1.58 | 0.04 | 0.03 | - | 0.06 | 1.52 | 1.54 |
| 2 Buildings | 2.51 | 0.02 | 0.37 | - | 2.16 | 1.79 | 0.10 | 0.36 | 1.53 | 0.63 | 0.72 |
| 3 Vehicles | 0.25 | - | 0.25 | - | - | 0.25 | - | 0.25 | - | - | - |
| Total | 4.34 | 0.02 | 0.62 | - | 3.74 | 2.08 | 0.13 | 0.61 | 1.59 | 2.15 | 2.27 |
| TOTAL FY 2021-22 | 4.36 | - | 0.01 | - | 4.34 | 1.79 | 0.29 | - | 2.08 | 2.27 | 2.57 |
| Total (2A+2B) | 1698.57 | 24.90 | 4.15 | 27.52 | 1746.83 | 646.38 | 93.03 | 3.05 | 753.78 | 993.06 | 1052.19 |
| Total (2A+2B) for FY 2021-22 | 1631.72 | 43.36 | 1.69 | 25.18 | 1698.57 | 541.63 | 90.71 | 0.58 | 646.38 | 1052.19 | 1090.09 |

(Rs. in Crores)

| Note. 5 IN-TANGIBLE ASSETS | GROSS BLOCK | | | | | DEPRECIATION | | | NET BLOCK | | | |
|-------------------------------------|-----------------------|---------------------------|----------------------------|---|-----------------------|--|------------------------------------|------------------------------|----------------------------|------------------------------------|------------------|------------------|
| | Cost as on 31-03-2022 | Additions during the year | Deductions during the year | Exchange fluctuation on opening block of foreign subsidiary | Cost up to 31-03-2023 | Exchange fluctuation on foreign subsidiary | Total depreciation upto 31-03-2022 | Depreciation during the year | Depreciation on deductions | Total depreciation upto 31-03-2023 | As at 31-03-2023 | As at 31-03-2022 |
| 1 Computer Software | 8.00 | 0.08 | - | 0.01 | 8.09 | 0.01 | 2.62 | 0.47 | - | 3.10 | 4.99 | 5.38 |
| Total | 8.00 | 0.08 | - | 0.01 | 8.09 | 0.01 | 2.62 | 0.47 | - | 3.10 | 4.99 | 5.38 |
| TOTAL FY 2021-22 | 7.65 | 0.36 | - | 0.01 | 8.00 | 0.01 | 2.14 | 0.48 | - | 2.62 | 5.38 | 5.51 |
| GRAND TOTAL FOR FY 2022-2023 | 1,706.57 | 24.98 | 4.15 | 27.53 | 1,754.93 | 17.43 | 649.00 | 93.50 | 3.05 | 756.87 | 998.05 | 1,057.58 |
| TOTAL FOR FY 2021-22 | 1,639.37 | 43.72 | 2.16 | 25.19 | 1,706.57 | 14.64 | 543.77 | 91.19 | 0.58 | 649.00 | 1,057.58 | 1,095.60 |

* Depreciation capitalized during the year is Nil. (Depreciation capitalized during the previous year : Rs 0.0167 Crores)

** Company's Land located at Gujarat which has been classified as "Asset Held for Sale" under Non-Current Asset, as on 31/03/2022 has been disposed off during the FY 2022-2023.

*** During the year an amount of Rs. 3.56 Crores (previous year: Rs. 3.30 Crores) has been adjusted against scientific and Technology Development Fund. Additional Regulatory Information:

1. Property of value Rs 0.0167 Crores situated at flat no.406, 4th floor, Ansal Chamber-2, New Delhi was purchased in 1986 and the company entered into agreement for sale, pending registration. This property is in the possession of the company and paying municipal taxes since beginning.
2. One parcel of Land value of Rs 180/- to the extent of 25 cents was registered by District Civil Court Gurajala, mentioning survey number. 1026/B2 instead of 1027/3. This property is in the possession of the company. Necessary correction is being initiated to rectify the survey number.

| Note.3 Capital Work-in-Progress | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| 1 Building Under Construction | | |
| Opening Balance | 1.96 | 1.88 |
| Additions during the year (net) | 6.76 | 0.97 |
| Less : Capitalisation during the year (net) | (3.10) | (0.89) |
| Closing Balance | 5.62 | 1.96 |
| 2 Plant & Machinery Under Installation | | |
| Opening Balance | 8.47 | 6.56 |
| Additions during the year (net) | 13.12 | 11.78 |
| Less : Capitalisation during the year (net) | (12.76) | (9.87) |
| Closing Balance | 8.83 | 8.47 |
| Total | 14.44 | 10.42 |

FY 2023-2024

| Particulars | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|------------------|-----------------|-------------------|--------------|
| | Less than 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Projects in Progress | 10.97 | 0.65 | 1.23 | 1.59 | 14.44 |
| (ii) Projects temporarily Suspended | - | - | - | - | - |
| Total | 10.97 | 0.65 | 1.23 | 1.59 | 14.44 |

FY 2022-2023

| Particulars | Amount in CWIP for a period of | | | | |
|-------------------------------------|--------------------------------|------------------|-----------------|-------------------|--------------|
| | Less than 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Projects in Progress | 4.86 | 0.95 | 3.01 | 1.59 | 10.42 |
| (ii) Projects temporarily Suspended | - | - | - | - | - |
| Total | 4.86 | 0.95 | 3.01 | 1.59 | 10.42 |

| Note.6 Non current Financial Assets- Investments | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Unquoted Equity instruments-Investments measured at cost | | |
| Investment in Joint Venture: | | |
| 4,00,000 (31 March 2023: 4,00,000) equity shares of Rs.10/- each, fully paid up in Fives-cail KCP Limited. | 11.62 | 7.50 |
| Common Stock (unquoted): | | |
| 1,640 (31 March 2023: 1,640) Non-Voting common stock of BGE Global Inc., par value \$0.01 per share | 0.77 | 0.77 |
| Preferred Shares (unquoted): | | |
| 375 (31 March 2023: 375)Non-Voting preferred stock of BGE Global Inc., par value \$0.01 per share. | 1.92 | 1.92 |
| Sub Total | 14.32 | 10.19 |
| Investments at fair value through other comprehensive income investment in equity instruments(quoted): | | |
| 100 (31st March 2023: 100) equity shares of Rs.10/- each, fully paid up in IFCI Limited | 0.00 | 0.00 |
| 14,240 (31st March 2023: 14,240) equity shares of Rs.10/- each, fully paid up in IDBI Bank Limited | 0.12 | 0.06 |
| Equity shares (unquoted): | | |
| 30 (31st March 2023: 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/-) | - | - |
| 1,00,000 (31st March 2023: 1,00,000) equity shares of Rs. 10/- each fully paid up in Prudential Sugar Corporation Limited (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: | | |
| 44,703.884 (31st March 2023 : 44,703.884) UTI Balanced Fund Units. of Rs.10/- each | 0.18 | 0.14 |
| Sub Total | 0.30 | 0.20 |
| Total | 14.61 | 10.39 |
| Aggregate amount of quoted Investments - Market Value | 0.30 | 0.20 |
| Aggregate amount of quoted Investments - Book Value | 0.30 | 0.20 |
| Aggregate amount of unquoted Investments | 14.32 | 10.19 |
| Aggregate amount of impairment in value of Investments | 14.61 | 10.39 |

| Note. 6.1 Category wise Investment- as per IND AS 109 classification | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| 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 (FVTOCI) | | |
| Equity Instruments | 14.61 | 10.39 |
| Total | 14.61 | 10.39 |

| Note.7 Non Current Financial Assets- Trade Receivables | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Unsecured, considered good | 2.95 | 4.34 |
| Receivables having Significant increase in credit risk | 0.42 | 0.58 |
| | 3.37 | 4.92 |
| Less: Provision for Doubtful Receivables | - | - |
| Less : Provision for expected credit loss | 0.42 | 0.58 |
| Total | 2.95 | 4.34 |

Non Current Trade Receivables Ageing Schedule:

F.Y 2023-2024

| Particulars | Outstanding for following periods from due date payment | | | | | | Total |
|--|---|--------------------|------------------|------------------|-----------------|-------------------|-------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | |
| (i) Undisputed trade receivables-Considered Good | 2.95 | - | - | - | - | - | 2.95 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | 0.42 | - | - | - | - | - | 0.42 |
| (iii) Undisputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables-Considered Good | - | - | - | - | - | - | - |

| Particulars | Outstanding for following periods from due date payment | | | | | | |
|--|---|--------------------|------------------|------------------|-----------------|-------------------|-------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (v) Disputed trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| Total | 3.37 | - | - | - | - | - | 3.37 |
| Less: Provision for doubtful debts | | | | | | | - |
| Less: Provision for expected credit loss | | | | | | | 0.42 |
| Total | | | | | | | 2.95 |

F.Y 2022-2023

| Particulars | Outstanding for following periods from due date payment | | | | | | |
|--|---|--------------------|------------------|------------------|-----------------|-------------------|-------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) Undisputed trade receivables-Considered Good | 4.34 | - | - | - | - | - | 4.34 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | 0.58 | - | - | - | - | - | 0.58 |
| (iii) Undisputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed trade receivables-Considered Good | - | - | - | - | - | - | - |
| (v) Disputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed trade receivables-credit impaired | - | - | - | - | - | - | - |
| Total | 4.92 | - | - | - | - | - | 4.92 |
| Less: Provision for doubtful debts | | | | | | | - |
| Less: Provision for expected credit loss | | | | | | | 0.58 |
| Total | | | | | | | 4.34 |

(Rs.in Crores)

| Note.8 Non current- Other Financial Assets | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Earnest money deposit | 0.15 | 0.06 |
| Bank deposits with maturity more than 12 months | 78.92 | 63.06 |
| Total | 79.07 | 63.12 |
| Note.9 Non current- Other asset | As at 31-03-2024 | As at 31-03-2023 |
| Capital Advances | 2.64 | 0.36 |
| [A] | 2.64 | 0.36 |
| Advances other than Capital Advances | | |
| Security Deposits | 4.16 | 3.28 |
| (B) | 4.16 | 3.28 |
| Others | | |
| Prepaid expenses | 1.49 | 0.18 |
| Balance with Government Authorities | 25.00 | 15.39 |
| Others | 0.00 | 0.00 |
| (C) | 26.50 | 15.57 |
| Total [A+B+C] | 33.30 | 19.21 |
| Note.10 Inventories | As at 31-03-2024 | As at 31-03-2023 |
| Raw materials and components at Cost (includes those in transit Rs.0.44 Crores) (As on 31-03-2023-Rs 2.03 Crores) | 12.84 | 17.04 |
| Coal At Cost (includes those in transit Rs.1.74 Crores) (As on 31-03-2023-Rs. 0.24 Crores) | 29.97 | 78.06 |
| Work-in-progress | | |
| : At Cost | 54.65 | 62.34 |
| : At Estimated Realisable Value | 14.23 | 9.91 |
| Finished goods | | |
| : At Cost (includes in transit Rs.0.70 Crores) (As on 31-03-2023 - Rs.0.80 Crores) | 284.77 | 304.09 |
| : At Estimated Realisable Value | 5.72 | - |
| Stores, spares and Coal at Cost (includes in transit Rs. 0.22 Crores) (As on 31-03-2023 Rs 0.35 Crores) | 68.17 | 81.20 |
| Total | 470.36 | 552.64 |

The cost of inventories is recognised as an expense during the year in respect of continuing operation was Rs. 1193.48 Crores for year ended 31-03-2024 (Rs. 780.81 Crores for the year ended 31-03-2023).

The Amount of Write down of inventories to Net Realisable Value recognised as an expense was Rs.3.71 Crores (Rs 4.42 Crores for the year ended 31-03-2023). The mode of valuation of Inventories has been stated in accounting policy XI of Note1.5 forming part of the Accounts.

