



Keerthi Industries Limited

(Formerly Suvurna Cements Limited)

Registered Office & Administrative Office : Plot No. 40, IDA, Balanagar, Hyderabad - 500 037.
Tel : 23076538, 23076539, Fax : 91-040-23076543, E-mail : general@keerthiindustries.com,
keerthiltd@gmail.com | CIN : L11100TG1982PLC003492 | GSTIN : 36AAFCS3938P1ZO

Date: 28th August, 2021

To,
The General Manager
Department of Corporate services
The BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
M Samachar Marg, Fort, Mumbai,
Maharashtra 400001

Dear Sir/Madam,

Sub: Correction of date of covering letter of Annual Report 2020-21 submitted to the exchange on 27.08.2021.

Ref: 518011 - Keerthi Industries Limited


This is to inform you that on 27.08.2021 we have sent Annual Report 2020-2021 of the company to BSE Limited. However the date of the covering letter was mentioned as 27th September, 2021 inadvertently. The correct date was **27th August, 2021.**

Sincerely apology for the inconvenience cause if any. Please take the above information in your record.

Thanking You,

Yours faithfully,

For Keerthi Industries Limited


Arun Kumar Yadav
Company Secretary



Factory : Mellacheruvu Village & Mandal, Suryapet Dist., - 508 246, Telangana.

Tel: (08683) 226034, 226028, Fax : 226039 E-mail: keerthifactory@keerthiindustries.com Web: www.keerthiindustries.com



Keerthi Industries Limited

(Formerly Suvarna Cements Limited)

Registered Office & Administrative Office : Plot No. 40, IDA, Balanagar, Hyderabad - 500 037.
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Date: 27th September, 2021

To,
The General Manager
Department of Corporate services
The BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
M Samachar Marg, Fort, Mumbai,
Maharashtra 400001

Dear Sir/Madam,

Sub: Annual Report for 2020-2021

Ref: 518011 - Keerthi Industries Limited

Please find attached the Annual Report for 2020-2021 in respect of the Annual General Meeting (AGM) schedule to be held on 20th September 2021, through Video Conferencing Mode in terms of relevant circulars issued by MCA, SEBI and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of Annual Report is uploaded on the website of the company at www.keerthiindustries.com

Please take the above information in your record.

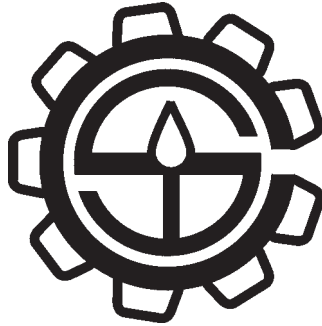
Thanking You,

Yours faithfully,

For Keerthi Industries Limited


Arun Kumar Yadav
Company Secretary





Keerthi
Industries Limited
(Formerly known as Suvarna Cements Limited)

38th
Annual Report 2020-2021



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CORPORATE INFORMATION:

Board of Directors

- | | |
|---------------------------------|---------------------------------------------------|
| 1. Smt. J. Triveni | Executive Chairperson |
| 2. Sri. J. S. Rao | Managing Director |
| 3. Sri. J. Sivaram Prasad | Independent Director |
| 4. Sri. K. Harishchandra Prasad | Independent Director |
| 5. Sri. Boddu Venkata Subbaiah | Independent Director |
| 6. Sri Jasti Venkata Krishna | Additional Director (Appointed w.e.f. 01.02.2021) |

Chief Financial Officer (CFO)

Sri. Y. Sadasiva Rao

Company Secretary

Ms. Akriti Sharma

(Resigned w.e.f: 30.04.2021)

Mr. Arun Kumar Yadav

(Appointed w.e.f: 26.06.2021)

Committees of the Board

I. Audit Committee

- | | |
|---------------------------------|----------|
| 1. Sri. J. Sivaram Prasad | Chairman |
| 2. Sri. K. Harishchandra Prasad | Member |
| 3. Sri. Boddu Venkata Subbaiah | Member |
| 4. Sri. J. S. Rao | Member |

II. Remuneration & Nomination Committee

- | | |
|---------------------------------|----------|
| 1. Sri. K. Harishchandra Prasad | Chairman |
| 2. Sri. Boddu Venkata Subbaiah | Member |
| 3. Sri. J. Sivaram Prasad | Member |

III. Stakeholders Relationship Committee

- | | |
|--------------------------------|----------|
| 1. Sri. Boddu Venkata Subbaiah | Chairman |
| 2. Sri. J. S. Rao | Member |
| 3. Smt. J. Triveni | Member |

IV. Corporate Social Responsibility Committee (CSR)

- | | |
|---------------------------------|----------|
| 1. Sri. Boddu Venkata Subbaiah | Chairman |
| 2. Sri. K. Harishchandra Prasad | Member |
| 3. Sri. J. Sivaram Prasad | Member |
| 4. Sri. J. S. Rao | Member |

V. Risk Management Committee:

- | | |
|---------------------------------|----------|
| 1. Sri. J.S. Rao | Chairman |
| 2. Sri. Boddu Venkata Subbaiah | Member |
| 3. Sri. K. Harishchandra Prasad | Member |



Other Committees

VI. Internal Complaint Committee

- | | | |
|----|---------------------------|----------|
| 1. | Smt. J. Triveni | Chairman |
| 2. | Sri. J. S. Rao | Member |
| 3. | Smt. J. Sarada Govardhini | Member |

Registered Office & (Electronic Division Factory)

Plot No. 40, I.D.A, Balanagar,
Hyderabad - 500 037.
Tel: 040-23076543
E-mail ID: kilinvestorservices@gmail.com

Factory (Cement Division)

Mellacheruvu (Village & Mandal)
Suryapet District
Telangana-508 246.
Tel: 08683-226028.

Bankers

Axis Bank Ltd

Statutory Auditors

M/s. Brahmayya & Co,
Chartered Accountants
403 & 404, Golden Green Apartments,
Irrum Manzil Colony, Hyderabad – 500082
Ph: (040) 23370002/4
Email: hydbrahmayya@gmail.com.

Cost Auditors

M/s. BVR & Associates
104, R. V. Naipunya Apts,
H. No. 6-3-628/3,
Anand Nagar Colony, Khairatabad,
Hyderabad - 500 004.
Email: rao_bhogadi@yahoo.co.in

Secretarial Auditor

M/s. VCSR & ASSOCIATES
8-3-945, 3rd Floor, 305 A&B
Pancom Business Centre
Ameerpet, Hyderabad-500073
Tel: 040-23749021
E-mail: chveeru@gmail.com

Registrar & Share Transfer Agents (RTA)

M/s. XL Softech Systems Limited
3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad – 500 034
Tel: 040-23545913, 14

ISIN

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NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of KEERTHI INDUSTRIES LIMITED ('the Company') is scheduled to be held on Monday, 20th September, 2021 at 11.00 AM through video conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS FOR THE FY 2020-21

To consider and adopt the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss Account and cash flow statement for the year ended on that date together with the Notes, Reports of the Directors and Auditors thereon.

2. REAPPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

To appoint a Director in place of Smt. J. Triveni, the Executive Chairperson and Whole-time Director (DIN: 00029107) who retires by rotation, and being eligible, offers herself for re-appointment.

3. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR 2020-21

To declare Final Dividend of Rs. 1.50/- per equity shares of Rs. 10/- each for the financial year ended 31st March, 2021.

4. DECLARATION OF FINAL DIVIDEND ON PREFERENCE SHARES FOR THE FINANCIAL YEAR 2020-21

To declare Final Dividend on 9% cumulative redeemable preference shares for the financial year ended 31st March, 2021.

SPECIAL BUSINESS:

5. REGULARISATION OF ADDITIONAL DIRECTOR, SRI JASTI VENKATA KRISHNA BY APPOINTING HIM AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s):

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association and pursuant to the recommendation of Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, Sri Jasti Venkata Krishna (DIN-

09041310) who was appointed as Additional Non-Executive Director of the Company w.e.f. February 1, 2021 and who shall hold office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri Jasti Venkata Krishna as a candidate for the office of Director, be and is hereby appointed as Non-Executive Director of the Company and whose period of office will be liable to determination by retirement by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

6. RE-APPOINTMENT OF SMT. J. TRIVENI AS EXECUTIVE CHAIRPERSON AND WHOLE-TIME DIRECTOR OF THE COMPANY

To consider and, if thought fit, to give your assent or dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 178, 196, 197, 203 and other applicable provisions of the Companies Act 2013 read with its schedule V of the Act and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to approvals, if any as may be required from financial institutions and other authorities concerned, if any, approval of the members of the Company be and is hereby accorded for the re-appointment of Smt. J. Triveni as Executive Chairperson and Whole-time Director of the Company subject to retirement by rotation for a period of 3 (three) years with effect from 10th May, 2021 on the salary and perquisites as set out below;

- 1. Period of Appointment:** The Appointment is for a period of 3 years i.e. from 10th May 2021 to 9th May, 2024.
- 2. Salary:** Salary will be Rs. 7,00,000/- per month which includes Basic, DA, and all other allowances by whatever name called.
- 3. Commission:** such amount or such percentage of profits for each accounting year as may be decided by the Committee/ Board subject to the overall limit(s) of remuneration of 5% of Net profits as stated in Section 197 of the Companies Act, 2013.



4. **Perquisites:** Perquisites as mentioned below and shall be valued in terms of the provisions of Income Tax Act, 1961.

- i) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family at actual.
- ii) **Leave Travel Concession:** Leave Travel Concession for self and family as per rules of the Company.
Explanation: Family for (i) and (ii) above shall mean spouse, dependant children and dependant parents.
- iii) **Club Fees:** Fees for two clubs and no admission and life membership fee shall be paid;
- iv) **Personal Accident Insurance:** Personal Accident Insurance premium shall be as per the rules of the Company;
- v) **Reimbursement of expenses for utilities** such as gas, electricity, water, furnishings, air conditioning and repairs, all of which may be hired or owned;
- vi) **Housing:** Furnished House accommodation with one domestic servant.
- vii) **Use of Company's car for official duties and telephones at residence** (including long distance calls) and Cell Phone shall not be considered as perquisites;
- viii) **Earned Leave:** Encashment of leave at the end of the tenure is as per the rules of the Company.
- ix) **Contribution to the provident fund, superannuation fund or annuity fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; and
- x) **Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.**

The Perquisites mentioned above can be interchangeable within the overall ceiling of not exceeding **2 (Two) month's salary.**

5. **Minimum Remuneration:** Where, in any financial year, the Company has no profits or its profits are inadequate, during the currency

of tenure of the Executive Chairperson, the Company shall pay Rs. 7,00,000/- per month as minimum remuneration subject to such approvals, if any, as may be required under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

7. **RE-APPOINTMENT OF SRI. J. S. RAO AS MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to give your assent or dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of sections 178, 196, 197, 203 and other applicable provisions of the Companies Act 2013 read with its schedule V of the Act and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to approvals, if any as may be required from financial institutions and other authorities concerned, if any, approval of the members of the Company be and is hereby accorded for the re-appointment of Sri. J. S. Rao as the Managing Director of the Company subject to retirement by rotation for a period of 3 (three) years with effect from 10th May, 2021 on the salary and perquisites as set out below;

1. **Period of Appointment:** The Appointment is for a period of 3 years i.e. from 10th May 2021 to 9th May, 2024.
2. **Salary:** Salary will be Rs. 7,00,000/- per month which includes Basic, DA, and all other allowances by whatever name called.
3. **Commission:** such amount or such percentage of profits for each accounting year as may be decided by the Committee/ Board subject to the overall limit(s) of remuneration of 5% of Net profits as stated in Section 197 of the Companies Act, 2013.
4. **Perquisites:** Perquisites as mentioned below and shall be valued in terms of the provisions of Income Tax Act, 1961.
 - i) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family at actual.
 - ii) **Leave Travel Concession:** Leave



Travel Concession for self and family as per the rules of the Company.

Explanation: Family for (i) and (ii) above shall mean spouse, dependent children and dependent parents.

- iii) Club Fees: Fees for two clubs and no admission and life membership fee shall be paid;
- iv) Personal Accident Insurance: Personal Accident Insurance premium shall be as per the rules of the Company;
- v) Reimbursement of expenses for utilities such as gas, electricity, water, furnishings, air conditioning and repairs, all of which may be hired or owned;
- vi) Housing: Furnished House accommodation with one domestic servant.
- vii) Use of Company's car for official duties and telephones at residence (including long distance calls) and Cell Phone shall not be considered as perquisites;
- viii) Earned Leave: Encashment of leave at the end of the tenure is as per the rules of the Company.
- ix) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; and
- x) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

The Perquisites mentioned above can be interchangeable within the overall ceiling of not exceeding **2 (Two) month's salary**.

5. **Minimum Remuneration:** Where, in any financial year, the Company has no profits or its profits are inadequate, during the currency of tenure of the Managing Director, the Company shall pay Rs. 7,00,000/- per month as minimum remuneration subject to such approvals, if any, as may be required under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and

are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

8. RE-APPOINTMENT AND REMUNERATION OF SMT. J. SARADA GOVARDHINI AS CHIEF OPERATING OFFICER (COO) WHO IS RELATIVE OF DIRECTORS, HOLDING OFFICE OR PLACE OF PROFIT, FOR A PERIOD OF THREE (3) YEAR i.e. FROM 14.02.2021 TO 13.02.2024

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15(3)(b) of the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable provisions of the SEBI (LODR) Regulation, 2015 and also pursuant to the consent of the Nomination & Remuneration Committee, Audit Committee and the Board of Directors vide resolutions passed in their respective meetings held on 13th February, 2021, the approval and confirmation of the members be and is hereby accorded for the re-appointment of Smt. J. Sarada Govardhini as Chief Operating Officer (COO) of the Company at a remuneration of Rs. 4,70,000 p.m. but not exceeding Rs. 5,80,000 p.m. for the period from 14-02-2021 to 13-02-2024 as per detailed terms and conditions as set out under item no. 8 of the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

9. RATIFICATION OF REMUNERATION OF COST AUDITOR:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to Section 148 (3) of the Companies Act, 2013 read with Rule 14 (a) of Companies (Audit and Auditors Rules), 2014, and as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26-06-2021, the



remuneration payable to M/s. BVR & Associates (FRN: 000453), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2021-2022, amounting to Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus re-imbusement of out-of-pocket expenses incurred by them in connection with the aforesaid audit and GST as may be applicable be and is hereby ratified and confirmed.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sd/-

(J. S.Rao)

Managing Director

DIN:00029090

Place: Hyderabad
Date: 26-06-2021

NOTES:

- In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 38th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 38th AGM shall be the Registered Office of the Company.
- The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the Special Business under Item nos. 5 to 9 set above is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company at email address kilinvestorservices@gmail.com with a copy marked to chveeru@gmail.com.
- Book Closure and Record Date: The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th September, 2021 to Monday, 20th September, 2021, both days inclusive, in terms of Section 91 of the Companies Act, 2013. The Record date for payment of dividend has been fixed as Wednesday, 15th September, 2021.
- Dividend: The final dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on Wednesday, 15th September, 2021 as per the list furnished to the Company by Depositories for this purpose. In case of shares held in physical mode, the dividend will be paid to the shareholders, whose names shall appear in the Company’s Register of Members (after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours) as on Wednesday, 15th September, 2021.

The final dividend will be paid on or before 18th October, 2021.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- In compliance with the aforesaid MCA Circulars May 12, 2020 and January 13th 2021 and SEBI Circular dated May 12, 2020 and January 15th 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice



and Annual Report 2020-21 will also be available on the Company's website www.keerthiindustries.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL www.evoting.cdsi.com, respectively.

10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 38th AGM, i.e. September 20, 2021. Members seeking to inspect such documents can send an email to **www.kilinvestorservices@gmail.com**.
11. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 13th September, 2021 through email on kilinvestorservices@gmail.com.
12. Green Initiative: To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with XL Softech Systems Limited in case the shares are held by them in physical form.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to XL Softech Systems Limited in case the shares are held by them in physical form.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or XL Softech Systems Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. Nomination: Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the Members may please contact their respective depository participant.
16. Submission of PAN: Shareholders are requested to note that furnishing of PAN is now mandatory in the following cases:-
 - a) Legal Heirs'/Nominees' PAN Card for transmission of shares,
 - b) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
 - c) Joint Holders' PAN Cards for transposition of shares.
17. Bank Account Details: Regulation 12 and Schedule I of SEBI Listing Regulation requires all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars. Therefore members are requested to kindly update their bank accounts with the RTA of the Company.
18. Share Transfer permitted only in Demat: As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
19. Shareholders' Communication: Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address:

M/s. XL Softech systems Limited
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad – 500 034
Tel: 040-23545913, 14

If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
20. Unclaimed/Unpaid Dividend: Shareholders who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2017-18 onwards, are requested to lodge their



claims with the RTA, after which the unclaimed dividend shall stand transferred to the IEPF Authority account within 7 years from the date on which it becomes unpaid.

21. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
22. Additional information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulation, 2015 in respect of the Directors seeking appointment/re-appointment at the AGM is furnished as (**Annexure I**) which forms part of the Notice. The Directors have furnished the requisite consent/declarations for their appointment/re-appointment.
23. The company has opened a DEMAT suspense Account with Anand Rathi Share and Stock Brokers Limited and credited all the unclaimed shares of the shareholders. The details are as follows:

Sl. No	Particulars	2019-20	2020-21
1.	Number of shareholders outstanding at the beginning of the year	1532	1531
2.	Outstanding shares in the DEMAT suspense account at the beginning of the year	8851	8851
3.	Number of shareholders who approached the company for transfer of shares from the suspense account during the year	0	1
4.	Number of shareholders to whom shares was transferred from the suspense account during the year	0	1
5.	Aggregate number of shareholders outstanding at the end of the year	1532	1531
6.	Outstanding shares in the suspense account lying at the end of the year	8851	8849

Voting rights of these shares were frozen till the rightful owner of such shares claims these shares.

24. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Sri. Jasti Venkata Krishna (DIN- 09041310) was appointed as an Additional Director of the Company w.e.f. 1st February, 2021 by all the directors unanimously, through circulation of resolution passed in terms of Section 175 of the companies Act, 2013 read with Rules made thereunder. The said appointment was placed in the next Nomination & Remuneration Committee (NRC) meeting and Board meeting held on 13.02.2021 for confirmation and the NRC and Board has confirmed the said appointment.

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 the additional director so appointed shall hold office only up to the date of ensuing Annual General Meeting, therefore, the Board recommends for his regularization in this AGM. Sri Jasti Venkata Krishna is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to continue as Director. Notice under Section 160 of the Companies Act has been received from a Shareholder proposing the name of Sri. Jasti Venkata Krishna to be appointed as a Non-Executive Director on the Board.

The Board, after satisfying itself that his appointment will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the appointment of Sri. Jasti Venkata Krishna as a Director, liable to retire by rotation.

In accordance with Regulation 36(3) of the SEBI (LODR), Regulations, 2015, particulars are given in the annexure to this notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Sri. Jasti Venkata Krishna, Sri. J. S. Rao, the Managing Director, Smt. Triveni Jasti, Executive Chairperson and Smt. J. Sarada Govardhini, COO, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an **Ordinary Resolution**.

ITEM NO. 6

RE-APPOINTMENT AND REMUNERATION OF SMT. J. TRIVENI AS EXECUTIVE CHAIRPERSON AND WHOLE-TIME DIRECTOR

History

Pursuant to the recommendations of Nomination & Remuneration Committee and approval of the Board accorded in their respective meetings held on 05-02-2018, Smt. J Triveni was appointed as Executive Chairperson and Whole-time Director of the Company for a period of three years i.e. from 10th May, 2018 to 9th May,



2021, at a remuneration of Rs 6.00 Lakhs per month plus Commission on net profit subject to the overall limits of remuneration of 5% of net profit as stipulated under Section 197 read with Schedule V of the Companies Act, 2013. Thereafter, the members at their 35th AGM held on 29.09.2018 have confirmed the said appointment and remuneration.

Present

Subject to the approval of the members at this AGM, Nomination & Remuneration Committee recommended and the Board has approved at their respective meetings held on 26-06-2021 to re-appointment Smt. J Triveni as Executive Chairperson and Whole-time Director of the Company for a period of three years i.e. from 10th May, 2021 to 9th May, 2024, at the remuneration of Rs 7.00 Lakhs per month plus Commission on net profit subject to the overall limits of remuneration of 5% of net profit as stipulated under Section 197 read with Schedule V of the Companies Act, 2013.

Smt. Jasti Triveni, aged about 60 years is a graduate in Commerce and is the driving force behind the success of organization. She is having 33 years of vast experience in cement and Electronic Printed circuit Board Industries.

The overall remuneration being drawn by the Executive Chairperson and Whole-time Director would be subject to overall ceiling limit as provided under Section 197 read with Schedule V of the Companies Act, 2013.

The above resolution may also be treated as an abstract under the terms of contract/agreement entered into between the Company and Smt. J. Triveni Executive Chairperson and Whole-time Director.

The Board, after satisfying itself that her appointment will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Smt. J. Triveni as Executive Chairperson and Whole-time Director, liable to retire by rotation.

In accordance with Regulation 36(3) of the SEBI (LODR), Regulations, 2015, particulars are given in the annexure to this notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Smt. Triveni Jasti, Executive Chairperson, Sri. J. S. Rao, the Managing Director, Sri Jasti Venkata Krishna, Director, and Smt. J. Sarada Govardhini, COO, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as **Special Resolution**.

ITEM NO. 7

RE-APPOINTMENT AND REMUNERATION OF SRI. J. S. RAO AS MANAGING DIRECTOR

History

Pursuant to the recommendations of Nomination & Remuneration Committee and approval of the Board accorded in their respective meetings held on 05-02-2018, Sri. J. S. Rao, was appointed as the Managing Director of the Company for a period of three years i.e. from 10th May, 2018 to 9th May, 2021, at a remuneration of Rs 6.00 Lakhs per month plus Commission on net profit subject to the overall limits of remuneration of 5% of net profit as stipulated under Section 197 read with Schedule V of the Companies Act, 2013. Thereafter, the members at their 35th AGM held on 29.09.2018 have confirmed the said appointment and remuneration.

Present

Subject to the approval of the members in this AGM, Nomination & Remuneration Committee recommended and the Board have approved at their respective meetings held on 26-06-2021 to re-appointment Sri. J. S. Rao as Managing Director of the Company for a period of three years i.e. from 10th May, 2021 to 9th May, 2024, at the remuneration of Rs 7.00 Lakhs per month plus Commission on net profit subject to the overall limits of remuneration of 5% of net profit as stipulated under Section 197 read with Schedule V of the Companies Act, 2013.

Sri. J.S Rao, aged about 67 years is an Engineering graduate having 33 years of vast experience in cement and Electronic Printed circuit Board Industries.

The overall remuneration being drawn by the Managing Director would be subject to overall ceiling limit as provided under Section 197 read with Schedule V of the Companies Act, 2013.

The above resolution may also be treated as an abstract under the terms of contract/agreement entered into between the Company and Sri. J. S. Rao, the Managing Director.

The Board, after satisfying itself that his appointment will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Sri. J. S. Rao as the Managing Director, liable to retire by rotation.

In accordance with Regulation 36(3) of the SEBI (LODR), Regulations, 2015, particulars are given in the annexure to this notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Sri. J. S. Rao, the Managing Director, Smt. Triveni Jasti, Executive Chairperson, Sri Jasti Venkata Krishna, Director, and Smt. J. Sarada Govardhini, COO, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as **Special Resolution**.



Keerthi Industries Limited

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no(s). 5 and 6 are as follows:

I. GENERAL INFORMATION:

1. **Nature of Industry:** Manufacturing of Cement and printed circuit Boards
2. **Date or expected date of commencement of commercial production :** Existing Company,
3. **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :** Existing Company, not applicable.
4. **Past 3 years Financial performance based on given indicators:**

Sl. No	Particulars	Audited Figure for the FY ended 31.03.2020 (Rs. in lacs)	Audited Figure for the FY ended 31.03.2019 (Rs. in lacs)	Audited Figure for the FY ended 31.03.2018 (Rs. in lacs)
1	Total Income	17438.61	18859.41	19554.34
2	Total Expenditure	18069.25	19393.25	18378.75
3	Profit / (loss) before Exceptional items and Tax	(630.64)	(533.84)	1175.59
4	Net Profit/(loss)	(31.13)	21.77	763.39

5. **Foreign Investment of Collaborators, if any:** Nil

II. INFORMATION ABOUT APPOINTEES:

1. Information about the Chairperson:

	Particulars	Smt. Jasti Triveni	Sri. J. S. Rao
1	Background details	Smt. Jasti Triveni, aged about 60 years, graduate in Commerce, is the Executive Chairperson and Whole-time Director of the Company and She is having 33 years of vast experience in the cement industry. During her tenure, the operations of the company had turnaround and from the sick company status the Company has made tremendous progress due to her efforts.	Shri J.S. Rao, aged about 67 years, Post Graduate in Engineering, is the Managing Director of Keerthi Industries Limited and he is having almost 40 years of vast experience in cement industry. Under his able leadership and supervision, the company has undertaken many expansion activities and became the reputed corporate group.
2	Past remuneration	Salary Rs.6,00,000/- per month plus such percentage of commission as may approved.	Salary Rs.6,00,000/- per month plus such percentage of commission as may approved.
3	Recognition or awards :	During her tenure as Managing Director of Keerthi Industries Ltd, the Company was awarded the best turnaround / revival of sick industry small / medium scale for the year 2002-03 by FAPCCI from the hands of the Hon'ble Chief Minister of Andhra Pradesh in reorganization of successful efforts in reviving sick unit.	He is associated with various reputed institutions and had elected as president of federation of Andhra Pradesh chambers of commerce and industry (FAPCCI). Several recognitions and accolades were under his credit for his achievements and outstanding performance.



4	Job profile and her suitability	<p>Subject to the supervision and control of the Board of Directors, she functions as the Executive Chairperson and Whole-time Director of the Company. She has been participating in strategizing the company's growth trajectory besides overseeing of Board process and striking balance among the stakeholders.</p> <p>Smt. J Triveni is instrumental in the development of the Company. As a second generation entrepreneur and having long standing experience in the industry, she has hands-on experience to discharge her functions effectively.</p>	<p>Subject to the supervision and control of the Board of Directors, he oversees the operations of the Company and actualizes the operational plans into tangible results. Mr. J. S. Rao played a key role in expanding Keerthi Industries Ltd after taking over from the old management. He has vast experience of above 33 years in cement and electronic industry and successfully handled the marketing, finance, purchase and human resource divisions.</p>
5	Remuneration proposed	<p>The proposed remuneration is mention in the above resolution. In the event of inadequacy of profits in any financial year, she will be paid Rs. 7,00,000/- per month as Salary inclusive of all the allowances & perquisites.</p>	<p>The proposed remuneration is mention in the above resolution. In the event of inadequacy of profits in any financial year, he will be paid Rs. 7,00,000/- per month as Salary inclusive of all the allowances & perquisites.</p>
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	<p>The remuneration of the key Managerial Personnel in different companies in the industry have been fixed depends on divergent factors which are unknown to us; hence, could not be comparable. Further it is commensurate with the qualification and experience and in accordance with the high competitive business scenario.</p>	<p>The remuneration of the key Managerial Personnel in different companies in the industry have been fixed depends on divergent factors which are unknown to us; hence, could not be comparable. Further it is commensurate with the qualification and experience and in accordance with the high competitive business scenario.</p>
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	<p>Smt. J Triveni is a Promoter Director holding 21,95,349 shares consisting of 27.38% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, she does not receive any emoluments from the Company. However Shri J S Rao (Managing Director) Sri. J Venkata Krishna, Director and Smt. Sarada Govardhini (COO) are the relatives of the Chairperson.</p>	<p>Smt. J S Rao is a Promoter Director holding 37,01,559 shares consisting of 46.17% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company. However, Smt. J Triveni (Executive Chairperson and Whole-time Director) Sri. J Venkata Krishna, Director and Smt. Sarada Govardhini (COO) are the relatives of the Managing Director.</p>

III. OTHER INFORMATION:

1. Steps taken or proposed to be taken for improvement:

- ❖ The Company has installed 2.24 MW Waste Heat Recovery Power Plant (WHRP) which reduces the cost of power to a great extent.
- ❖ Dealer's network has been improved and overreached the bulky used industrial customers.

The above measures yielded improved results and the company has been slowly recovering and regaining its strengths.



2. Expected increase in productivity and profits in measurable terms:

With steps taken by the Company on operations front in improving the operating parameters by increasing the efficiency through up gradation wherever feasible, fuel supply at relatively cheaper prices through the strategy of importing coal in bulk quantity and utilization of cheaper combusting materials as a fusil fuels, and the installed waste heat recovery plant, the cost of production will come down and resulting in increase in the profitability of the Company.

ITEM NO. 8

Re-Appointment and remuneration of Smt. J. Sarada Govardhini as Chief Operating Officer (COO), relative of directors, holding office or place of profit, for a period of three (3) year i.e. from 14.02.2021 to 13.02.2024

The Company has re-appointed Smt. J. Sarada Govardhini, Related Party as per Section 2 (76) of the Companies Act, 2013, as Chief Operating Officer (COO) of the Company for a period of three years i.e. from 14th February, 2021 to 13th, February, 2024 on the salary and perquisites as set out below;

- 1. Salary:** Rs. 4,70,000/- per month upto maximum of Rs. 5,80,000/- per month (inclusive of Basic, DA, and all other allowances and perquisites by whatever name called).
- 2. Annual increments:** as tabulated hereunder:

Tenure of Appointment	Remuneration per month Rs.	Annual Increment Rs.	Cumulative Remuneration per month Rs.
1st Year – (14-02-2021 -13.02.2022)	4,70,000	-	4,70,000
2nd Year – (14-02-2022 -13.02.2023)	4,70,000	50,000	5,20,000
3rd Year – (14-02-2023 -13.02.2024)	5,20,000	60,000	5,80,000

- 3. Perquisites:** Perquisites shall be inclusive (included) in the Gross Salary and shall be valued in terms of the provisions of Income Tax Act, 1961.
 - Medical Reimbursement: Reimbursement of medical expenses incurred for self and family at actual.
 - Leave Travel Concession: Leave Travel Concession for self and family as per the rules of the Company.
Explanation: Family for (i) and (ii) above shall mean spouse, dependent children and dependant parents.
 - Club Fees: Fees for two clubs and no admission and life membership fee shall be paid;
 - Personal Accident Insurance: Personal Accident Insurance premium shall be as per the rules of the Company;
 - Reimbursement of expenses for utilities such as gas, electricity, water, furnishings, air conditioning and repairs, all of which may be hired or owned;
 - Use of Company's car for official duties and telephones at residence (including long distance calls) and Cell Phone shall not be considered as perquisites;
 - Earned Leave: Encashment of leave at the end of the tenure is as per the rules of the Company.
 - Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; and
 - Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

The Perquisites mentioned above can be interchangeable within the overall ceiling of the annual salary.

As per the provisions of Section 188 (1) (f) read with Rule 15 (3)(b) of Companies (Meeting of Board and its Power) Amendments Rules, 2014, prior approval of the Company in General Meeting is required for payment of remuneration exceeding Rs. 2.50 Lakhs per month.

The Board, after satisfying itself that his appointment will be in the interest of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Smt. J. Sarada Govardhini as COO of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Sri. J. S. Rao, the Managing Director, Smt. Triveni Jasti, Executive Chairperson, Sri Jasti Venkata Krishna, Director, and Smt. J. Sarada



Govardhini, COO, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as **Ordinary Resolution**.

ITEM NO. 9

RATIFICATION OF COST AUDITORS' REMUNERATION

The Board, on the recommendations of the Audit Committee, has approved the re-appointment of M/s. BVR & Associates (FRN: 000453), Cost Accountants, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2022, at a remuneration of Rs. 55,000/- plus reimbursement of actual travel and out of pocket expenses and GST as applicable.

In accordance with Section 148 (3) of the Companies Act, 2013 and Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors are required to be ratified by the shareholders of the Company.

Hence the resolution at item no. 9 of the accompanying Notice, which your Board recommends for your approval as an **Ordinary Resolution**.

None of the Directors and Key Managerial Personnel of the Company neither their relatives are concerned or interested, financially or otherwise, in the said resolution.



