



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

BOARD OF DIRECTORS:

P. Venkateswarlu	Chairman & Managing Director
P. Veeraiah	Joint Managing Director
J.S.R. Prasad	Director
J. Seshagiri Rao	Director
J. Lakshmi Nalini	Director
C. Madhusudana Rao	Director
V.B.R. Suryam	Director
T.R.C. Bose	Director
B.V. Subbaiah	Director
A. Chengappa	Additional Director (from 14.08.2010)

SENIOR EXECUTIVES

P. Radha	Chief Executive
K. Sri Hari	General Manager (Cement Works)
Y. Venkataramaiah	General Manager (Sugar Works)
K.S. Rami Reddy	General Manager (F & A)
R. Ramakrishna	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



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

NOTICE

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED** will be held on Friday, the 24th day of September, 2010 at 03.00 P.M at Surana Udyog Auditorium, FAPCCI Premises, Red Hills, Hyderabad - 500 004 to transact the following Business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, 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 Sri C. Madhusudana Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri V B R Suryam, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri T R C Bose, who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint M/s. M. ANANDAM & CO., Chartered Accountants, 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 modifications, the following resolution as Ordinary Resolution.

"RESOLVED THAT Mr. Avula Chengappa be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

Place : Hyderabad
Date : 14.08.2010

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 20.09.2010 to 24.09.2010 (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 24th September 2010. 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 24th September 2010. The Dividend will be paid on and from October 15, 2010.
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 2002.

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, 2003 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 2010-2011 has been paid to the two Stock Exchanges i.e., BSE and NSE.

ANNEXURE TO NOTICE:

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

ITEM NO. 7:

Mr. Avula Chengappa was appointed as an Additional Director of the Company at the Board Meeting held on 14.08.2010 and as per the provisions of the Section 260 of Companies Act, 1956 he holds office as a Director up to the date of this Annual General Meeting. Company has received Notice from a member along with deposit of Rs.500/- as required by Section 257 of the Companies Act 1956, signifying his intention to proposed Mr. Avula Chengappa as a Director. According to Article 51 of the Articles of Association of the Company the director shall be liable to retire by rotation.

None of the Directors of the Company are interested in the said resolution.

Your Directors recommend the resolution for approval.

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

Place : Hyderabad
Date : 14.08.2010

R. Ramakrishna
Company Secretary



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2010 are summarised below:

	(Rs. in Lakhs)	
Particulars	2009-10	2008-09
Income (Sale and other Income)	12167.51	14307.39
Profit before Depreciation, Interest & Taxes	2339.45	3794.65
Depreciation	803.60	781.64
Interest	57.09	301.54
Provision for Taxation	516.82	768.74
Provision for Deferred Taxation	(157.16)	(175.67)
F B T	—	8.08
Profit after Taxation	1119.10	2110.32
Profit brought forward from Previous year	7931.06	6341.31
APPROPRIATIONS		
Transfer to General Reserve	150.00	275.00
Proposed Dividend	209.89	209.89
Corporate Tax on Dividend	34.86	35.68
Balance carried over to Balance Sheet	8655.41	7931.06

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

DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of Rs. 2.70 per equity share for the year ended 31.03.2010, as against Rs.2.70 per equity share in the previous year aggregating an amount of Rs.244.75 including Dividend Distribution Tax.

PERFORMANCE OF THE YEAR UNDER REVIEW

Cement Division:

During the year under review, the Cement Division has produced 2,58,863 MT of cement as against 2,36,612 MT of cement for the previous year. The profit for the Division was Rs.980.65 lakhs as against Rs.1,050.11 lakhs for the previous year.

Sugar Division:

The Sugar Division crushed 48,575 MT of sugarcane for the current season as against 86,996 MT for the previous season. The recovery rate was 9.19% compared to 9.59% for the previous season. The profit for the Division was Rs.154.26 lakhs as against Rs.817.69 lakhs for the previous year.

Power Division:

During the year under review, the Power Division has generated 4,69,03,336 KWH against 6,77,21,066 KWH of power for the previous year. The Profit for the Division was Rs.343.85 lakhs as against Rs.843.67 lakhs for the previous year.

CURRENT YEAR OUTLOOK:

Cement Division:

In the first three months of the current year i.e. April - June 2010, the production of cement was 64,122 MT as against 70,515 MT of the first three months of the previous year. Your Directors expect that current price realisations will improve during the remaining part of the current year.

Sugar Division:

Sugarcane crop in the factory zone is likely to improve and estimated to crush double the last year quantity during the crushing season 2010-11.

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 31.03.2010 stood at Rs.95.51 lakhs.



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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.

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, 2010 and Profit & Loss Account of the Company for the year ended as on 31st March, 2010.
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:

The Central Government had ordered audit of cost accounts relating to manufacture of cement. For the year ended 31st March 2010, with the approval of Central Government, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct the Cost Audit.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. Industry Structure And Developments:

Implementation of major irrigation projects, setting up of special economic zones, National and State high ways, housing projects etc has sustained the increase in demand for cement for the year 2009-10 and out look of the Cement Industry appears to be stable.

Sugar being an agro-based industry needs good rainfall and irrigation facilities. Due to the lining works of Wyra canal the Irrigation facilities in the factory Zone have suffered resulting in lesser crop cultivation. However with the expectation of a reasonably good monsoon the area under sugar cultivation is likely to go up 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.