The amount of goods in transit is Rs. 3.10 Crores (Rs. 3.42 Crores for previous year)

| Note.11 Current- Trade receivables | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Secured, considered good | 15.62 | 50.82 |
| Unsecured, considered good | 138.50 | 94.89 |
| Receivables having significant increase in credit risk | 0.07 | 0.05 |
| Contract Assets | 20.53 | 11.07 |
| Less: Provision for doubtful debts | 0.07 | 0.05 |
| Less : Provision for expected credit loss | 0.07 | 0.16 |
| Total | 174.58 | 156.62 |

**Current Trade Receivables Ageing Schedule:
For the year 2023-2024**

| Particulars | Outstanding for following periods from due date payment | | | | | | Total |
|--|---|--------------------|------------------|------------------|-----------------|-------------------|---------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | |
| (i) Undisputed trade receivables- Considered Good | 11.13 | 125.95 | 11.41 | 0.97 | 1.01 | 3.39 | 153.87 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | 0.07 | 0.07 |
| (iii) Undisputed trade receivables-credit impaired | | | | | | | |
| (iv) Disputed trade receivables- Considered Good | - | - | - | - | 0.01 | 0.24 | 0.24 |
| (v) Disputed trade receivables-which have significant increase in credit risk | | | | | | | |
| (vi) Disputed trade receivables-credit impaired | | | | | | | |
| Total | 11.13 | 125.95 | 11.41 | 0.97 | 1.02 | 3.70 | 154.19 |
| Add: To be billed | | | | | | | 20.53 |
| Less: Provison for Doubtful Debts | | | | | | | 0.07 |
| Less: Provison for expected credit loss | | | | | | | 0.07 |
| Total | | | | | | | 174.58 |

For the year 2022-2023

(Rs.in Crores)

| Particulars | Outstanding for following periods from due date payment | | | | | | Total |
|--|---|--------------------|------------------|------------------|-----------------|-------------------|---------------|
| | Not Due | Less than 6 months | 6 months- 1 Year | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | |
| (i) Undisputed trade receivables-Considered Good | 26.25 | 104.89 | 3.44 | 3.91 | 2.15 | 4.10 | 144.74 |
| (ii) Undisputed trade receivables-which have significant increase in credit risk | - | - | - | - | - | 0.05 | 0.05 |
| (iii) Undisputed trade receivables-credit impaired | | | | | | | |
| (iv) Disputed trade receivables-Considered Good | - | - | - | - | - | 0.24 | 0.24 |
| (v) Disputed trade receivables-which have significant increase in credit risk | | | | | | | |
| (vi) Disputed trade receivables-credit impaired | | | | | | | |
| Total | 26.25 | 104.89 | 3.44 | 3.91 | 2.15 | 4.39 | 145.02 |
| Add: To be billed | | | | | | | 11.80 |
| Less: Provison for Doubtful Debts | | | | | | | 0.05 |
| Less: Provison for expected credit loss | | | | | | | 0.16 |
| Total | | | | | | | 156.62 |

| Note 12 Cash and cash equivalents | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Cash and Cash Equivalents : | | |
| Balances with Banks: | | |
| On current accounts | 10.51 | 2.97 |
| Deposits with original maturity of less than 3 months | - | - |
| Cash on hand | 0.15 | 0.11 |
| Total | 10.66 | 3.09 |

| Note 12A Bank balances other than Cash and Cash equivalents | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Fixed Deposits with Banks (Maturity less than 12 months)* | 889.66 | 621.08 |
| Balances with banks maintained as required under the Companies Act in respect of Public deposits | 8.44 | 7.63 |
| Balance with banks for Unpaid dividend account | 1.67 | 2.13 |
| Margin money deposit for Bank Guarantees & Letters of credit | 5.22 | 7.31 |
| Balances with banks for public deposits | 0.01 | 0.01 |
| Total | 905.00 | 638.16 |

*Fixed deposits with Banks includes those maintained as required under the Companies Act in respect of Public deposits

| Note 13. Current- Other Financial Assets | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Interest accrued on fixed Deposits | 0.41 | 0.35 |
| Interest accrued on other Deposits | 0.84 | 0.39 |
| Staff Advances | 0.33 | 0.27 |
| Non trade receivables From - Joint Venture (Fives Cail KCP) | 0.02 | 0.00 |
| - Subsidiary (KCP VIL) | - | - |
| Others - Employee Benefit Plan | 0.28 | 0.29 |
| Total | 1.89 | 1.29 |

| Note 14. Current Tax Assets (Net) | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Advance tax | | |
| Advance payment of Direct Taxes/TDS/TCS Credit | 16.35 | 56.76 |
| Income Tax Refund Receivable | 7.22 | 7.22 |
| | 23.57 | 63.97 |
| Provision for Tax | | |
| Provision for Income tax | 12.65 | 50.50 |
| Total | 10.92 | 13.47 |

| Note 15. Other Current Assets | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Advances other than Capital Advances | | |
| Security Deposits | 0.74 | 1.22 |
| (A) | 0.74 | 1.22 |
| Other Advances | | |
| Advances recoverable in cash or kind | | |
| Unsecured, considered good | 79.87 | 70.04 |
| Advances to Trade payables | 57.77 | 34.89 |
| Prepaid expenses | 5.14 | 6.56 |
| Balance with government Authorities | 31.08 | 34.16 |
| (B) | 173.86 | 145.65 |
| Total (A+B) | 174.60 | 146.86 |

(Rs.in Crores)

| Note.16 Share Capital | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Authorised Share Capital: | | |
| 35,00,00,000 (31 March 2023 : 35,00,00,000) Equity shares of Rs.1/- each | 35.00 | 35.00 |
| 2,00,00,000(31 March 2023 : 2,00,00,000) 12% Redeemable cumulative non convertible preferences shares of Rs.10/- each | 20.00 | 20.00 |
| | 55.00 | 55.00 |
| Issued Share Capital: | | |
| 12,89,77,480 (31 March 2023 : 12,89,77,480) Equity shares of Rs.1/- each | 12.90 | 12.90 |
| | 12.90 | 12.90 |
| Subscribed and fully paid-up : | | |
| 12,89,21,160 (31 March 2023 :12,89,21,160) Equity shares of Rs.1/- each | 12.89 | 12.89 |
| Total issued, subscribed and fully paid-up capital | 12.89 | 12.89 |

Note 16.1) Details of shareholders holding more than 5% share in the company:

1. V. Ramakrishna Sons (P) Limited - 3,89,56,326 (3,89,56,326) equity shares of Rs.1/- each fully paid - 30.22% (30.22%)
2. Dr. V.L. Indira Dutt - 1,01,09,466 (1,01,09,466) equity shares of Rs 1/- each fully paid- 7.84% (7.84%)

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 2023-2024 | For FY 2022-2023 |
|---|------------------|------------------|
| Equity Share Capital at the beginning of the Year | 1,289.21 | 12.89 |
| Add/Less: Changes during the year | - | - |
| Equity Share Capital at the end of the Year | 1,289.21 | 12.89 |

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 16.3 Disclosure of Share Holding of Promoters / Promoter Group

(Rs.in Crores)

| Name of Promoter / Promoter Group | No of Shares as on 31.03.2024 | % of Holdings | % Change during the year |
|---------------------------------------|-------------------------------|---------------|--------------------------|
| V Ramakrishna Sons (P) Limited | 3,89,56,326 | 30.22 | 0.00 |
| Velagapudi Lakshmana Indira Dutt | 1,01,09,466 | 7.84 | 0.00 |
| VRK Grandsons Investments (P) Limited | 42,49,193 | 3.30 | 0.00 |
| Velagapudi Kavitha Dutt | 13,60,000 | 1.05 | 0.00 |
| Shivani Dutt Chitturi | 13,50,000 | 1.05 | 0.00 |
| Subbarao Vallabhaneni | 1,90,900 | 0.15 | 0.02 |
| Irmgard Velagapudi | 1,52,490 | 0.12 | 0.00 |
| Velagapudi Lakshmana Dutt (HUF) | 1,13,500 | 0.09 | 0.00 |
| R Prabhu | 62,880 | 0.05 | 0.00 |
| S Rajiv Rangasami | 50,000 | 0.04 | 0.00 |
| S. Nalini | 16,694 | 0.01 | (0.14) |
| Sivaramakrishnan Prasad | 12,650 | 0.01 | 0.00 |
| P Vikram Ramakrishnan | 12,655 | 0.01 | 0.00 |
| Uma S Vallabhaneni | 10,000 | 0.01 | 0.00 |
| Rajeswary Ramakrishnan | 6,500 | 0.01 | 0.00 |
| Anitha | 4,000 | 0.00 | 0.00 |
| Kiran Velagapudi | 4,220 | 0.00 | 0.00 |
| V Chandra Kumar Prasad | 1,000 | 0.00 | 0.00 |

| Name of Promoter / Promoter Group | No of Shares as on 31.03.2023 | % of Holdings | % Change during the year |
|---------------------------------------|-------------------------------|---------------|--------------------------|
| V Ramakrishna Sons (P) Limited | 3,89,56,326 | 30.22 | 0.00 |
| Velagapudi Lakshmana Indira Dutt | 1,01,09,466 | 7.84 | 0.11 |
| VRK Grandsons Investments (P) Limited | 42,49,193 | 3.30 | 0.00 |
| Velagapudi Kavitha Dutt | 13,60,000 | 1.05 | 0.00 |
| Shivani Dutt Chitturi | 13,50,000 | 1.05 | 0.00 |
| S. Nalini | 1,96,694 | 0.15 | 0.00 |
| Subbarao Vallabhaneni | 1,73,900 | 0.13 | 0.04 |
| Irmgard Velagapudi | 1,52,490 | 0.12 | 0.00 |
| Velagapudi Lakshmana Dutt (HUF) | 1,13,500 | 0.09 | 0.00 |
| R Prabhu | 62,880 | 0.05 | 0.00 |
| S Rajiv Rangasami | 50,000 | 0.04 | 0.00 |
| Sivaramakrishnan Prasad | 12,650 | 0.01 | 0.00 |
| P Vikram Ramakrishnan | 12,655 | 0.01 | 0.00 |
| Uma S Vallabhaneni | 10,000 | 0.01 | 0.00 |
| Rajeswary Ramakrishnan | 6,500 | 0.01 | 0.00 |
| Anitha | 4,000 | 0.00 | 0.00 |
| Kiran Velagapudi | 4,220 | 0.00 | 0.00 |
| V Chandra Kumar Prasad | 1,000 | 0.00 | 0.00 |

| Note 17. Other Equity | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Capital Reserve | | |
| Capital Redemption Reserve | | |
| Balance as per the last Financial Statements | 20.00 | 20.00 |
| Capital Reserve On Reorganisation | 2.80 | 2.80 |
| <u>Translation Reserve</u> | | |
| Balance as per the last Financial Statements | 54.94 | 41.13 |
| Additions/(Deletions) during the year | (0.85) | 13.81 |
| | 54.09 | 54.94 |
| <u>Capital Reserve</u> | | |
| Balance as per the last Financial Statements | 103.06 | 96.33 |
| Additions/(Deletions) during the year | (0.37) | 6.73 |
| | 102.69 | 103.06 |
| On Amalgamation Reserve | 1.04 | 1.04 |
| Total Capital Reserve | 180.61 | 181.83 |
| Investment Revaluation Reserve | (0.02) | (0.02) |
| Add: Current year revaluation gain/loss | 0.09 | (0.00) |
| | 0.07 | (0.02) |
| Acturial Gain/Loss | (9.82) | (7.98) |
| Add: Current year acturial gain/loss | (0.32) | (1.53) |
| Add : Share of Other Comprehensive income of joint venture | (0.09) | (0.31) |
| Closing Balance | (10.23) | (9.82) |
| | | |
| General Reserve | | |
| Balance as per the last Financial Statements | 272.48 | 272.48 |
| Closing Balance | 272.48 | 272.48 |

| Note 17. Other Equity | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Surplus/(Deficit) in the Statement of Profit and Loss | | |
| Balance as per the last Financial Statements | 766.98 | 738.13 |
| Add/(Less): Ind AS Adjustments | - | - |
| Profit for the year | 184.33 | 40.36 |
| Share of profit of joint venture | 4.22 | 1.38 |
| | 955.53 | 779.87 |
| Less : Appropriations | | |
| Equity Dividend Paid @ Rs.0.10 per Share (@ Re. 1/- per Share in FY 2022-2023) | 1.29 | 12.89 |
| Net Surplus in Statement of Profit and Loss | 954.24 | 766.98 |
| Total Other Equity taken to Balance Sheet | 1,397.18 | 1,211.46 |

- 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

Capital Management: Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 17A: Financial information of Subsidiary having Non-Controlling interest is given below:

(Rs in Crores)

| Name | Country of Incorporation | Non Controlling interest % As on 31-03-2024 | Profits allocated to non-controlling interest | Other Comprehensive income allocated to non-allocated interest | Accumulated non-Controlling interest |
|--------------------------------|-------------------------------|--|---|--|--------------------------------------|
| KCP Vietnam Industries Limited | Socialist Republic of Vietnam | 33.33% | 91.89 | (0.72) | 369.94 |

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 31-03-2024 | Year ended 31-03-2023 |
|---|-----------------------|-----------------------|
| Income | 1,198.10 | 603.28 |
| Expenses | 922.42 | 455.10 |
| Profit Before Tax | 275.68 | 148.18 |
| Tax Expenses | - | - |
| Net Profit | 275.68 | 148.18 |
| -Attributable to the owners of the company | 183.79 | 98.79 |
| -Attributable to the non-controlling interest | 91.89 | 49.39 |
| Other comprehensive Income | (2.15) | 30.81 |
| -Attributable to the owners of the company | (1.43) | 20.54 |
| -Attributable to the non-controlling interest | (0.72) | 10.27 |
| Total Comprehensive Income | 273.53 | 178.99 |
| -Attributable to the owners of the company | 182.36 | 119.33 |
| -Attributable to the non-controlling interest | 91.18 | 59.66 |

