



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

NOTICE

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED** will be held on Thursday, the 29th day of September, 2011 at 11.00 A.M at Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020 to transact the following Business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Sri J S R Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri B V Subbaiah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Smt. J Lakshmi Nalini, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint M/s. M. ANANDAM & CO., Chartered Accountants, Firm Regn.No. 000125S as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions of Section 314 (1)(b) of the Companies Act,

1956, Rule 10C, Companies (Central Government's) General Rules and Forms, 1956, Rule 4 of Director's Relatives (Office of Profit) Rules, 2003, and any other statutory modifications or re-enactments thereof, for the time being in force, approval be and is hereby accorded to revise the salary of Smt. P.Radha, Chief Executive of the Company with effect from 1st May 2011, as under.

Salary	₹
1. BASIC	35000
2. DA	3163
3. HRA	2500
4. OTHER ALLOWANCES	30725
GROSS SALARY PER MONTH	71388

OTHER BENEFITS:

1. Provident Fund contribution at 12% on Basic plus DA.
2. Annual Bonus as applicable and declared by Management.
3. Medical reimbursement for self and family of ₹ 15000/- per annum.
4. Annual LTA of One month Basic.
5. Annual increment based on performance subject to Salary limits prescribed under Section 314(b) of the Companies Act and other applicable Rules.

By Order of the Board
for **KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

Place : Hyderabad
Date : 24.08.2011

R. Ramakrishna
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll only instead of himself/herself. Such proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books will remain closed from 26.09.2011 to 29.09.2011 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office with their Folio Number(s).
4. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on 29th September 2011. The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on 29th September 2011. The Dividend will be paid on or before October 21, 2011.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank Account details furnished by the Depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the Bank details, if available, on the payment instrument for distribution of dividend.
6. As per provisions of Section 205A of the Companies Act, 1956 the Company has already transferred to the Investors Education and Protection Fund, the amount of all unclaimed dividends declared up to and including the financial year ended 31st March 2003.

As per the provisions of Section 205A, the Company is required to transfer dividend, which remains unpaid or unclaimed for a period of 7 years, to the Investors Education and Protection Fund set up by the Central Government. Shareholders, who have not claimed their dividend for any year from the financial year ended March 31, 2005

onwards, are requested to lodge their claim with the Company.

7. (a) The Company's shares are listed with the The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited, Mumbai (BSE).
(b) The Annual Listing Fee for the year 2011-2012 has been paid to the two Stock Exchanges i.e., BSE and NSE.
8. All the shareholders are requested to intimate their e-mail address to the Company or to the depository for sending the Notice and Annual Report pursuant to the Circular 18/2011 issued by the Ministry of Corporate Affairs.

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO. 7:

Smt. P. Radha was appointed as Chief Executive on 5.4.2007 and her appointment was approved by a Special Resolution at the 28th AGM of the company, since the appointment to a place of profit attracted the provisions of Section 314(1)(b) of the Companies Act, 1956. Her salary has now been revised within the limits prescribed by Ministry of Corporate Affairs vide G.O 193 dated April 6, 2011 under Section 314(1)(b) of the Companies Act and other applicable provisions.

Since the salary revision attracts the provisions of Section 314(1)(b) of the Companies Act, 1956, your Directors recommend the resolution for your approval. Except Sri P.Venkateswarlu, Chairman and Managing Director and Sri P.Veeraiah, Joint Managing Director, none of the Directors are concerned or interested in the resolution.

By Order of the Board
for **KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

Place : Hyderabad
Date : 24.08.2011

R. Ramakrishna
Company Secretary



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2011 are summarised below:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Income (Sale and other Income)	10308.69	12628.75
Profit before Depreciation, Interest & Taxes	1163.28	2339.45
Depreciation	742.61	803.60
Interest	34.42	57.09
Provision for Taxation	131.00	516.82
Provision for Deferred Taxation	(135.90)	(157.16)
Profit after Taxation	391.15	1119.10
Profit brought forward from Previous year	8655.41	7931.06
APPROPRIATIONS		
Transfer to General Reserve	40.00	150.00
Proposed Dividend	209.89	209.89
Corporate Tax on Dividend	34.05	34.86
Balance carried over to Balance Sheet	8762.62	8655.41

Segment-wise performance has been furnished under Notes on Accounts.

DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of ₹ 2.70 per equity share for the year ended 31.03.2011, as against ₹ 2.70 per equity share in the previous year aggregating an amount of ₹ 243.94 lakhs including Dividend Distribution Tax.

PERFORMANCE OF THE YEAR UNDER REVIEW

Cement Division:

During the year under review, the Cement Division has produced 2,52,992 MT of cement as against

2,58,863 MT of cement for the previous year. The profit for the Division was ₹ 830.46 lakhs as against ₹ 980.65 lakhs for the previous year.

Sugar Division:

The Sugar Division crushed 1,24,458 MT of sugarcane for the current season as against 48,575 MT for the previous season. The recovery rate was 9.53% compared to 9.19% for the previous season. The loss for the Division was ₹ 747.86 lakhs as against ₹ 154.26 lakhs profit for the previous year.

Power Division:

During the year under review, the Power Division has generated 6,11,34,753 KWH against 4,69,03,336 KWH of power for the previous year. The Profit for the Division was ₹ 303.65 lakhs as against ₹ 343.85 lakhs for the previous year.

CURRENT YEAR OUTLOOK:

Cement Division:

In the first three months of the current year i.e. April - June 2011, the production of cement was 62,020 MT as against 64,122 MT of the first three months of the previous year. Your Directors expect that current price realisations will sustain during the remaining part of the current year.

Sugar Division:

Sugarcane crop in the factory zone is likely to improve and estimated to crush around 2,00,000 MT during the crushing season 2011-12.

Power Division:

The matters relating to down ward revision of tariff by the APERC on the Power sales to APTRANSCO, and PLF ceiling, contested in the Courts by the Company are pending.

FIXED DEPOSITS:

The aggregate amount of deposits accepted by the Company as on 31.03.2011 stood at ₹ 20.06 lakhs. There were no fixed deposits, which were matured but not paid, other than unclaimed deposits, as on that date.

INSURANCE:

All the properties of the Company including its buildings, Plant and Machinery and Stocks wherever required have been adequately insured.



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PARTICULARS OF EMPLOYEES:

The information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, forms part of this Report. However, the report and accounts are being sent to all the shareholders of the company excluding the above information. Those shareholders, who desire to obtain these particulars, would be provided the same upon receiving such request.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company hereby declares and states that -

1. In the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures therefrom.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the status of the Company as on 31st March, 2011 and Profit & Loss Account of the Company for the year ended as on 31st March, 2011.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
4. The accounts were prepared on a going concern basis.

ENVIRONMENTAL PROTECTION:

The Company consciously makes efforts to preserve the environment and control the pollution from time to time.

Planting of saplings and seedlings in and around the factories and colonies is being done on a continuous basis, so as to develop green belt around the plant to improve the environment.

AUDITORS:

M/s. M. ANANDAM & CO., Chartered Accountants, Secunderabad, the Auditors of the Company retire

at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

COST AUDIT:

For the year ended 31st March 2011, with the approval of Central Government, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct the Cost Audit. In respect of financial year 2009-2010 Cost Audit Report was filed on 27.09.2010. In respect of 2010-2011 it will be filed before the due date i.e. 30th September 2011.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. Industry Structure And Developments:

With the expansion of several cement units in AP and new entrants the gap between demand and supply is considerably narrowing, which is likely to put pressure on pricing. However, with efficient Management and sustained demand the outlook for next year is likely to be encouraging.