(Annexure I)

ADDITIONAL INFORMATION PURSUANT TO Regulation 36 (3) of the SEBI (LODR) Regulation, 2015 FOR ITEM NO. 5, 6 and 7 OF THE NOTICE:

Name of the Director	Sri. J. S. Rao (ITEM No. 7)	Smt. J. Triveni (ITEM No. 6)	Sri. J. Venkata Krishna (Item No. 5)
Date of Birth	18-07-1953	06-12-1961	28-02-1982
Qualification	Post Graduate in Engineering	Graduate in Commerce	Masters in Mechanical Engineering (MS) from US, Carnegie Mellon University
Name of other companies in which the appointee also holds Directorships	Triveni Capital Leasing Investments Pvt. Ltd. Kakatiya Cement Sugar and Industries Limited Hyderabad Bottling Co Pvt. Ltd. Vijaya Estate and Holdings Pvt Ltd. JSK Holdings Private Limited. IOU Projects (India) Pvt. Ltd. DCS Sporting Private Limited WND (India) Heavy Industry Private Limited Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)	Triveni Capital Leasing Investments Pvt. Ltd. Hyderabad Bottling Co Pvt. Ltd. Vijaya Estate and Holdings Pvt Ltd. JSK Holdings Private Limited. IOU Projects (India) Pvt. Ltd.	-----NIL-----
Name of other Companies in which the appointee holds Board Committee membership	Kakatiya Cement Sugar and Industries Limited	-----NIL----- ---	-----NIL-----
Shareholding in Keerthi Industries Limited	37,01,559 equity shares (46.17 % of paid-up equity share capital of the Company)	21,95,349 equity shares (27.38 % of paid-up equity share capital of the Company)	87,347 equity shares (1.09 % of paid-up equity share capital of the Company)
Relationship with other Directors	Spouse of Smt. J. Triveni, Executive Chairperson	Spouse of Sri. J. S. Rao, Managing Director & CFO	Son of J.S Rao (MD) & J. Triveni (Executive Chairperson & WTD)

Instructions for e-voting

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.



3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.keerthiindustries.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The Remote e-voting facility will be available during the following voting period:

Commencing of Remote e-voting	End of Remote e-voting
17-09-2021 (9.00 a.m.)	19-09-2021 (5.00 p.m.)

During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently

Please read the instructions printed below before exercising your vote.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their



vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>



Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1. The shareholders should log on to the e-voting website **www.evotingindia.com**.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also



used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for **Keerthi Industries Limited** on which you choose to vote.
- x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer viz; chveeru@gmail.com and to the Company at the email address viz; kilinvestorservices@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at kilinvestorservices@gmail.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (kilinvestorservices@gmail.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id. Viz; xlfield@gmail.com
2. For Demat shareholders, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting their 38th Annual Report for the Financial Year 2020-2021 together with the Audited Balance Sheet as at 31st March, 2021 and the Profit & Loss Account for the year ended on that date.

1. FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2020-2021	2019-2020
Net Operational Income	23223.46	17180.53
Other income	287.59	258.08
Profit before interest and depreciation	4553.02	1797.08
Interest	529.56	604.50
Depreciation	1043.32	1104.16
Profit/(Loss) before taxation	2980.16	88.42
Provision for taxation including deferred tax liability	1054.02	78.02
Other Comprehensive Income	(6.85)	0.99
Total Comprehensive Income/(Loss)	1919.29	(31.13)

OPERATIONS:

The Overall revenue for the year 2020-21 at Rs 23223.46 Lakhs is increased by 35.17% (Rs. 17180.53 Lakhs in 2019-20). Due to increased production and sales, the Company ended up with a total comprehensive income of Rs. 1919.28 lakhs as against Rs. 31.13 lakhs loss in the previous year.

Cement Division: Production of Cement and Clinker were 5,10,624 MTS and 4,58,560 MTS respectively during the twelve months ended 31st March, 2021 as against were 4,04,808 MTS and 4,55,628 MTS respectively during the previous year ended 31st March, 2020.

Wind Power: The Company has generated 17,40,751 units as against 26,81,940 units during the previous year.

Electronic Division: The Company has produced 2541 sq. mts of Printed Circuit Boards as against 2,043.69 sq. mts during the previous year.

CURRENT YEAR OUTLOOK:

CEMENT DIVISION:

Global:

With the outbreak of COVID-19 and subsequent lockdowns imposed across the world to contain the virus spread, economic activities came to a standstill. This synchronised pause led to a significant contraction during the first half of 2020. With the easing of lockdown norms at the end of the second quarter, the economy rebounded sharply, though global output is estimated to decline by 3.5% for the full year, as against a growth of 2.8% reported in 2019.

Indian:

The Indian economy was already grappling with a structural slowdown which resulted in six-year low GDP growth of 4.2% in 2019-20. The lockdown, which started at the end of 2019-20, remained in full swing during the first two months of 2020-21. This led to a contraction of 23.9% during the first quarter of 2020-21. However, the recovery has been 'V'-shaped after the restrictions were lifted during the second half of the year. According to the Economic Survey 2020-21, the Indian economy is likely to contract by 7.7% in 2020-21.

Cement industry insight in India:

India is the second-largest cement producer in the world. According to Cement Manufacturers Association, the country accounts for over 8% of the overall global installed capacity. Region wise, the southern region comprises 35% of the total cement capacity, followed by the northern, eastern, western and central regions accounting for 20%, 18%, 14% and 13%, respectively. The total installed capacity of the industry stood at 509 MTPA. That is to say, India's per capita cement consumption at 200-250 kg remains significantly lower than the world average of 500-580 kg and China's 1,650-1,750 kg. Among the end-use sectors, housing remains the largest cement consumer in the country.



Cement demand in 2020 picked up in January and February, with the industry growing at 7-8%. However, volumes declined significantly in March due to the complete lockdown during the last 10 days of the month. Continued lockdown from April 2020 severely impacted production, sales and logistics.

ELECTRONICS DIVISION:

The Indian electronics market is growing at a fast pace and domestic electronics manufacturing units have huge business potential. This is going to create tremendous opportunities for PCB manufacturers. Considering the booming market as well as the recent government policies like 'Make in India' and 'Smart Cities', the PCB market in India is expected to reach new heights.

PCB's demand has picked up in the 3rd Quarter of 2020-21. However, volumes declined significantly in March due to the complete lockdown during the last 10 days of the month. Continued lockdown from April 2020 severely impacted production, sales and logistics.

However, there is a satisfactory improvement in the sales which comes predominantly from health care segment. Business from transfer projects from prestigious companies contributed significantly in this improvement. Our support to the designers is continuing for regularly getting the prototype business. Plans are being made to procure necessary equipment for the new businesses. The division expects to improve its customer base in the years to come. The division is exploring further opportunities in the defense sector to improve its business. Marketing efforts for new inland customers were effected due to the pandemic. However, improvement in turn over due to international business is an encouraging prospect.

Segment-wise contribution to the total PCB business for the year 2020-2021 is given below:

Sl.No.	Segment	Contribution (Rs. in Lakhs)	% of total contribution
1	Automobile	7.39	0.70
2	Defense	52.02	4.98
3	Health Care	954.98	91.33
4	Consumer Electronics	31.22	2.99
	Total	1045.61	100

There is a possibility of getting business from new technologies in the coming years. In addition, the recent thrust towards indigenisation in strategic electronics manufacturing is likely to increase demand for different types of flexible PCBs. Demand from healthcare segment is increasing. Improvement is likely in the demand for PCBs from defence sector in the coming year . The division expects to improve its supply volumes to defence PSUs in the coming years.

SUGAR DIVISION:

There is no progress in the division in particular, effective steps could not be taken for furtherance of the business.

OILFIELD AND NATURAL GAS

There is no progress in the division in particular, effective steps could not be taken for furtherance of the business.

2. DIRECTORS:

a. The Company's Board of Directors have been constituted in compliance with the provisions of Companies Act read with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulation". The Composition of the Board is as under:

- | | | |
|----|------------------------------|---------------------------------------------|
| 1. | Smt. J. Triveni | Executive Chairperson & Whole-time Director |
| 2. | Sri. J. S. Rao | Managing Director |
| 3. | Sri. J. Sivaram Prasad | Independent Director |
| 4. | Sri. K. Harishchandra Prasad | Independent Director |
| 5. | Sri. Boddu Venkata Subbaiah | Independent Director |
| 6. | Sri. Jasti Vankata Krishna | Additional Director |

b. During the period under review, Sri. Jasti Vankata Krishna, appointed as an Additional Director as on 01st February 2021 through circular of resolution as per section 175 of companies' act, 2013 read companies rules thereunder.



- c) In accordance with the provisions of Companies Act, 2013, Smt. J. Triveni, Executive Chairperson and Whole-time director of the Company would retire by rotation and, being eligible, offer herself for re-appointment. The Board of Directors recommends his re-appointment at the ensuing Annual General Meeting.
- d) As required under Section 134 (3) (d) of the Companies Act, 2013, All independent directors have given declarations to the Company that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013.

- e) Other Disclosure
Board Evaluation

Pursuant to Section 178 (2) of the Companies Act, 2013, the Nomination and Remuneration Committee has evaluated the performance of individual Directors in its duly convened meeting. Pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Regulation 4 (2) (f) (ii) (9) of the ("SEBI (LODR) Regulation, 2015, the Board has carried out an evaluation of its own performance, as well as the evaluation of the Committees of the Board. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Remuneration Policy is stated in the Corporate Governance Report.

Meetings

During the year Four (4) Board Meetings and Four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

3. DETAILS OF WHOLE-TIME KEY MANAGERIAL PERSONAL (KMP)

During the period under review, Smt. J. Triveni, Executive Chairperson & Whole-time Director, Sri. J. S. Rao, Managing Director, Sri. Y. Sadasiva Rao, Chief Financial Officer and Ms. Akriti Sharma, Company Secretary & Compliance Officer are the Whole-Time Key Managerial Personal of the Company.

Further, Ms. Akriti Sharma has resigned as Company Secretary and Compliance Officer of the Company w.e.f. 30.04.2021 and Mr. Arun Kumar Yadav has been appointed as Company Secretary and Compliance Officer w.e.f. 26.06.2021.

4. SHARE CAPITAL:

- (a) No Change in Authorized Capital:

During the year under review, there was no change in the Authorized Capital of the Company. The Authorized Capital of the Company is Rs. 38,00,00,000/- (Rupees Thirty-Eight Crores only) divided into 2,73,00,000 Equity shares of Rs. 10/- each aggregating Rs. 27,30,00,000/- and 10,70,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating Rs. 10,70,00,000/-.

- (b) Change in Paid up Shares Capital:

Equity Share Capital: During the period under review, there was no change in the Paid-up Equity Share Capital of the Company. The Paid-up Equity Share Capital was Rs. 8,01,67,380/- divided into 80,16,738 Equity shares of Rs. 10/-.

Preference Share Capital: During the period under review, the preference shares of the Company has been redeemed as under:

Sl. No	9% Cumulative Redeemable Preference Shares	Instalment No	Date of redemption	Amount (In Rs.)
1.	2,70,100	3rd and final	30-10-2020	94,53,500
2.	2,68,340	4th	12-06-2020	50,00,000

As on 31st March, 2021 the paid-up preference share capital was Rs. 68,34,000/-.



- ❖ Total Paid-up Share Capital: As on 31st March, 2021, total Paid-up Share Capital of the Company was Rs.8,70,01,380/-.

5. RESERVE AND SURPLUS:

The reserve and surplus of your company stood at Rs. 6561.06 Lakhs as against Rs. 4713.92 Lakhs in the previous year.

6. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

During the period under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

7. DEMAT OF SHARES:

The Equity Shares of your Company have been admitted by CDSL/ NSDL for dematerialization. In response to the compliance with SEBI Circular SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/73 dated April 20, 2018, your company had issued 3 (three) reminders to all the Shareholders whose shares are in physical mode and requested them to dematerialize their shares. The Board pleased to inform that in compliance with Regulation 39 of the SEBI (LODR), Regulation, 2015 entered with Bombay Stock Exchange Limited, the unclaimed equity shares were dematerialized and the same are lying in the DEMAT suspense account. Shareholders are requested to claim their shares in DEMAT form by submitting their claims to the Company / RTA.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013, your directors confirm:

- That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- That 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 state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- That the directors had prepared the annual accounts on the going concern basis.
- That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. PUBLIC DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 or 74 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairperson & Managing Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.



12. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial control commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has adopted accounting policies which are in line with the Accounting Standards and the Act. These are in accordance with generally accepted accounting principles in India. The Company has a robust financial closure, certification mechanism for certifying adherence to various accounting policies, accuracy of provisions and other estimates.

13. RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with related party were in the ordinary course of the business. The Audit Committee granted omnibus approval of the same. There were no materially significant transactions with Related Parties during the financial year 2020-21 which were in conflict with the interest of the Company.

During the year, your Company has entered into following Related Party Transactions as per Section 188 (1) of the Companies Act, 2013:

S. No.	Nature of Transactions	Amount (In Rs.)	Legal Framework	Legal Requirements	Date of prior Approval obtained	Date of Contract
1.	Sell of Cement to DCS Sporting Pvt. Ltd	1,00,000/-	Regulation 23 (2) of SEBI Listing Regulation and Sec-188 (1) (a) of Companies Act, 2013	Prior approval of Audit Committee and Board	Omnibus approval of Audit Committee dated 25-05-2020 Board Approval - 25-05-2020	25-05-2020
2.	Sell of Cement to DCS Sporting Pvt. Ltd	25,000/-	Regulation 23 (2) of SEBI Listing Regulation and Sec-188 (1) (a) of Companies Act, 2013	Prior approval of Audit Committee and Board	Omnibus approval of Audit Committee dated 25-05-2020 Board Approval - 11-11-2020	11-11-2020
	Total	1,25,000/-				

14. COST AUDITORS:

Cost Audit records have been maintained by the company for the F.Y.2020-2021. Pursuant to the directives of the Central Government and provisions of Section 148 of the Companies Act, 2013, qualified Cost Auditors have been appointed to conduct the cost audit for the F.Y. 2021-2022.

15. AUDITORS:

The Company had, on its 34th AGM held on 31st August, 2017, appointed M/s. Brahmayya and Co., as Statutory Auditor for 5 years i.e. to hold office until the conclusion of 39th AGM.

16. ADDITIONAL INFORMATION:

Information pursuant to Section 134 (3) (l) & (m) of the Companies Act, 2013 is annexed herewith as **(Annexure II)**, which is detailed in Form A and Form B.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Annual Report on CSR activities is annexed herewith as: **(Annexure III)**

18. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s VCSR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2020-2021. The Secretarial Auditors have, in their report, given observation that as per the amended provisions of Regulation 17 (1) of SEBI (LODR), Regulations, 2015, the Company was required to have minimum 6 directors as on 01st April, 2020. However, the Company has complied the said requirement on 01st February, 2021, thereby delayed in compliance



of the said requirements. In this regard, the trading in the securities was suspended by BSE Ltd w.e.f. 12th February, 2021.

Reason for delay and compliance: Due to sudden country-wide lockdown on account of outbreak of covid-19 from the last week of March, 2020, the appointment of 6th director on the Board was delayed. The Company has also requested BSE Ltd for extension of time. At the outset, the appointment got delayed but thereafter, the Company has appointed the 6th Director on 1st February, 2021 and complied all the applicable requirements and paid the late fine imposed by the Stock exchange in this regard and the suspension of trading in Securities was revoked by BSE Ltd w.e.f. March 24, 2021.

The Secretarial Audit report is annexed herewith as “(Annexure IV)” & “(Annexure IV.I)”

19. EXTARCT OF ANNUAL RETURN:

The details forming part of the Annual Return in form MGT-9 is annexed herewith as “(Annexure V)”

20. HEALTH AND SAFETY/ INDUSTRIAL RELATIONS:

The company continues to accord high priority to health and safety of employees at manufacturing locations. During the year under review, the company conducted safety training programmes for increasing disaster preparedness and awareness among all employees at the plants. Training programmes and mock drills for safety awareness were also conducted for all employees at the plants. Safety Day was observed with safety competition programmes with aim to imbibe safety awareness among the employees at the plant. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

21. RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the Listing Regulation, the company has constituted a risk management committee on is Board Meeting held on 29th May, 2015. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

22. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are discussed separately, together with the Certificate from the Practicing Company Secretary of the Company regarding compliance with the requirements of Corporate Governance as stipulated SEBI (LODR) Regulations, 2015.

23. ACKNOWLEDGEMENTS:

Your Directors are thankful to Axis Bank, Begumpet Branch for their continued support during the year under review and acknowledge with gratitude the help extended by the Central Government and Government of Telangana & Andhra Pradesh. Your directors also wish to place on record their appreciation of the services rendered and co-operation extended by the Workmen, Staff, Dealers, Customers and other concerned.