Summarised Balance Sheet

| Particulars | As on 31-03-2024 | As on 31-03-2023 |
|---|------------------|------------------|
| Non-Current Assets | 214.80 | 216.10 |
| Current Assets | 1,291.65 | 1,023.53 |
| Non-Current Liabilities | 82.98 | 55.29 |
| Current Liabilities | 313.64 | 299.04 |
| Total Equity | 1,109.82 | 885.30 |
| -Attributable to the owners of the company | 739.88 | 590.20 |
| -Attributable to the non-controlling interest | 369.94 | 295.10 |

Summarised Cash flow Statements for the year ended

(Rs. in Crores)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Net cash inflow in operating activities | 105.28 | (164.96) |
| Net cash inflow from investing activities | 71.05 | 12.92 |
| Net cash inflow in financing activities | (168.76) | 153.05 |
| Net decrease in Cash and Cash equivalent | 7.57 | 1.00 |

NOTE 17B. Non Controlling Interest

| Particulars | As at 31.03.2023 | Additions | Deductions | As at 31.03.2024 |
|--|---------------------|--------------|----------------|---------------------|
| Share Capital of KCP Vietnam Industries Limited | | | | |
| 101,61,668 Equity shares (101,61,668 shares); - Share capital plus General Reserve held by minority shareholders | 63.39 | (0.19) | - | 63.20 |
| Profit & Loss account | 203.19 | 91.89 | (16.34) | 278.74 |
| Translation Reserve | 28.53 | (0.53) | - | 28.00 |
| Total | 295.10 | 91.18 | (16.34) | 369.94 |
| Total Dividend declared | - | | | |
| Less: The KCP Limited - share @ 2/3rd | - | | | |
| Non Controlling Share in Dividends | - | | | |

| Note 18. Non current Financial Liabilities- Borrowings | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Rupee Term Loans from Banks - Secured | | |
| Cement Plant Muktyala Expansion | 21.09 | 68.06 |
| Corporate Loan (Capex Reimbursement) | 5.69 | 10.25 |
| Sub Total | 26.78 | 78.31 |
| Other Loans and advances: | | |
| Deposits (unsecured) | | |
| From Directors | 17.95 | 21.45 |
| From Others | 39.25 | 31.21 |
| Sub Total | 57.20 | 52.66 |
| Total | 83.98 | 130.98 |
| The above amount includes | | |
| Secured borrowings | 26.78 | 78.31 |
| Unsecured borrowings | 57.20 | 52.66 |
| Amount disclosed under the head | | |
| Current maturities of the borrowings shown under "Current Financial liabilities-Borrowings(Note-23A)" | 82.18 | 85.62 |

Term Loans

(Rs in Crores)

| Particulars | Muktyala Cement Expansion | Capex Reimbursement Loan |
|--|--|---|
| Lending Bank | State Bank of India | HDFC Bank |
| Loan Amount Sanctioned (Rs Crores) | 275.63 | 22.78 |
| Loan Amount Availed (Rs Crores) | 274.98 | 22.78 |
| Loan amount outstanding as on 31-03-2024 | 68.10 | 10.25 |
| No of Installments (Quarterly) | 32 | 20 |
| Installments Commencement | Dec, 2018 | July, 2021 |
| Rate of Interest | 3M MCLR plus 0.10% | 8.15% |
| Installment Amount (Rs Crores) | 11.75 | 1.14 |
| Security | First Charge on the Project Assets and Charge on Land at Muktyala ranking pari-passu with other lenders. | Exclusive Charge on Commercial Building at Hyderabad. |

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. 0.01 crores. (Previous Year Rs.0.04 crores)

Carrying value of assets Pledged for Term Loan (Rs. In Crores)

| Particulars | Muktyala Plant Fixed Assets (including Expansion Assets) | |
|----------------------|---|---------------|
| | 31-03-2024 | 31-03-2023 |
| Plant & Machinery | 427.16 | 455.43 |
| Lands & Buildings | 88.15 | 86.10 |
| Furniture & fixtures | 1.03 | 1.16 |
| Total | 516.34 | 542.69 |

Cash Credit

| Particulars | Muktyala | | | Macherla | | CPP | Heavy Engineering | |
|-------------------------------------|--|--|---------------------|---|--|---|--|-------------|
| | Bank of Baroda | Canara Bank | State Bank of India | Bank of Baroda | HDFC Bank | | Canara Bank | Canara Bank |
| Lending Bank | Bank of Baroda | Canara Bank | State Bank of India | Bank of Baroda | HDFC Bank | Canara Bank | Canara Bank | AXIS Bank |
| Outstanding Amount as on 31.03.2024 | (1.28) | 0.09 | 5.26 | (0.09) | (10.94) | 0.04 | 18.94 | 2.66 |
| Rate of Interest on 31.03.2024 | 3.00% over 1 Yr MCLR plus SP | 1 Yr MCLR plus 1.25% | 3M MCLR plus 0.10% | 3.00% over 1 Yr MCLR plus SP | 8.00% | 1 Yr MCLR plus 1.25% | 1 Yr MCLR plus 1.25% | 8.30% |
| Security | Paripassu First Charge on Muktyala Cement Unit | Paripassu First Charge on Current Assets of Muktyala Cement Unit | | Paripassu First Charge on Current Assets of Cement Unit | Paripassu First Charge on Macherla Cement Unit | Paripassu First Charge on Current Assets of Captive Power Plant | Paripassu First Charge on Current Assets of Engineering Unit | |

Working Capital Demand Loan - Secured (Carved Out of Cash Credit)

| Particulars | Muktyala | |
|--|--|--|
| | AXIS Bank - Secured | HDFC - Secured |
| Lending Bank | AXIS Bank - Secured | HDFC - Secured |
| Outstanding Amount as on 31.03.2024 (Rs. Crores) | 6.00 | 18.00 |
| Rate of Interest on 31.03.2024 | 8.30% | 8.30% - 8.50% |
| Security | Paripassu First Charge on Current Assets of Engineering Unit | Paripassu First Charge on Current Assets of Macherla Cement Unit |

Additional Information:

- The Company is not declared wilful defaulter by any bank.

(Rs in Crores)

| | | |
|--|-------|-------|
| Details of deposits held by Directors of the company | | |
| a) Dr. V L Indira Dutt | 20.14 | 19.14 |
| b) Smt. V Kavitha Dutt | 4.52 | 4.52 |

| Note 19. Non current- Trade payables | As at 31-03-2024 | As at 31-03-2023 |
|--------------------------------------|------------------|------------------|
| Due to Micro and Small Enterprises | - | - |
| Due to Others | - | - |
| Total | - | - |

| Note 20. Non current- Other Financial Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| Science & Technology development fund | 82.98 | 55.29 |
| Deposits Payable-Contractors | 3.97 | 3.83 |
| Interest accrued but not due | 0.77 | 0.78 |
| Outstanding Liabilities for Expenses | 14.47 | 16.21 |
| Total | 102.20 | 76.11 |

| Note 21. Non current - Provisions | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Provision for gratuity | - | - |
| Provision for leave benefits | 11.98 | 10.80 |
| Provision for Decommissioning expenses | 3.87 | 3.65 |
| Total | 15.84 | 14.45 |

| Note 22. Deferred Tax Liability (Net) | As at 31-03-2024 | As at 31-03-2023 |
|--|------------------|------------------|
| Deferred Tax Liability | | |
| Property, Plant & Equipment and Intangible assets | 140.00 | 143.06 |
| Others | 0.25 | 0.25 |
| Gross Deferred Tax Liability | 140.24 | 143.30 |
| Deferred Tax Asset | | |
| MAT Credit | 39.76 | 41.18 |
| Expected Credit loss | 0.02 | 0.06 |
| Discounting of trade receivables | 10.13 | 8.05 |
| Expenses allowable for tax purposes on payment basis | 0.15 | 0.20 |
| Unabsorbed Losses | - | 9.82 |
| Provision for decommissioning cost | 1.35 | 1.28 |
| Onerous Contracts | 0.15 | 0.04 |
| Others | 0.88 | 0.89 |
| Gross Deferred tax asset | 52.45 | 61.51 |
| Net Deferred Tax Liability | 87.80 | 81.80 |

| Note.23 Current Financial Liabilities- Borrowings | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Cash credit from Banks | | |
| : Secured | 36.71 | 52.87 |
| : Unsecured | 169.33 | 181.30 |
| Short term borrowings from banks - secured | 79.30 | 75.24 |
| Current maturities of long term borrowings (Refer Note 23A) | 82.18 | 85.62 |
| Loan Repayable on Demand (Unsecured) | | |
| :from Directors | 17.00 | 18.00 |
| Inter-corporate deposit repayable on demand | 9.20 | 11.20 |
| Total | 393.71 | 424.23 |
| The above amount includes | | |
| Secured borrowings | 198.19 | 18.45 |
| Unsecured borrowings | 195.53 | 188.00 |

| Note 23A Current maturities of long term borrowings | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Rupee Term Loans from Banks - Secured | | |
| Cement plant Muktyala expansion | 47.00 | 47.00 |
| Corporate loan (Capex reimbursement) | 4.56 | 4.56 |
| Sub Total | 51.56 | 51.56 |
| Other Loans and advances: | | |
| Public Deposits (unsecured) | | |
| From Directors | 6.70 | 2.20 |
| From Others | 23.92 | 31.87 |
| Sub Total | 30.62 | 34.07 |
| Total | 82.18 | 85.62 |

| Note.24 Current Financial liabilities- Trade payables | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| Due to Micro and Small Enterprises | 4.92 | 2.53 |
| Due to Others | 105.24 | 109.80 |
| Total | 110.16 | 112.32 |

Current Trade Payables Ageing Schedule:

F.Y 2023-2024

(Rs in Crores)

| Particulars | Outstanding for following periods from due date payment | | | | | |
|---|---|-------------------|------------------|-----------------|-------------------|---------------|
| | Not Due | Less than 1 Years | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) MSME | 4.92 | - | - | - | - | 4.92 |
| (ii) Others | 42.33 | 60.73 | 0.08 | 0.25 | 1.81 | 105.20 |
| (iii) Disputed dues- MSME | | | | | | |
| (iv) Disputed dues- Others | - | 0.04 | - | - | - | 0.04 |
| Total | 47.25 | 60.77 | 0.08 | 0.025 | 1.81 | 110.16 |
| Add: To be billed | | | | | | - |
| Less: Provison for expected credit loss | | | | | | - |
| Total | | | | | | 110.16 |

F.Y 2022-2023

| Particulars | Outstanding for following periods from due date payment | | | | | |
|---|---|-------------------|------------------|-----------------|-------------------|---------------|
| | Not Due | Less than 1 Years | 1 Year - 2 Years | 2 Year - 3Years | More than 3 Years | Total |
| (i) MSME | 2.52 | 0.00 | 0.00 | - | - | 2.53 |
| (ii) Others | 29.78 | 76.21 | 1.52 | 0.33 | 1.72 | 109.57 |
| (iii) Disputed dues- MSME | | | | | | - |
| (iv) Disputed dues- Others | - | - | - | - | - | - |
| Total | 32.30 | 76.21 | 1.52 | 0.33 | 1.72 | 112.09 |
| Add: To be billed | | | | | | 0.23 |
| Less: Provison for expected credit loss | | | | | | - |
| Total | | | | | | 112.32 |

| Note 25. Current- Other Financial Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|--|-------------------------|-------------------------|
| Others | | |
| Interest Accrued but not due on borrowings | 1.06 | 1.44 |
| Interest Accrued and due on borrowings | 0.27 | 0.38 |
| Advance from customers | 67.15 | 80.46 |
| Unpaid Dividend | 1.67 | 2.13 |
| Accrued Salaries and Benefits | 12.44 | 8.32 |
| Directors Remuneration Payable | 0.48 | - |
| Trade deposits | 96.93 | 86.60 |
| Outstanding Financial Liabilities | 17.08 | 17.87 |
| Outstanding Liabilities for Others | 11.97 | 11.99 |
| Total | 209.05 | 209.20 |

| Note 26. Other Current Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| Statutory Dues | 36.03 | 38.95 |
| Total | 36.03 | 38.95 |

| Note 27. Current- Provisions | As at 31-03-2024 | As at 31-03-2023 |
|-------------------------------------|-------------------------|-------------------------|
| Provision for gratuity | 2.10 | 2.78 |
| Provision for leave benefits | 5.11 | 4.66 |
| Total | 7.20 | 7.44 |

| Note 28. Revenue from operations | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| Revenue from operations | | |
| Sale of products | 2,788.64 | 2,199.33 |
| Sale of services | 51.68 | 46.87 |
| | 2,840.32 | 2,246.20 |
| Other operating revenue | | |
| Scrap sales | 3.63 | 4.61 |
| Packing & Forwarding | - | 0.02 |
| Duty Drawback | 0.05 | 0.22 |
| Interest Income on | | |
| - Bank deposits | 0.90 | 0.74 |
| - Others | 1.49 | 1.45 |
| Amortisation of govt. grant (VAT Incentive) | 0.02 | 0.02 |
| Insurance Claims Received | 0.34 | 0.40 |
| Revenue from operations | 2,846.74 | 2,253.65 |

| Product wise bifurcation - Revenue from Operations | For FY 2023-2024 | For FY 2022-2023 |
|--|------------------|------------------|
| Finished goods sold | | |
| Cement | 1581.36 | 1523.42 |
| Heavy Engineering products | 65.73 | 95.29 |
| Sugar | 1141.15 | 579.73 |
| Service Receipts | 51.68 | 46.87 |
| Others | 6.82 | 8.34 |
| Total | 2,846.74 | 2,253.65 |