Sugar being an agro-based industry needs good rainfall and irrigation facilities. The lining work of Wyra canal continues to be in slow progress thereby affecting the irrigation facilities and this is likely to continue for another couple of years. However with the expectation of a reasonably good monsoon the area under sugar cultivation is likely to improve resulting in considerable improvement over last season crushing. As far as Power operations are concerned, with the improvement in sugar cane crushing, the availability of bagasse will also improve, resulting in higher generation of power. Further the directions issued by the Government of Andhra Pradesh for generation of power during non-crushing season by using coal as fuel will also improve the performance of the power division.

b. Opportunities and threats:

With a stable scenario for infrastructure and the forecasted demand for cement for the year 2011-2012 outlook for cement industry appears positive.

c. Segment or product-wise performance:

Segment-wise or product-wise performance



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has already been furnished elsewhere in this Report.

d. Outlook:

Division-wise outlook has already been furnished elsewhere in this Report.

e. Risks and concerns:

The Cement, Sugar and Power industries being core industries, there is no risk of product obsolescence nor steep fall in demand by way of product substitution or otherwise and therefore, your Directors do not foresee any major risks and concerns, in the near future except as discussed elsewhere in this Report.

f. Internal control systems and their adequacy:

The Company has adequate internal control system. Apart from this, the Company also has independent internal auditors, who conduct periodical audit and their report is taken into account by the Audit Committee for its review and suggest remedial actions wherever required.

g. Financial Performance with respect to operational performance:

This has been already discussed elsewhere in this Report.

h. Human Resources / Industrial Relations:

The Company enjoys cordial industrial relations with employees and believes that human resources are an invaluable asset. The Board wishes to place on record its appreciation to all employees for their efforts and cooperation for the performance and growth of business during the year.

i. Social Responsibility:

During the financial year ended 31st March 2011 your Company supplied cement at concessional price to the State Government as part of its Indiramma Housing Welfare Scheme.

j. CAUTIONARY STATEMENT:

Statements in this "Management Discussion & Analysis" may be considered to be "forward

looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors, such as litigations and labour negotiations.

ACKNOWLEDGEMENTS:

Your Directors thank the State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Andhra Bank, Specialised Corporate Finance Branch, Somajiguda, Hyderabad for extending the support towards working capital to meet the requirements of its operations.

Your Directors appreciate the support and the cooperation received from the State Government, NEDCAP, APTRANSCO and the Central Government for the Company's growth and development.

Your Directors would like to convey the deep appreciation to all the employees and workers of the Company for their sustained effort and wholehearted co-operation throughout the year.

Your Directors thank the Distributors, Dealers and Suppliers for their continuous support and active involvement.

Finally your Directors record their deep sense of gratitude to all the Shareholders for the abundant confidence reposed in the Board of Directors.

For and on behalf of the Board

P. VENKATESWARLU

**Chairman &
Managing Director**

Place : Hyderabad

Date : 24.08.2011



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ANNEXURE TO DIRECTORS' REPORT:

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures adopted : NIL
- b) Additional Investments and Proposal for reduction of Consumption of energy : NIL
- c) Impact of the above measures : NIL
- d) Total Energy Consumption and Energy Consumption per unit of production : FORM "A" Enclosed.

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption FORM "B" Enclosed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, development of new export market for product & services and export plans : Exports are not contemplated at present.
- Total foreign exchange used : Nil
- Total foreign exchange earned : Nil

FORM-A

Form for Disclosure of particulars with respect to Conservation of Energy

	CURRENT YEAR 2010-11			PREVIOUS YEAR 2009-10		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
A. POWER & FUEL CONSUMPTION						
1. ELECTRICITY						
(a) Purchased (KWH)	2,84,40,315	54,15,941	-	2,82,28,684	27,32,961	-
Total Amount (₹)	10,97,54,958	2,07,61,652	-	10,43,01,091	1,14,11,268	-
Rate per Unit (₹)	3.86	3.83	-	3.69	4.17	-
(b) OWN GENERATION						
Through Diesel						
Generators (KWH)	97,477	-	-	6,41,724	-	-
Total Amount (₹)	13,13,852	-	-	65,36,149	-	-
Cost per Unit (₹)	13.47	-	-	10.18	-	-
2. FUEL						
(a) COAL						
Quantity (MT)	49,560	-	61,838	54,149	-	44,961
Total Cost (₹)	16,67,37,273	-	14,03,89,108	17,30,92,083	-	9,55,49,288
Average Rate (₹)	3,364.35	-	2,270.27	3,196.58	-	2,125.15
(b) Bagasse/Steam						
Quantity (MT)	-	68,154	37,337	-	26,171	14,611
Total Cost (₹)	-	2,41,26,516	3,36,03,813	-	1,18,55,463	1,16,88,800
Average Rate (₹)	-	354.00	900.00	-	453.00	800.00



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	CURRENT YEAR 2010-11			PREVIOUS YEAR 2009-10		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
B. CONSUMPTION PER UNIT OF PRODUCTION						
1. Electricity (KWH)						
Cement (MT)	112.805	-	-	107.103	-	-
Sugar (KGS)	-	0.456	-	-	0.612	-
Power (KWH)	-	-	0.098	-	-	0.101
2. Coal (MT)	0.216	-	-	0.213	-	-
(Per tonne of clinker)						

FORM - B

Form for disclosure of particulars with respect to Absorption, Research & Development (R & D):

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D
 - A. Capital
 - B. Recurring
 - C. Total
 - D. Total R & D expenditure as a Percentage of total turnover

There is no separate Research and Development Wing as the scale of Company's operations are relatively small. However, the Company has fairly good laboratory with adequate testing facility to ensure quality of various inputs and also finished products. Besides the Company continuously endeavours to improve production process and product quality and encourages the technicians and workers to innovate.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION - NOT APPLICABLE

For and behalf of the Board

Place : Hyderabad
Date : 24.08.2011

P. VENKATESWARLU
Chairman & Managing Director



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

THE CORPORATE GOVERNANCE CODE & COMPANY'S PHILOSOPHY

The Company attaches importance to good Corporate Governance and the code of governance as formulated by the Stock Exchanges/SEBI and other authorities. It will be the endeavor of the Board of Directors that the Company is so governed as to maximise the benefits of all stake-holders i.e., shareholders, employees, customers, society and others. The Company has been implementing the various clauses of Corporate Governance from time to time.

BOARD OF DIRECTORS:

The Board of Directors of the Company effectively comprised of 10 Directors, out of which 2 are whole-time directors. The proportion of independent Directors is more than 50% as the Company has Executive Chairman. During the year under review, there were in all four (4) meetings of the Board of Directors and the maximum time gap between any two Board meetings was 91 days and the following is the attendance of the Directors:

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Whether attended the last Annual General Meeting	No. of Directorships in other Boards	No. of Memberships in other Board Committees
01.	P. Venkateswarlu	4	4	YES	1	NIL
02.	P. Veeraiah	4	4	YES	1	NIL
03.	J.S.R. Prasad	4	2	YES	10	4
04.	T.R.C. Bose	4	3	NO	8	4
05.	J. Seshagiri Rao	4	3	NO	7	3
06.	J. Lakshmi Nalini	4	2	NO	NIL	NIL
07.	C. Madhusudana Rao	4	3	YES	4	NIL
08.	V.B.R. Suryam	4	4	YES	NIL	NIL
09.	B.V.Subbaiah	4	3	NO	1	1
10.	A. Chengappa	4	3	YES	NIL	NIL

The dates of Board Meeting held during the year under review are: 30.04.2010, 14.08.2010, 10.11.2010 and 29.01.2011.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri J S R Prasad, Sri B V Subbaiah and Smt. J. Lakshmi Nalini, retire by rotation and are eligible for reappointment.

Particulars, required to be furnished under clause 49 of the Listing Agreement, of Directors who are proposed to be appointed/reappointed at the ensuing AGM

Sri J S R Prasad:

Sri J S R Prasad, aged about 51 years, is a Chartered Accountant with more than 20 years experience. He is the Chairman & Managing Director of Greenesol Power Systems Private Limited and is on the board of several Companies.

Sri B V Subbaiah:

Sri B V Subbaiah, aged about 81 years, is a leading Lawyer practicing before the High Court of Andhra Pradesh.

Smt. J. Lakshmi Nalini:

Smt. J. Lakshmi Nalini, aged about 54 years, has been associated with the Company as Director, since its inception.



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GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Sl. No.	Location	Date and Time	Whether any special resolutions were passed	Postal Ballots
01	Surana Udyog Auditorium, FAPPCI Premises, Red Hills, Hyderabad	25.09.2008 11.00 A.M	Yes	N.A.
02.	Surana Udyog Auditorium, FAPPCI Premises, Red Hills, Hyderabad	25.09.2009 11.00 A.M	No	N.A.
03.	Surana Udyog Auditorium, FAPPCI Premises, Red Hills, Hyderabad	24.09.2010 03.00 P.M	No	N.A.