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b. Opportunities and threats:

With the continued emphasis by the Government on infrastructure sector and housing sector, the demand for the cement is expected to remain strong.

c. Segment or product-wise performance:

Segment-wise or product-wise performance 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:

Presently 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 2010 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

Place : Hyderabad

Date : 14.08.2010

P. VENKATESWARLU

**Chairman &
Managing Director**



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

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

(Rs. in lakhs)

		CURRENT YEAR 2009-10			PREVIOUS YEAR 2008-09		
		CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
A.	POWER & FUEL CONSUMPTION						
1	ELECTRICITY						
	(a) Purchased (KWH)	2,82,28,684	27,32,961	--	2,79,76,689	47,50,302	--
	Total Amount (Rs.)	10,43,01,091	1,14,11,268	--	10,19,54,987	1,84,36,714	--
	Rate per Unit (Rs.)	3.69	4.17	--	3.64	3.88	--
	(b) OWN GENERATION						
	Through Diesel						
	Generators (Units)	6,41,724	--	--	5,76,229	--	--
	Total Amount (Rs.)	65,36,149	--	--	63,40,327	--	--
	Cost per Unit (Rs.)	10.18	--	--	11.00	--	--
2	FUEL						
	(a) COAL						
	Quantity (MT)	56,149	--	44,961	56,417	--	27,542
	Total Cost (Rs.)	17,30,92,083	--	9,55,49,288	17,50,56,340	--	5,48,68,754
	Average Rate (Rs.)	3,082.73	--	2,125.15	3,102.90	--	1,992.18
	(b) DIESEL/ LDO						
	Quantity (Ltrs.)	--	--	--	15,172	--	--
	Total Cost (Rs.)	--	--	--	5,25,989	--	--
	Average Rate (Rs.)	--	--	--	34.66	--	--



**KAKATIYA CEMENT SUGAR &
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(Rs. in lakhs)

	CURRENT YEAR 2009-10			PREVIOUS YEAR 2008-09		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
(c) Bagasse/Steam						
Quantity (MT)	--	26171	14611	--	60,281	83,253
Total Cost (Rs.)	--	1,18,55,463	1,16,88,800	--	2,87,54,037	6,66,02,400
Average Rate (Rs.)	--	453.00	800.00	--	477.00	800.00
B. CONSUMPTION PER UNIT OF PRODUCTION						
1. Electricity (KWH)						
Cement (MT)	107.103	--	--	115.601	--	--
Sugar (KGS)	--	0.562	--	--	0.435	--
Power (KWH)	--	--	0.101	--	--	0.091
2. Coal (MT)	0.213	--	--	0.246	--	--
(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 : 14.08.2010

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 five (5) 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 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	5	YES	1	NIL
02.	P. Veeraiah	5	YES	1	NIL
03.	J.S.R. Prasad	4	YES	8	4
04.	T.R.C. Bose	5	YES	5	4
05.	J. Seshagiri Rao	4	NO	8	5
06.	J. Lakshmi Nalini	1	NO	NIL	NIL
07.	C. Madhusudana Rao	5	YES	4	NIL
08.	V.B.R. Suryam	5	YES	NIL	NIL
09.	B.V.Subbaiah	1	YES	1	1
10.	M. Narasimha Rao*	4	NO	NIL	NIL

* Ceased w.e.f 13.01.2010.

The dates of Board Meeting held during the year under review are: 27.04.2009, 24.07.2009, 22.08.2009, 28.10.2009 and 25.01.2010.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri C. Madhusudhana Rao, Sri V B R Suryam and Sri T R C Bose retire by rotation and are eligible for reappointment.

Mr. Avula Chengappa who was appointed as Additional Director on 14.08.2010 also retires at this Annual General Meeting. Pursuant to the provisions of Section 257 of the Companies Act, 1956 he is eligible for appointment.

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 C. MADHUSUDHANA RAO:

Sri C. Madhusudana Rao, aged 73 years, is Chartered Accountant by profession having vast experience in the field of finance and accounting.

Sri V B R SURYAM:

Sri. V.B.R. Suryam, aged about 78 years is a Cement Technologist. He was associated with many cement Companies including ACC, Rasi Cement and wide experience in his credit.

Sri T R C BOSE:

Sri T.R.C. Bose, aged about 70 years is a former Director (Projects) of APTRANSCO. He is also Director of IVRCL Infrastructure & Projects Ltd., Vijai Electricals Limited and Konaseema Gas Power Limited.

Sri A. CHENGAPPA:

Sri A. Chengappa, aged 70 years is a Retired IAS Officer. He was Secretary to Government in General Administration Department, Revenue, Panchayat Raj and was also Additional Director General of MCRHRD Institute of Andhra Pradesh.



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

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	29.09.2007 04.00 P.M	Yes	N.A.
02.	Surana Udyog Auditorium, FAPPCI Premises, Red Hills, Hyderabad	25.09.2008 11.00 A.M	Yes	N.A.
03.	Surana Udyog Auditorium, FAPPCI Premises, Red Hills, Hyderabad	25.09.2009 11.00 A.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
Sri M. Narasimha Rao (upto 13.01.2010)	-	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 11 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, 5 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	5
Sri T.R.C. Bose - Member	4
Sri M. Narasimha Rao - Member	4
Sri J. Seshagiri Rao - Member	5

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.