(Annexure II)

Information pursuant to Section 134 (3) (l) of the Companies Act, 2013

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

Particulars		Current Year			Previous year		
A. Power and Fuel Consumption:		Cement	Electronic Division	Wind Power	Cement	Electronic Division	Wind Power
1							
a)	Purchased Units (Nos)	40241085	371002	NIL	37065657	345852	NIL
	Amount (Rs.)	265730587	3414275	NIL	245775061	3286412	NIL
	Rate/unit (Rs.)	6.60	9.20	NIL	6.63	9.50	NIL
b)	Own Generation:						
	Through Diesel Generator Units (Nos.)	10752	4988	NIL	16416	5554	NIL
	Units per Ltr. of Diesel Oil	3.00	3.00	NIL	3.00	3.00	NIL
	Cost/Unit (Rs.)	25.78	23.03	NIL	23.33	23.14	NIL
ii)	Through Steam Turbine / Generator:	NIL	NIL	NIL	NIL	NIL	NIL
	Units (Nos.)	NIL	NIL	NIL	NIL	NIL	NIL
	Units per Ltr. Of Fuel Oil Gas	NIL	NIL	NIL	NIL	NIL	NIL
	Cost/Unit (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL
iii)	Through Solar power Units generated	NIL	111024	NIL	NIL	130494	NIL
iv)	Through waste heat recovery Units generated	8317457	NIL	NIL	7033996	NIL	NIL
2 Coal							
	Quantity (M.T.)	91193	NIL	NIL	76172	NIL	NIL
	Total Cost (Rs.)	NIL	NIL	NIL	444754797	NIL	NIL
	Average Rate/M.T. (Rs.)	NIL	NIL	NIL	5838.82	NIL	NIL
3 Furnace Oil		NIL	NIL	NIL	NIL	NIL	NIL
4 Others/Internal Generation		NIL	NIL	NIL	NIL	NIL	NIL
B. Consumption per unit production:							
	Electricity (Units)	95.90	192	NIL	96.12	233	NIL
	Furnace Oil	NIL	NIL	NIL	NIL	NIL	NIL
	Coal	0.20	NIL	NIL	0.19	NIL	NIL
	Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL



FORM - B

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013

Form for disclosure of particulars with respect to Technology Absorption:

Research and Development (R&D):		
1.	Specific areas in which R&D carried out by the Company	NIL
2.	Benefits derived as a result of the above R&D	NIL
3.	Future Plan of Action	
4.	Expenditure on R&D	NIL
	a. Capital	
	b. Recurring	
	c. Total	
	d. Total R&D expenditure as a percentage of total turnover	

Technology absorption, adoption and innovation		
1	Efforts, in brief, made towards innovation	NIL
2	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, production development, import substitution etc.	NIL
3	In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial Year), the following information may be furnished	NIL
	a. Technology	
	b. Been imported	
	c. Year of import	
	d. Has technology been fully absorbed	
	e. If not fully absorbed, reasons therefore and future plans of action	
Foreign Exchange Earnings & Outgo:		
i)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans	
ii)	Total foreign exchange outgo and earned	
	a. Foreign Exchange Outgo	Rs. 10.37 Lakhs
	b. Foreign Exchange Earned	Rs. 7.9 Lakhs

By Order of the Board of Directors

Place: Hyderabad
Date: 26-06-2021

Sd/-
(J. Triveni)
Executive Chairperson



REPORT ON CORPORATE GOVERNANCE (Forming part of Directors Report)

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Keerthi Industries Corporate Governance has been an integral part of the way we are doing our business. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. The Company's corporate governance philosophy has been further strengthened through the Keerthi Industries Business practices also the Code of Corporate Disclosure Practices.

II. GOVERNANCE STRUCTURE:

- a) The Board of Directors consists of 6 Members of whom 3 are Non-Executive Independent Directors, 2 are Promoter Executive Directors and 1 Promoter Non-executive Additional Director. The Composition of the Board is in conformity with the Companies Act, 2013 and SEBI (LODR) Regulation.
- b) The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Regulation 36 (3) of the SEBI (LODR) Regulation, 2015, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.
- c) Pursuant to Section 165 (1) and Regulation 26 of the SEBI (LODR) Regulation, 2015, none of the Directors is a Director in:
 - ❖ more than 20 Companies at a time; or
 - ❖ more than 10 Public Limited Companies at a time; or
 - ❖ acts as an Independent Director in more than 7 Listed Companies; or
 - ❖ none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a director.
 - ❖ Membership and Chairpersonship of the audit committee and the Stakeholders' Relationship committee is considered only for the purpose of determination of limit of committee in pursuance of Regulation 26 (1) (b) of the SEBI (LODR) Regulation, 2015.
- d) The details of the Directorships in other Companies and Committee memberships/ Chairmanships in other Companies held by the Directors as on 31st March, 2021, are given below.
- e) Pecuniary relationship or transaction of the Non - executive Directors vis-à-vis the company: None of the Non-executive Directors has any pecuniary relationship or transactions with the company except Mr. J. Venkata Krishna, non-executive director who is also a promoter shareholder of the Company holding 1.09% of the Shareholding of the Company.
- f) The Board of Directors met Four (4) times during the year on 25.07.2020, 12.09.2020, 11.11.2020 and 13.02.2021, and the maximum gap between any two meetings was not more than the maximum days allowed as per 173 (1) of the Companies Act, 2013 read with Regulation 17 (2) of the SEBI (LODR) Regulation, 2015 as extended from time to time.
- g) The details of Composition of Board of Directors, their attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/ memberships held by the Directors during the year are as follows:



Sl. No.	Name of the Directors	Category Particulars	Attendance			No. Directorship and Committee membership / chairmanship in other Companies		
			No. of Board Meetings held during the tenure		Last AGM	*Other Directorship	**Committee Membership	***Committee Chairmanship
			Held	Attended				
1.	Mrs. J. Triveni	Executive Chairperson	4	4	YES	5	-	-
2.	Mr. J. S. Rao	Managing Director	4	4	YES	9	1	-
3.	Mr. J. Sivaram Prasad	Non-Executive Director	4	4	YES	8	-	-
4.	Mr. K. Harish Chandra Prasad	Independent Director	4	4	YES	6	4	-
5.	Mr. B. V. Subbaiah	Independent Director	4	4	YES	1	2	1
	Mr. Jasti Vankata Krishna	Additional Director	1	1	NA	-	-	-

*Other Directorship-includes both private and public limited Companies.

**Committee Membership-Only in Audit Committee and Stakeholders' Relationship committee.

***Committee Chairmanship-Only in Audit Committee and Stakeholders' Relationship committee.

Board's Procedure:

Agenda papers along with explanatory statements were circulated to the directors in advance for each of these meetings. All relevant information as per SEBI (LODR) Regulation, 2015 was placed before the Board from time to time.

III. COMMITTEES:

Currently, there are Six (6) Committees namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management committee and Internal Complaint Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for noting. The details about composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder

a. AUDIT COMMITTEE:

- i. The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulation, 2015 entered into with the Stock Exchange.
- ii. Apart from all the matters provided in Regulation 18 of the SEBI (LODR) Regulation, 2015 and section 177(4) of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also re-views major accounting policies followed by the company. It also investigates into any of the matter of Section 177 (4), as and when required.
- iii. The previous Annual General Meeting of the Company was held on 26th September, 2020 and Mr. J. Sivaram Prasad, Chairman of the Audit Committee has attended previous AGM.
- iv. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of section 177(4) of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015 relating to the composition of the Audit Committee. During the financial year 2020-2021, Four (4) meetings of the Audit Committee were held on the 25.07.2020, 12.09.2020, 11.11.2020 and 13.02.2021.

The details of the composition of the Committee and attendance of these members at the meetings are given below:

Name	Designation	Category	Meetings Attended
Sri. J. Sivaram Prasad	Chairman	NED (I)	4
Sri. K. Harishchandra Prasad	Member	NED (I)	4
Sri. B. V. Subbaiah	Member	NED (I)	4
Sri. J. S. Rao	Member	ED (P)	4



NED (I) - Non-Executive Independent Director

ED (P) - Executive Promoter Director

The necessary quorum was present at all the meetings.

b. REMUNERATION AND NOMINATION COMMITTEE:

The Remuneration & Nomination committee for appointment & remuneration of directors and other KMPs was constituted in accordance with the requirement of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulation, 2015.

The committee met Two (2) time on 11.11.2020 and 13.02.2021 during the financial year ended March 31, 2021. The details of composition and attendance record of the members at the meeting were as follows:

Name	Designation	Category	No of Meetings Attended
Sri. K. Harishchandra Prasad	Chairman	NED (I)	2
Sri. B. V. Subbaiah	Member	NED (I)	2
Sri. J. Sivaram Prasad	Member	NED (I)	2

The details of remuneration paid to the Executive Directors for the financial year 2020-21 are given below:

Name of Director	Designation	Salary (in Lakhs) p.a.	Commission (in Lakhs)	Perquisites (in Lakhs)	Retirement Benefits (in Lakhs)
Smt. J. Triveni	Executive Chairperson	78.00	Nil	Nil	Nil
Sri. J. S. Rao	Managing Director	78.00	Nil	Nil	Nil

The Company has paid sitting fees of Rs. 1,90,000/- for attending Board Meeting and Committee meeting to Non-Executive Directors during the financial year 2020-2021.

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Companies Act, 2013 has enabled an evaluation mechanism to appraise the performance of the Independent Directors. Criteria for evaluation shall be laid by Nomination and Remuneration Committee. The criteria shall be disclosed in the Annual Report of the Company. The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated). On the basis of evaluation, it shall be determined whether to extend or continue the term of appointment.

The Nomination and Remuneration Committee has lay down the evaluation criteria which is adopted by the Board. The criteria for evaluation of the Independent Directors are on the following parameters:

General Criteria:

- ❖ Highest personal and professional ethics, integrity and values;
- ❖ Objective perspective, practical wisdom and mature judgment;
- ❖ Demonstrated intelligence, and independent Judgment
- ❖ The ability to communicate effectively and collaborate with other board members to contribute effectively to enhances Board and Committee deliberations, and
- ❖ The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, public service, finance, accounting, strategic planning and marketing.

Specific Criteria:

- ❖ Participation and contribution by a Director;
- ❖ Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- ❖ Effective deployment of knowledge and expertise;
- ❖ Effective management of relationship with various stakeholders;
- ❖ Independence of behavior and judgment.



- ❖ Maintenance of confidentiality of critical issues.

The Attributes of Criteria of Performance Evaluation is attached.

Factor	Attributes
Role & Accountability	❖ Understanding of nature and role of independent directors' position
	❖ Understanding of risks associated with the business
	❖ Application of knowledge for rendering advice to Management for resolution of business issues
	❖ Offer constructive challenge to Management strategies and proposals
	❖ Active engagement with the Management and attentiveness to progress of decisions taken
Objectivity	❖ Non-partisan appraisal of issues
	❖ Own recommendations given professionally without tending to majority or popular views
Leadership & Initiative	❖ Heading Board Sub Committees
	❖ Driving any function or identified initiative based on domain knowledge and experience
Personal attributes	❖ Commitment to role & fiduciary responsibilities as a board member
	❖ Attendance and active participation
	❖ Proactive, strategic and lateral thinking

Further the Committee/Board is authorized to modify the criteria as it may deem fit and necessary.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Pursuant to the requirement of Regulation 34 (3) read with Schedule V of the SEBI (LODR) Regulation, 2015, criteria of making payments to non-executive directors shall be disclosed in the Annual Report or alternatively, may be disseminated on the website of the Company and reference drawn thereto in the annual report. Hence, we are providing a web link of the same:

<http://www.keerthiindustries.com/images/codeofconduct/Criteriaforselectionandremunerationofboardmembers.pdf>

c. STAKEHOLDERS RELATIONSHIP COMMITTEE:

i. Composition, meetings and the attendance during the year:

The committee met Four (4) times on 25.07.2020, 12.09.2020, 11.11.2020 and 13.02.2021, during the financial year ended March 31, 2021. The details of composition and attendance record of the members at the meeting were as follows:

Name	Designation	Category	No. of Meetings
Sri. B. V. Subbaiah	Chairman	NED (I)	4
Sri. J. S. Rao	Member	ED (P)	4
Smt. J. Triveni	Member	ED (P)	1

ii. Powers:

The committee has been delegated with the following powers:

- ❖ To redress shareholders and investor complaints relating to transfer of shares, dematerialization of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- ❖ To approve, transfer, transmission, and issue of duplicate/ fresh share certificate(s).
- ❖ Consolidate and sub-division of share certificate etc.
- ❖ To redress, approve and dispose off any, other complaints, transactions and requests etc. received from any shareholder of the company and investor in general.

The Shareholders are requested to note that in compliance with the modified guidelines for share transfers under corporate governance rules, the routine transfer of physical shares of the



Company has been delegated to XL Softech systems Ltd (RTA) and the share transfers has been completing within 30 days from the date of receipt of the valid transfer deeds. The other investor related complaints is reported to the Stakeholder's Relationship Committee.

The Company has designated an exclusive e-mail ID kilinvestorservices@gmail.com for redressal of shareholders' complaints/grievances.

iii. Complaints received and redressed by the Company during the financial year:

S.No.	Description	June'20		Sept'20		Dec'20		Mar'21		Total	
		Receipt	Resolved	Receipt	Resolved	Receipt	Resolved	Receipt	Resolved	Receipt	Resolved
1	Non-Receipt of Dividend	NIL	NIL	NIL	NIL	NIL	NIL	1	1	1	1
2	Non-Receipt of Share Certificate sent for transfer etc	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Non-Receipt of Annual Reports, Right forms, Bonus shares/ Interest on delayed receipt of refund order.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As required under Section 135 of the Companies Act, 2013 the company has, on May 29, 2014, formed a CSR committee consisting of the following members.

Name	Designation	Category
Sri. B. V. Subbaiah	Chairman	NED (I)
Sri. K. Harishchandra	Member	NED (I)
Sri. J. Sivaram Prasad	Member	NED (I)
Sri. J. S. Rao	Member	ED (P)

The Annual Report on CSR activities carried out during the year 2020-21 is annexed as **(Annexure III)**.

e. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of the SEBI (LODR) Regulation, constitution of Risk Management Committee is mandatory for top 100 companies. Hence, it is not mandatory for your company to constitute this committee. However, the company has formed a risk evaluation/management committee consisting of the following members on 29.05.2015.

Name	Designation	Category
Sri. J. S. Rao	Chairman	ED (P)
Sri. B. V. Subbaiah	Member	NED (I)
Sri. K. Harishchandra	Member	NED (I)

Term of reference:

- Formulate and recommend to the Board, Risk Management Policies.
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Risk Management Policies of the company from time to time.
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- such other terms as specified in the companies Act 2013 and Listing Agreement or modifications made thereof and as may be delegated by the Board.



f. INTERNAL COMPLAINT COMMITTEE

The company has on 29.05.2015, formed an Internal Complaint Committee as envisaged under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for receiving complaint of sexual harassment. The Committee consisting of the following members:

Name	Designation	Category
Smt. J. Triveni	Chairman	Chairperson
Smt. J. Sarada Govardhini	Member	Chief Operating Officer
Sri. J. S. Rao	Member	Managing Director

INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on February 13, 2021, inter alia, to discuss:

1. Evaluation of the performance of Non-Executive Non-Independent Directors and the Board of Directors as a Whole;
2. Evaluation of performance of the Executive Chairperson and the Managing Director
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

IV. GENERAL BODY MEETING:

a. Annual General Meetings:

Financial Year	Date	Time	Venue	Special Resolution
2019-20	26.09.2020	09.30 AM	Video Conferencing Mode	Yes
2018-19	07.08.2019	09.30 A.M	Registered office at Plot 40, IDA Balanagar Hyderabad - 500037 Telangana	Yes
2017-18	29.09.2018	11.00 A.M	Registered office at Mellacheruvu (Village & Mandal), Suryapet District 508246 Telangana	Yes

b. Extra Ordinary General Meeting:

No EGM was held during the year under review,

c. Postal Ballot:

No Postal Ballot was conducted during the year under review.

d. Circular Resolution:

One circular resolution was passed on 1st February, 2021 for appointment of Sr. J. Venkata Krishna as Additional Non-Executive Director of the Company.

V. MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly financial results are sent to the stock Exchanges immediately after the Board approves the same and are also published in The Financial Express, English newspaper and in Andhra Prabha, vernacular newspaper. Then same is also uploaded in the Company’s website: www.keerthiindustries.com.

VI. GENERAL SHAREHOLDERS INFORMATION:

a. 38th Annual General Meeting:

Date and Time	Monday, the 20th September, 2021 at 11.00 AM
Mode:	Video Conferencing mode

b. Record Date: 15th September, 2021.

c. Book Closure Date: 16th September, 2021 to 20th September, 2021 (Both days inclusive)

d. Financial Year and Calendar (Tentative) 2021-2022:



Keerthi Industries Limited

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within 45 days of the end of that Quarter except the last quarter which is declared within 60 days of the end of the Quarter as follows:

Financial Reporting for 2021-2022 (tentative)	On or before
Quarter Ending 30.06.2021	14.08.2021
Half year ending 30.09.2021	14.11.2021
Quarter Ending 31.12.2021	14.02.2022
Year ending 31.03.2022	30.05.2022

Listing on Stock Exchanges

- i. The Bombay Stock Limited
- e. Listing Fees: Listing Fees for Financial Year 2020-21 has been paid on 28th April, 2021.
- f. Scrip Code: 518011
- g. ISIN No: INE145L01012
- h. Stock Price Data and performance: (Amount in Rs.)