SHAREHOLDERS / INVESTORS GRIEVANCES:

The Company accords utmost attention for resolving shareholders/investors, grievances /complaints. Complaints received from shareholders/investors directly or through Stock Exchanges or SEBI are replied immediately. There are no outstanding unresolved complaints.

SHAREHOLDERS GRIEVANCE COMMITTEE:

The Board of Directors of the Company constituted Shareholders Grievance Committee consisting of the following Directors, to deal with complaints regarding transfer/ transmission of shares, non-receipt of share certificates, dividends, annual reports and such other matters:

Sri C. Madhusudana Rao	-	Chairman
Sri T.R.C. Bose	-	Member

Mr. R. Ramakrishna, Company Secretary is the Compliance Officer.

Email-id of Investor Grievances: shares@kakatiyacements.com

Number of Shareholders complaints received so far.

During the year the Company has received 8 complaints and all have been resolved and there is no pending complaint.

AUDIT COMMITTEE:

The Board of Directors of the Company constituted Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements. During the year, in all, 4 meetings of the Committee took place and attendance thereat is as under:

Name of the Director		No. of Meetings Attended
Sri C. Madhusudana Rao	- Chairman	4
Sri T.R.C. Bose	- Member	4
Sri J. Seshagiri Rao	- Member	4

REMUNERATION OF DIRECTORS & REMUNERATION COMMITTEE:

Other than the whole-time Directors, no other Director receives any remuneration from the Company excepting Sitting Fees for attending the Board Meetings. The details of remuneration paid to the whole-time Directors is mentioned in Schedule XII (Notes on Accounts) to the Balance Sheet of the Company.

The Board of Directors of the Company constituted Remuneration Committee consisting of the following Independent Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

Sri C. Madhusudana Rao	-	Chairman
Sri T.R.C. Bose	-	Member



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CODE OF CONDUCT:

The Company has evolved a Code of Conduct for the Directors and Senior Management Personnel of the Company (one level below the Joint Managing Director including Head of the Department) which has been affirmed for adherence.

DISCLOSURES:

The pecuniary disclosure with regard to interested Directors

- (a) Disclosures on materially significant related party transactions of the Company of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large:

None of the transactions with any of related parties were in conflict with interests of the Company.

- (b) Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years.

There were no instances of non-compliance of any matter related to Capital Market during the last three years.

MEANS OF COMMUNICATION:

Quarterly/Half Yearly Financial Results of the Company are forwarded to the National and Bombay Stock Exchanges and published in Financial Express and Andhra Prabha. Half Yearly report is not sent to each shareholder as the results of the Company are published in the Newspapers. They are also available on Company Website : www.kakatiyacements.com.

- i) Company has not made any presentations to any Institutional Investors / analysts during the year.
- ii) All terms required to be covered in the Management Discussions & Analysis have been included in the Directors' Report to Members.

GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting : 32nd Annual General Meeting
Date : 29th September, 2011
Time : 11.00 A.M
Venue : Sri Thyagaraya Gana Sabha, Vivek Nagar,
Chikkadapally, Hyderabad - 500 020.
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book closure : 26.09.2011 to 29.09.2011(both days inclusive)
- d) Dividend payment date : On or before 21st October, 2011
- e) Registered Office : **KAKATIYA CEMENT SUGAR & INDUSTRIES LTD.,**
1-10-140/1, "GURUKRUPA", Ashok Nagar,
HYDERABAD - 500 020.
Phone:040-27637717/27633627 Fax No.27630172
e-mail : shares@kakatiyacements.com
- f) Listing on Stock Exchanges : The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (E), MUMBAI - 400 051.
Bombay Stock Exchange Limited,
Floor 25, P.J. Towers, Dalal Street, MUMBAI - 400 001.
- g) Code/Symbol : NSE - KAKATCEM, BSE - 500234
ISIN for NSDL & CDSL: INE437B01014



**KAKATIYA CEMENT SUGAR &
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h) Market Price Data: (Source: National Stock Exchange Quotations)

Month and Year		High ₹	Low ₹
April	2010	99.00	86.25
May	2010	94.95	65.30
June	2010	85.00	75.75
July	2010	107.45	76.70
August	2010	88.90	80.05
September	2010	96.40	80.00
October	2010	88.95	79.00
November	2010	96.95	71.50
December	2010	84.90	60.55
January	2011	84.00	70.20
February	2011	76.00	64.00
March	2011	74.50	66.55

i) Address of Registrars and Share Transfer Agents:

XL SOFTECH Systems Limited,
3, Sagar Society, Road No. 2, Banjara Hills, HYDERABAD - 500 034.
Tel: 040-23545913, 14, 15, Fax: 040-23553214, Email: xlssoft@hd1.vsnl.net.in

j) Share Transfer System:

The Share Transfer work is being handled by the Company's R & T Agent. Transfer of shares are registered and duly transferred share certificates are dispatched within thirty (30) days of receipt, provided the transfer documents are in order.

k) Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31.03.2011

Share Holding	Number of Shareholders	% to total	Number of Shares	% to total
Up to 500	41965	97.91	1223454	15.74
501 - 1000	483	1.13	384109	4.94
1001 - 2000	201	0.47	300626	3.87
2001 - 3000	84	0.20	207464	2.67
3001 - 4000	28	0.06	102545	1.32
4001 - 5000	16	0.04	76855	0.99
5001 - 10000	45	0.10	328594	4.22
10001 and above	40	0.09	5150211	66.25
Total	42862	100.00	7773858	100.00

Shareholding Pattern as on 31.03.2011:

Category	No. of Equity Shares	% of Paid-up Capital
Promoters	3981562	51.22
Other Corporate Bodies	535388	6.89
General Public	2622365	33.73
Non Resident Individuals	626911	8.06
Foreign Institutional Investors & OCBs	100	0.00
Indian Financial Institutions	3000	0.04
Mutual Funds & Banks	4532	0.06
TOTAL	7773858	100.00



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

- l) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:
The Company has not issued any of these instruments.
- m) Dematerialisation of Shares:
As on 31st March 2011 out of the total shares 52,08,450 shares were dematerialised with the following depositories:
- | | | | |
|---|---|-----------|--------|
| i) National Securities Depositories Limited | - | 35,59,938 | Shares |
| ii) Central Depository Services Limited | - | 16,48,512 | Shares |
- n) Plant locations
- | | |
|---|--|
| CEMENT:
Srinivasa Nagar
Mellacheruvu Mandal
Nalgonda Dist. A.P. | SUGAR & POWER:
Peruvancha Village
Kallur Mandal
Khammam Dist. A.P. |
|---|--|
- o) Address for correspondence:
Shareholders can correspond at the Registered Office of the Company at Hyderabad, addressed to the Company Secretary or to the Registrars & Share Transfer Agents, whose address has been mentioned elsewhere in this Report.

DECLARATION ON CODE OF CONDUCT

This is to confirm that all Directors and Senior Management personnel of the company have affirmed compliance with the code of conduct of the Company for the financial year ended 31.03.2011 as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad
Date : 24.08.2011

P. VENKATESWARLU
Chairman & Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
Kakatiya Cement Sugar & Industries Limited, Hyderabad.

We have read the report of board of directors on corporate governance and have examined the relevant records relating to the compliance of conditions of Corporate Governance by M/s. Kakatiya Cement Sugar & Industries Limited for the year ended March 31st, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing Agreement.

We state that in respect of investor grievances received during the year 31st march, 2011, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither as 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 **M. ANANDAM & CO.**
CHARTERED ACCOUNTANTS
(Firm Regn.No.000125S)

Place : Hyderabad
Date : 24th August, 2011

A.V. SADASIVA
PARTNER
M. No. 18404



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

AUDITORS' REPORT

To
The Members of
Kakatiya Cement Sugar & Industries Limited., Hyderabad.