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

Sri C. Madhusudana Rao	-	Chairman
Sri T.R.C. Bose	-	Member
Sri M. Narasimha Rao (upto 13.01.2010)	-	Member

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 Prajashakti. Half Yearly report is not sent to each shareholder as the results of the Company are published in the Newspapers.

- 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	:	31st Annual General Meeting
Date	:	24th September, 2010
Time	:	03.00 P.M
Venue	:	Surana Udyog Auditorium, FAPCCI Premises, Red Hills, Hyderabad - 500 004
b) Financial Calendar	:	1st April to 31st March
c) Date of Book closure	:	20.09.2010 to 24.09.2010 (both days inclusive)
d) Dividend payment date	:	Within 30 days from the date of declaration
e) Registered Office	:	KAKATIYA CEMENT SUGAR & INDUSTRIES LTD., 1-10-140/1, "GURUKRUPA", Ashok Nagar, HYDERABAD - 500 020. 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 & INDUSTRIES LIMITED

h) Market Price Data: (Source: National Stock Exchange Quotations)

Month and Year		High Rs.	LowRs.
April	2009	93.00	53.50
May	2009	93.00	76.00
June	2009	103.00	84.00
July	2009	109.00	78.60
August	2009	114.45	91.10
September	2009	114.50	98.50
October	2009	104.80	87.00
November	2009	94.50	82.10
December	2009	105.90	86.65
January	2010	115.70	87.00
February	2010	96.00	84.40
March	2010	91.90	80.00

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: xlsoft@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 31.03.2010

Share Holding	Number of Shareholders	% to total	Number of Shares	% to total
Up to 500	42820	97.90	1252116	16.11
501 - 1000	510	1.17	411220	5.29
1001 - 2000	197	0.45	296392	3.81
2001 - 3000	72	0.16	183097	2.36
3001 - 4000	33	0.07	119675	1.54
4001 - 5000	25	0.06	119548	1.54
5001 - 10000	43	0.10	328648	4.22
10001 and above	39	0.09	5063162	65.13
Total	43739	100.00	7773858	100.00

Shareholding Pattern as on 31.03.2010:

Category	No. of Equity Shares	% of Paid-up Capital
Promoters	3823088	49.18
Other Corporate Bodies	670213	8.62
General Public	2667048	34.31
Non Resident Individuals	597373	7.68
Foreign Institutional Investors & OCBs	100	0.00
Indian Financial Institutions	11500	0.15
Mutual Funds & Banks	4536	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 2010 out of the total shares 51,74,140 shares were dematerialised with the following depositories:
- | | | | |
|---|---|-----------|--------|
| i) National Securities Depositories Limited | - | 34,05,605 | Shares |
| ii) Central Depository Services Limited | - | 17,68,535 | 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 31.03.2010 as envisaged in clause 49 of the listing agreement with Stock Exchanges.

Place : Hyderabad
Date : 14.08.2010

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, 2010, 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 ended 31st March, 2010, 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 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 **M. ANANDAM & CO.**
CHARTERED ACCOUNTANTS
(Firm Regn.No.000125S)

Place : Hyderabad
Date : 14th August, 2010

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, 2010 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, 2010 and taken on record by the board of directors, wherever applicable we report that none of the directors is disqualified as at 31st March, 2010 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, 2010;
 - 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)

A.V. SADASIVA
PARTNER
M. No. 18404

Place : Hyderabad
Date : 14th August, 2010



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 Rs.2.60crores and closing outstanding is Rs.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 Rs.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.
- 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:



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

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.	Rs.12.42	Assessment years 1999-2000, 2000-2001 2001-2002	High Court of Andhra Pradesh
AP VAT Act	Regarding Sales tax on Molasses Sales, Input Tax credit on coal etc.,	Rs.11.98	2001-2002 2002-2003 2005-2006	High Court of Andhra Pradesh
Income Tax Act, 1961	Disallowance U/S 80 IA Exemption	Rs.115.00	Assessment Year 2007-08	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 covered and recorded 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. SADASIWA
PARTNER
M. No. 18404

Place : Hyderabad
Date : 14th August, 2010



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

BALANCE SHEET AS AT 31 st MARCH, 2010

Schedule	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. 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	12479.54	11605.19	12397.27
Loan funds				
Secured loans	III	686.26	2103.09	
Unsecured loans	IV	585.40	619.85	2722.94
Deferred Tax Liability - Net				849.19
TOTAL		15235.31		15969.40
APPLICATION OF FUNDS				
Fixed assets				
Gross Block	V	18392.55	17905.93	
Less. Depreciation		10156.43	9355.60	
Net Block		8236.12	8550.33	
Capital work in progress	VI	16.74	263.16	8813.49
Investments	VII		5.07	5.07
Current assets, loans & advances				
Inventories	VIII	1203.56	2640.29	
Banked Energy		42.41	112.53	
Sundry Debtors		1159.24	1051.52	
Cash and Bank balances		3619.37	2650.43	
Loans & Advances		4347.99	3939.31	
		10372.57	10394.08	
Less: Current Liabilities & Provisions	IX			
Liabilities		540.68	908.53	
Provisions		2854.51	2334.71	
		3395.19	3243.24	
Net Current Assets				7150.84
Notes on Accounts	XII			
TOTAL		15235.31		15969.40