Month	High	Low	Turnover	Month	High	Low	Turnover
Apr'2020	31.50	26.25	2,15,979	Oct'2020	50.90	37.00	7,13,971
May'2020	31.75	25.00	99,997	Nov'2020	93.00	47.80	52,37,321
Jun'2020	37.60	28.50	5,74,179	Dec'2020	88.60	83.05	54,31,431
Jul'2020	38.60	31.40	6,91,371	Jan'2021	94.25	83.45	38,46,907
Aug'2020	46.25	34.20	9,25,176	Feb'2021	123.50	95.00	39,08,385
Sept'2020	50.50	38.90	8,70,789	Mar'2021	115.70	89.65	17,46,754

- i. Registrar & Share Transfer Agents (for shares held in both physical and demat mode):
M/s. XL Softech systems Limited
3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Tel: 040-23545913, 14
- j. Share Transfer System:

As on 31st March 2021, 86.02% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with the Company or with the Registrar and Share transfer Agent at the above-mentioned addresses. Apart from equity shares, 100% of 9% cumulative redeemable preference share held in physical form.

Transfer of shares in physical form is normally processed within thirty (30) days of receipt provided the transfer documents are in order.

- k. Shareholding Pattern as on March, 2021:

S.No.	Category	No. of Shares Held	Percentage as a total no. of Shareholding
A	Shareholding of Promoter and Promoter group		
	Promoters & Persons acting in Concert	6005953	74.92
	Sub- Total A	6005953	74.92
B	Public Shareholding		
	1. Institutions	3324	0.04
	2. Non- Institution		
	a. Body Corporate	109434	1.37
	b. Indian Public and others	1730459	21.57
	c. Any others		
	i) NRI's	91079	1.14
	ii) Trust	27778	0.35
	iii) HUF	48711	0.61
	Sub- Total B	2010785	25.08
	Grand Total (A+B)	8016738	100.00



- i. Distribution of shareholding of the Company by number of shares held as on 31st March, 2021 is as follows:

Particulars	Shareholders		Shareholding	
	Number	%	Value	%
UPTO – 5000	13095	96.25	10953720	13.66
5001 – 10000	317	2.33	2473500	3.09
10001 – 20000	117	0.86	1683680	2.10
20001 – 30000	30	0.22	736310	0.92
30001 – 40000	20	0.15	680440	0.85
40001 – 50000	4	0.03	186960	0.23
50001 – 100000	9	0.07	562530	0.70
100001 & ABOVE	13	0.10	62890240	78.45
Total	13605	100.00	80167380	100.00

- m. Dematerialization of Shares:

The Company's equity shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is INE145L01012. As on 31st March, 2021, 68,96,001 equity shares are dematerialized which is 86.02 % of the paid-up equity share capital of the company and out of which 4284095 shares (53.44%) are in CDSL and 2611906 shares (32.58%) are in NDSL and the balance i.e. 1120737 (13.98%) equity shares are in physical form.

- n. Plant Location and address for investors correspondence:

Plant Locations:

Plant Locations	
Cement	Electronics
Mellacheruvu (Village & Mandal), Suryapet District, Telangana-508 246 Tel: 08683-226028	Plot No. 40, IDA, Balanagar, Hyderabad, Telangana - 500037 Tel: 040-23076543

The Shareholders may correspond with the Company for the redressal of their grievances, if any, to the Registered Office of the company.

Plot No.40, I.D.A, Balanagar, Hyderabad-500 037.

Tel: 040-23076543

E-mail ID: kilinvestorservices@gmail.com

- o. CEO/MD and CFO Certification:

As required by the Regulation 17 (8) Part B of Schedule II of the SEBI (LODR) Regulation, 2015, the certificate from Managing Director and CFO is attached elsewhere in the Annual Report.

- p. CEO/MD Declaration on Compliance of Code of Conduct:

As required under Clause D of Schedule V of the SEBI (LODR) Regulation, 2015, the Managing Director of the Company has furnished the requisite Certificates to the Board of Directors affirming that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Company's code of conduct. The Certificate is attached elsewhere in the Annual Report.

- q. Compliance Certificate of the Practicing Company Secretaries:

As required under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR), Regulations, 2015, certificate obtained from M/s. VCSR & Associates, Practicing Company Secretaries on non- disqualification of directors of the Company is attached elsewhere in the Annual Report.

- r) Certificate Of Non-disqualification Of Directors:

As required under Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR), Regulations, 2015, certificate obtained from M/s. VCSR & Associates, Practicing Company Secretaries on non- disqualification of directors of the Company is attached elsewhere in the Annual Report.



VII. OTHER DISCLOSURES:

- i. There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- ii. During the year under review, the trading was suspended by BSE Ltd for delay in compliance of Regulation 17(1) of SEBI (LODR), Regulations, 2015 with regard to appointment of 6th Director in the Company and imposed fine for the said delay. The Company has complied the same, paid the fines and revoked the suspension in trading.
- iii. In the preparation of financial statements, no treatment materially different from that prescribed in Indian Accounting Standards had been followed.
- iv. Vigil Mechanism: We have established Whistle Blower policy, a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. It is hereby affirmed that the mechanism provides direct access to the designated Ethics Counselor /Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.
- v. The Company has complied with the mandatory requirements within the allowed time and adopted, to the extent practicable to adopt, non-mandatory requirements as required under the SEBI (LODR) Regulation, 2015.
- vi. The Company does not have any subsidiary Company; hence the requirement for framing policy for determining 'material' subsidiaries is not required.
- vii. The Policy on dealing with related party transactions is disseminated in the website of the Company and is available at the weblink:
<http://www.keerthiindustries.com/images/codeofconduct/Policyonrelatedpartytransaction.pdf>
- viii. Most of the discretionary requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulation, 2015, which were practicable for the company to adopt have been adopted and applied.
- ix. The Company has complied with all the compliances with corporate governance requirements specified in regulation 17 to 27 and applicable clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulation, 2015, except delay in complying Regulation 17(1).
- x. M/s. VCSR & Associates, Practicing Company Secretary, carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

VIII. SUBSIDIARY COMPANIES:

The Company do not have any subsidiary company.

For and on behalf of the Board

For **KEERTHI INDUSTRIES LIMITED**

Sd/-

J. Triveni

Executive Chairperson

Place: Hyderabad
Date: 26.06.2021



(Annexure III)

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company

Our aim is to contribute to the social and economic development of the communities in which we operate and to provide better and sustainable way of life for the upliftment of poor and needy people within and immediate vicinity of the factory and principal places of our business and also to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

2. CSR Mission is stated herein below:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Sri. B. V. Subbaiah	Chairman (Non-executive Independent Director)	1	1
(ii)	Sri. K. Harishchandra	Member (Non-executive Independent Director)	1	1
(iii)	Sri. J. Sivaram Prasad	Member (Non-executive Independent Director)	1	1
(iv)	Sri. J.S Rao	Member Executive Director	1	1

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:	http://www.keerthiindustries.com/images/CSR-Policy-2nd-amendment.pdf
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	NIL The Company has not spent any amount in excess of the CSR Budget in any previous financial years neither the Company have spent in excess of the Budget in the financial year 2020-21. Therefore set-off is not required.
6	Average net profit of the company as per section 135(5)	Rs. 216.65 Lakhs
7	a. Two percent of average net profit of the Company as per section 135(5):	Rs. 4.33 Lakhs
	b. Surplus arising out of the CSR projects/ programmes or activities of the previous financial years:	NIL
	c. Amount required to be set off for the financial year, if any:	NIL
	d. Unspent CSR Amount carried Forward from the FY 2019-20:	Rs. 41.43 Lakhs
	e. Total CSR obligation for the financial year: (a+b+c+d)	Rs. 45.76 Lakhs



8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Lakhs)	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 46.00	N.A.	N.A.	N.A.	N.A.	N.A.

b. Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	State	District	Project duration	Amount allocated for the project (Rs. in Lakhs)	Amount spent in the current financial Year (in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lakhs)	Mode of Implementation - Direct (Yes/ No).	Name	CSR Registration number
1.	Development of cremation grounds	i	Yes	Telangana	Mellacheruvu Village, Suryapet District	1 2 Months	21.00	21.00	0.00	Yes	-	-
2.	Sports Training and coaching provided to aspirants	vii	Yes	Telangana	Rang Reddy District	N.A.	20.00	20.00	0.00	No	Chetan Anand Badminton Formation	-
Total							41.00	41.00	0.00			-

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the project		Amount spent for the project (in lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Hyderabad floods	xii	Yes	Telangana	Hyderabad	5.00	Yes	-	-
Total						5.00			

- d. Amount spent in Administrative Overheads : NIL
- e. Amount spent on Impact Assessment, if applicable : NIL
- f. Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 46.00 Lakhs
- g. Excess amount for set off, if any : Rs. 0.24 Lakhs



Sl.No	Particular	Amount (Rs. In Lakhs)
i.	Two percent of average net profit of the company as per section 135(5) plus carried forward unspent amount of previous FY 2019-20	4.33 + 41.33 = 45.76
ii.	Total amount spent in the Financial Year (including the carried forward unspent amount of previous FY 2018-19)	46.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.24
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.24

9. a. Details of Unspent CSR amount for the preceding three financial years: Not Applicable
b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: N.A.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-
B. V. Subbaiah
Chairman, CSR Committee

Sd/-
J. S. Rao
Managing Director

Place: Hyderabad
Date: 26.06.2021



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members,
M/s. Keerthi Industries Limited,
Hyderabad.

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Keerthi Industries Limited having CIN: L11100TG1982PLC003492 and having registered office at Plot 40, IDA, Balanagar, Hyderabad-500037 Telangana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Designation
1.	Triveni Jasti	00029107	Executive Chairperson
2.	Seshagiri Rao Jasti	00029090	Managing Director
3.	Venkata Subbaiah Boddu	01147062	Independent Director
4.	Harishchandra Prasad Kanuri	00012564	Independent Director
5.	Sivaram Prasad Jetty	00221271	Independent Director
6.	Venkata Krishna Jasti#	09041310	Additional Director

Mr. Venkata Krishna Jasti has appointed as Additional Director of the Company on 01.02.2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCSR & Associates
Practicing Company Secretaries

Sd/-

Ch. Veeranjanyulu

Partner

CP NO. 6392, FCS No. 6121

UDIN: F006121C000589836

Place: Hyderabad
Date: 26.06.2021



(Annexure IV)
to the Report of the Board of Directors
MR -3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To
The Members
Keerthi Industries Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and regulations as mentioned below and the adherence to good corporate practices by M/s. Keerthi Industries Limited (herein called 'the Company') for the financial year 2020-21. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Keerthi Industries Limited ('the Company') for the financial year ended on March 31, 2021 ("Audit Period") according to the provisions of:
 - 1.1. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
 - 1.2. The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - 1.3. The Depositories Act, 1956 and the Regulations and the Bye-laws framed thereunder;
 - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
 - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 1.5.4. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreement entered with BSE Limited;
 - 1.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
 - 1.7. We have also examined the compliance of other applicable laws as under:
 - 1.7.1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - 1.7.2. Employees State Insurance Act, 1948
 - 1.7.3. Employers Liability Act, 1938
 - 1.7.4. Environment Protection Act, 1986 and other environmental laws
 - 1.7.5. Equal Remuneration Act, 1976
 - 1.7.6. Factories Act, 1948
 - 1.7.7. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
 - 1.7.8. Industrial Dispute Act, 1947



- 1.7.9. Minimum Wages Act, 1948
- 1.7.10. Payment of Bonus Act, 1965
- 1.7.11. Payment of Gratuity Act, 1972
- 1.7.12. Payment of Wages Act, 1936 and other applicable labour laws

2. We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

2.1. Delay in compliance of Regulation 17 (1) of SEBI (LODR), Regulations, 2015:

- a) As per the amended provisions of Regulation 17 (1) of SEBI (LODR), Regulations, 2015, the Company was required to have minimum 6 directors as on 01st April, 2020. However, the Company has complied the said requirement on 01st February, 2021, thereby delayed in compliance of the said requirements. In this regard, the trading in the securities was suspended by BSE Ltd w.e.f. 12th February, 2021. Thereafter, the Company has complied all the applicable requirements in this regard and paid the applicable fine imposed by BSE Ltd. The suspension of trading in Securities was revoked by BSE Ltd w.e.f. March 24, 2021.

3. We further report that:

3.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Non-Executive Independent Directors. The composition of the Board of Directors during the period under review is in compliance with the provisions of the Act/SEBI Regulation except the delay as mentioned above in point no 2.1 (a).

3.2. Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3.3. Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously. There were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

3.4. Majority decision is carried through as informed by the Company.

4. As per our Audit and the explanation provided by the management, it is to be noted that for the Audit Period the following acts are not applicable to the Company:

- 4.1. SEBI (ESOS & ESOP) Guidelines, 1999.
- 4.2. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
- 4.3. SEBI (Buyback of Securities) Regulations, 1998.
- 4.4. SEBI (Share Based Employee Benefits) Regulations, 2014.

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

6. We further report that during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For VCSR & Associates
Practicing Company Secretaries

Sd/-

Ch. Veeranjanyulu

Partner

CP NO. 6392, FCS No. 6121

UDIN: F006121C000537861

Place: Hyderabad
Date: 26.06.2021

Note: This report is to be read with our letter of even date which is annexed as **(Annexure IV.I)** and forms an integral part of this report.



(Annexure IV.I)

To
The Members
Keerthi Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VCSR & Associates
Practicing Company Secretaries

Sd/-

Ch. Veeranjanyulu

Partner

CP NO. 6392, FCS No. 6121

UDIN: F006121C000537861

Place: Hyderabad
Date: 26.06.2021



**(Annexure V)
to Boards Report**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2021
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

S.No.	Particulars	Details
1	CIN	L11100TG1982PLC003492 (Formerly L26942TG1982PLC003492)
2	Registration Date	17th May, 1982
3	Name of the Company	Keerthi Industries Limited
4	Category / Sub-Category of the Company	Company Limited by Shares
5	Address of the Registered office and contact details	Plot No.40, IDA Balanagar, Hyderabad-500037, Telangana
6	Whether listed company	YES, BSE Limited
7	Name, Address and Contact details of Registrar and Transfer Agent	M/s. XL Softech Systems Limited 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Tel: 040-23545913/14

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Cement	23941	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	60,06,188	Nil	60,06,188	74.92	60,05,953	Nil	60,05,953	74.92	0.00
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	60,06,188	Nil	60,06,188	74.92	60,05,953	Nil	60,05,953	74.92	0.00
(2) Foreign									
a) Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	60,06,188	Nil	60,06,188	74.92	60,05,953	Nil	60,05,953	74.92	0.00



Keerthi Industries Limited

B. Public Shareholding									
1. Institutions									
Mutual Funds	Nil	250	250	0.00	Nil	250	250	0.00	0.00
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Financial Institutions/Banks	6,667	3,074	9,741	0.12	Nil	3,074	3,074	0.04	(.08)
Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NiFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	6,667	3,324	9,991	0.12	Nil	3,324	3,324	0.04	(.08)
2. Non-Institutions									
a) Body Corporate									
i) Indian	71,121	63,583	1,34,704	1.68	45,004	64,430	1,09,434	1.37	(0.36)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Trust	Nil	Nil	Nil	Nil	27,778	Nil	27,778	0.35	0.35
c) i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	6,27,141	9,95,344	16,22,485	20.24	5,85,666	9,81,125	15,66,791	19.53	(0.70)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1,57,328	Nil	1,57,328	1.97	1,63,668	Nil	163,668	2.04	(0.08)
c) Others : i) NRI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Non-repatriable	3,238	Nil	3,238	0.04	3,757	Nil	3,757	0.05	0.01
iii) Repatriable	10,946	71,858	82,804	1.03	15,464	71,858	87,322	1.09	0.06
iv) HUF	Nil	Nil	Nil	Nil	48,711	Nil	48,711	0.61	0.61
Sub-total (B)(2):-	8,69,774	11,30,785	20,00,559	24.96	8,90,048	11,17,413	20,07,461	25.04	0.08
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8,76,441	11,34,109	20,10,550	25.08	8,90,048	11,20,737	20,10,785	25.08	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	68,82,629	11,34,109	80,16,738	100.00	68,96,001	11,20,737	80,16,738	100	Nil

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	J. Seshagiri Rao	37,01,559	46.18	64.97	37,01,559	46.18	64.97	NIL
2	J. Triveni	21,95,349	27.38	NIL	21,95,349	27.38	NIL	NIL
3	J. Venkata Krishna	87,347	1.09	NIL	87,347	1.09	NIL	NIL
4	J. Sarada Govardhini	21,698	0.27	NIL	21,698	0.27	NIL	NIL
5	J. Veeranna Choudary	235	0.00	NIL	NIL	NIL	NIL	NIL
6	J.S. Krishna Murthy (HUF)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7	J. Bullemmai	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total	60,06,188	74.92	NIL	60,05,953	74.92	NIL	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)-