We have audited the attached Balance Sheet of M/s. Kakatiya Cement Sugar & Industries Limited, as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our Comments in the annexure referred to in paragraph 1 above, we report that
 - a. We have 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, the Company has kept proper books of account as required by law, so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, *except that the provision for gratuity has been arrived on accrual basis and leave encashment on cash basis instead of actuarial valuation (Refer Note. 1 (vii) of Schedule XII).*
 - e. On the basis of written representations received from the Directors of the company, as on 31st March, 2011 and taken on record by the board of directors, wherever applicable we report that none of the directors is disqualified as at 31st March, 2011 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read together with the significant Accounting Policies and other notes there on give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - ii) In the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for **M. ANANDAM & CO.**
CHARTERED ACCOUNTANTS
(Firm Regn.No.000125S)

Place : Hyderabad
Date : 24th August, 2011

A.V. SADASIVA
PARTNER
M. No. 18404



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

ANNEXURE TO THE AUDITORS' REPORT

(Statement referred to in paragraph 1 of our Report of even date)

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The management has physically verified most of the fixed assets of the company and no material discrepancies were noticed on such physical verification.
- c) No substantial part of the fixed assets has been disposed off during the year.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company has taken unsecured loans from persons listed in the register maintained under Section 301. Maximum outstanding during the year was ₹ 2.30crores and closing outstanding is ₹ 2.30 crores. The Company has not granted loans to Companies, firms etc., listed in the register maintained under Section 301 of the Act.
- b) The terms and conditions of loan taken are prima facie not prejudicial to the interest of the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements with companies, firms or other parties listed in the Register maintained under Section 301 of the Act do not exceed ₹ 5 lakhs in value, and the transactions made are at the prices which are reasonable and having regard to the prevailing market prices at the relevant time.
- vi) The company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- vii) The company has an internal audit system commensurate with the size and nature of its business.
- viii) The company, in our opinion and according to the information and explanations given to us, has made and maintained accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 in respect of cement and power divisions. We have not examined the contents of these accounts and records.
- ix) a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, custom duty, excise-duty, service tax, Cess and other statutory dues applicable to it and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

- b) According to the information and explanations given to us the following are the particulars of disputed dues and amounts not paid thereon on account of sales tax, income tax and Central Excise:

Name of the Statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where the Dispute is pending
Income Tax Act, 1961	Disallowance of unabsorbed depreciation/ business losses.	₹ 12.42	Assessment Years 1999-2000 2000-2001 2001-2002	High Court of Andhra Pradesh
Income Tax Act, 1961	Disallowance U/S 80 IA Exemption	₹ 436.18	Assessment Year 2007-2008	ITAT, Hyderabad
Income Tax Act, 1961	Disallowance U/S 80 IA Exemption	₹ 319.92	Assessment Year 2008-09	CIT (Appeals)

- x) The company has no accumulated losses and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) During the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi or mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The company is not a dealer or trader in shares, securities, debentures and other investment.
- xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the cash flow statement and the Balance Sheet of the Company, in our opinion the funds raised on short term basis have prima facie not been used for long term investment.
- xviii) According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) According to the information and explanations given to us, the Company has not raised any money by way of issue of debentures during the year.
- xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi) During the course of audit, based upon the audit procedures performed and information and explanations given by the management, no instance of fraud on or by the company has been noticed or reported during the course of our audit.

for **M. ANANDAM & CO.**
CHARTERED ACCOUNTANTS
(Firm Regn.No.000125S)

A.V. SADASIVA
PARTNER
M. No. 18404

Place : Hyderabad
Date : 24th August, 2011



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

BALANCE SHEET AS AT 31 st MARCH, 2011

Schedule	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
SOURCES OF FUNDS				
SHARE HOLDERS' FUNDS				
Share Capital	I	777.39	777.39	
Share Capital Suspense	1A	14.69	14.69	
Reserves & Surplus	II	<u>12626.75</u>	<u>13418.83</u>	12479.54 13271.62
LOAN FUNDS				
Secured loans	III	356.44	686.26	
Unsecured loans	IV	<u>437.62</u>	<u>794.06</u>	585.40 1271.66
DEFERRED TAX LIABILITY-NET			<u>556.13</u>	<u>692.03</u>
TOTAL			<u><u>14769.02</u></u>	<u><u>15235.31</u></u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	V	18722.66	18392.55	
Less. Depreciation		<u>10899.05</u>	<u>10156.43</u>	
Net Block		<u>7823.61</u>	<u>8236.12</u>	
Capital work-in-progress	VI	<u>92.75</u>	<u>7916.36</u>	16.74 8252.86
INVESTMENTS	VII		5.07	5.07
CURRENT ASSETS, LOANS & ADVANCES	VIII			
Inventories		3267.03	1203.56	
Banked Energy		116.59	42.41	
Sundry Debtors		1167.82	1159.24	
Cash and Bank balances		2310.03	3619.37	
Loans & Advances		<u>4213.99</u>	<u>4347.99</u>	
		<u>11075.46</u>	<u>10372.57</u>	
LESS : CURRENT LIABILITIES & PROVISIONS	IX			
Liabilities		1219.91	540.68	
Provisions		<u>3007.96</u>	<u>2854.51</u>	
		<u>4227.87</u>	<u>3395.19</u>	
Net Current Assets			<u>6847.59</u>	6977.38
Notes on Accounts	XII			
TOTAL			<u><u>14769.02</u></u>	<u><u>15235.31</u></u>

Schedules I to IX and XII form an integral part of the Balance Sheet

As per our report attached
for **M. ANANDAM & CO.**
Chartered Accountants

for and on behalf of the Board

P. VENKATESWARLU
Chairman & Managing Director

A.V. SADASIYA
Partner
M. No. 18404

Place : Hyderabad
Date : 24.08.2011

P. VEERAIHAH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Schedule	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
INCOME				
Sales	12079.67		14091.23	
Less: Duties & Taxes	<u>2001.87</u>	10077.80	<u>1746.86</u>	12344.37
Accretion\(-) Decretion to Stocks XI		2339.03		(1317.49)
Interest received		199.64		268.59
Other Income		<u>31.25</u>		<u>15.79</u>
		12647.72		11311.26
EXPENDITURE				
Manufacturing, Administrative Selling and Other Expenses X	11484.44		8960.80	
Interest	34.42		57.09	
Depreciation	<u>742.61</u>	12261.47	<u>803.60</u>	9821.49
Profit for the Year		386.25		1489.77
Prior period adjustments (Net)		-		(11.01)
Profit Before Tax		<u>386.25</u>		<u>1478.76</u>
Provision for Taxation - Current Tax		131.00		516.82
- Deferred Tax		(135.90)		(157.16)
Profit After Tax		391.15		1119.10
Balance Brought forward from previous year		<u>8655.41</u>		<u>7931.06</u>
Amount available for appropriation		9046.56		<u>9050.16</u>
APPROPRIATIONS				
Proposed Dividend		209.89		209.89
Corporate Tax on Dividend		34.05		34.86
Transfer to General Reserve		40.00		150.00
Balance carried to Balance sheet		<u>8762.62</u>		<u>8655.41</u>
		9046.56		<u>9050.16</u>
Basic earning per share (₹)		5.03		14.40
Diluted earning per share (₹)		4.94		14.13

Schedules V and X to XI form part of the Profit & Loss A/c.