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. SADASIVA
Partner
M. No. 18404

P. VEERIAH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary

Place : Hyderabad
Date : 14.08.2010



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Schedule	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
INCOME				
Sales	14091.23		19257.74	
Less: Excise Duty	890.61	13200.62	<u>1412.21</u>	17845.53
Accretion \(-\) Decretion to Stocks	XI	(1317.49)		(3732.28)
Interest received		268.59		176.68
Other Income		15.79		17.46
		12167.51		<u>14307.39</u>
EXPENDITURE				
Manufacturing, Administrative				
Selling and Other Expenses	X	8960.80	9682.16	
Taxes and Duties		856.25	829.85	
Interest		57.09	301.54	
Depreciation		803.60	<u>781.64</u>	<u>11595.19</u>
Profit for the Year		1489.77		2712.20
Previous year's adjustments (Net)		(11.01)		<u>(0.73)</u>
Profit Before Tax		1478.76		2711.47
Provision for Taxation - Current Tax		516.82		750.00
- Deferred Tax		(157.16)		(175.67)
Fringe Benefit tax		0.00		8.08
Income Tax - Earlier Years		0.00		18.74
Profit After Tax		1119.10		2110.32
Profit Brought forward from previous year		7931.06		<u>6341.31</u>
Amount available for appropriation		9050.16		<u>8451.63</u>
APPROPRIATIONS				
Proposed Dividend		209.89		209.89
Corporate Tax on Dividend		34.86		35.68
Transfer to General Reserve		150.00		275.00
Balance carried to Balance sheet		8655.41		<u>7931.06</u>
		9050.16		<u>8451.63</u>
Basic earning per share(Rs)		14.40		27.15
Diluted earning per share (Rs)		14.13		26.64

Schedules V and X to XI form an 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. SADASIVA
Partner
M. No. 18404

P. VEERIAIAH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary

Place : Hyderabad
Date : 14.08.2010



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items	1478.76		2712.20	
Adjustment for :				
Profit on Sale of Asset	(0.74)		0.00	
Depreciation	803.60		781.64	
Interest and finance charges	57.09		301.54	
Interest Income	(268.59)		(176.68)	
Dividend Income	(0.25)		(0.11)	
Operating Profit before working				
Capital Changes	2069.87		3618.59	
Changes in Working Capital				
(Increase)/Decrease in Inventories	1436.73		3554.90	
(Increase)/Decrease in Banked Energy	70.12		(21.61)	
(Increase)/Decrease in Sundry Debtors	(107.72)		218.69	
(Increase)/Decrease in Loans & Advances	42.58		(652.75)	
Increase /(Decrease) in Current Liabilities	(356.27)		(682.96)	
Cash Generated from Operations	3155.31		6034.86	
Direct Taxes Paid	(451.00)		(769.19)	
Cash Flow before extraordinary items	2704.31		5265.67	
Extraordinary items (Prior Year Income/(expenditure)	(11.01)		(0.73)	
Net Cash flow from operating activities		2693.30		5264.94
B. CASH FLOW FROM INVESTING ACTIVITIES				
INFLOW/(OUTFLOW)				
Purchase of Fixed Assets	(490.60)		(515.88)	
Sale of Fixed Assets	1.95		0.00	
(Increase) in Capital W.I.P.	246.41		(140.45)	
Interest and discounting charges received	268.59		176.68	
Dividend Income	0.25		0.11	
Net Cash flow from investing activities		26.60		(479.54)



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES INFLOW/(OUTFLOW)				
Dividend Paid	(242.59)		(218.28)	
Interest Paid	(57.09)		(301.54)	
Increase/(Decrease) in Unsecured Loans	(34.45)		(288.75)	
Increase/(Decrease) of Long Term Liabilities	(925.34)		(249.00)	
Increase/(Decrease) of Cash Credit Utilisation	(491.49)		(2573.74)	
Net Cash flow from financing activities		(1750.96)		(3631.31)
D. NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	968.94		1154.09	
Cash and Cash equivalents as at the commencement of the year	2650.43		1496.34	
Cash and Cash equivalents as at the closing of the year	3619.37		2650.43	

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

for and on behalf of the Board

A.V. SADASIVA
Partner
M. No. 18404

P. VENKATESWARLU
Chairman & Managing Director

Place : Hyderabad
Date : 14.08.2010

P. VEERAI AH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - I : SHARE CAPITAL

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
AUTHORISED				
90,00,000 Equity Share of Rs.10/- each		<u>900.00</u>		<u>900.00</u>
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
77,73,858 Equity Shares of Rs.10/- each fully paid up (including 37,00,000 equity shares of Rs.10/- each aggregating Rs.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 Rs.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	1031.39		756.39	
Amount Transferred from Profit and Loss Account	<u>150.00</u>	1181.39	<u>275.00</u>	1031.39
SHARE PREMIUM		1391.62		1391.62
AMALGAMATION RESERVE		1251.12		1251.12
PROFIT & LOSS ACCOUNT				
As per Annexed Account		<u>8655.41</u>		<u>7931.06</u>
		<u>12479.54</u>		<u>11605.19</u>