Disaggregation of revenue information as per INDAS 115

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|-----------------|-----------------|
| Revenue from Sale of Cement | 1,581.76 | 1,524.32 |
| Revenue from Sale of Sugar | 1,141.15 | 579.73 |
| Revenue from Sale of Engineering Equipments | 65.73 | 95.29 |
| Revenue from Engineering Job works | 14.84 | 18.41 |
| Revenue from Hospitality services | 36.84 | 28.46 |
| Total | 2,840.32 | 2,246.20 |

Revenue from Contract with Customer as per disclosure requirements under para 126AA of IND AS-115:

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|-----------------|-----------------|
| Revenue from contracts with customers (excl GST) | 3,093.34 | 2,494.63 |
| Less: | | |
| Discounts | 252.30 | 247.37 |
| Selling Agent commission | 0.72 | 1.06 |
| Gross sales as per Profit and loss account | 2,840.32 | 2,246.20 |

Disclosure requirements under IND AS 115 para 116 in respect of Heavy Engineering Job works

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Opening balance of Trade Receivables | 41.32 | 34.55 |
| Opening balance of Contract assets | 12.54 | 11.71 |
| Opening balance of Contract liabilities | 18.47 | 26.17 |
| Revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period | 10.67 | 17.55 |
| Revenue recognized in the reporting period from performance obligations satisfied in the previous period | - | - |
| Closing balance of receivables | 22.12 | 41.32 |
| Closing balance of contract assets | 20.53 | 12.54 |
| Closing balance of contract liabilities | 21.69 | 18.47 |

| Note 29. Other Income | FY 2023-2024 | FY 2022-2023 |
|------------------------------------|---------------------|---------------------|
| Interest Income on Investments | 60.87 | 31.68 |
| Dividend income on | | |
| Investment in BGE Global Inc., USA | 0.15 | 0.15 |
| Long-term investments | 0.00 | 0.01 |
| Net gain on sale of Assets | 0.54 | 0.80 |
| Scrap Sales | 1.40 | 0.76 |
| Other non-operating income | 6.46 | 5.04 |
| Total | 69.43 | 38.43 |

| Note 30. Cost of raw material and components consumed | FY 2023-2024 | FY 2022-2023 |
|--|---------------------|---------------------|
| Inventory at the beginning of the year | 17.04 | 11.12 |
| Add: Purchases | 154.29 | 139.16 |
| Add: Cost of raw materials produced | 924.57 | 673.85 |
| | 1,095.90 | 824.12 |
| Less: Inventory at the end of the year | 12.84 | 17.04 |
| Cost of raw material and components consumed | 1,083.05 | 807.09 |

| Details of raw material and components consumed | FY 2023-2024 | FY 2022-2023 |
|--|---------------------|---------------------|
| i) Cement Unit | | |
| Limestone | 193.49 | 182.27 |
| Laterite | 22.12 | 18.63 |
| Fly Ash | 58.73 | 39.65 |
| Gypsum | 28.74 | 30.57 |
| Others | 26.05 | 14.94 |
| Sub Total | 329.13 | 286.06 |
| ii) Sugar Cane | 733.24 | 489.12 |
| iii) Heavy Engineering | | |
| Iron and Steel, Nickel, Scrap and Equipments | 17.65 | 29.05 |
| iv) Bricks Unit / Others | | |
| Sand, Stoner Dust, Metal / Admixture Stock and Others | 0.04 | 0.14 |
| v) Hotel | | |
| Provisions | 2.99 | 2.72 |
| Total | 1,083.05 | 807.09 |

(Rs in Crores)

| Details of Inventory | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Raw Materials and Components | | |
| Limestone | 3.90 | 5.90 |
| Laterite | 1.67 | 1.61 |
| Fly Ash | 0.23 | 0.19 |
| Gypsum | 6.52 | 6.89 |
| OPC Cement | 0.36 | 2.33 |
| Iron and Steel, Nickel, Scrap and Equipments - In Transit | 0.07 | 0.09 |
| Others | 0.09 | 0.04 |
| Total | 12.84 | 17.04 |

| Note 31. (Increase)/decrease in inventories of finished goods and work in progress | FY 2023-2024 | FY 2022-2023 |
|--|---------------|-----------------|
| Inventories at the end of the year | | |
| Work in progress | 68.88 | 72.25 |
| Finished goods | 290.49 | 304.09 |
| Sub Total | 359.38 | 376.33 |
| Inventories at the beginning of the year | | |
| Work in progress | 72.25 | 85.56 |
| Finished goods | 304.09 | 167.30 |
| Sub Total | 376.33 | 252.87 |
| Increase/ (Decrease) | 16.96 | (123.47) |

| Note 32. Employee benefit expenses | FY 2023-2024 | FY 2022-2023 |
|---|---------------|---------------|
| Salaries, Wages and bonus | 112.22 | 95.87 |
| Contribution to Provident and other funds | 9.91 | 9.28 |
| Gratuity expenses | 1.60 | 1.49 |
| Staff welfare expenses | 12.53 | 10.65 |
| Total | 136.25 | 117.29 |

| Note 33. Finance Costs | FY 2023-2024 | FY 2022-2023 |
|---------------------------|--------------|--------------|
| Interest | 39.82 | 36.91 |
| Other Borrowing costs | 0.72 | 0.78 |
| Unwinding of Finance Cost | 0.31 | 0.34 |
| Total | 40.85 | 38.03 |

| Note 33A. Depreciation and amortization expense | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| Depreciation of tangible assets | 89.00 | 89.44 |
| Amortization of intangible assets | 0.35 | 0.47 |
| Total | 89.35 | 89.91 |

| Note 34. Other expenses | FY 2023-2024 | FY 2022-2023 |
|--|--------------|--------------|
| Consumption of stores and spares | 92.33 | 94.13 |
| Consumption of loose tools | 1.14 | 3.06 |
| Sub-contracting expenses | 32.48 | 26.18 |
| Insurance | 4.09 | 3.88 |
| Rent | 1.72 | 1.64 |
| Rates and taxes | 7.05 | 7.35 |
| Repairs & Maintenance : | | |
| Plant & Machinery | 22.07 | 17.75 |
| Buildings | 6.14 | 4.55 |
| Other Assets | 3.82 | 4.46 |
| Wheeling/Banking Charges | 1.07 | 1.99 |
| Advertising and sales promotion | 7.35 | 6.11 |
| Sales commission | 4.06 | 2.92 |
| Research & Development | 31.65 | 11.52 |
| Travelling and conveyance | 3.46 | 3.73 |
| Communication costs | 1.02 | 1.01 |
| Printing & Stationery | 0.91 | 0.82 |
| Donations | 0.07 | 0.04 |
| Corporate Social Responsibility | 0.98 | 1.97 |
| Professional, Consultancy and Legal fees | 8.51 | 7.90 |
| Directors' sitting fees | 0.24 | 0.24 |

(Rs in Crores)

| Note 34. Other expenses | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| Payment to auditors (Refer details below) | 0.54 | 0.55 |
| Exchange Difference - Net Loss /(Gain) | 0.07 | 0.02 |
| Bad debts/advances written off | 0.12 | 0.06 |
| Bank Charges | 1.25 | 0.89 |
| Assets Written Off | 1.17 | 0.95 |
| Performance and Delivery Guarantee Claims | 1.81 | 2.03 |
| Provision for doubtful debts and advances | 0.07 | - |
| Expected Credit Loss | 0.01 | 0.07 |
| Security Charges | 6.43 | 5.77 |
| Miscellaneous expenses | 16.33 | 13.10 |
| Total | 257.97 | 224.67 |

| Payment to Auditors | FY 2023-2024 | FY 2022-2023 |
|----------------------------|---------------------|---------------------|
| As Auditor: | | |
| Audit Fee | 0.29 | 0.31 |
| Certification & Other fees | 0.11 | 0.10 |
| Fees for Cost Auditor | 0.12 | 0.12 |
| Reimbursement of expenses | 0.03 | 0.03 |
| Total | 0.54 | 0.55 |

Note 34A. Exceptional Item

In December 2023, the Engineering unit at Tiruvottiyur was affected due to Cyclone Michaung. The company initiated the restoration process immediately. Upto 31st March, 2024, the company incurred an amount of Rs. 8.13 Crores towards restoration process and an adhoc amount of Rs. 7.50 Crores received from insurance company has been deducted therefrom and net amount shown as exceptional item.

Note 35. Income Tax Reconciliation

The major components of income tax expense for the years ended 31-03-2024

| Income tax expense:- | FY 2023-2024 | FY 2022-2023 |
|---|---------------------|---------------------|
| Current tax | 10.81 | - |
| Deferred tax | 4.75 | (10.11) |
| MAT credit Utilised/ (Entitlement) | 1.84 | 4.57 |
| Short /(Excess) provision of Income Tax/MAT | (0.73) | (0.13) |
| Total tax expense for the year | 16.67 | (5.67) |

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 (34.94%) as follows:

(Rs in Crores)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|--|--------------|---------------|
| (a) Net Profit / (Loss) before taxes | 292.90 | 84.09 |
| (b) Corporate Tax as per Income Tax Act, 1961 | 34.94% | 34.94% |
| (c) Tax on Accounting Profit (c) = (a)*(b) | 102.35 | 29.38 |
| (d) Increase/Decrease in tax expense on account of:- | | |
| i) Non taxable income/Exempt income | (96.33) | (51.78) |
| ii) Reduction in Depreciation/ (Accelerated Depreciation) | 5.30 | 2.38 |
| iii) Expenses not allowed under Income Tax | 0.49 | 0.24 |
| iv) Expenses that are allowed under payment basis | 2.22 | (0.11) |
| v) Expected Credit Loss as per Ind AS | (0.03) | 0.03 |
| vi) Amortisation of Government Grant as per Ind AS | (0.01) | (0.01) |
| vii) Finance Cost as per Ind AS | 0.11 | 0.15 |
| viii) Stripping Cost Capitalised as per Ind AS | (0.91) | (1.50) |
| ix) Mining lease deed extension - registration charges capitalised as per Ind AS | (1.37) | - |
| x) Deduction under Sec 80M | (4.51) | - |
| xi) Capital Gain taxable at special rates | (0.05) | - |
| xii) Carry forward of unabsorbed depreciation | - | 9.82 |
| xiii) Difference due to elimination of dividend received from Group Companies | 15.54 | 11.49 |
| xiv) Adjustment for current tax of previous periods | (0.73) | (0.13) |
| xv) Reduction in MAT Credit Entitlement | - | 4.57 |
| xvi) Utilisation of brought forward business losses | (10.12) | - |
| xvii) Deferred Tax expense/(income) for the year | 4.75 | (10.11) |
| xviii) Other adjustments | (0.03) | (0.10) |
| Tax Expense recognised in Statement of P & L | 16.67 | (5.67) |
| (e) Tax as per Normal Provision under Income Tax | 12.65 | 4.44 |
| (f) Tax rate applicable to the company as per MAT Provisions | 17.47% | 17.47% |
| (g) MAT Tax expense on Net Profits | 51.17 | 14.69 |
| (h) Increase/Decrease in tax expense on account of:- | | |
| i) Items that will not be reclassified to Profit & Loss | (0.09) | (0.41) |
| ii) Exempt Income u/s 10(34) | - | - |
| iii) 1/5th of transition amount u/s 115JB(2C) | - | - |
| iv) Expected Credit Loss | - | - |
| v) Expenses that are not allowed as per Section 115JB | 0.05 | (0.23) |
| vi) Other adjustments | 0.07 | (0.00) |
| vii) Non taxable income/Exempt income of subsidiaries | (48.17) | (25.89) |
| viii) Difference due to elimination of dividend received from Group Companies | 7.77 | 5.75 |
| ix) Book loss under MAT provisions | - | 6.10 |
| MAT tax provision under 115JB (g+h) | 10.81 | 0.00 |
| Mat credit (entitlement) / utilised during the year | 1.84 | 4.57 |