As per our report attached
for **M. ANANDAM & CO.**
Chartered Accountants

for and on behalf of the Board

P. VENKATESWARLU
Chairman & Managing Director

A.V. SADASIYA
Partner
M. No. 18404

Place : Hyderabad
Date : 24.08.2011

P. VEERAIHAH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
A. CASH FLOW FROM OPE RATING ACTIVITIES				
Net Profit before tax and extraordinary items	386.25		1478.76	
Adjustment for :				
Profit on Sale of Asset	0.00		(0.74)	
Depreciation	742.61		803.60	
Interest and finance charges	34.42		57.09	
Interest Income	(199.64)		(268.59)	
Dividend Income	(0.28)		(0.25)	
Operating Profit before working				
Capital Changes	963.36		2069.87	
Changes in Working Capital				
(Increase)/Decrease in Inventories	(2063.47)		1436.73	
(Increase)/Decrease in Banked Energy	(74.18)		70.12	
(Increase)/Decrease in Sundry Debtors	(8.58)		(107.72)	
(Increase)/Decrease in Loans & Advances	394.00		42.58	
Increase /(Decrease) in Current Liabilities	702.50		(356.27)	
Cash Generated from Operations	(86.37)		3155.31	
Direct Taxes Paid	(260.00)		(451.00)	
Cash Flow before extraordinary items	(346.37)		2704.31	
Extraordinary items (Prior Year Income)/(expenditure)	0.00		(11.01)	
Net Cash flow from operating activities		(346.37)		2693.30
B. CASH FLOW FROM INVESTING ACTIVITIES INFLOW/(OUTFLOW)				
Purchase of Fixed Assets	(330.11)		(490.60)	
Sale of Fixed Assets	0.00		1.95	
(Increase) in Capital W.I.P.	(76.01)		246.41	
Interest and discounting charges received	199.64		268.59	
Dividend Income	0.28		0.25	
Net Cash flow from investing activities		(206.20)		26.60



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES INFLOW/(OUTFLOW)				
Dividend Paid (Including Dividend Tax)	(244.75)		(242.59)	
Interest Paid	(34.42)		(57.09)	
Increase /(Decrease)in Unsecured Loans	(147.78)		(34.45)	
Increase/(Decrease) of Long Term Liabilities	(301.62)		(925.34)	
Increase/(Decrease) of Cash Credit Utilisation	(28.20)		(491.49)	
Net Cash flow from financing activities		(756.77)		(1750.96)
D. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(1309.34)		968.94
Cash and Cash equivalents as at the commencement of the year		3619.37		2650.43
Cash and Cash equivalents as at the closing of the year		2310.03		3619.37

Note : The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on "Cash Flow Statements."

As per our report attached
for **M. ANANDAM & CO.**
Chartered Accountants

A.V. SADASIYA
Partner
M. No. 18404

Place : Hyderabad

Date : 24.08.2011

for and on behalf of the Board

P. VENKATESWARLU
Chairman & Managing Director

P. VEERAIHAH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - I : SHARE CAPITAL

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
AUTHORISED				
90,00,000 Equity Share of ₹ 10/- each		<u>900.00</u>		<u>900.00</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
77,73,858 Equity Shares of ₹ 10/- each fully paid up (including 37,00,000 equity shares of ₹ 10/- each aggregating ₹ 370.00 lacs issued as Bonus Shares during the year 1994)		<u>777.39</u>		<u>777.39</u>
SCHEDULE - 1A :				
SHARE CAPITAL SUSPENSE				
1,46,862 Equity Shares of ₹ 10/- each to be allotted to the shareholders of erstwhile Sree Kailas Sugars and Chemicals Limited pursuant to Rehabilitation and Amalgamation Scheme for SKSCL		<u>14.69</u>		<u>14.69</u>
SCHEDULE - II :				
RESERVES AND SURPLUS				
GENERAL RESERVE				
As per last Balance Sheet	1181.39		1031.39	
Amount Transferred from Profit and Loss Account	<u>40.00</u>	1221.39	<u>150.00</u>	1181.39
SHARE PREMIUM		1391.62		1391.62
AMALGAMATION RESERVE		1251.12		1251.12
PROFIT & LOSS ACCOUNT				
As per Annexed Account		<u>8762.62</u>		<u>8655.41</u>
		<u>12626.75</u>		<u>12479.54</u>



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - III : SECURED LOANS

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
FINANCIAL INSTITUTIONS				
RUPEE TERM LOANS - FROM BANKS				
Interest Free Term Loan - SBI	150.77		329.00	
Interest Free Term Loan - AB	205.61	356.38	329.00	658.00
WORKING CAPITAL LIMITS / FACILITIES : FROM BANKS				
State Bank of India	0.06		22.28	
Andhra Bank	-	0.06	5.98	28.26
		356.44		686.26

**SCHEDULE IV :
UNSECURED LOANS**

Deposits from Stockists	14.43	14.69
Sales Tax Deferred	173.13	245.20
Deposits from Public	20.06	95.51
(due within one year ₹ 20.06 lacs previous year ₹ 95.51 lacs)		
Unsecured Loans - Promoters	230.00	230.00
	437.62	585.40



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

(₹ in lakhs)

SCHEDULE V - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	ADDITIONS/	DEDU-	AS AT	UP TO	TRANS-	FOR THE	UP TO	AS AT	AS AT
	01.04.2010	ADJUSTMENTS	CTIONS	31.03.2011	01.04.2010	FERS	YEAR	31.03.2011	31.03.2011	01.04.2010
FREEHOLD LAND	98.31	2.92	0.00	101.23	0.00	0.00	0.00	0.00	101.23	98.31
BUILDINGS	537.74	0.00	0.00	537.74	204.06	0.00	11.32	215.38	322.36	333.68
PLANT & MACHINERY	6391.30	299.71	0.00	6691.01	4490.55	0.00	208.49	4699.04	1991.97	1900.75
OTHER EQUIPMENT	131.45	8.82	0.00	140.27	108.11	0.00	5.25	113.36	26.91	23.34
FURNITURE & FIXTURES	18.21	0.00	0.00	18.21	16.86	0.00	0.14	17.00	1.21	1.35
OFFICE EQUIPMENT	5.18	0.00	0.00	5.18	4.86	0.00	0.02	4.88	0.30	0.32
VEHICLES	54.29	0.00	0.00	54.29	39.13	0.00	3.84	42.97	11.32	15.16
TOTAL	7236.48	311.45	0.00	7547.93	4863.56	0.00	229.06	5092.63	2455.30	2372.92
SUGAR DIVISION										
FREEHOLD LAND	149.02	3.06	0.00	152.08	0.00	0.00	0.00	0.00	152.08	149.02
BUILDINGS	2211.47	0.00	0.00	2211.47	799.12	0.00	57.89	857.01	1354.46	1412.35
PLANT & MACHINERY	3622.94	6.11	0.00	3629.05	2320.00	0.00	191.43	2511.43	1117.62	1302.94
OTHER EQUIPMENT	88.26	0.00	0.00	88.26	70.51	0.00	4.19	74.70	13.56	17.75
FURNITURE & FIXTURES	12.15	0.00	0.00	12.15	10.73	0.00	0.77	11.50	0.65	1.42
OFFICE EQUIPMENT	44.62	1.00	0.00	45.62	18.30	0.00	4.44	22.74	22.88	26.32
VEHICLES	49.09	0.00	0.00	49.09	49.08	0.00	0.00	49.08	0.01	0.01
TOTAL	6177.55	10.17	0.00	6187.72	3267.74	0.00	258.72	3526.46	2661.26	2909.81
POWER DIVISION										
Buildings - Factory	420.82	0.00	0.00	420.82	112.04	0.00	14.06	126.10	294.72	308.78
Plant & Machinery	4557.70	8.49	0.00	4566.19	1913.09	0.00	240.77	2153.86	2412.33	2644.61
TOTAL	4978.52	8.49	0.00	4987.01	2025.13	0.00	254.83	2279.96	2707.05	2953.39
GRAND TOTAL	18392.55	330.11	0.00	18722.66	10156.43	0.00	742.61	10899.05	7823.61	8236.12
PREVIOUS YEAR	17905.93	490.60	3.98	18392.55	9355.60	2.77	803.60	10156.43	8236.12	8650.33



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - VI : CAPITAL WORK-IN-PROGRESS

	31.03.2011 ₹ in Lakhs	31.03.2010 ₹ in Lakhs
Capital Work-In-Progress	28.70	16.74
Capital Stores	64.05	-
	92.75	16.74

**SCHEDULE VII : INVESTMENTS
QUOTED (Fully Paid)**

Andhra Bank	5.07	5.07
(5,631 Equity shares of face value ₹ 10/- each with a premium of ₹ 80/- per share, fully paid)	5.07	5.07
Aggregate market value of Quoted Investments	8.48	6.09



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - VIII : CURRENT ASSETS, LOANS & ADVANCES