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - III : SECURED LOANS

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
FINANCIAL INSTITUTIONS				
RUPEE TERM LOANS				
Interest Free Term Loan - SBI	329.00		329.00	
Interest Free Term Loan - AB	329.00		329.00	
United Bank of India	0.00	658.00	925.34	1583.34
WORKING CAPITAL LIMITS / FACILITIES :				
BANKS				
State Bank of India	22.28		313.26	
Andhra Bank	5.98	28.26	206.49	519.75
		686.26		2103.09

SCHEDULE IV : UNSECURED LOANS

Deposits from Stockists		14.69		16.95
Sales Tax Deferred		237.75		261.78
Deposits from Public		95.51		173.67
(due within one year Rs.93.51 lacs previous year Rs.158.84 lacs)				
Unsecured Loans - Promoters		230.00		160.00
Unsecured Loans - Others		7.45		7.45
		585.40		619.85



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

(Rs. in Lakhs)

SCHEDULE V - FIXED ASSETS

DESCRIPTION	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS/ ADJUSTMENTS	DEDU- CTIONS	AS AT 31.03.2010	UP TO 01.04.2009	TRANS- FERS	FOR THE YEAR	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 01.04.2009
CEMENT DIVISION										
FREEHOLD LAND	98.31	0.00	0.00	98.31	0.00	0.00	0.00	0.00	98.31	98.31
BUILDINGS	537.74	0.00	0.00	537.74	192.61	0.00	11.45	204.06	333.68	345.13
PLANT & MACHINERY	5950.64	440.66	0.00	6391.30	4221.29	0.00	269.25	4490.54	1900.76	1729.35
OTHER EQUIPMENT	129.14	2.31	0.00	131.45	102.19	0.00	5.92	108.11	23.34	26.95
FURNITURE & FIXTURES	18.21	0.00	0.00	18.21	16.68	0.00	0.18	16.86	1.35	1.53
OFFICE EQUIPMENT	5.18	0.00	0.00	5.18	4.83	0.00	0.03	4.86	0.32	0.35
VEHICLES	54.34	3.93	3.98	54.29	36.89	2.77	5.01	39.13	15.16	17.45
TOTAL	6793.56	446.90	3.98	7236.48	4574.49	2.77	291.84	4863.56	2372.92	2219.07
SUGAR DIVISION										
FREEHOLD LAND	149.02	0.00	0.00	149.02	0.00	0.00	0.00	0.00	149.02	149.02
BUILDINGS	2211.47	0.00	0.00	2211.47	741.23	0.00	57.89	799.12	1412.35	1470.24
PLANT & MACHINERY	3593.54	29.40	0.00	3622.94	2129.61	0.00	190.39	2320.00	1302.94	1463.93
OTHER EQUIPMENT	88.26	0.00	0.00	88.26	66.32	0.00	4.19	70.51	17.75	21.94
FURNITURE & FIXTURES	12.14	0.00	0.00	12.14	9.96	0.00	0.77	10.73	1.41	2.18
OFFICE EQUIPMENT	44.41	0.22	0.00	44.63	13.90	0.00	4.40	18.30	26.33	30.51
VEHICLES	49.09	0.00	0.00	49.09	49.08	0.00	0.00	49.08	0.01	0.01
TOTAL	6147.93	29.62	0.00	6177.55	3010.10	0.00	257.64	3267.74	2909.81	3137.83
POWER DIVISION										
Buildings - Factory	420.82	0.00	0.00	420.82	97.99	0.00	14.05	112.04	308.78	322.83
Plant & Machinery	4543.62	14.08	0.00	4557.70	1673.02	0.00	240.07	1913.09	2644.61	2870.60
TOTAL	4964.44	14.08	0.00	4978.52	1771.01	0.00	254.12	2025.13	2953.39	3193.43
GRAND TOTAL	17905.93	490.60	3.98	18392.55	9355.60	2.77	803.60	10156.43	8236.12	8550.33
PREVIOUS YEAR	17390.05	515.88	0.00	17905.93	8573.96	0.00	781.64	9355.60	8550.33	8816.09



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE - VI : CAPITAL WORK IN PROGRESS

	31.03.2010 Rs. in Lakhs	31.03.2009 Rs. in Lakhs
Capital-Work-In-Progress	16.74	11.11
Capital Stores	0.00	252.05
	16.74	263.16

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

Andhra Bank (5,631 Equity shares of face value Rs.10/- each with a premium of Rs.80/- per share, fully paid)	5.07	5.07
	5.07	5.07
Aggregate market value of Quoted Investments	6.09	2.70



**KAKATIYA CEMENT SUGAR &
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SCHEDULE - VIII : CURRENT ASSETS, LOANS & ADVANCES