(Rs in Crores)

Deferred Taxes

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|----------------|
| As on reporting date | | |
| Deferred tax arising due to | | |
| a) On OCI component | | |
| -Actuarial Gain/Loss | (0.17) | (0.82) |
| b) Other than OCI component | - | - |
| -Difference in W.D.V of Property Plant & Equipment | (3.06) | (1.09) |
| -Impact of expenditure allowed under Income tax on payment basis | (1.91) | 0.40 |
| -Discounting of trade receivables | 0.05 | 0.02 |
| -Provision for Loss allowance | 0.03 | (0.02) |
| -Provision for Decommissioning cost | (0.07) | (0.07) |
| -Unabsorbed depreciation and business losses | 9.82 | (9.82) |
| -Other disallowances | (0.11) | 0.49 |
| c) Total for the year | 4.58 | (10.93) |
| Expense/(income) recognised for the year ended: | | |
| Deferred tax liability/(asset) recognised in statement of profit and loss | 4.75 | (10.11) |
| Deferred tax recognised in other comprehensive income | (0.17) | (0.82) |
| Deferred tax recognised in Total comprehensive income | 4.58 | (10.93) |

Details of Deferred tax liability/ (asset) arised during FY 2023-2024:-

| 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 and Intangblle assets | 143.06 | (3.06) | - | - | 140.00 |
| 2) | Expenses allowable for tax purposes on payment basis | (8.05) | (1.91) | (0.17) | - | (10.13) |
| 3) | Provision for Doubtful debts | (0.20) | 0.05 | - | - | (0.15) |
| 4) | Deferred Tax Asset on Expected credit loss | (0.06) | 0.03 | - | - | (0.02) |
| 5) | Provision for Decommissioning Cost | (1.28) | (0.07) | - | - | (1.35) |
| 6) | MAT Credit | (41.18) | - | - | 1.42 | (39.76) |
| 7) | Unabsorbed Losses | (9.82) | 9.82 | - | - | - |
| 8) | Onerous Contract | (0.04) | (0.12) | - | - | (0.15) |
| 9) | Others | (0.64) | 0.01 | - | - | (0.63) |
| | Total | 81.80 | 4.75 | (0.17) | 1.42 | 87.80 |

Details of Deferred tax liability/ (asset) arised during FY 2022-2023:-

(Rs in Crores)

| No. | Particulars | Opening Balance | Recognised in Statement of Profit and loss | Recognised in other comprehensive income | MAT Credit Utilised | Closing Balance |
|-----|--|-----------------|--|--|---------------------|-----------------|
| | Temporary Timing difference arised in relation to | | | | | |
| 1) | Property, Plant & Equipment and Intangible assets | 144.15 | (1.09) | - | - | 143.06 |
| 2) | Expenses allowable for tax purposes on payment basis | (7.62) | 0.40 | (0.82) | - | (8.05) |
| 3) | Provision for Doubtful debts | (0.22) | 0.02 | - | - | (0.20) |
| 4) | Deferred Tax Asset on Expected credit loss | (0.03) | (0.03) | - | - | (0.06) |
| 5) | Provision for Decommissioning Cost | (1.21) | (0.07) | - | - | (1.28) |
| 6) | MAT Credit | (45.75) | - | - | 4.57 | (41.18) |
| 7) | Unabsorbed Losses | - | (9.82) | - | - | (9.82) |
| 8) | Onerous Contract | (0.50) | 0.47 | - | - | (0.03) |
| 9) | Others | (0.66) | 0.02 | - | - | (0.64) |
| | Total | 88.16 | (10.11) | (0.82) | 4.57 | 81.80 |

| Note 36. Other Comprehensive Income- OCI | FY 2023-2024 | FY 2022-2023 |
|---|---------------|--------------|
| Foreign translation reserve changes | (1.94) | 30.81 |
| Remeasurement of Defined Benefit Plan Loss/Gain | | |
| Gratuity | (0.36) | (1.02) |
| Leave Encashment | (0.14) | (1.32) |
| Increase/Decrease in Fair Value of Investments | 0.09 | (0.00) |
| Deferred Tax Liability on above items | 0.17 | 0.82 |
| Share of OCI from Joint venture | (0.09) | (0.31) |
| Sub-Total | (2.26) | 28.97 |
| Less: Non controlling Interest share in OCI(Refer Note 17A) | (0.72) | 10.27 |
| Total | (1.54) | 18.70 |

Statement of additions, write off and payments closing as per IND AS 37 Para 84

(Rs.in Crores)

| No | Provisions | Leave Benefits | Gratuity | Income Tax | Decommissioning |
|----|--|----------------|-------------|--------------|-----------------|
| 1 | Balance as at 1st April, 2023 | 15.48 | 2.78 | 50.50 | 3.65 |
| 2 | Provision recognised during the year | - | - | - | - |
| | - In Statement of Profit & Loss | 4.11 | 1.60 | 16.70 | 0.21 |
| | - In Statement of Other Comprehensive Income | 0.14 | 0.36 | - | - |
| 3 | Amounts incurred and charged against the provision | (2.65) | (2.64) | (50.50) | - |
| 4 | Balance as at 31st March, 2024 | 17.08 | 2.10 | 16.70 | 3.87 |

The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in cost of material consumed. The unwinding of discount on provision is shown as finance costs in the statement of profit and loss. It is expected to be settled in 2026-27 for Muktyala mining lands, 2022-23 for Terala mines, 2025-26 for Macherla mines and 2021-22 for Mandadi mining lands.

| Note 37. Contingent Liabilities | As at 31-03-2024 | As at 31-03-2023 |
|---|-------------------------|-------------------------|
| A. Claims against the company not acknowledged as debt | | |
| Statutory Levies | 77.11 | 64.85 |
| Contractual Levies | 0.30 | 0.30 |
| Others | 0.90 | 4.62 |
| B. Guarantees issued by the Bankers on behalf of the Company | | |
| Against Advances Received | 31.17 | 40.69 |
| Towards Performance Guarantees | 33.67 | 32.41 |

1) It is not practicable for the Company to estimate the timings cashflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

2) The Company does not expect any reimbursements in respect of the above contingent liabilities.

3) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

| Note 38. Commitments | As at 31-03-2024 | As at 31-03-2023 |
|---|------------------|------------------|
| A. Estimated amount of contracts remaining to be executed on capital account and not provided for | 173.71 | 0.49 |
| B. Other commitments - Sale contracts | - | - |
| C. Other commitments - Sale contracts | 120.07 | 100.78 |
| - Export Obligation under EPCG Scheme | 1.80 | 1.80 |

| Note 39. Revenue Expenditure Capitalised During The Year | FY 2023-2024 | FY 2022-2023 |
|--|--------------|--------------|
| a) Opening unallocated capital expenditure | - | - |
| Add: | | |
| Professional Fees | 0.08 | - |
| Travelling Expenses | 0.00 | - |
| Miscellaneous expenses | 0.00 | - |
| Less: | | |
| Capitalised/Allocated to fixed assets | - | - |
| Closing unallocated Capital Expenditure | 0.09 | - |

| Note 41. Earnings Per Share (EPS) | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| i) Profit / (Loss) after Non controlling interest from continuing operations | 188.55 | 41.74 |
| i) Profit / (Loss) after Non controlling interest from discontinued operations | - | - |
| Total Profit / (Loss) after Non controlling interest | 188.55 | 41.74 |
| ii) Net Profit attributable to Equity Shareholders | 188.55 | 41.74 |
| iii) Weighted Average number of equity shares used as denominator for calculating EPS | 12,89,21,160 | 12,89,21,160 |
| Earnings per share (for Continuing Operations) Basic and diluted | 14.63 | 3.24 |
| Earnings per share (for Discontinued Operations) Basic and diluted | - | - |
| Total Earnings per share - Rs. | 14.63 | 3.24 |
| Nominal value per each Equity share - Rs. | 1.00 | 1.00 |

| Note 42. Disclosures required by Indian Accounting Standard 19- Employee Benefits | FY 2023-2024 | | FY 2022-2023 | |
|---|--------------|------------------|--------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| a) Reconciliation for present value of obligations | | | | |
| Present value of obligations as at beginning of the year | 21.14 | 15.47 | 19.13 | 14.87 |
| Interest cost | 1.51 | 1.06 | 1.33 | 0.97 |
| Current service cost | 1.49 | 1.99 | 1.37 | 1.61 |
| Benefits paid | (1.92) | (2.65) | (1.86) | (3.30) |
| Actuarial loss/(gain) on obligation | 0.43 | 1.20 | 1.17 | 1.32 |
| Present value of obligations as at End of the Year | 22.66 | 17.07 | 21.14 | 15.47 |
| b) Reconciliation for fair value of plan assets | | | | |
| Fair Value of Plan Assets at the beginning of the year | 18.36 | 0.00 | 16.05 | 0.00 |
| Expected Return On Plan Assets | 1.40 | | 1.21 | |
| Contributions | 2.64 | 2.65 | 2.82 | 3.30 |
| Benefits Paid | (1.92) | (2.65) | (1.86) | (3.30) |
| Actuarial Gain On Plan Assets | 0.07 | | 0.14 | |
| Fair Value of Plan Assets at The End of the Year | 20.56 | 0.00 | 18.36 | 0.00 |
| c) Net Liability recognised in the Balance Sheet | | | | |
| Present value of obligations as at the end of the year | 22.66 | 17.07 | 21.14 | 15.47 |
| Fair value of plan Assets as at the end of the year | 20.56 | - | 18.36 | - |
| Amount determined under para 63 of IND AS 19 | 2.10 | 17.07 | 2.78 | 15.47 |
| Net defined benefit liability recognised in the Balance sheet | 2.10 | 17.07 | 2.78 | 15.47 |
| 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 | 1.49 | 1.99 | 1.37 | 1.61 |
| Net interest on net Defined benefit obligations | 0.11 | - | 0.12 | - |
| Interest cost | 0.00 | 1.06 | 0.00 | 0.97 |
| Net actuarial (gain)/loss recognised in the year | 0.00 | 0.00 | 0.00 | 0.00 |
| Past service Cost | 0.00 | 0.00 | 0.00 | 0.00 |
| Expense to be recognised in the Profit & Loss a/c | 1.60 | 3.05 | 1.49 | 2.57 |

| Note 42. Disclosures required by Indian Accounting Standard 19- Employee Benefits | FY 2023-2024 | | FY 2022-2023 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| e) Amount recognised in the statement of OCI | | | | |
| Actuarial (gain)/loss on Plan obligation | 0.43 | 1.20 | 1.17 | 1.32 |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | (0.07) | - | (0.14) | 0.00 |
| Effect of Balance Sheet asset limit | - | - | 0.00 | 0.00 |
| Amount recognized in OCI for the current period | 0.36 | 1.20 | 1.02 | 1.32 |
| f) Actuarial Assumptions | | | | |
| Assumptions as at 31 March, 2024 | | | | |
| Discount rate | 7.22% | 7.22% | 7.50% | 7.50% |
| 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 | 7.22% | 7.22% | 7.50% | 7.50% |
| Mortality | IALM (2012-14) | | IALM (2012-14) | |
| g) Date of Valuation | 31-Mar-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-23 |
| h) Average Duration of Defined Benefit Obligation (in Yrs) | 5.51 | 4.00 | 5.63 | 5.13 |

All the plan assets of the company are invested in insurance policies.

i) Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

| Sensitivity Analysis- Gratuity | FY 2023-2024 | | FY 2022-2023 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Defined Benefit Obligation [DBO] | Percentage Change | Defined Benefit Obligation [DBO] | Percentage Change |
| Under Base Scenario- Defined Benefit Obligation | 22.66 | 0.00% | 21.14 | 0.00% |
| Salary Escalation- up by 1% | 23.89 | 5.56% | 22.31 | 5.56% |
| Salary Escalation- down by 1% | 21.53 | (5.08%) | 20.06 | (5.08%) |
| Withdrawal rates- up by 1% | 22.71 | 0.30% | 21.20 | 0.30% |
| Withdrawal rates- down by 1% | 22.61 | (0.33%) | 21.07 | (0.33%) |
| Discount rates- up by 1% | 21.70 | (4.35%) | 20.22 | (4.35%) |
| Discount rates- down by 1% | 23.74 | 4.85% | 22.16 | 4.85% |

| Sensitivity Analysis- Leave Benefits | FY 2023-2024 | | FY 2022-2023 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Defined Benefit Obligation [DBO] | Percentage Change | Defined Benefit Obligation [DBO] | Percentage Change |
| Under Base Scenario- Defined Benefit Obligation | 17.08 | 0.00% | 15.48 | 0.00% |
| Salary Escalation- up by 1% | 17.74 | 3.90% | 16.09 | 3.90% |
| Salary Escalation- down by 1% | 16.46 | (3.70%) | 14.91 | (3.70%) |
| Withdrawal rates- up by 1% | 17.11 | 0.10% | 15.51 | 0.20% |
| Withdrawal rates- down by 1% | 17.06 | (0.10%) | 15.45 | (0.20%) |
| Discount rates- up by 1% | 16.58 | (3.00%) | 15.02 | (3.00%) |
| Discount rates- down by 1% | 17.63 | 3.20% | 15.98 | 3.20% |

The 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

| Expected Cash flows for following years: | FY 2023-2024 | | FY 2023-2024 | |
|--|--------------|------------------|--------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| Year 1 | 6.33 | 5.11 | 5.93 | 4.68 |
| Year 2 | 2.45 | 2.96 | 2.02 | 2.56 |
| Year 3 | 2.97 | 3.22 | 2.20 | 2.31 |
| Year 4 | 1.95 | 1.82 | 1.78 | 2.49 |
| Year 5 | 2.00 | 1.65 | 1.77 | 1.46 |
| Year 6 | 3.32 | 1.45 | 3.15 | 1.27 |
| Year 7 | 1.73 | 1.12 | 1.57 | 1.08 |
| Year 8 | 1.27 | 0.97 | 1.15 | 0.88 |
| Year 9 | 1.30 | 0.77 | 1.21 | 0.75 |
| Year 10 | 1.15 | 0.58 | 9.97 | 0.60 |

j) Other disclosures

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|--------------|--------------|
| (i) Best estimate of contribution during the next year - Gratuity | 2.10 | 2.78 |
| (ii) Discontinuance liability - Gratuity | 22.60 | 21.38 |
| (iii) Discontinuance liability - Leave Encashment | 17.24 | 15.79 |

Note 43. Particulars disclosed pursuant to "IND AS-24 Related Party Disclosures" :-
(as per separate annexure-I enclosed)

Note 44. 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.

(Rs in Crores)

| Particulars | | For FY 2023-2024 | For FY 2022-2023 |
|-------------|--|--|------------------|
| (i) | Amount required to be spent by the company during the year | 1.56 | 1.09 |
| (ii) | Excess amount spent in the previous year(2022-2023) being setoff against the requirement to spend in the current year (2023-2024) as per rule 7(3) of companies (Corporate Social responsibility Policy)Rules, 2014. | 0.88 | |
| (iii) | Amount of expenditure incurred | 0.98 | 1.97 |
| (iv) | Excess amount spent in the current year | 0.30 | |
| (v) | Shortfall at the end of the year | - | - |
| (vi) | Total of previous years shortfall | - | - |
| (vii) | Reason for shortfall | - | - |
| (viii) | Nature of CSR activities | Education, Health Care, Women Empowerment , Rural Development and sports | |
| (ix) | Details of related party transactions - Contribution to a trust controlled by the company in relation to CSR expenditure | | |
| | V Ramakrishna Charitable Trust | 0.14 | 0.32 |
| | Kids Patasala Macherla | 0.06 | 0.14 |
| | V Ramakrishna Higher Sec. School | 0.15 | - |
| (x) | Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | NIL | NIL |

Note 45. 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.0.44 Crores (Previous Year : Rs.0.10 Crores)

Note 46. Particulars disclosed pursuant to IND AS 108 " Segment Reporting" are given in Annexure II.

Note 47. Movement in Translation Reserve

| Particulars | Attributable to Owners | Non-controlling interest | Total |
|--|------------------------|--------------------------|--------------|
| Opening Balance (Cr) | 54.94 | 28.53 | 83.46 |
| Movement due to Non Monetary items- | | | |
| Capital, Reserves, opening Stock etc. | (1.06) | (0.53) | (1.59) |
| Exchange Difference on Dividend Received | 0.21 | - | 0.21 |
| Closing Balance (Cr) | 54.09 | 28.00 | 82.09 |

(Rs. in Crores)

Note 48. 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 | | Share in Total | |
|---|--|-----------------|-------------------------------------|---------------|-------------------------------------|---------------|------------------------------------|---------------|
| | 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 | 51% | 723.10 | 22% | 40.96 | 13% | (0.23) | 22% | 40.74 |
| Subsidiary | | | | | | | | |
| Foreign | | | | | | | | |
| KCP Vietnam Industries Limited | 79% | 1,109.82 | 149% | 275.68 | 122% | (2.15) | 150% | 273.53 |
| Non Controlling Interest in all Subsidiaries | (26%) | (369.94) | (50%) | (91.89) | (41%) | 0.72 | (50%) | (91.18) |
| Joint Venture (Investment as per Equity Method) | | | | | | | | |
| Indian | | | | | | | | |
| Fives Cail KCP Limited | 1% | 11.22 | 2% | 4.22 | 5% | (0.09) | 2% | 4.13 |
| Less : Elimination on Consolidation | | | | | | | | |
| Dividend received from Subsidiary & Joint Venture | (3%) | (44.25) | (24%) | (44.25) | 0% | | (24%) | (44.25) |
| Difference in Foreign Exchange Investment in Foreign Subsidiary | 0% | (0.22) | 0% | (0.22) | 0% | | 0% | (0.22) |
| | (2%) | (23.71) | 0% | | 0% | | 0% | |
| Total | 100% | 1,406.02 | 100% | 184.50 | 100% | (1.75) | 100% | 182.75 |

Note 49. Proposed Dividends

In respect of the year ended March 31, 2024 the Directors have recommended a dividend of Re.1/- per share (100%) on equity share of Re.1/- each. 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.12.89 crores excluding Dividend Distribution Tax.

Note 50. Details on Statements of Current Assets submitted to the Banks:

The Company has to submit the monthly statements on stock and debtors' positions to the bankers. During the current year in one of the segments of the Company, i) Debtors balance which were submitted to the bank in 2nd quarter are lower than the balance as per books of accounts by Rs.1.17 crores; ii) With respect to creditors balances the details submitted to bank are higher to an extent of Rs.0.04 crores, Rs.0.52 crores, Rs.0.04 crores, Rs.0.07 crores in Q1, Q2, Q3 and Q4 respectively. These variations are due to the adjustments considered in the books post submission of statements to the bankers.

Note 51. Financial Instruments- Fair value and risk management

(Separately given in the Annexure-III)

Note 52. 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)

Dr. V.L. INDIRA DUTT
Chairperson & Managing Director
DIN: 00139883

V. KAVITHA DUTT
Joint Managing Director
DIN: 00139274

ANIS TYEBALI HYDERI
Chief Financial Officer

Y VIJAYAKUMAR
Company Secretary
ACS: 16353

As per our report annexed

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

K VAMSI KRISHNA
Partner
ICAI Mem No: 238809

Place: Chennai
Date : May 20, 2024

Annexure - I To Consolidated Notes- Related Party Disclosure

| A. List of Related parties: | |
|---|---|
| Subsidiary Company | KCP Vietnam Industries Limited |
| Joint Venture Company | Fives Cail KCP Limited |
| Key Management Personnel | Dr. V.L. Indira Dutt - Chairperson & Managing Director Smt. V Kavitha Dutt - Joint Managing Director Sri. B. Sankar - Managing Director - Fives Cail KCP Ltd. Sri. Anis Tyebali Hyderi - Chief Financial Officer Sri. Y. Vijayakumar - Company Secretary |
| Other Related Personnel | Sri V.H. Ramakrishnan- Independent Director Sri P.S Kumar- Independent Director Sri Vijay Sankar- Independent Director Sri Narasimhappa Muttuluri- Independent Director Smt. Janaki Pillai - Independent Director Sri V. Chandra Kumar Prasad - Non-Executive Non-Independent Director Dr. Subbarao Vallabhaneni - Non-Executive Non-Independent Director Sri. Ravi Chitturi - Non-Executive Non-Independent Director Sri Thiruvankadam Parthasarathi - Independent Director (With effect from 01/02/2024) Sri Harish Lakshman - Independent Director (With effect from 01/02/2024) |
| Relatives of Key Management Personnel (KMP) | Late 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 Dr Subbarao Vallabhaneni - Brother-in-law Smt. V. Kavitha Dutt - Kum.Shivani Dutt Chitturi - Daughter Sri Ravi Chitturi - Husband Sri Anis Tyebali Hyderi Smt. Fatema Anis Haideri - Wife Sri Y. Vijayakumar Smt. Y Kavitha - Wife |

| | |
|--|---|
| <p>Companies/Trusts/Societies controlled by Key management Personnel/Relatives</p> | <p>Dr. V. L . Indira Dutt - V Ramakrishna Sons Pvt. Ltd. - Director - Director V.R.K. Grandsons Investments Pvt. Ltd. - Member Velagapudi Foundation - Director KCP Technologies Limited - Share Holder Fives Cail KCP Limited - Director Sri V Ramakrishna Charitable Trust - Trustee Kids Academy of General and Technical Education, Macherla - Trustee</p> <p>Smt. V Kavitha Dutt - Fives Cail KCP Limited - Director V Ramakrishna Sons Pvt. Ltd. - Director V.R.K. Grandsons Investments Pvt. Ltd. - Member Velagapudi Foundation - Director ABI Showatech (India) Pvt. Ltd. - Director Bharat Biotech International Ltd. - Director Apollo Hospitals Enterprise Ltd. - Director Centum Electronics Ltd. - Independent Director Chennai Wellington Corpn. Foundation - Director DCM Shriram Industries Ltd. - Independent Director FLO Industrial Park Federation - Director KCP Technologies Limited - Director - Director Sri V Ramakrishna Charitable Trust - Trustee Kids Academy of General and Technical Education, Macherla - Trustee</p> |
|--|---|

B. Transactions with the related parties:

(Rs in Crores)

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---|--|---------------|---------|---------------------------------|-----------------------------|
| Sale of Goods | | | | | |
| Fives Cail KCP Limited | | 4.89 | | | |
| | | (2.28) | | | |
| From Fives Cail Kcp Limited to KCP Vietnam Industries Limited | 4.17 | | | | |
| | (1.34) | | | | |
| Services -Rendered | | | | | |
| Fives Cail KCP Limited | | 10.95 | | | |
| | | (5.37) | | | |
| V. Ramakrishna Charitable Trust | | | | | 0.00 |
| | | | | | (0.00) |
| Advances Received | | | | | |
| By Fives Cail KCP limited from KCP Vietnam Industries limited | 3.81 | | | | |
| | (1.49) | | | | - |
| Fives Cail KCP Limited | | 6.73 | | | |
| | | (2.64) | | | |
| Loans/Deposits received | | | | | |
| Dr V L Indira Dutt | | | 7.09 | | |
| | | | (20.25) | | |
| Smt. V Kavitha Dutt | | | 0.12 | | |
| | | | (5.50) | | |
| V. Ramakrishna Sons Pvt Limited | | | | | - |
| | | | | | (4.50) |
| VL Dutt (HUF) | | | | 6.50 | |
| | | | | (4.50) | |
| Kum. Shivani Dutt Chitturi | | | | 3.47 | |
| | | | | (1.55) | |
| Purchase of Goods | | | | | |
| Fives Cail KCP Limited | | - | | | |
| | | (0.01) | | | |
| Remuneration paid | | | | | |
| Dr V L Indira Dutt | | | 2.47 | | |
| | | | (1.62) | | |

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|--|--|---------------|--------|---------------------------------|-----------------------------|
| Smt. V Kavitha Dutt | | | 2.45 | | |
| | | | (1.90) | | |
| Sri Anis Tyebali Hyderi | | | 1.02 | | |
| | | | (0.17) | | |
| Sri Y. Vijayakumar | | | 0.49 | | |
| | | | (0.46) | | |
| Sri K.B. Pranesh | | | 0.01 | | |
| | | | (1.47) | | |
| Sri B Sankar | | | 1.18 | | |
| | | | (0.00) | | |
| Directors Out of pocket Exp. & Sitting fees | | | | | |
| Sri V. H Ramakrishnan | | | 0.04 | | |
| | | | (0.05) | | |
| Sri Vijay Shankar | | | 0.03 | | |
| | | | (0.02) | | |
| Sri P. S. Kumar | | | 0.05 | | |
| | | | (0.05) | | |
| Sri M. Narasimhappa | | | 0.04 | | |
| | | | (0.05) | | |
| Smt Janaki Pillai | | | 0.02 | | |
| | | | (0.02) | | |
| Sri V Chandra Kumar Prasad | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Subbarao Vallabhaneni | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Ravikumar Chitturi | | | 0.02 | | |
| | | | (0.02) | | |
| Sri Thiruvankadam Parthasarathi | | | 0.01 | | |
| | | | - | | |
| Sri Harish Lakshman | | | 0.00 | | |
| | | | - | | |
| Interest paid | | | | | |
| Dr V L Indira Dutt | | | 2.36 | | |
| | | | (2.23) | | |
| Smt. V Kavitha Dutt | | | 0.81 | | |
| | | | (0.68) | | |