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
INVENTORIES				
(As taken, valued and certified by the Management)				
Finished Goods	2417.55		74.95	
Work-in-Progress	184.67		262.42	
Raw Material	31.22		46.47	
Packing Material	13.73		18.82	
Coal	185.30		320.58	
Stores & Spares	434.56	3267.03	480.32	1203.56
BANKED ENERGY		116.59		42.41
SUNDRY DEBTORS				
a) Outstanding for more than six months considered good	908.90		939.89	
b) Outstanding for less than six months considered good	258.92	1167.82	219.35	1159.24
CASH AND BANK BALANCES				
Cash on hand	12.26		5.25	
Balance with Scheduled Banks:				
- In Current Accounts	1073.69		390.33	
- In Deposit Accounts	1224.08	2310.03	3223.79	3619.37
LOANS & ADVANCES				
(Unsecured, considered good, recoverable in cash or kind or value to be received)				
Advances towards Goods and Services	344.61		294.35	
Advance to Employees	6.44		8.28	
Advance Income Tax	2593.10		2424.26	
Deposits- Govt.	132.27		132.27	
Deposits- Others	229.56		229.40	
Other Advances	879.32		724.63	
Prepaid Expenses	17.51		10.06	
Interest Accrued on Deposits	11.18	4213.99	524.74	4347.99
		11075.46		10372.57



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - IX : CURRENT LIABILITIES & PROVISIONS

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
A. CURRENT LIABILITIES				
Sundry Creditors:				
Micro, Small and Medium Enterprises	-		-	
Others	691.05		93.85	
Sales Tax Payable	127.16		76.95	
Unclaimed Dividend	34.94		39.73	
Interest Accrued but not due -FDR's	1.42		12.97	
Other Liabilities	<u>365.34</u>	<u>1219.91</u>	<u>317.18</u>	540.68
B. PROVISIONS				
Proposed Dividend	243.94		244.75	
Provision for Taxation	2454.06		2330.52	
Provision for Gratuity	<u>309.96</u>		<u>279.24</u>	
		<u>3007.96</u>		2854.51
		<u>4227.87</u>		<u>3395.19</u>

SCHEDULE XI : ACCRETION / (-) DECRETION TO STOCKS

WORK-IN-PROGRESS

Opening Stock	262.42		305.90	
Closing Stock	<u>184.67</u>	<u>(77.75)</u>	<u>262.42</u>	(43.48)

FINISHED GOODS

Opening Stock	117.36		1391.37	
Closing Stock	<u>2534.14</u>	<u>2416.78</u>	<u>117.36</u>	(1274.01)
		<u>2339.03</u>		<u>(1317.49)</u>



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE X : MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES

	31.03.2011		31.03.2010	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
1. CONSUMPTION OF RAW MATERIALS		3296.95		1810.31
2. CONSUMPTION OF STORES & SPARES		661.90		568.11
3. POWER AND FUEL				
Power	1318.30		1222.48	
Fuel	3648.57	4966.87	<u>2921.86</u>	4144.34
4. SALARIES AND WAGES				
Salaries & Wages	1138.29		1000.13	
Contribution to P.F.	48.22		42.69	
Workmen and Staff Welfare	86.59	1273.10	<u>91.33</u>	1134.15
5. OTHER MFG. EXPENSES		129.02		150.22
6. REPAIRS AND MAINTENANCE				
Plant & Machinery	66.53		58.40	
Buildings	1.92		0.16	
Others	32.87	101.32	<u>35.63</u>	94.19
7. EXCISE DUTY ON CLOSING STOCKS		107.17		(75.57)
8. ADMINISTRATIVE EXPENSES				
Travelling & Conveyance	30.00		34.16	
Directors Travelling & Conveyance	2.34		5.62	
Directors Sitting Fees	0.21		0.15	
Telephones & Trunk Calls	5.24		5.03	
Printing & Stationery	8.54		7.13	
Bank charges	12.73		30.43	
Legal & Professional Fees	9.87		13.77	
Insurance	15.66		14.68	
Rent, Rates & Taxes	57.13		33.55	
Staff Recruitment Expenses	2.71		1.52	
Auditors Remuneration	4.08		4.41	
Miscellaneous Expenses	182.64		252.92	
Donations	21.84	352.99	<u>42.80</u>	446.17
9. BAD DEBTS WRITTEN OFF		-		114.40
10. SELLING & DISTRIBUTION EXPENSES				
Consumption of Packing material	446.81		365.81	
Advertisement & Sales Promotion	13.64		12.91	
Other Selling Expenses	134.67	595.12	<u>195.76</u>	<u>574.48</u>
		11484.44		<u>8960.80</u>



SCHEDULE XII: NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES:

I. Basis of Accounting:

The Financial Statements are prepared under the historical cost convention on an accrual and going concern basis in accordance with the applicable mandatory Accounting standards.

II. Revenue Recognition:

Revenue and expenses are recognised on accrual basis with the exception of insurance claims, which are accounted on cash basis. Dividend Income on investments is accounted for when the right to receive the payment is established.

III. Fixed Assets:

Fixed Assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation. All major acquisitions of Fixed Assets are capitalised at cost and operative expenses directly attributable to cost for bringing assets to working conditions for intended use.

IV. Treatment of Expenditure During Construction Period:

Expenditure during construction period is grouped under "Capital work-in-progress", and the same is allocated to respective Fixed Assets on the completion their construction.

V. Depreciation:

CEMENT DIVISION: Depreciation is provided on Straight Line Method in respect of Buildings, Plant & Machinery (other than Quarry Equipment) and Electrical Installations and in respect of all other assets depreciation is provided on Written Down Value Method. Depreciation has been calculated at the rates specified in Schedule XIV to the Companies Act, 1956.

SUGAR AND POWER DIVISIONS: Depreciation is provided on Straight Line Method at the rates computed in accordance with Schedule XIV to the Companies Act, 1956.

VI. Inventories:

Inventories are valued at the lower of weighted average cost and net realizable value except waste / scrap which is valued at net realisable value. Finished and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective and unserviceable inventories are duly provided for.

VII. Employee Retirement Benefits:

Provident Fund is administered through Regional Provident Fund Commissioner. The contribution to the Provident Fund is charged against revenue. Gratuity payable to the employees is recognised on accrual basis. Leave encashment is accounted on cash basis.

VIII. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

IX. Taxes on Income:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation, which are recognized, based on virtual certainty, that the assets will be realised in future.



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

X. Investments:

All investments are stated at cost. Provision for diminution in value of investments is made only if such a decline is other than temporary.

XI. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed, while Contingent Assets are neither recognised nor disclosed, in the financial statements.

2. Sugar sales include ₹ 336.04 lakhs of bagasse sale by sugar division to power division. Power Division sales includes, sale of power to cement division amounting to ₹ 812.85 lakhs and to sugar division amounting to ₹ 172.12 lakhs and sale of Steam to Sugar Division amounting to ₹ 241.26 lakhs. Cost of inter division transfers were included in power and fuel expenses.
3. Share Capital Suspense represents the outstanding amount earmarked for allotment of shares in the ratio of 1:25, to the holders of shares of Sree Kailas Sugars and Chemicals Limited (SKSCL), which has been merged with the Company pursuant to the Scheme of Rehabilitation sanctioned by the BIFR.
4. The Excise Duty payable on the Closing Stocks of Cement Division, Sugar Division is ₹ 2.59 lakhs and ₹ 131.08 lakhs respectively is included in the value of closing stocks. There is no impact on Profit of the Company.

5. REMUNERATION TO AUDITORS:

(₹ in Lakhs)

	2010-2011	2009-2010
Statutory Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Limited Review Fee	1.00	1.00
Total	<u>4.00</u>	<u>4.00</u>

6. (a) PARTICULARS OF REMUNERATION TO MANAGERIAL PERSONNEL

(₹ in Lakhs)

	2010-2011		2009-2010	
	MANAGING DIRECTOR	JOINT MANAGING DIRECTOR	MANAGING DIRECTOR	JOINT MANAGING DIRECTOR
SALARY	40.20	24.96	39.48	24.24
H.R.A	3.00	3.00	3.00	3.00
P.F.CONTRIBUTION	4.82	3.00	4.74	2.91
PERQUISITES & ALLOWANCES	3.59	0.65	3.06	2.34
COMMISSION	9.68	4.84	32.20	16.10
TOTAL	<u>61.29</u>	<u>36.45</u>	<u>82.48</u>	<u>48.59</u>



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

(b) CALCULATION OF COMMISSION PAYABLE TO DIRECTORS

(₹ in Lakhs)

	<u>2010-2011</u>	<u>2009-2010</u>
Profit before Tax	386.25	1478.76
Add: Directors Remuneration	97.74	131.07
Net Profit	483.99	1609.83
Managing Director (2% of the Net profit of the Company)	9.68	32.20
Joint Managing Director (1% of the Net profit of the Company)	4.84	16.10

7. The liability in respect of Gratuity has been arrived at as on 31st March 2011 for ₹ 309.96 lakhs on accrual basis.
8. The Rupee Term loans are secured by joint equitable mortgage by way of deposit of title deeds of the Company's all immovable properties both present and future and hypothecation of all movable assets (other than book debts) ranking pari-passu interse, subject to prior charge on movable assets in favour of Company's bankers for securing working capital facility.
9. Working Capital facilities sanctioned by State Bank of India and Andhra Bank is secured by hypothecation of stocks of raw materials, stock-in-process, finished goods, spares and book debts, second charge on all immovable properties both present and future and also by the personal guarantee of the Managing Director and Jt. Managing Director.
10. As per the information available with the company as on date there are no outstandings to MSMED units.
11. Additional information pursuant to the provisions of paragraph 3,4-C and 4-D of Part II of Schedule VI of the Companies Act, 1956 (as certified by the Management).