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
INVENTORIES				
(As taken, valued and certified by the Management)				
Finished Goods	74.95		1278.84	
Work-in-Progress	262.42		305.90	
Raw Material	46.47		66.33	
Packing Material	18.82		37.50	
Coal	320.58		390.66	
Stores & Spares	480.32	1203.56	561.06	2640.29
BANKED ENERGY		42.41		112.53
SUNDRY DEBTORS				
a) Outstanding for more than six months considered good	939.89		851.75	
b) Outstanding for less than six months considered good	219.35	1159.24	199.77	1051.52
CASH AND BANK BALANCES				
Cash including cheques on hand	5.25		21.41	
Fixed Deposits with scheduled banks	3223.79		1411.13	
Current Accounts	390.33	3619.37	1217.89	2650.43
LOANS & ADVANCES				
(Unsecured, considered good, recoverable in cash or kind or value to be received)				
Advances towards Goods and Services	294.35		453.15	
Advance to Employees	8.28		15.01	
Advance Income Tax	2424.26		1950.99	
Deposits-Govt.	132.27		73.83	
Deposits-Others	229.40		215.52	
Other Advances	724.63		814.17	
Prepaid Expenses	10.06		10.75	
Interest Accrued on Deposits	524.74	4347.99	405.89	3939.31
		<u>10372.57</u>		<u>10394.08</u>



**KAKATIYA CEMENT SUGAR &
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SCHEDULE - IX : CURRENT LIABILITIES & PROVISIONS

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
A. CURRENT LIABILITIES				
Sundry Creditors:				
Micro, Small and Medium Enterprises	0.00		0.00	
Others	93.85		371.48	
Sales Tax Payable	76.95		29.23	
Unclaimed Dividend	39.73		36.80	
Interest Accrued but not due -FDR's	12.97		14.20	
Other Liabilities	<u>317.18</u>	<u>540.68</u>	<u>456.82</u>	908.53
B. PROVISIONS				
Proposed Dividend	244.75		245.57	
Provision for Taxation	2330.52		1824.50	
Provision for Gratuity	<u>279.24</u>		<u>264.64</u>	
		<u>2854.51</u>		<u>2334.71</u>
		<u>3395.19</u>		<u>3243.24</u>

SCHEDULE XI : ACCRETION / (-) DECRETION TO STOCKS

WORK-IN-PROGRESS

Opening Stock	305.90		156.83	
Closing Stock	<u>262.42</u>	<u>(43.48)</u>	<u>305.90</u>	149.07

FINISHED GOODS

Opening Stock	1391.37		5272.72	
Closing Stock	<u>117.36</u>	<u>(1274.01)</u>	<u>1391.37</u>	<u>(3881.35)</u>
		<u>(1317.49)</u>		<u>(3732.28)</u>



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

SCHEDULE X : MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES

	31.03.2010		31.03.2009	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
1. CONSUMPTION OF RAW MATERIALS		1810.31		2126.47
2. CONSUMPTION OF STORES & SPARES		568.11		631.51
3. POWER AND FUEL				
Power	1222.48		1267.32	
Fuel	2921.86	4144.34	3258.08	4525.40
4. SALARIES AND WAGES				
Salaries & Wages	1000.13		1000.74	
Contribution to P.F.	42.69		42.42	
Workmen and Staff Welfare	91.33	1134.15	85.48	1128.64
5. OTHER MFG. EXPENSES		150.22		96.20
6. REPAIRS AND MAINTENANCE				
Plant & Machinery	58.40		80.13	
Buildings	0.16		3.47	
Others	35.63	94.19	43.40	127.00
7. E D ON CLOSING FINISHED GOODS		(75.57)		(360.68)
8. ADMINISTRATIVE EXPENSES				
Travelling & Conveyance	34.16		34.11	
Directors Travelling & Conveyance	5.62		2.67	
Directors Sitting Fees	0.15		0.18	
Telephones & Trunk Calls	5.03		5.99	
Printing & Stationery	7.13		6.86	
Bank charges	30.43		38.59	
Legal & Professional Fees	13.77		27.86	
Insurance	14.68		15.92	
Rent, Rates & Taxes	33.55		42.01	
Staff Recruitment Expenses	1.52		3.53	
Auditors Remuneration	4.41		4.41	
Miscellaneous Expenses	252.92		129.39	
Donations	42.80	446.17	42.30	353.82
9. BAD DEBTS WRITTEN OFF		114.40		0.00
10. SELLING & DISTRIBUTION EXPENSES				
Consumption of Packing material	365.81		391.91	
Advertisement & Sales Promotion	12.91		15.02	
Other Selling Expenses	195.76	574.48	646.87	1053.80
		8960.80		9682.16



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



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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.

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. Sales include Rs.116.89 lakhs of bagasse sale by sugar division to power division. Sale of Power Division includes, sale of power to cement division amounting to Rs.831.32 lakhs and to sugar division amounting to Rs.59.39 lakhs and sale of Steam to Sugar Division amounting to Rs.118.55 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 Rs.2.89 lakhs and Rs.23.60 lakhs respectively is included in the value of closing stocks. There is no impact on Profit of the Company.