Keerthi Industries Limited

No Change in the shareholding of the promoters except that Sri. J. Veeranna Chaudhary has sold its entire 235 shares during the year ended March, 2021. The Company has applied for re-classification of Sri. J. Veeranna Chaudhary, Sri. J.S. Krishna (HUF) & Late Smt. J. Bullemmai from promoter to public citatory and the application is pending in BSE Ltd.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Buradagunta Suguna	0	0.00	1,00,000	1.25
2	Mecca Constructions Pvt Ltd	50,000	0.62	50,000	0.62
3	Stressed Assets Stabilization Fund	27,778	0.35	27,778	0.35
4	Atul Dinkerray Raval	18,233	0.23	23,074	0.29
5	Dheeraj Kumar Lohia	25,875	0.32	22,278	0.28
6	Golden Goenka Commerce Private Limited	23,551	0.29	18,551	0.23
7	Mahendra Girdharilal	0	0.00	16,112	0.20
8	Rambabu Ammanabrolu	0	0.00	9,337	0.12
9	Thyagarajan Gurumurthy	13220	0.16	8,000	0.10
10	V C Brahmanna	7100	0.09	7100	0.09
	Total	1,65,757	2.06	2,82,230	3.52

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	J. S. Rao – Managing Director				
	At the beginning of the year	37,01,559	46.18	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	37,01,559	46.18
2	J Triveni – Executive Chairperson & Whole-time Director				
	At the beginning of the year	21,95,349	27.38	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	21,95,349	27.38
3	J. Venkata – Non executive Additional Director				
	At the beginning of the year	87,347	1.09	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	87,347	1.09
4	Sivaram Prasad Jetty – Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	-	-
5	Venkata Subbaiah Boddu – Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	-	-



Keerthi Industries Limited

6	Harishchandra Prasad Kanuri – Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	-	-
7	Akriti Sharma – Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	-	-
8	Y Sadasiva Rao – CFO				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	-	-	-	-

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/acrued but not due for payment Rs. (In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Vendor Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1341.84	4185.40	6.46	5533.70
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	6.16	81.68	Nil	87.84
Total (i+ii+iii)	1348.00	4267.08	6.46	5621.54
Change in Indebtedness during the financial year				
Addition	43.87	318.69	Nil	362.56
Reduction	1323.87	2291.37	Nil	3615.24
Net Change Indebtedness	(1280)	(1972.68)	Nil	(3252.68)
At the end of the financial year				
i) Principal Amount	68	2294.34	6.46	2368.80
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	0.06	Nil	0.06
Total (i+ii+iii)	68	2294.40	6.46	2368.86

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager: (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (Rs. In Lakhs)
		J. S. Rao & CFO (MD & CFO)	J. Triveni (Chairperson & WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78	78	156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil



4	Commission - as % of profit Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	78	78	156
	Ceiling as per the Act			168

B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		K Harishchandra Prasad	B V Subbaiah	J Sivaram Prasad	J Vankata Krishna (appointed w.e.f. 01-02-2021)	
1	Independent Directors					
	Fee for attending board / committee meetings	60,000	70,000	60,000	—	1,90,000
	Commission	Nil	Nil	Nil	—	Nil
	Others, please specify	Nil	Nil	Nil	—	Nil
	Total (1)	60,000	70,000	60,000	—	1,90,000
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total = (1+2)	60,000	70,000	60,000	—	1,90,000
	Total Remuneration					1,90,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		Total Amount
		CS (Akriti Sharma)	CFO (Y. Sadasiva Rao)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,12,508	54,24,000	62,36,508
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil		Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil		Nil
2	Stock Option	Nil		Nil
3	Sweat Equity	Nil		Nil
4	Commission - as % of profit - others, specify...	Nil		Nil
5	Others, please specify	Nil		Nil
	Total	8,12,508	54,24,000	62,36,508



VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL



(Annexure-VI)

Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees.
1.	Smt. J. Triveni (Executive Chairperson)	23:1
2.	Sri J. S. Rao (Managing Director)	23:1

Non-Executive Directors are getting seating fee in respect of attending Board meetings. No other remuneration is paid to them.

- ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Name of the Director & KMP	% increase in remuneration
1.	Sri. J. S. Rao (Managing Director)	0.00
2.	Smt. J. Triveni (Executive Chairperson)	0.00
3.	Sri. J. Sivaram Prasad (Independent Director)	NIL
4.	Sri. B V Subbaiah (Independent Director)	NIL
5.	Sri. K. Harishchandra Prasad (Independent Director)	NIL
6.	Sri. Vankata Krishna Jasti (Additional Non-Executive Director)	NIL
7.	Sri. Y Sadasiva Rao (CFO)	8.39
8.	Ms. Akriti Sharma	13.51

- iii) The percentage increase in the median remuneration of employees in the financial year: 9.37%
- iv) The number of permanent employees on the rolls of company: 257
- v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in the salaries of employees is 9.78%. During the financial year ended 31st March, 2021, there are two whole time Directors viz., Managing Director and Executive Chairperson and the increment is show above in table no (ii). The increment in salaries of the employees are in line with the increment in the Managerial Remuneration as compared to other organisation of same sector and scale of business.

- vi) The key parameters for any variable component of remuneration availed by the directors.

The Executive Directors Mr. J.S. Rao, Managing Director and Smt. J. Triveni, Executive Chairperson not has been paid any commission apart from monthly remuneration subject to the overall limits specified by the Companies Act, 2013. Non-executive Directors have received setting fee as remuneration, for attending Board and committee meetings,

Hence, there is no any variable component of remuneration availed to the Executives Directors during the year under review.

- vii) Affirmation that the remuneration is as per the remuneration policy of the company

The remuneration paid to the Key Managerial personnel is in accordance with the remuneration policy of the Company.

**Statement of Particulars of employees pursuant to Rule 5 (2) of the companies (appointment and remuneration of managerial personnel) rules, 2014**

Sl. No.	Name & Designation	Remuneration Received (Amount in Rs.)	Nature of Employment	Qualification & Experience of the employee	Date of commencement of employment	Age	The Last employment held before joining the Company	The % of equity shares held by the employee in the Company within the meaning of Clause (iii) of Sub-rule (2) of Rule 5	Whether is a relative of any Director or Manager of the Company
1	Smt. J. Triveni – (Chairperson)	78,00,000	Contractual	B. Com (Hons)	25-04-2005	58	Hyderabad Bottling Co Ltd - Director	27.38	-
2	Sri. J. S. Rao – (Managing Director)	78,00,000	Contractual	M. Tech	30-09-1999	65	Hyderabad Bottling Co Ltd - Managing Director	46.17	-
3	Smt. J. Sarada Govardhini - (COO)	53,03,744	Permanent	LLM, 9 Years of Experience	14-02-2011	34	-	0.27	Daughter of Chairperson and Managing Director
4	Sri. Y Sadasiva Rao	54,24,000	Permanent	CA	01-04-2018	64	-	0.00	-
5	Shi. K.B.V Murthy -Sr.V.P.G	21,00,000	Permanent	BSC	31-08-2018	67	NCL	0.00	-
6	Shri. C. Joginadham - G.M.(O)	19,20,000	Permanent	MSc	02-11-1996	59	-	0.00	-
7	Sri. J. Srinivasa Rao - Sr. D.G.M(P&QC)	18,90,012	Permanent	MSc	10-04-2017	56	-	0.00	-
8	Sri. L. Rambabu - Sr. MS	10,65,612	Permanent	BSC	11-11-1987	64	-	0.00	-
9	Sri. D. Jwannes Reddy- Manager (Mines)	9,77,928	Permanent	Polytechnic (Diploma)	22-07-2016	36	Andhra Cements Ltd	0.00	-
10	Sri. D. Vijay Kumar - D.G.M	9,43,428	Permanent	Diploma	30-06-1994	53	-	0.00	-

Notes: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2)(i), (ii) & (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014



MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and another incidental factor.

2. OVERVIEW OF INDUSTRY

Keerthi Industries mainly operates in three business segments; (a) Cement (b) Electronics and (c) Power.

a. CEMENT

We operate one integrated cement plants in the States of Telangana. This segment contributes more than 90% of the total Turnover of the Company vis-à-vis other segments of the Company. We sell cement under the brand "Suvarna Cements", one of the leading brands in South India.

The Company has a 2.24-megawatt ("MW") Waste-Heat Recovery Power Plant ("WHR Power Plant") at its existing Cement Plant in Suryapet District of Telangana. The WHR Power Plant is delivering at its full capacity.

b. ELECTRONICS

Your Company is one of the few companies specialized in manufacturing flexible Printed Circuit Boards (PCB) in India. The Electronic Industry is looking up and doing well, giving a scope for PCB industry to expand. There appears to be some improvement in the usage of flex circuits in India as new designers have started involving them for prototype manufacturing. The segment has good improvement in its operations during the financial year with strong demand from their regular consumers. Focus on quality and customer service, improved supply chain mechanism are expected to give strong push to company's operations in the upcoming years.

c. POWER

Your company has one 1.50 MW Wind Energy based Electric Generating Station ("the Plant") located at Koppalahli village, Hassan (Taluk & District), Karnataka and is being commissioning since September, 2007. The Power generated from the plant is entirely sold to Chamundeshwari Electricity Supply Corporation Limited (CESC), a Government of Karnataka Undertaking. Your Company has appointed Suzlon Energy Limited (SEL), having registered office at Pune, Maharashtra, as Operation & Management Service Contractor inter alia to look after, manage and operate the Wind Turbines Generators (WTGs) and related equipment's.

With the growing cut-throat competition in the market, the Audit Committee and the Board at their meeting held on 26th June, 2021 have approved to sell the wind power division on a slump sale basis to prospective buyer at a consideration of not less than Rs. 2.52 Crores.

d. OILFIELD AND NATURAL GAS

The proposed activities can be carried out, under the existing circumstances, conveniently and advantageously along with the existing activities of the Company. These will enable the Company to carry on its business economically and efficiently. The Company is looking forward to take up and start new projects in this field.

3. OPPORTUNITIES & OUTLOOK

a. CEMENT DIVISION

Industry Structure and Developments:

India is the world's second largest cement producer with a cumulative production capacity of 540 Million tonnes per annum ("MTPA") in 2020. The pandemic led to a slowdown and delay in capacity expansion of various projects across the country. Cement demand fell by an estimated 10-12% YoY in 2020 owing to the COVID-19 outbreak. Lockdown-led demand disruption was the highest in the first quarter of previous year and first quarter of current year 2020-21 which led to slowdown of production, stalled construction activities and mass migration of labour. However, starting the second quarter 2020 the demand pushed up until May 2021 with the arrival of second wave of pandemic when the construction works were impacted to some extent. Rural demand continues to be the good news for cement consumption. Cement production reached 329 MT in FY20 and is expected to reach 381 MT in FY22. India's overall cement production accounted for 262 million tonnes (MT) in FY21.



Opportunities:

The housing sector is the biggest demand driver of cement, accounting for about 65 % of the total consumption in India. The other major consumers of cement include infrastructure at 15%, commercial construction at 11% and industrial construction at 9%. The Government initiatives like Housing for All will push demand in the sector coupled with strong growth in rural housing and low-cost housing to amplify demand. As per Union Budget 2019-20, the Government is expected to upgrade 1,25,000 kms of road length over the next five years. Projects like Dedicated Freight Corridors and ports under development and Government of India's push with Smart Cities Mission will give boost to the sector.

Government announcement in November-December, 2020 regarding key infrastructure projects such as National Highway projects in Nagaland (worth US\$ 560.88 million), Rajasthan (worth US\$ 1.14billion), Karnataka (worth US\$ 1.49 billion), Telangana (worth US\$ 1.80 billion).

b. ELECTRONIC DIVISION

Industry Structure and Developments:

Under the influence of the COVID-19 pandemic, the electronics industry saw a volatile development. The general economic downturn initially hit the electronics industry directly and hard, however, this one was only short-lived. Despite a strong upturn in the second half of 2020, only the computer and notebook segment picked up considerably compared with the previous year.

India is one of the largest consumer of electronic products in Asia-Pacific region and the third largest start-up hub coupled with strong research and development (R&D) ecosystem. Bengaluru and Hyderabad are ranked among the top 50 start-up cities in 2021. Your Company is one of the few companies specialized in manufacturing flexible printed circuit boards in South India.

Opportunities:

The positive outlook of the electronics industry world-wide is currently dampened due to the impact of covid-19. However, your company has shown a raising tone even in this hardship time and produced 2541 sq. mts of Printed Circuit Boards in FY 2020-21 as against 2,043.69 sq. mts of the previous year. The Company is also aiming to take up new projects to improve the revenue in this segment. There appears to be some improvement in the usage of flexible circuits in India as new designers have started involving them for prototype manufacturing. Bulk requirements, however will be a reality, only after successfully completing the trials. Volumes of flexible PCBs being sold by your company as import substitute will increase, with exports and with the growth of the electronic industry. The Electronic Industry is looking up and doing well now, giving a scope for PCB industry to expand.

c. POWER DIVISION

Industry Structure and Developments:

The growth in domestic market in the last few years has been constrained given the uncertainties around fuel supply, -financial condition and challenges of land acquisition, water linkages and various statutory clearances. As the power sector is seen as a key driver supporting the growth of the nation at large, the Government at the Center has been pursuing reforms which are expected to ease some of the known constraints.

In the year 2006-07, the company has invested in a small scale wind power project of the capacity of 1,500 KVA, in Hassan district of Karnataka state. This is being successfully operated and maintained by M/s. Suzlon energy Limited on behalf of the company. With the growing cut-throat competition in the market, the management has decided to focus on its core business Units and hence, the Audit Committee and Board on their respective meeting held on 26th June, 2021 has approved to sell, transfer or otherwise dispose-off the Wind Power Division of the Company to Prospective Buyer on slump sale basis at a consideration of not less than Rs. 2.52 Crores.

Opportunities:

Over the next few years, the demand for transmission capacity is expected to increase significantly. However, your Board do not foresee any major expansion program in this division in the near future.

d. OILFIELD AND NATURAL GAS:

Industry Structure and Developments:

India is the world's third largest energy consumer globally. Demand for primary energy in India is expected to increase threefold by 2035 to 1,516 million tonnes of oil. The oil and gas sector is among the eight core



industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Oil imports rose sharply to US\$ 87.37 billion in 2017-18 from US\$ 70.72 billion in 2016-17.

Opportunities:

Looking more closely at the recent short-term recovery, it seems to represent a recent rebalancing of market fundamentals, in a way that will make supply more challenging over the next few years. Oil supply growth has eased off, demand is robust, and inventory levels are finally eroding. The investment slump in traditional supply sources looks like it will continue to have an effect on new production.

4. RISKS, CONCERNS & THREATS:

a) CEMENT DIVISION

Concerns of the Cement division are high cost of Power and Coal, high freight cost, inadequate infrastructure, non-availability of Wagons, and poor quality of coal and heavy taxes / royalty levies. The Operations of Cement companies in Telangana and Andhra Pradesh suffer due to covid-19 pandemic, lockdown, lower realizations and lower demand in the state.

b) ELECTRONIC DIVISION

There is a threat from major competitors who, in order to maintain their market share, have installed higher production capacity, offer lower prices, better payment terms and other incentives. Due to delay in upgrading our manufacturing facilities because of financial constraints our market share may be affected. The company is trying to evolve strategies to maintain its market share and profitability through cost reduction and strengthening customer base.

The company is exposed to a variety of risks across its entire range of business operations. Any slowdown in these sectors can largely impact the demand for the company's products. In India, optimism is growing about the prospect of an economic recovery following a slowdown triggered by the global financial crisis.

c) POWER DIVISION

As Suzlon Energy Limited (SEL) has been appointed as Operation & Management Service Contractor, SEL is taking care of internal and external environment to proactively address challenges, to the extent possible. Key elements of the program are summarized below:

The basic risk of this segment is Operational risks. Improving the Run-time and functioning of turbines during low-wind period has been one of the subjects of continuous concern, to make technology deliver the maximum output at the lower wind speed. In addition to improving the technology for the future, optimizing existing models to deliver maximum power output at low wind is of significant importance to ensure best utilization of the current mode.

d) OILFIELD AND NATURAL GAS

The oil and gas industry easily have a large impact on the mass populations of the world, as they supply many useful products, the main one being gasoline. Though this industry is a large and prosperous one, it also has a lot of risk involved with it. As with any product, there is always the concern that the supply won't meet the demand, or that the demand won't meet the supply, which results in wasted resources. Your company is looking avenues in this segment.