(Value - ₹ In Lakhs)

	CURRENT YEAR 2010-2011			PREVIOUS YEAR 2009 - 2010		
	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
A. INSTALLED CAPACITY (TPA/TCD/MW) (Being technical matter, not verified by Auditors)	297000	3200	16.7	297000	3200	16.7
B. ACTUAL PRODUCTION (M.T/QTLS/KWH)	252992	118609	61134753	258863	44661	46903336
OPENING STOCK (MT/QTLS/KWH)						
Quantity	892	813	2524463	541	93409	7869190
Value	20.33	17.06	42.41	11.30	1253.41	112.53
MOLASSES (M.T)						
Quantity	-	2952	-	-	1110	-
Value	-	37.56	-	-	14.13	-
CLOSING STOCK (MT/QTLS/KWH)						
Quantity	1395	91882	3350428	892	813	2524463
Value	29.66	2313.42	116.59	20.33	17.06	42.41



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

(Value - ₹ In Lakhs)

	CURRENT YEAR 2010-2011			PREVIOUS YEAR 2009 - 2010		
	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
MOLASSES (M.T)						
Quantity	-	5852	-	-	2952	-
Value	-	74.47	-	-	37.56	-
Sale of Cement/Sugar/Power (MT/QTLS/KWH)						
Quantity	252334	27540	60308788	258282	137257	52248063
Value	8363.67	793.47	2246.63	7814.00	3721.02	1818.65
Internal Consumption						
Quantity	145	-	-	220	-	-
Value	2.06	-	-	3.71	-	-
Sale of Clinker/Molasses (M.T./QTLS)						
Quantity	327	3000	-	18497	1170	-
Value	8.33	88.21	-	416.63	81.78	-
Internal Consumption Bagasse/Steam (M.T.)						
Quantity	-	37337	68154	-	14611	26171
Value	-	336.04	241.26	-	116.89	118.55
Internal Samples (M.T.)						
Quantity	10	-	-	10	-	-
Value	-	-	-	-	-	-

C. DETAILS OF RAW MATERIALS CONSUMED

i	Lime Stone					
	Quantity (M.T.)	323567	-	-	369454	-
	Value	372.45	-	-	368.02	-
ii	Clay					
	Quantity (M.T.)	12982	-	-	5551	-
	Value	7.23	-	-	3.31	-
iii	Laterite					
	Quantity (M.T.)	6650	-	-	10401	-
	Value	76.55	-	-	105.19	-
iv	Gypsum					
	Quantity (M.T.)	14708	-	-	14287	-
	Value	231.91	-	-	209.24	-
v	Fly Ash					
	Quantity (M.T.)	2894	-	-	4399	-
	Value	10.49	-	-	17.21	-
vi	Iron Ore					
	Quantity (M.T.)	24	-	-	1009	-
	Value	0.38	-	-	16.08	-



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

(Value - ₹ In Lakhs)

	CURRENT YEAR 2010-2011			PREVIOUS YEAR 2009 - 2010		
	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
Vii Mill Scale						
Quantity (M.T.)	314	-	-	916	-	-
Value	6.62	-	-	16.62	-	-
Viii Clinker						
Quantity (M.T.)	-	-	-	-	-	-
Value	-	-	-	-	-	-
ix Sugar Cane						
Quantity (M.T.)	-	124458	-	-	48575	-
Value	-	2591.32	-	-	1074.64	-

**D. VALUE OF IMPORTED AND INDIGENOUS
RAW MATERIALS, COMPONENTS, SPARE
PARTS & OTHER MATERIALS CONSUMED**

i Raw Materials						
Imported						
Value	-	-	-	-	-	-
% of Consumption	-	-	-	-	-	-
Indigenous						
Value	705.63	2591.32	-	735.67	1074.64	-
% of Consumption	100%	100%	-	100%	100%	-
TOTAL						
Value	705.63	2591.32	-	735.67	1074.64	-
% of Consumption	100%	100%	-	100%	100%	-
ii Stores & Spares and Packing Materials						
Imported						
Value	-	-	-	-	-	-
% of Consumption	-	-	-	-	-	-
Indigenous						
Value	786.98	226.64	95.09	700.04	143.19	90.69
% of Consumption	100%	100%	100%	100%	100%	100%
TOTAL						
Value	786.98	226.64	95.09	700.04	143.19	90.69
% of Consumption	100%	100%	100%	100%	100%	100%

E. VALUE OF IMPORTED (CIF) -

Import of Capital goods	-	-	-	-	-	-
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**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

12. RELATED PARTY DISCLOSURES :

Sl. No.	Name of the Party	Name of the Interested Directors	Nature of Transaction	Amount (₹ In Lakhs)	
				Current Year	Previous Year
1	P. Veeraiah	P. Venkateswarlu	Rent paid	1.20	1.20
2	Standard Construction Co.	P. Venkateswarlu, P. Veeraiah and J. Lakshmi Nalini	Trucks hire charges	2.16	2.16
3	P. Samrajyam	P. Venkateswarlu, P. Veeraiah and J. Lakshmi Nalini	Rent paid	1.40	1.20
4	Dr. P Radha	P. Venkateswarlu and P. Veeraiah	Remuneration	6.81	6.81

The details of the Managerial Remuneration are mentioned in Note No. 6 (a) of the Notes to the Accounts. Sri P. Veeraiah, Jt. Managing Director is related to Sri P. Venkateswarlu, Chairman & Managing Director.

13. ACCOUNTING FOR TAXES:

Deferred Tax Asset of ₹ 135.90 lakhs is recognized as attributable to the timing difference between depreciation as per Companies Act and Income Tax Act.

Income tax comprises Current Tax determined in accordance with the Income Tax Law. Deferred Tax charged or credited reflecting the tax effect of timing difference between accounting income and Taxable Income for the year.

14. Other Liabilities includes a sum of ₹ 129.25 lakhs being balance out of the gross amount of ₹ 310.61 lakhs received under an arbitration award. The amount is kept under Fixed Deposit, pending resolution of the outstanding disputes.

15. Contingent Liabilities:

- i) Disputes with regard to Power purchase Tariff and PLF with regard to sale of power to APTRANSCO amounting to ₹ 1245.28 lakhs, out of which ₹ 1038.89 lakhs was considered as income, matter is pending before APERC.
- ii) Claims against the company by APCPDCL/APSPDCL amounting to ₹ 548.89 lakhs towards wheeling charges for energy wheeled from company's bagasse based co-generation unit to cement division for which writ petition filed in the High court of Andhra Pradesh and stay obtained.
- iii) Duty on Electricity generated and consumed was levied by the A.P.Govt. at ₹ 0.25 paise per unit from 17.07.2003. The High Court has stayed the operation of A.P. Electricity Duty Amendment Act, but asked to submit monthly returns of generation. The duty amount as on 31.03.2011 was ₹ 770.87 lakhs.
- iv) For the Asst. years 1999-00,2000-01 and 2001-02 Income tax paid ₹ 123.98 lakhs under protest against the demand of ₹ 136.40 lakhs towards disallowance of un-absorbed depreciation/ losses. The matter pending in appeal before the High Court of Andhra Pradesh.