5. REMUNERATION TO AUDITORS:

(Rs. in Lakhs)

	<u>2009-2010</u>	<u>2008-2009</u>
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

(Rs. in Lakhs)

	2009-2010		2008-2009	
	MANAGING DIRECTOR	JOINT MANAGING DIRECTOR	MANAGING DIRECTOR	JOINT MANAGING DIRECTOR
SALARY	39.48	24.24	28.86	15.56
H.R.A	3.00	3.00	7.08	5.54
P.F.CONTRIBUTION	4.74	2.91	3.46	1.87
PERQUISITES & ALLOWANCES	3.06	2.34	35.21	1.49
COMMISSION	<u>32.20</u>	<u>16.10</u>	<u>57.95</u>	<u>28.97</u>
TOTAL	<u>82.48</u>	<u>48.59</u>	<u>132.56</u>	<u>53.43</u>



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(b) CALCULATION OF COMMISSION PAYABLE TO DIRECTORS

(Rs.in Lakhs)

	<u>2009-2010</u>	<u>2008-2009</u>
Profit before Tax	1478.76	2711.47
Add: Directors Remuneration	131.07	185.99
Net Profit	1609.83	2897.46
Managing Director (2% of the Net profit of the Company)	32.20	57.95
Joint Managing Director (1% of the Net profit of the Company)	16.10	28.97

7. The liability in respect of Gratuity has been arrived at as on 31st March 2010 for Rs.279.24 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 - Rs. In Lakhs)

	CURRENT YEAR 2009-2010			PREVIOUS YEAR 2008 - 2009		
	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)	258863	44661	46903336	236612	108987	67721066
OPENING STOCK (MT/QTLS/KWH)						
Quantity	541	93409	7869190	1966	404667	6358170
Value	11.30	1253.41	112.53	39.45	5049.64	90.92
MOLASSES (M.T)						
Quantity	---	1110	---	---	7285	---
Value	---	14.13	---	---	92.71	---



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(Value - Rs. In Lakhs)

	CURRENT YEAR 2009-2010			PREVIOUS YEAR 2008 - 2009		
	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
CLOSING 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	---
Sale of Cement/Sugar/Power (MT/QTLS/KWH)						
Quantity	258282	137257	52248063	237789	420245	66210046
Value	7814.00	3721.02	1818.65	8236.44	7241.76	2304.11
Internal Consumption						
Quantity	220	---	---	237	---	---
Value	3.71	---	---	3.78	---	---
Sale of Clinker/Molasses (M.T./QTLS)						
Quantity	18497	1170	---	---	12474	---
Value	416.63	81.78	---	---	518.09	---
Internal Consumption						
Bagasse/Steam (M.T.)						
Quantity	---	14611	26171	---	83253	60281
Value	---	116.89	118.55	---	666.02	287.54
Internal Samples (M.T.)						
Quantity	10	---	---	11	---	---
Value	---	---	---	---	---	---
C. DETAILS OF RAW MATERIALS CONSUMED						
i Lime Stone						
Quantity (M.T.)	369454	---	---	341407	---	---
Value	368.02	---	---	318.19	---	---
ii Clay						
Quantity (M.T.)	5551	---	---	1654	---	---
Value	3.31	---	---	0.81	---	---
iii Laterite						
Quantity (M.T.)	10401	---	---	5757	---	---
Value	105.19	---	---	63.87	---	---



**KAKATIYA CEMENT SUGAR &
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(Value - Rs. In Lakhs)

		CURRENT YEAR 2009-2010			PREVIOUS YEAR 2008 - 2009		
		CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
iv	Gypsum						
	Quantity (M.T.)	14287	---	---	12539	---	---
	Value	209.24	---	---	165.79	---	---
v	Fly Ash						
	Quantity (M.T.)	4399	---	---	10420	---	---
	Value	17.21	---	---	36.84	---	---
vi	Iron Ore						
	Quantity (M.T.)	1009	---	---	4036	---	---
	Value	16.08	---	---	64.32	---	---
vii	Mill Scale						
	Quantity (M.T.)	916	---	---	---	---	---
	Value	16.62	---	---	---	---	---
viii	Clinker						
	Quantity (M.T.)	---	---	---	---	---	---
	Value	---	---	---	---	---	---
ix	Sugar Cane						
	Quantity (M.T.)	---	48575	---	---	109385	---
	Value	---	1074.64	---	---	1476.65	---

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

i	Raw Materials						
	Imported						
	Value	---	---	---	---	---	---
	% of Consumption	---	---	---	---	---	---
	Indigenous						
	Value	735.67	1074.64	---	649.82	1476.65	---
	% of Consumption	100%	100%	---	100%	100%	---
	TOTAL						
	Value	735.67	1074.64	---	649.82	1476.65	---
	% of Consumption	100%	100%	---	100%	100%	---



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

(Value - Rs. In Lakhs)

	CURRENT YEAR 2009-2010			PREVIOUS YEAR 2008 - 2009		
	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION	CEMENT DIVISION	SUGAR DIVISION	POWER DIVISION
ii. Stores & Spares and Packing Materials Imported						
Value	---	---	---	---	---	---
% of Consumption	---	---	---	---	---	---
Indigenous						
Value	700.04	143.19	90.69	694.54	282.90	45.98
% of Consumption	100%	100%	100%	100%	100%	100%
TOTAL						
Value	700.04	143.19	90.69	694.54	282.90	45.98
% of Consumption	100%	100%	100%	100%	100%	100%
E. VALUE OF IMPORTED (CIF)- Import of Capital goods	---	---	---	---	---	---

12. RELATED PARTY DISCLOSURES :

Sl. No.	Name of the Party	Name of the Interested Directors	Nature of Transaction	Amount (Rs. 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	1.20	1.20
4	Dr. P Radha	P. Venkateswarlu and P. Veeraiah	Remuneration	6.81	6.09

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.