5. OUR BUSINESS

The breadth and depth of 'Keerthi' expertise has been built over last 5 years through a unique combination of long-standing customer relationships, investments in people and through continuous investments in new technologies.

The Company has been steadily expanding its customer base, infrastructure, service lines and industries. The growth momentum of the Company continues to deliver strong financial results, attract top domestic talent and win new customers and strengthen existing customer relationships. The Company has decided to concentrate and put the resources of the Company in its core business and in those segments which are likely to be profitable in coming years.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company is following a proper and adequate system of internal controls in respect of all its activities including



safeguarding and protecting its assets against loss from unauthorized use of disposition. Further all transactions entered into by the company are duly authorized and recorded correctly. M/s. Pavuluri & Co., Chartered Accountants, Hyderabad has been working as the Internal Auditors of the company. The Internal Auditors are submitting reports to the Audit Committee on a Quarterly basis.

7. SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

It is discussed in the Directors Report under the head operations in the Director's Report.

8. HUMAN RESOURCES, INDUSTRIAL RELATIONS

The company enjoys very cordial industrial relations, due to which there is very low employee/ labour turnover in the company. You will be happy to note that ever since the inception of the Company, there were no strikes, lockouts, lay-offs, retrenchments, etc.

9. SENIOR MANAGEMENT DISCLOSURES

The Company's senior management makes disclosures to the Board relating to all material financial and commercial transactions as and when they occur.

CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATION, 2015

Dear Shareholder,

We, Sri. J. S. Rao, Managing Director and Sri. Y. Sadasiva Rao, CFO of M/s Keerthi Industries Limited hereby certifies that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the state of affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
- C. We accept overall responsibility for establishing and maintaining the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
- D. There are
 - a. no significant changes in internal controls over financial reporting during the year;
 - b. no significant changes in the accounting policies during the year and the Company has adopted Indian Accounting Standard (IND-AS) w.e.f. 01-04-2018;
 - c. no instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.
- E. We have fully complied with the Accounting Manual of the Company and reviewed very carefully the checklists prepared by the Company.

Sd/-
J. S. Rao
Managing Director

Sd/-
Y. Sadasiva Rao
CFO

Place: Hyderabad
Date: 26.06.2021



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

To,
The Members of Keerthi Industries Limited

I, J. S. Rao, the Managing Director of the Company hereby certify that the Board of Directors of Keerthi Industries Limited has adopted a code of conduct for the Board Members and Senior Management of the Company ("the code"). The code is available on the website of the Company at www.keerthiindustries.com

Pursuant to Clause D of Schedule V of the SEBI (LODR) Regulation, 2015, I hereby declare that all Board members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2021.

For and on behalf of the Board
Keerthi Industries Limited

Place: Hyderabad
Date: 26.06.2021

Sd/-
J. S. Rao
Managing Director

Practicing Company Secretary's Certificate on compliance of conditions of Corporate Governance as per Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015

To
The Members of Keerthi Industries Limited
Hyderabad.

We have examined the compliances of requirements of Corporate Governance by M/s. KEERTHI INDUSTRIES LIMITED, for the year ended on 31st March, 2021 as stipulated under regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (LODR) Regulation, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Regulations. 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 and the representations made by the Directors and the management;

We certify that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company/RTA.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and applicable clauses from (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V the SEBI (LODR) Regulation, 2015, except that there was a delay in compliance of Regulation 17 (1) of SEBI (LODR) Regulations, 2015 with regard to the appointment of sixth director in the Company. However, the said requirement was complied on 1st February, 2021 and as at the end of financial year 31.03.2021 all the compliances of Regulation 17 to 27 has been complied.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For VCSR & Associates
Practicing Company Secretaries

Sd/-
Ch. Veeranjanyulu
Partner
CP NO. 6392, FCS No. 6121
UDIN: F006121C000538158

Place: Hyderabad
Date: 26.06.2021



INDEPENDENT AUDITOR'S REPORT

To the Members of
KEERTHI INDUSTRIES LIMITED, HYDERABAD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **KEERTHI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (Comprising of Profit and Other Comprehensive income) , changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors responsibility for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes.33.1 to the Financial Statements</p>	<p>Principal audit procedures</p> <p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions; and • We along with our internal tax experts – <ul style="list-style-type: none"> ❖ evaluated the Design and tested the operating effectiveness of controls around the assessment of the matter; ❖ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ❖ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ❖ Assessed management's estimate of the possible outcome of the disputed cases; • Assessed the appropriateness of disclosures made under the head 'Contingent Liabilities' in the financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and



whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act,
 - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for BRAHMAYYA & CO
Chartered Accountants
Firms' Regn No. 000513S

Sd/-
(K. SHRAVAN)
Partner

Membership No. 215798
UDIN: 21215798AAAII3940

Place: Hyderabad
Date: 26.06.2021



Annexure - A to the Auditor's Report:

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of KEERTHI INDUSTRIES LIMITED, for the year ended March 31, 2021.,

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the names of the Company.
2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In view of our comments in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
5. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a. According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Service tax, Goods and Services Tax, Duty of customs, Duty of excise, Value added tax, Cess and all other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at March 31, 2021 for a period more than six months from the date they became payable.
- b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount (Rs)	Amount paid under protest (Rs)	Period to which amount related	Forum where dispute is pending
Erstwhile A P General Sales Tax Act	Tax on packing material	18,77,197	-	FY1990-91 and FY1991-92	Sales Tax Appellate Authority
Central Sales Tax Act	Central Sales Tax	39,25,213	19,08,835	FY 2000-01, the Order was passed during FY 2007-08	AP Sales Tax Tribunal
Commercial tax Dept.	Central sales Tax	6,20,112		FY 1993-94	Hon'ble High Court of Karnataka
Commercial tax Dept.	TVAT Act	46,89,148	16,41,202	FY 2012-13 to 2017-18	Hon'ble High Court of Telangana



Commercial tax Dept.	APVAT Act-Tax Dues	87,75,259	10,96,907	FY 2014-15 to 2015-16	Appellate Deputy Commissioner (CT), Hyd.
Commercial tax Dept.	APVAT Act -Penalty	87,75,259	21,93,814	FY 2014-15 to 2015-16	Appellate Deputy Commissioner (CT), Hyd.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks during the year.
9. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed were applied for the purposes for which those are raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for BRAHMAYYA & CO
Chartered Accountants
Firms' Regn No. 000513S
Sd/-
(K. SHRAVAN)
Partner
Membership No. 215798
UDIN: 21215798AAAII3940

Place: Hyderabad
Date: 26.06.2021

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of KEERTHI INDUSTRIES LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for BRAHMAYYA & CO

Chartered Accountants
Firms' Regn No. 000513S

Sd/-

(K. SHRAVAN)

Partner

Membership No. 215798

UDIN: 21215798AAAAII3940

Place: Hyderabad
Date: 26.06.2021



Keerthi Industries Limited

Balance Sheet as at 31st March 2021

(₹ In Lakhs)

Particulars	Note No.	As At 31st March 2021	As At 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2 (A)	9137.36	9891.26
(b) Capital Work-in-progress	2 (B)	0.22	8.83
(c) Right-of-Use Asset		9.60	10.20
(d) Other Intangible assets	3	51.29	73.76
(e) Financial Assets			
(i) Investments		0.06	0.06
(ii) Other financial assets	4	768.27	715.79
(f) Deferred Tax Assets (net)	19	-	21.51
(g) Other non-current assets	5	227.64	736.16
(2) Current assets			
(a) Inventories	6	2163.62	1402.82
(b) Financial Assets			
(i) Investments	7	229.96	218.81
(ii) Trade Receivables	8	535.18	351.08
(iii) Cash and cash equivalents	9	950.46	242.80
(iv) Bank balances other than above	10	77.18	100.57
(v) Loans	11	3.01	1.63
(vi) Others	12	46.56	39.04
(c) Current Tax Assets (Net)	13	0.00	138.82
(d) Other current assets	14	785.11	361.71
Total Assets		<u>14985.52</u>	<u>14314.85</u>
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	15	801.67	801.67
(b) Other Equity		6561.06	4713.92
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	750.06	1010.57
(b) Provisions	17	104.21	72.73
(c) Other non-current liabilities	18	229.58	344.38
(d) Deferred Tax Liability (net)	19	509.75	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2111.80	4165.82
(ii) Trade payables	21		
a. Total outstanding due of Micro Enterprises and Small Enterprises			
b. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1029.37	1088.43
(iii) Other financial liabilities	22	759.61	938.53
(a) Other current liabilities	23	2059.54	1143.16
(b) Provisions	17	35.64	35.64
(c) Current Tax Liabilities (Net)	24	33.23	-
Total Equity and Liabilities		<u>14985.52</u>	<u>14314.85</u>

Significant Accounting policies

1

The accompanying notes from 1 to 45 form an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

for Brahmaya & Co.

Chartered Accountants

Firms' Registration No. 000513S

Sd/-

K. Shravan

Partner

Membership No. 215798

Place: Hyderabad

Date: 26.06.2021

Sd/-

(J.Triveni)

Executive Chairperson

(DIN: 00029107)

Sd/-

(Y. Sadasiva Rao)

Chief Financial Officer

Sd/-

(J.S.Rao)

Managing Director

(DIN: 00029090)

Sd/-

(Arun kumar Yadav)

Company Secretary



Keerthi Industries Limited

Statement of Profit and Loss for the year ended 31st March 2021

(₹ In Lakhs)

Particulars	Note No.	Current year	Previous year
I. Revenue from operations	25	23,223.46	17,180.53
II. Other income	26	287.59	258.08
III. Total Income (I+II)		23,511.05	17,438.61
IV. Expenses			
1. Cost of materials consumed	27	2,670.78	2,245.10
2. Changes in inventories of finished goods and work-in-progress	28	(268.31)	(81.73)
3. Employee benefits expense	29	1,876.56	1,655.07
4. Power and Fuel		7,916.12	6,938.81
5. Packing and Forwarding		5,055.32	4,191.51
6. Finance costs	30	529.56	604.50
7. Depreciation and amortization expense	2,3	1,043.32	1,104.16
8. Other expenses	31	1,118.93	1,411.83
Total expenses		19,942.28	18,069.25
V. Profit / (Loss) before Exceptional Items (III-IV)		3,568.77	(630.64)
VI. Exceptional Items	32	588.61	(719.06)
VII. Profit / (Loss) before tax (V- VI)		2,980.16	88.42
VIII. Tax expense:			
(1) Current tax		1,162.72	114.89
(2) Deferred tax		(108.70)	(36.87)
(3) Income Tax of earlier year		-	42.52
IX. Profit / (Loss) after tax for the year (VII-VIII)		1,926.14	(32.12)
X. Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Actuarial gains/(losses) of defined benefit plans		(9.49)	1.37
- Tax impacts on above		2.64	(0.38)
B. Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(6.85)	0.99
XI. Total comprehensive income for the year (IX+X)		1,919.29	(31.13)
XII. Earnings per equity share (face value of Rs.10/-)			
Basic & Diluted (in Rupees)		23.94	(0.39)

Significant Accounting policies

1

The accompanying notes from 1 to 45 form an integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

for Brahmayya & Co.

Chartered Accountants
Firms' Registration No. 000513S

Sd/-

K. Shravan

Partner
Membership No. 215798

Place: Hyderabad

Date: 26.06.2021

Sd/-

(J.Triveni)

Executive Chairperson
(DIN:00029107)

Sd/-

(Y. Sadasiva Rao)

Chief Financial Officer

Sd/-

(J.S.Rao)

Managing Director
(DIN:00029090)

Sd/-

(Arun kumar Yadav)

Company Secretary



Keerthi Industries Limited

Cash Flow Statement for the year ended 31st March 2021

(₹ In Lakhs)

	Year ended 31st March 2021	Year ended 31st March 2020
Cash Flow From Operating Activities		
Profit/ (Loss) before tax	2,980.15	88.42
Adjustments for:		
Depreciation and amortization expense	1,043.32	1,104.16
Interest income	(44.34)	(53.16)
Dividend Income	(0.65)	(2.95)
Finance Cost	529.56	604.50
Net (gain)/loss on Mutual Funds	(82.53)	25.28
Government Grant	(114.79)	(114.79)
Exceptional Income	588.62	(719.06)
Operating Profit before working capital Changes	4,899.34	932.40
Movement in Working Capital		
Decrease/ (increase) in inventories	(760.80)	139.73
Decrease/ (increase) in trade receivables	(184.10)	(0.30)
Increase / (decrease) Trade payables	(59.05)	(341.31)
Decrease / (Increase) in financial assets	(53.87)	78.38
Decrease / (Increase) in non-financial assets	85.72	608.78
Increase / (decrease) in financial liabilities	(159.52)	(96.07)
Increase / (decrease) in other liabilities	916.38	(79.19)
Increase / (decrease) in Provisions	21.99	(7.00)
Cash Generated from Operations	4,706.07	1,235.42
Taxes Paid	(348.06)	(13.18)
Net Cash flow from Operating Activities (A)	4,358.01	1,222.24
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets incl. CWIP	(258.34)	(349.84)
Purchase of Investments	71.38	(100.00)
Movement in other bank balances	23.38	(13.78)
Interest Received	36.83	66.03
Dividend Received	0.65	2.95
Net cash flow generated/(used) from investing activities (B)	(126.09)	(394.64)
Cash flows from financing activities		
Proceeds from/(repayment of) long-term loans and borrowings, net	(403.43)	(1,331.07)
Proceeds from/(repayment of) short-term loans and borrowings, net	(2,054.02)	651.85
Proceeds from Government as Subsidy	(588.62)	719.06
Dividend paid including DDT	(72.15)	(86.98)
Interest paid	(406.04)	(487.34)
Net cash flow from / (used in) financing activities (C)	(3,524.26)	(534.48)
Net increase in cash and cash equivalents (A+B+C)	707.66	293.12
Cash and cash equivalents at the beginning of the period/year	242.80	(50.32)
Cash and cash equivalents at the end of the year	950.46	242.80
Component of Cash and Cash Equivalent		
Cash in Hand	5.99	3.33
Balance with banks In current Account	944.47	239.47
Books Over draft	-	-
Total Cash and Cash Equivalents in Cash Flow Statement	950.46	242.80

The above statement of cash flow statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7
As per our report of even date

For and on behalf of Board of Directors

for Brahmayya & Co.

Chartered Accountants
Firms' Registration No. 000513S

Sd/-
K. Shraavan
Partner

Membership No. 215798
Place: Hyderabad
Date: 26.06.2021

Sd/-
(J.Triveni)
Executive Chairperson
(DIN: 00029107)

Sd/-
(Y. Sadasiva Rao)
Chief Financial Officer

Sd/-
(J.S.Rao)
Managing Director
(DIN: 00029090)

Sd/-
(Arun kumar Yadav)
Company Secretary

**Statement of Changes in Equity for the year ended 31st March 2021****A. Equity Share Capital**

(₹ In Lakhs)

Particulars	As at	
	31st March, 2021	31st March, 2020
At the beginning of the year	801.67	801.67
Changes in equity share capital during the year	-	-
At the end of the year	801.67	801.67

B. Other Equity

(₹ In Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 01st April 2019	939.55	506.03	3379.55	6.90	4832.03
Profit/(Loss) for the period			(32.12)		(32.12)
Other Comprehensive Income				0.99	0.99
Transfer to/(from) Retained Earnings		319.54	(319.54)		
Dividend on Equity Shares			(72.15)		(72.15)
Dividend Distribution Tax			(14.83)		(14.83)
Balance as at 31st March 2020	939.55	825.57	2940.92	7.89	4713.92
Profit for the period			1926.14		1926.14
Other Comprehensive Income				(6.85)	(6.85)
Transfer to/(from) Retaining earnings		144.53	(144.54)		
Dividend on Equity Shares			(72.15)		(72.15)
Dividend Distribution Tax					0.00
Balance as at 31st March 2021	939.55	970.10	4650.37	1.04	6561.06

Notes:**Nature & Purpose of Reserves**

- (a) Capital Reserve
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve. This Reserve also represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.
- (b) Capital Redemption Reserve
As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.
- (c) Retained Earnings
This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- (d) Re-measurement of defined benefit obligations
The reserve represents the re-measurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The re-measurement gains/(losses) are recognised in other comprehensive income and accumulated under this reserve within equity. The amounts recognised under this reserve are not reclassified to profit or loss.