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

- v) For the Asst. Year 2007-08 Income Tax paid ₹ 301.50 lakhs under protest against demand of ₹ 737.68 lakhs towards denial of exemption u/s. 80-IA to Company's Power Division and other disallowances in Sugar and Cement Divisions. The matter is pending before ITAT,Hyderabad.
- vi) For the Asst. Year 2008-09 there was a demand of ₹ 319.92 lakhs towards denial of exemption u/s. 80-IA to Company's Power Division and other disallowances in Sugar and Cement Divisions. The matter is pending before CIT(Appeals).
- vii) Sales tax paid under protest for the Asst. years 2001-02,2002-03 of ₹ 188.56 lakhs against a demand of ₹ 188.56 lakhs regarding disputed sales tax on Molasses sales. The matter is under appeal before the High Court of Andhra Pradesh.
- viii) The Company has paid ₹ 1.00 crore as per the directions of Hon'ble High Court against demand of ₹ 850.22 lakhs from the forest department towards Net Present Value (NPV) in respect of diverted forest land for renewal of Mining lease under Forest (Conservation) Act, 1980. The matter is pending in appeal before the High Court of Andhra Pradesh.



**KAKATIYA CEMENT SUGAR &
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16. SEGMENT REPORTING:

(₹ In Lakhs)

	Cement Division		Sugar Division		Power Division		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
External Revenue	8374.06	8234.34	881.68	3802.80	1261.66	927.94	10517.40	12965.08
Inter-segment Revenue	-	-	336.04	116.89	1226.23	1009.26	1562.27	1126.15
Interest & other Income	44.99	63.00	95.36	121.70	90.54	99.68	230.89	284.38
Total Revenue result	8419.05	8297.34	1313.08	4041.39	2578.43	2036.88	12310.56	14375.61
Segment result	858.89	1022.84	(746.98)	156.91	308.76	356.10	420.67	1535.85
Less : Interest expense	28.43	42.18	0.88	2.66	5.11	12.25	34.42	57.09
Less : Income Tax/ Deferred Taxation	(4.90)	359.66	-	-	-	-	(4.90)	359.66
Net Profit / Loss from ordinary activities	835.36	621.00	(747.86)	154.25	303.65	343.85	391.15	1119.10
OTHER INFORMATION								
Segment Assets	8357.08	7908.44	6696.81	5711.20	3943.00	5010.86	18996.89	18630.50
Unallocated Corporate Assets	-	-	-	-	-	-	-	-
Total Assets	8357.08	7908.44	6696.81	5711.20	3943.00	5010.86	18996.89	18630.50
Segment Liabilities	4213.10	4325.94	1363.83	1024.88	1.13	8.06	5578.06	5358.88
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	4213.10	4325.94	1363.83	1024.88	1.13	8.06	5578.06	5358.88
Cost to acquire Fixed Assets	-	-	-	-	-	-	-	-
Depreciation	229.06	291.84	258.72	257.64	254.83	254.12	742.61	803.60
Non Cash Expenses other than Depreciation (Preliminary Expenses)	-	-	-	-	-	-	-	-

Segment liabilities in respect of secured loans are allocated by the management to each of the segment on a reasonable basis having relation to the utilization of the loans to the particular segment.

17. Certain Sundry Debtors and Creditors are subject to confirmation and reconciliation.
18. Previous Year figures have been regrouped wherever necessary to conform to current Year's groupings / classifications.
19. Figures have been rounded-off to the nearest thousand.

As per our report attached
for **M. ANANDAM & CO.**
Chartered Accountants

A.V. SADASIYA
Partner
M. No. 18404

Place : Hyderabad
Date : 24.08.2011

for and on behalf of the Board

P. VENKATESWARLU
Chairman & Managing Director

P. VEERAIH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31.03.2011:**

I. Registration Details

Registration No.	:	2485	State Code	:	01
Balance Sheet Date	:	31.03.2011			
			Date Month Year		

II. Capital raised during the year (₹ in lakhs)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placements	:	NIL

III. Position of Mobilisation and Deployment of Funds (₹ in lakhs)

Total Liabilities	:	14769.02	Total Assets	:	14769.02
Sources of Funds					
Paid-up Capital	:	777.39	Reserves & Surplus	:	12626.75
Secured Loans	:	356.44	Unsecured Loans	:	437.62
Share Capital Suspense	:	14.69			
Application of Funds					
Net Fixed Assets	:	7916.36	Investments	:	5.07
Net Current Assets	:	6847.59	Misc. Expenditure	:	0.00

IV. Performance of Company (₹ in lakhs)

Total Turnover	:	12310.56	Total Expenditure	:	11924.31
Profit Before Tax	:	386.25	Profit After Tax	:	391.15
Earning Per Share (₹)	:	5.03			

V. Generic Names principal Products of the Company

Product Description	:	Item Code (ITC Code)
1. Ordinary Portland Cement	:	25231000
2. Clinker	:	25231000
3. Centrifugal Sugar	:	70199.09
4. Cane Molasses	:	170310.00
5. Power	:	Not Allotted



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

1-10-140/1, "GURUKRUPA", Ashok Nagar,
Hyderabad - 500 020.

ATTENDANCE SLIP

DPID No.* :	L.F. No. :
Client ID No.* :	No. of shares held :

I hereby record my presence at 32nd Annual General Meeting of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED held at Sri Thyagaraya Gana Sabha, Vivek Nagar, Chikkadapally, Hyderabad - 500 020, at 11.00 A.M on Thursday, the 29th day of September, 2011.

NAME(S) OF THE SHAREHOLDER(S) (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

Notes:

1. Shareholder/Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the Meeting venue..
 2. Members are requested to advise the change of their address, if any, to the Company at the above address.
- *Applicable for investors holding shares in electronic form.



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

1-10-140/1, "GURUKRUPA", Ashok Nagar,
Hyderabad - 500 020.

FORM OF PROXY

DPID No.* :	L.F. No. :
Client ID No.* :	No. of shares held :

I/We.....of..... being a member / members of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED hereby appoint..... of.....or failing him/her..... of 32nd Annual General Meeting of the Company to be held on Thursday, the 29th day of September, 2011 at 11.00 A.M. and at any adjournment thereof.
Dated this.....Day of 2011

Signature.....

Affix One Rupee
Revenue
Stamp

Notes:

1. If you intend to appoint a proxy to attend the meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
 2. A proxy need not be a Member.
- * Applicable for investors holding shares in electronic form.

NO GIFTS/ COMPLIMENTS WILL BE DISTRIBUTED AT THE MEETING



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

BOARD OF DIRECTORS:

P. Venkateswarlu

P. Veeraiah

J.S.R. Prasad

J. Seshagiri Rao

J. Lakshmi Nalini

C. Madhusudana Rao

V.B.R. Suryam

T.R.C. Bose

B.V. Subbaiah

A. Chengappa

Chairman & Managing Director

Joint Managing Director

Director

Director

Director

Director

Director

Director

Director

Director

SENIOR EXECUTIVES

P. Radha

K. Sri Hari

Y. Venkataramaiah

K.S. Rami Reddy

R. Ramakrishna

Chief Executive

General Manager (Cement Works)

General Manager (Sugar Works)

General Manager (F & A)

Company Secretary

AUDITORS

M/s. M. Anandam & Co.,

Chartered Accountants,

SECUNDERABAD

COST AUDITORS

M/s. Narasimha Murthy & Co.,

Cost Accountants,

HYDERABAD

BANKERS

State Bank of India

Industrial Finance Branch

Somajiguda, Hyderabad

Andhra Bank

Specialised Corporate Finance Branch

Somajiguda, Hyderabad

REGISTERED OFFICE

1-10-140/1, "GURUKRUPA"

Ashok Nagar,

HYDERABAD-500 020

REGISTRARS

XL SOFTECH Systems Limited,

3, Sagar Society, Road No.2, Banjara Hills,

HYDERABAD-500 034

FACTORIES

CEMENT:

Srinivasa Nagar

Mellacheruvu Mandal

Nalgonda Dist. A.P.

SUGAR & POWER:

Peruvancha Village

Kallur Mandal

Khammam Dist. A.P

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INDUSTRIES LIMITED**

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HYDERABAD - 500 020.