(Rs in Crores)

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|--------------------------------------|--|---------------|---------|---------------------------------|-----------------------------|
| Other Relations | | | | | |
| Kum. Shivani D. Chitturi | | | | 0.43 | |
| | | | | (0.38) | |
| VL Dutt (HUF) | | | | 0.93 | |
| | | | | (0.93) | |
| V. Ramakrishna Sons (P) Limited | | | | | 0.72 |
| | | | | | (0.50) |
| Dividend paid | | | | | |
| Dr V L Indira Dutt | | | 0.10 | | |
| | | | (1.00) | | |
| Smt. V Kavitha Dutt | | | 0.01 | | |
| | | | (0.14) | | |
| Other Relations | | | | | |
| Kum.Shivani Dutt Chitturi | | | | 0.01 | |
| | | | | (0.14) | |
| Smt.Uma S Vallabhaneni | | | | 0.00 | |
| | | | | 0.00 | |
| Smt.Rajeswary Ramakrishnan | | | | 0.00 | |
| | | | | (0.00) | |
| V. Ramakrishna Sons Pvt Limited | | | | | 0.39 |
| | | | | | (3.90) |
| VRK Grandsons Investment (P) Limited | | | | | 0.04 |
| | | | | | (0.42) |
| Dr V L Dutt (HUF) | | | | 0.00 | |
| | | | | 0.01 | |
| Sri. Vallabhaneni Subbarao | | | 0.00 | | |
| | | | (0.02) | | |
| Loans/Deposit Repaid | | | | | |
| Dr. V. L. Indira Dutt | | | 7.09 | | |
| | | | (22.70) | | |
| Smt. V Kavitha Dutt | | | 0.12 | | |
| | | | - | | |
| V. Ramakrishna Sons (P) Limited | | | | | 2.00 |
| | | | | | - |

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---|--|---------------|--------|---------------------------------|-----------------------------|
| Dr V L Dutt (HUF) | | | | 6.50 | |
| | | | | (3.50) | |
| Kum.Shivani Dutt Chitturi | | | | 2.52 | |
| | | | | (1.05) | |
| Rent Paid | | | | | |
| Dr V L Indira Dutt | | | 1.54 | | |
| | | | (1.43) | | |
| Smt. V Kavitha Dutt | | | 0.04 | | |
| | | | (0.04) | | |
| Other Relations | | | | | |
| Smt.Uma.S.Vallabhaneni | | | | 1.56 | |
| | | | | (1.44) | |
| Smt.V.Rama Kumari | | | | 1.15 | |
| | | | | (1.07) | |
| Bala Tripurasundari Ammavaru Trust | | | | | 1.54 |
| | | | | | (1.42) |
| Sri.V.Chandra Kumar | | | 0.64 | | |
| | | | (0.60) | | |
| Corporate Social Responsibility (CSR Activities) | | | | | |
| V Ramakrishna Charitable Trust | | | | | 0.14 |
| | | | | | (0.32) |
| Kids Patasala Macherla | | | | | 0.06 |
| | | | | | (0.14) |
| Sri V Ramakrishna Higher Secondary School | | | | | 0.15 |
| | | | | | - |
| Donations | | | | | |
| Sri V Ramakrishna Higher Secondary School | | | | | 0.07 |
| | | | | | (0.04) |
| Balances as at 31.03.2024 | | | | | |
| Share Capital held by KCP in | | | | | |
| KCP Vietnam Industries Limited | 23.74 | | | | |
| | (23.71) | | | | |
| Fives Cail KCP Limited | | 0.40 | | | |
| | | (0.40) | | | |

(Rs in Crores)

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---|--|---------------|--------|---------------------------------|-----------------------------|
| Receivable - Trade dues/others | | | | | |
| Fives Cail KCP Limited | | 2.61 | | | |
| | | (3.36) | | | |
| To Fives Cail KCP Limited from KCP Vietnam Industries Limited | 0.08 | | | | |
| | (0.15) | | | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 0.00 |
| | | | | | (0.00) |
| Share capital in KCP held by | | | | | |
| Dr. V. L. Indira Dutt | | | 1.01 | | |
| | | | (1.01) | | |
| Smt. V Kavitha Dutt | | | 0.14 | | |
| | | | (0.14) | | |
| Other Relations | | | | | |
| Kum.Shivani Dutt Chitturi | | | | 0.14 | |
| | | | | (0.14) | |
| Smt.Rajeswary Ramakrishnan | | | | 0.00 | |
| | | | | (0.00) | |
| Smt.Uma S Vallabhaneni | | | | 0.00 | |
| | | | | (0.00) | |
| Sri. Vallabhaneni Subbarao | | | 0.02 | | |
| | | | (0.02) | | |
| V. Ramakrishna Sons Pvt Limited | | | | | 3.90 |
| | | | | | (3.90) |
| VRK Grandsons Investment (P) Limited | | | | | 0.42 |
| | | | | | (0.42) |
| Dr. VL Dutt (HUF) | | | | 0.01 | - |
| | | | | (0.01) | - |

| | Transactions between JV and Subsidiary | Joint Venture | KMP | Related parties other relations | Companies Controlled by KMP |
|---|--|---------------|---------|---------------------------------|-----------------------------|
| Loans/Advances held | | | | | |
| By Fives Cail KCP Limited from KCP Vietnam Industries Limited | 0.37 | | | | |
| | (0.71) | | | | |
| Fives Cail KCP Limited | | 2.12 | | | |
| | | (0.66) | | | |
| Dr V L Indira Dutt | | | 10.50 | | |
| | | | (11.50) | | |
| Smt. V Kavitha Dutt | | | 6.50 | | |
| | | | (6.50) | | |
| V. Ramakrishna Sons (P) Limited | | | | | 9.20 |
| | | | | | (11.20) |
| Deposits held with the company | | | | | |
| Dr V L Indira Dutt | | | 20.14 | | |
| | | | (19.14) | | |
| Smt. V Kavitha Dutt | | | 4.52 | | |
| | | | (4.52) | | |
| Other Relations | | | | | |
| VL Dutt (HUF) | | | | 11.50 | |
| | | | | (11.50) | |
| Kum.Shivani Dutt Chitturi | | | | 5.60 | |
| | | | | (4.65) | |
| Commission payable | | | | | |
| Dr. V. L. Indira Dutt | | | 0.48 | | |
| | | | - | | |
| Payable-Trade Dues | | | | | |
| Dr. V. L. Indira Dutt | | | 0.42 | | |
| | | | (0.39) | | |
| Smt. V Kavitha Dutt | | | 0.01 | | |
| | | | (0.01) | | |
| Other Relations | | | | | |
| Smt.V.Rama Kumari | | | | 0.35 | |
| | | | | (0.33) | |
| Sri.V.Chandra Kumar | | | 0.16 | | |
| | | | (0.15) | | |
| Smt.Uma.S.Vallabhaneni | | | | 0.36 | |
| | | | | (0.34) | |
| Bala Tripurasundari Ammavaru Trust | | | | | 0.42 |
| | | | | | (0.39) |

Note: Figures in brackets under Note no. 43 (Annexure-I) related to previous year.

| PARTICULARS | Annexure - II | | | | | | | | | | | | | |
|---|---|---------------|--------------|---------------|--------------|---------------|----------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Note 46. Segment Report under IND AS 108 as at March 31, 2024 | | | | | | (Rs in Crores) | | | | | | | |
| | Heavy Engineering | | Cement | | 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 |
| Revenue | | | | | | | | | | | | | | |
| Revenue from Operations | 81 | 117 | 1,583 | 1,524 | 37 | 29 | 1,144 | 582 | 1 | 2 | - | - | 2,847 | 2,254 |
| Other Income | 1 | 1 | 3 | 3 | 0 | 0 | 54 | 22 | 56 | 47 | 44 | 33 | 69 | 38 |
| | 83 | 118 | 1,586 | 1,527 | 37 | 29 | 1,198 | 603 | 57 | 48 | 44 | 33 | 2,916 | 2,292 |
| Less : Inter Segment Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 83 | 118 | 1,586 | 1,527 | 37 | 29 | 1,198 | 603 | 57 | 48 | 44 | 33 | 2,916 | 2,292 |
| Result | | | | | | | | | | | | | | |
| Segment Result | (20) | (6) | 57 | (33) | 8 | 3 | 289 | 154 | (0) | (0) | 44 | 33 | 289 | 85 |
| Less : Unallocated Corporate Expenses | - | - | - | - | - | - | - | - | (44) | (37) | - | - | (44) | (37) |
| Operating Profit / (Loss) | (20) | (6) | 57 | (33) | 8 | 3 | 289 | 154 | 44 | 37 | 44 | 33 | 334 | 122 |
| Less : Interest Expenses | | | | | | | | | | | | | (41) | (38) |
| | | | | | | | | | | | | | 293 | 84 |
| Less : Tax Provisions | | | | | | | | | | | | | 12 | (0) |
| Current Tax | | | | | | | | | | | | | 5 | (10) |
| Deferred Tax | | | | | | | | | | | | | - | 5 |
| MAT Entitlement Credit | | | | | | | | | | | | | 17 | (6) |
| Total Tax Expense | | | | | | | | | | | | | 276 | 90 |
| Profit/(Loss) from Continuing Operations | | | | | | | | | | | | | - | - |
| Profit/(Loss) from Discontinued Activities | | | | | | | | | | | | | - | - |
| Less : Current Tax of Discontinued Operations | | | | | | | | | | | | | - | - |
| Profit After Tax of Discontinued Operations | | | | | | | | | | | | | - | - |
| Profit/(Loss) for the Year | | | | | | | | | | | | | 276 | 90 |
| Other Comprehensive Income | | | | | | | | | | | | | (2) | 29 |
| Add : Share of Profit from Joint Venture | | | | | | | | | | | | | 4 | 1 |
| Less : Non Controlling of Profit / (Loss) | | | | | | | | | | | | | (91) | (60) |
| Total Comprehensive Income after Non-Controlling Interest | | | | | | | | | | | | | 187 | 60 |

(Rs in Crores)

| PARTICULARS | Heavy Engineering | | Cement | | 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 |
| Other Information | | | | | | | | | | | | | | |
| Segment Assets | 122 | 141 | 934 | 979 | 61 | 66 | 1,506 | 1,240 | 2 | 2 | (57) | (50) | 2,568 | 2,378 |
| Unallocated Corporate Assets | | | | | | | | | | | | | 261 | 239 |
| Total Assets | 122 | 141 | 934 | 979 | 61 | 66 | 1,506 | 1,240 | 2 | 2 | (57) | (50) | 2,829 | 2,618 |
| Segment Liabilities | 75 | 91 | 358 | 439 | 3 | 2 | 397 | 354 | 0 | 0 | (57) | (50) | 775 | 837 |
| Unallocated Corporate Liabilities | | | | | | | | | | | | | 273 | 262 |
| Minority Interest | | | | | | | | | | | | | 370 | 295 |
| Shareholders Funds | | | | | | | | | | | | | 1,410 | 1,224 |
| Total Liabilities | 75 | 91 | 358 | 439 | 3 | 2 | 397 | 354 | 0 | 0 | (57) | (50) | 2,829 | 2,618 |
| Depreciation | 5 | 5 | 55 | 54 | 6 | 6 | 23 | 24 | 1 | 1 | | | 89 | 90 |

| Particulars | Sales Revenue | | Carrying amount of Assets | |
|---------------------------|---------------|--------------|---------------------------|--------------|
| | FY 2023-2024 | FY 2022-2023 | FY 2023-2024 | FY 2022-2023 |
| India | 1,702 | 1,672 | 1,322 | 1,378 |
| South East Asia - Vietnam | 1,144 | 582 | 1,506 | 1,240 |

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 31-03-2024.
3. Inter-Segment revenues are recognised at market price.