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

13. ACCOUNTING FOR TAXES:

Deferred Tax Asset of Rs.157.16 lakhs is recognized as attributable to the timing difference between depreciation as per Companies Act and Income Tax Act.

Income tax comprises Current Tax and Fringe Benefit Tax for the period, 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 Rs.173.17 lakhs being balance out of the gross amount of Rs.310.61 lakhs received under an arbitration award. The amount of Rs.173.17 lakhs 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 Rs.1057.40 lakhs, out of which Rs.851.01 lakhs was considered as income, matter is pending before Apex court.
- ii) Claims against the company by APCPDCL/APSPDCL amounting to Rs.548.89 lakhs as on 31.03.2010 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) Claims against the company by Electrical Inspectorate GOVT. of Andhra Pradesh amounting to Rs.676.43 lakhs as on 31.03.2010 towards Electricity Duty on captive consumption w.e.f.17.07.2003 @ Rs.0.25 per unit.
- iv) For the Asst. years 1999-00,2000-01 and 2001-02 Income tax paid Rs.123.98 lakhs under protest against the demand of Rs.136.40 lakhs towards disallowance of un-absorbed depreciation / losses. The matter pending in appeal before the High Court of Andhra Pradesh.
- v) For the Asst. Year 2007-08 Income Tax paid Rs.150.00 lakhs under protest against demand of 523.92 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).
- vi) Sales tax paid under protest for the Asst. years 2001-02,2002-03 and 2005-06 of Rs.200.54 lakhs against a demand of Rs.212.52 lakhs regarding disputed sales tax and input tax credit availed on coal purchases for the period Apr'05 to Dec'05. The matter is under appeal before the High Court of Andhra Pradesh.
- vii) The Company has paid Rs.1.00 crore as per the directions of Hon'ble High Court against demand of Rs.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:

(Rs. 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	8234.34	8240.22	3802.80	7759.85	927.94	1387.93	12965.08	17388.00
Inter-segment Revenue	0.00	0.00	116.89	666.02	1009.26	1203.72	1126.15	1869.74
Interest & other Income	63.00	14.98	121.70	98.55	99.68	80.61	284.38	194.14
Total Revenue result	8297.34	8255.20	4041.39	8524.42	2036.88	2672.26	14375.61	19451.88
Segment result	1022.84	1125.48	156.91	894.27	356.10	993.26	1535.85	3013.01
Less : Interest expense	42.18	75.37	2.66	76.58	12.25	149.59	57.09	301.54
Less : Income Tax/ Deferred Taxation	359.66	601.15	0.00	0.00	0.00	0.00	359.66	601.15
Net Profit / Loss from ordinary activities	621.00	448.96	154.25	817.69	343.85	843.67	1119.10	2110.32
OTHER INFORMATION								
Segment Assets	7908.44	8021.76	5711.20	6292.14	5010.86	4898.75	18630.50	19212.64
Unallocated Corporate Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	7908.44	8021.76	5711.20	6292.14	5010.86	4898.75	18630.50	19212.64
Segment Liabilities	4325.94	4250.55	1024.88	1568.84	8.06	995.98	5358.88	6815.37
Unallocated Corporate Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	4325.94	4250.55	1024.88	1568.84	8.06	995.98	5358.88	6815.37
Cost to acquire Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	291.84	288.33	257.64	239.35	254.12	253.96	803.60	781.64
Non Cash Expenses other than Depreciation (Preliminary Expenses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

for and on behalf of the Board

P. VENKATESWARLU
Chairman & Managing Director

A.V. SADASIVA
Partner
M. No. 18404

P. VEERAI AH
Joint Managing Director

R. RAMAKRISHANA
Company Secretary

Place : Hyderabad
Date : 14.08.2010



**KAKATIYA CEMENT SUGAR &
INDUSTRIES LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31.03.2010:**

I. Registration Details

Registration No.	:	2485	State Code	:	01
Balance Sheet Date	:	31.03.2010			
		Date Month Year			

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

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

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

Total Liabilities	:	5358.88	Total Assets	:	18630.50
Sources of Funds					
Paid-up Capital	:	777.39	Reserves & Surplus	:	12479.54
Secured Loans	:	686.26	Unsecured Loans	:	585.40
Share Capital Suspense	:	14.69			
Application of Funds					
Net Fixed Assets	:	8252.86	Investments	:	5.07
Net Current Assets	:	6977.38	Misc. Expenditure	:	0.00

IV. Performance of Company (Rs. in lakhs)

Total Turnover	:	14091.23	Total Expenditure	:	12612.47
Profit Before Tax	:	1478.76	Profit After Tax	:	1119.10
Earning Per Share (Rs.)	:	14.40			

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	:	170199.09
4. Cane Molasses	:	170310.00
5. Power	:	Not Allotted



KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED



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 31st Annual General Meeting of KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED held at Surana Udyog Auditorium, FAPCCI Premises, Red Hills, Hyderabad - 500 004, at 03.00 P.M on Friday, the 24th day of September, 2010.

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/herof
as my/our proxy to vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held on Friday, the 24th day of September, 2010 at 03.00 P.M. and at any adjournment thereof.

Dated this.....Day of 2010.

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