ANNEXURE-III Referred in Note No. 51

Note 51A. Financial Assets & Financial Liabilities & their Fair Values Financial instruments - Fair values and risk management

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, 2024

(Rs. in Crores)

| Particulars | Note | Carrying Amount | | | | | Fair value of instruments measured at FVTPL / FVTOCI | | | | | | |
|---|--------|--------------------------|-------------------------|----------------------------------|---------------------------------------|--------|--|---------|---------|-------|---|---|------|
| | | Financial assets -FVTOCI | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total | Level 1 | Level 2 | Level 3 | Total | | | |
| Financial assets | | | | | | | | | | | | | |
| Investments measured at cost & Equity method | 6 | 14.32 | - | - | - | 14.32 | - | - | - | - | - | - | - |
| Investments | 6 | 0.30 | - | - | - | 0.30 | 0.30 | - | - | - | - | - | 0.30 |
| Financial assets not measured at fair value | | | | | | | | | | | | | |
| Trade receivables | 7 & 11 | - | - | 157.00 | - | 157.00 | - | - | - | - | - | - | - |
| Contract Assets | 11 | - | - | 20.53 | - | 20.53 | - | - | - | - | - | - | - |
| Cash and Cash Equivalents | 12 | - | - | 10.66 | - | 10.66 | - | - | - | - | - | - | - |
| Bank balances other than above | 12A | - | - | 905.00 | - | 905.00 | - | - | - | - | - | - | - |
| Other Financial assets | | | | | | | | | | | | | |
| EMD | 8 | - | - | 0.15 | - | 0.15 | - | - | - | - | - | - | - |
| Bank balances with Maturity more than 12 months | 8 | - | - | 78.92 | - | 78.92 | - | - | - | - | - | - | - |
| Interest accrued on other deposits | 13 | - | - | 0.84 | - | 0.84 | - | - | - | - | - | - | - |

(Rs. in Crores)

| Particulars | Note | Carrying Amount | | | | | Fair value of instruments measured at FVTPL / FVTOCI | | | |
|---|-------|--------------------------|-------------------------|----------------------------------|---------------------------------------|-----------------|--|----------|----------|-------------|
| | | Financial assets -FVTOCI | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Interest accrued on fixed deposits | 13 | - | - | 0.41 | - | 0.41 | - | - | - | - |
| Due from Gratuity Trust | 13 | - | - | - | - | - | - | - | - | - |
| Non trade receivables from JV | 13 | - | - | 0.02 | - | 0.02 | - | - | - | - |
| Staff Advances | 13 | - | - | 0.33 | - | 0.33 | - | - | - | - |
| Others (Employee Benefit Plan) | 13 | - | - | 0.28 | - | 0.28 | - | - | - | - |
| Total | | 14.62 | - | 1,174.13 | - | 1,188.75 | 0.30 | - | - | 0.30 |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| Borrowings | 18&23 | - | - | - | 477.70 | 477.70 | - | - | - | - |
| Trade payables | 19&24 | - | - | - | 110.16 | 110.16 | - | - | - | - |
| Other financial liabilities (Non-Current) | 20 | - | - | - | 102.20 | 102.20 | - | - | - | - |
| Accrued salaries and benefits | 25 | - | - | - | 12.44 | 12.44 | - | - | - | - |
| Payable to director | 25 | - | - | - | 0.48 | 0.48 | - | - | - | - |
| Outstanding liabilities for expenses | 25 | - | - | - | 11.97 | 11.97 | - | - | - | - |
| Others | 25 | - | - | - | 184.16 | 184.16 | - | - | - | - |
| Lease Liability | | | | | 2.44 | 2.44 | | | | |
| Total | | - | - | - | 901.55 | 901.55 | - | - | - | - |

(Rs.in Crores)

As at 31st March, 2023

| Particulars | Note | Carrying Amount | | | | | Fair value of instruments measured at FVTPL / FVTOCI | | | | | | |
|---|---------|--------------------------|-------------------------|----------------------------------|---------------------------------------|-------|--|---------|---------|---------------|-------------|---|-------------|
| | | Financial assets -FVTOCI | Financial assets -FVTPL | Financial assets- Amortised cost | Financial liabilities- amortised cost | Total | Level 1 | Level 2 | Level 3 | Total | | | |
| Financial Assets | | | | | | | | | | | | | |
| Investments measured at cost & Equity method | 6 | 8.99 | - | - | - | - | - | - | - | 8.99 | - | - | - |
| Investments | 6 | 0.20 | - | - | - | - | - | - | - | 0.20 | - | - | 0.20 |
| Trade receivables | 7 & 11 | - | - | 160.96 | - | - | - | - | - | 160.96 | - | - | - |
| Contract Assets | 11 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash and Cash Equivalents | 12 | - | - | 3.09 | - | - | - | - | - | 3.09 | - | - | - |
| Bank balances other than above | 12A | - | - | 638.16 | - | - | - | - | - | 638.16 | - | - | - |
| Other Financial assets | | - | - | - | - | - | - | - | - | - | - | - | - |
| EMD | 8 | - | - | 0.06 | - | - | - | - | - | 0.06 | - | - | - |
| Bank balances with Maturity more than 12 months | 8 | - | - | 63.06 | - | - | - | - | - | 63.06 | - | - | - |
| Interest accrued on other deposits | 13 | - | - | 0.37 | - | - | - | - | - | 0.37 | - | - | - |
| Interest accrued on fixed deposits | 13 | - | - | 0.35 | - | - | - | - | - | 0.35 | - | - | - |
| Due from Gratuity Trust | 13 | - | - | - | - | - | - | - | - | - | - | - | - |
| Non trade receivables from JV | 13 | - | - | 0.00 | - | - | - | - | - | 0.00 | - | - | - |
| Staff Advances | 13 | - | - | 0.27 | - | - | - | - | - | 0.27 | - | - | - |
| Others | 13 | - | - | 0.29 | - | - | - | - | - | 0.29 | - | - | - |
| Total | | 9.19 | - | 866.60 | - | - | - | - | - | 875.79 | 0.20 | - | 0.20 |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | |
| Borrowings | 18 & 23 | - | - | - | - | - | - | - | - | 555.21 | - | - | - |
| Trade payables | 19 & 24 | - | - | - | - | - | - | - | - | 112.32 | - | - | - |
| Other financial liabilities (Non Current) | 20 | - | - | - | - | - | - | - | - | 73.28 | - | - | - |
| Accrued salaries and benefits | 25 | - | - | - | - | - | - | - | - | 8.32 | - | - | - |
| Payable to directors | 25 | - | - | - | - | - | - | - | - | - | - | - | - |
| Outstanding liabilities for expenses | 25 | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | 25 | - | - | - | - | - | - | - | - | 203.71 | - | - | - |
| Lease Liability | | - | - | - | - | - | - | - | - | 2.49 | - | - | - |
| Total | | - | - | - | - | - | - | - | - | 955.33 | - | - | - |

Note 51 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 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.

(Rs.in Crores)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Fixed rate instruments | | |
| Financial liabilities | 83.40 | 81.86 |
| Financial assets | 982.39 | 699.14 |
| Variable rate instruments | | |
| Financial liabilities | 394.29 | 473.34 |
| Total financial liabilities (Net) | (504.69) | (143.93) |

i) Sensitivity analysis

| Particulars | Impact on profit or loss | |
|--------------------------|--------------------------|------------|
| | 31.03.2024 | 31.03.2023 |
| 1% increase in MCLR rate | (3.94) | (4.73) |
| 1% decrease in MCLR rate | 3.94 | 4.73 |

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.

Group credit risk for trade receivables is as follows:

(Rs.in Crores)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|------------|------------|
| Trade Receivables | 177.52 | 160.96 |

The movement in allowance for credit loss in respect of trade receivables during the year is as follows:

| Allowance for credit loss | 31.03.2024 | 31.03.2023 |
|----------------------------|-------------|-------------|
| Balance at the Beginning | 0.16 | 0.09 |
| Impairment loss recognised | (0.09) | 0.07 |
| Balance at the End | 0.07 | 0.16 |

No single customer accounted for more than 10% of the revenue as of 31.03.2024 and 31.03.2023.

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.

Note 51 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 Group is exposed to this risk from its operating activities and financial activities. The Group'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 date.

As at March 31, 2024

| Particulars | Carrying value | Contractual cash flows | | | | Total |
|--|----------------|------------------------|---------------|-----------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-5 years | More than 5 years | |
| Borrowings (Non-current) | 83.98 | - | 83.98 | - | - | 83.98 |
| Current maturities of long term borrowings | 82.18 | 82.18 | - | - | - | 82.18 |
| Financial liabilities (Non-current) | 102.20 | - | 102.20 | - | - | 102.20 |
| Cash credit and demand loans | 311.54 | 311.54 | - | - | - | 311.54 |
| Trade payables (Current) | 110.16 | 110.16 | - | - | - | 110.16 |
| Other financial liabilities (Current) | 209.09 | 209.09 | - | - | - | 209.09 |
| | 899.15 | 712.97 | 186.18 | - | - | 899.15 |

As at 31st March 2023

(Rs.in Crores)

| Particulars | Carrying value | Contractual cash flows | | | | Total |
|--|----------------|------------------------|---------------|--------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-5 years | More than 5 years | |
| Borrowings (Non-current) | 130.96 | - | 73.84 | 57.11 | - | 130.96 |
| Current maturities of long term borrowings | 85.62 | 85.62 | - | - | - | 85.62 |
| Financial liabilities (Non-current) | 75.72 | - | 75.72 | - | - | 75.72 |
| Cash credit and demand loans | 338.61 | 338.61 | - | - | - | 338.61 |
| Trade payables (Current) | 112.32 | 112.32 | - | - | - | 112.32 |
| Other financial liabilities (Current) | 212.07 | 212.07 | - | - | - | 212.07 |
| | 955.31 | 748.63 | 149.56 | 57.11 | - | 955.31 |

Note 51 D. Foreign exchange risk

The Group imports Coal, Gypsum and Chromo sand for its production operations and exports Cement, Engineering equipments.

The impact of foreign exchange rate variation (US \$) on its segments performance, assuming no change in other parameters like price and quantity of imports, is as follows.

| Particulars | Impact on profit | |
|-----------------------------------|------------------|--------------|
| | FY 2023-2024 | FY 2022-2023 |
| Increase in Exchange Rate by Re.1 | | |
| Cement | (0.59) | (0.83) |
| Captive Power Plant | 0.00 | 0.00 |
| Heavy Engineering | 0.00 | 0.00 |
| Decrease in Exchange Rate by Re.1 | | |
| Cement | 0.59 | 0.83 |
| Captive Power Plant | 0.00 | 0.00 |
| Heavy Engineering | 0.00 | 0.00 |

51 E. Commercial risk

Sale Price Risk

(Rs.in Crores)

| Particulars | Impact on profit | |
|------------------------------|------------------|-----------------|
| | FY 2023-2024 | FY 2022-2023 |
| Selling price increase by 5% | | |
| Cement | 79.07 | 76.17 |
| Sugar | 57.06 | 28.99 |
| Heavy Engineering | 3.29 | 4.76 |
| Hospitality & other Services | 2.92 | 2.76 |
| | 142.34 | 112.68 |
| Selling price decrease by 5% | | |
| Cement | (79.07) | (76.17) |
| Sugar | (57.06) | (28.99) |
| Heavy Engineering | (3.29) | (4.76) |
| Hospitality & other Services | (2.92) | (2.76) |
| | (142.34) | (112.68) |

Raw Material Price Risk

| Particulars | Impact on profit | |
|-----------------------------------|------------------|----------------|
| | FY 2023-2024 | FY 2022-2023 |
| Raw material price increase by 5% | | |
| Cement | | |
| Limestone | (9.68) | (9.11) |
| Laterite | (1.11) | (0.93) |
| Fly Ash | (2.94) | (1.98) |
| Gypsum | (1.43) | (1.53) |
| Sugar | | |
| Sugarcane | (36.66) | (24.46) |
| Heavy Engineering | | |
| Iron, Steel, Nickel and Scrap | (0.88) | (1.45) |
| | (52.70) | (39.46) |
| Raw material price decrease by 5% | | |
| Cement | | |
| Limestone | 9.68 | 9.11 |
| Laterite | 1.11 | 0.93 |
| Fly Ash | 2.94 | 1.98 |
| Gypsum | 1.43 | 1.53 |
| Sugar | | |
| Sugarcane | 36.66 | 24.46 |
| Heavy Engineering | | |
| Iron, Steel, Nickel and Scrap | 0.88 | 1.45 |
| | 52.70 | 39.46 |





Cement

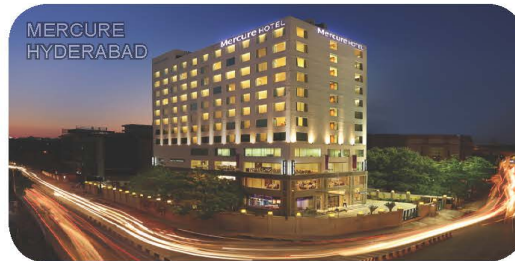


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