As per our report of even date

For and on behalf of Board of Directors

for Brahmayya & Co.
Chartered Accountants
Firms' Registration No. 000513S
Sd/-
K. Shravan
Partner
Membership No. 215798
Place: Hyderabad
Date: 26.06.2021

Sd/-
(J.Triveni)
Executive Chairperson
(DIN:00029107)

Sd/-
(Y. Sadasiva Rao)
Chief Financial Officer

Sd/-
(J.S.Rao)
Managing Director
(DIN:00029090)

Sd/-
(Arun Kumar Yadav)
Company Secretary



CORPORATE INFORMATION

Keerthi Industries Limited (the 'company') is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the company is located at Plot No. 40, IDA, Balanagar, Hyderabad - 500037.

The company is engaged in the business of manufacturing, selling and distribution of Cement under the brand name "SUVARNA". The company also manufactures printed circuit boards and engaged in the generation of wind power.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2021. These financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on June 26, 2021

1.2 Basis of Preparation and Measurement:

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Current Vs Non-current classifications:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1.4 Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.5 Property, Plant and Equipment:

❖ Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment other than land are carried at their cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost of acquisition.

The cost of an item of property, plant and equipment comprises the purchase price and any cost attributable to bring the asset to its location and working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition



of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

❖ **Capital Work in Progress**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

❖ **Depreciation and amortization methods**

- a) Depreciation is provided on Straight Line Method on the assets, other than office equipment, furniture & fixtures and vehicles of Cement Division, on which depreciation is provided on Written Down Value Method, over the useful lives specified in Schedule II to the Companies Act, 2013.
- b) Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

❖ **Impairment**

- a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).
- b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

❖ **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

1.6 Intangible Assets:

❖ **Computer Software**

Computer software is measured on initial recognition at cost. Following initial recognition, software is carried at its cost less accumulated amortization and accumulated impairment losses.

❖ **Amortization Methods**

The carrying amount of computer software is amortized over the useful life as estimated by the Management which is about 6 years for ERP software and 3 years all other intangible computer software assets.

❖ **Impairment**

- a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.
- b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.



❖ **Derecognition**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

1.7 Borrowing Costs

Borrowing costs to the extent attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss in the period in which they are incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs include interest (calculated using Effective Interest Method) and other cost incurred in connection with the borrowing of funds.

1.8 Inventories

Finished goods and Work in progress are valued at the lower of cost or net realizable value.

Raw materials, stores and spares and packing material are valued at cost except where net realizable value of the finished goods they are used in, is less than the cost of finished goods and in such an event, if the replacement cost of such materials is less than their book values, they are valued at replacement cost.

Scrap is valued at Net realizable value.

The cost is computed on weighted average basis.

Cost of raw materials comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with this Ind AS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

❖ **Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

❖ **Subsequent measurement:**

For subsequent measurement, the Company classifies its financial assets into the following categories:

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL)
- (iii) Fair value through other comprehensive income (FVOCI).



a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in mutual funds) at amortized cost.

b) Financial Asset measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

The company while applying above criteria has identified that there are no financial assets that can be classified at fair value through other comprehensive income.

c) Financial Asset measured at fair value through profit and loss (FVTPL)

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Investments in Mutual funds are classified as financial assets measured at FVTPL.

❖ **Impairment**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

❖ **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities

❖ **Initial Recognition and Measurement**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

❖ **Subsequent Measurement**

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the profit or loss. The Company doesn't designate any financial liability at fair value through profit or loss.



b. Financial liabilities at amortized cost

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

❖ **Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

1.10 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as 'Deferred Government Grant' and are credited to profit & loss account under other income on a straight-line basis over the expected lives of the related assets.

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, 'Financial Instruments'. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

1.11 Revenue

Revenue is recognised to depict the transfer of promised products or services to customers. Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company.

❖ **Sale of goods:**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, value added taxes.

❖ **Interest / Dividend**

Interest Income is recognized using the Effective interest rate (EIR) method. Dividend income is recognized when right to receive is established.

1.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.



For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.

1.14 Income taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes using tax rates enacted, or substantively enacted, by the end of the reporting period.

1.15 Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

1.16 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

1.17 Foreign Currency transactions

❖ **Functional and Reporting Currency:**

The Company's functional and reporting currency is Indian National Rupee.

❖ **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

❖ **Conversion on reporting date:**

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

❖ **Exchange Differences:**

Exchange difference arising on the settlement of monetary items or on reporting monetary items of



Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

1.18 Employee Benefits

❖ **Defined Contribution Plan**

Employer's contribution to Provident Fund/ Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

❖ **Defined Benefit Plan**

a. **Gratuity**

Gratuity liability is in the nature of defined benefit obligation. Such liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits". Actuarial gain/ (loss) in the valuation are recognized as other comprehensive income for the period.

b. **Compensated absences**

Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

1.19 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

1.20 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

1.21 Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

1.22 Recent accounting pronouncements

Amendment in Schedule III of the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Notes forming part of the Financial Statements for the year ended 31st March, 2021

2. Property, Plant and Equipment

(₹ In Lakhs)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31.03.2020	Additions	Deductions	As at 31.03.2021	Up to 31.03.2020	For the year	Deductions	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020
(A)	Property, Plant and Equipment:										
1	Land:										
	Freehold: Cement Division	743.75	-	0.00	743.75	-	0.00	-	-	743.75	743.75
	Sugar Division	497.59	-	0.00	497.59	-	0.00	-	-	497.59	497.59
2	Buildings:										
	Factory	3487.81	0.85	0.00	3488.66	1418.44	109.53	0.00	1527.97	1961.69	2070.37
	Factory (Wind Power)	57.55		0.00	57.55	23.27	1.79	0.00	25.06	32.49	34.28
	Non-Factory	371.04	98.15	0.00	469.19	137.76	12.15	0.00	149.91	319.28	233.28
3	Plant & Machinery	14537.91	148.63	0.00	14686.54	9575.25	606.46	0.00	10181.71	4503.83	4961.26
	Plant & Machinery (Wind Power)	860.45		0.00	860.45	576.11	24.67	0.00	600.78	259.67	284.34
4	Electrical Installations	3244.40	2.87	0.00	3247.27	2320.68	228.21	0.00	2548.89	698.38	923.72
5	Furniture & Fixtures	77.96	1.41	0.00	79.37	67.08	2.49	0.00	69.57	9.80	10.88
6	Office Equipment	62.34	4.54	0.00	66.88	55.77	2.47	0.00	58.24	7.64	5.57
7	Vehicles	171.84		0.00	171.84	113.42	17.96	0.00	131.38	40.46	58.38
8	Other Assets	65.68		0.00	65.68	21.81	3.74	0.00	24.55	41.13	44.87
9	Data Processing Equipment	123.15	4.82	0.00	127.97	100.39	10.01	0.00	110.40	17.57	20.61
10	Effluent Treatment Plant	19.49		0.00	19.49	18.52		0.00	18.52	0.97	0.97
11	Generators	17.59	1.73	0.00	19.32	16.71		0.00	16.71	2.61	0.88
12	Lab Equipment	6.77		0.00	6.77	6.26	0.01	0.00	6.27	0.50	0.51
	Total	24345.32	263.00	0.00	24608.32	14451.47	1019.49	0.00	15469.96	9137.36	9891.26
(B)	Capital work in progress	8.83		8.61	0.22	0.00	0.00	0.00	0.00	0.22	8.83
3.	Other Intangible Assets										
	Computer Software	201.77	2.51	0.00	204.28	129.16	23.83	0.00	152.99	51.29	73.76



(₹ In Lakhs)

	As at 31 st March 2021	As at 31st March 2020
4. Other financial assets		
Consumption Deposit with CPDCL	471.35	471.35
Margin Money Deposits with Banks for a period more than 12 months		
- Margin money Deposits	296.92	244.44
Total	768.27	715.79
Fixed deposit receipts for Rs. 202.40 (31.03.2020 - Rs.179.35 lakhs are held by the bankers with a lien marked in their favour towards overdraft sanctioned by the bank.		
5. Other non - current assets (Unsecured, considered good)		
Advances for Capital items	87.17	606.66
Voltage Surcharge paid under protest	72.06	72.06
Sales Tax paid under protest (Refer Note No. 33.1)	68.41	57.44
Total	227.64	736.16
6. Inventories		
Raw materials	364.18	246.00
Stores and spares	734.57	589.03
Coal	433.68	210.14
Packing Material	12.71	7.49
Work-in-progress	490.58	159.99
Finished goods	125.79	181.82
Scrap (discarded assets)-At realisable value	2.11	8.35
Total	2163.62	1402.82
7. Investments		
Investment at fair value through profit or loss		
Quoted		
Units of Mutual Funds	229.96	218.81
Total	229.96	218.81



(₹ In Lakhs)

	As at 31 st March 2021	As at 31st March 2020
8. Trade Receivables		
Trade Receivables	535.18	351.08
Receivables from related parties	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Less: Allowance for doubtful trade receivables	-	-
Total Trade Receivables	535.18	351.08
Break up of security details		
Secured, considered good	-	-
Unsecured, Considered good	535.18	351.08
Doubtful	-	-
Total	535.18	351.08
Allowance for doubtful trade receivables	-	-
Total Trade Receivables	535.18	351.08
9. Cash and cash equivalents		
Balances with banks		
- In current accounts	944.47	239.47
- In term deposits (with original maturity of 3 months or less)	-	-
Cash on hand	5.99	3.33
Total	950.46	242.80
10. Other Bank Balances		
- In term deposits with balance maturity of period more than 3 months and less than 12 months	-	-
- Unclaimed dividends - Earmarked balances with banks	15.60	15.60
- In margin money deposits with balance maturity of period less than 12 months	61.58	84.97
Total	77.18	100.57
Note: Note: Fixed receipts are with the bankers with a lien marked in their favour towards the overdraft/bank guarantee limits sanctioned by them.		
11. Loans and Advances		
Advances to staff (Unsecured, considered good)	3.01	1.63
Total	3.01	1.63
12. Other financial assets (Unsecured, considered good)		
Sundry deposits	1.49	1.48
Interest accrued	45.07	37.56
Total	46.56	39.04
13. Current tax assets (net)		
Advance Income tax & TDS Receivable (Net of Provisions)	-	138.82
Total	-	138.82



Keerthi Industries Limited

(₹ In Lakhs)

	As at 31st March 2021	As at 31st March 2020
14. Other current assets (Unsecured, considered good)		
Sundry deposits	0.20	0.20
Vendor advances	546.32	145.85
Prepaid expenses	84.17	75.69
Goods & Service Tax Input Credit	154.42	139.97
Total	<u>785.11</u>	<u>361.71</u>
15. Equity Share Capital		
a. Authorised:		
2,73,00,000 Equity Shares of Rs.10/- each	2,730.00	2,730.00
b. Issued, subscribed and fully paid:	801.67	801.67
80,16,738 Equity Shares of Rs.10/- each		

a. Reconciliation of Equity Shares outstanding at the end of the reporting period (₹ In Lakhs)				
Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	8,016,738	80,167,380	8,016,738	80,167,380
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>8,016,738</u>	<u>80,167,380</u>	<u>8,016,738</u>	<u>80,167,380</u>

b. Terms/ rights attached to equity shares

- (i) The Company has only one class of equity shares having a face value of Rs. 10 per share.
- (ii) Each holder of equity share is entitled to one vote per share.
- (iii) The dividends recommended by the Board of Directors if any, are subject to the approval the shareholders in the ensuing Annual General Meeting.
- (iv) In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential claims, in proportion to the number of shares held.

c. List of shareholders holding more than 5% of total number of shares in the company

Name of the Share Holder	As at 31 March 2021		As at 31 March 2020	
	Number of Shares held	% holding	Number of Shares held	% holding
Equity Shares of Rs.10/- each:				
Sri. J S Rao	3,696,825	46.11	3,696,825	46.11
Smt. J Triveni	2,195,379	27.38	2,195,379	27.38



Keerthi Industries Limited

(₹ In Lakhs)

Particulars	Non-current portion		Current Maturities	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
16. Borrowings				
Secured				
Term loans from banks:				
- Andhra Bank				
- Axis Bank		153.17	67.73	360.00
- ICICI Bank	3.72	17.54	13.82	13.02
- Kotak Mahindra-Ex200	5.97	17.03	13.20	12.31
Unsecured				
Preference shares (Issued to Related parties, at amortised cost 5,00,000 Shares of Rs. 35/- each 2,68,340 of Rs. 100/- each	-	-	-	-
2,70,100 Shares of Rs.35/- each	-	94.53	-	-
2,68,340 Shares of Rs.44.10077/- each	-	118.35	-	-
2,68,340 Shares of Rs.25.46769/- each	68.34	-	-	-
Deferred payment Liabilities				
Sales Tax Deferment	672.03	609.95	-	-
Total	750.06	1,010.57	94.75	385.33

- A. All the installments falling due within 12 months from the date of Balance Sheet have been classified as current maturities, the aggregate amounts are shown under 'Other Current Liabilities'.
- B. The term loan Axis Bank is secured by: (a) First charge on the fixed assets of the Company, (b) Second Charge on Current Assets of the Company and (c) Pledge of equity shares of the company held by the promoters equivalent to 30% of the equity shares of the company. The said charges and the pledge are on pari passu basis.
- C. The term loan obtained from the bank (other than vehicle loans) are guaranteed by two of the directors of the Company in their individual capacities.
- D. The term loan - from Axis Bank Rs. 1418 Lakhs with repayment of 16 installments. In that 15 installments are 90 Lakhs per each quarter and 68 Lakhs for the last installment.

Particulars	Rate of Interest	As at 31st March 2021		As at 31st March 2020	
		Number of installments outstanding	Amount Rs. in lakhs	Number of installments outstanding	Amount Rs. in lakhs
Secured:					
Term loans:					
Axis Bank	8.60%	1	68.00	6	518.00
ICICI Bank (Vehicle Loan)	8.01%	15	17.54	27	30.56
Kotak Mahendra Bank (EX200 Loading equipment)	8.40%	17	19.17	29	29.34

- E. Redemption terms of the above Preference Shares :

No.of shares	Date of allotment	Terms
2,68,340* of Rs.44.1008/- each	13.06.2001	Redeemable at par at the end of 19th year Rs.50,00,000 per year and at the end of 20th year Rs.68,34,000.

*These shares were issued by the Company to preference shareholders of Hyderabad Flextech Limited (amalgamating Company) on amalgamation, redeemable on the same terms on which these were issued initially by Hyderabad Flextech Limited.



Keerthi Industries Limited

- F. Sales Tax Deferment (Cement Division): Consequent to the introduction of VAT from 01.04.2005, the Tax Holiday, being the sales tax incentive, against expanded capacity, had been converted into Deferment and the Company got entitlement to defer tax collections up to Rs.1590.43 lac over a period of ten years effective 01.04.2005 and repayable after fourteen years from the end of the relevant financial year. Due dates for repayment are given below.

Due Date	Amount (Rs. in lac)
01.04.2022	591.70
01.04.2023	198.82

Note: Deputy Commissioner (CT), Nalgonda Division Vide letter dt. 24.04.15 has issued Notice for the payment of amount due on 01.04.2020, since the AP VAT Act was amended w.e.f. 01.05.2009 as amount availed for each year shall be paid after the end of availment after the the conversion from Tax Holiday Scheme to Tax Deferment. Accordingly the revised schedule of repayment is as follows:

Due Date	Amount (Rs. in lac)
01.04.2017	591.70
01.04.2018	198.82

However the Hon'ble High Court of A.P. has granted interim stay against the orders of Deputy Commissioner, Commercial Taxes, Nalgonda.

17. Provisions

(₹ In Lakhs)

Provision for employee benefits	Non-current portion		Current Maturities	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Gratuity	46.75	21.69	21.20	21.20
Compensated absences	57.46	51.04	14.44	14.44
Total	104.21	72.73	35.64	35.64

18. Other non-current liabilities

	As at 31st March 2021	As at 31st March 2020
Deferred Government Grant	229.58	344.38
Total	229.58	344.38

19. Deferred Tax

(₹ In Lakhs)

Particulars	As at 31st March 2021	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	MAT Credit utilised	As at 31st March 2020	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income
Deferred Tax Liabilities							
Property, Plant & Equipment & Intangible assets	1,139.29	(112.60)			1,251.89	(9.58)	
Fair Value adjustments of financial liabilities	(22.50)	2.35			(24.85)	(19.77)	
	1,116.79	(110.25)			1,227.04	(29.35)	
Deferred Tax Assets							
Unused Tax Losses		(1.55)				(1.59)	
Employee Benefits & Statutory Liabilities allowed on Payment Basis	67.67		2.64		66.57	9.11	(0.38)
MAT Credit entitlement	539.37			(642.61)	1,181.98		
	607.04	(1.55)	2.64	(642.61)	1,248.55	7.52	(0.38)
Net Deferred Tax Liability /(Asset)	509.75	(108.70)	(2.64)	642.61	(21.51)	(36.87)	0.38



(₹ In Lakhs)

	As at 31 st March 2021	As at 31st March 2020
20. Short-term borrowings		
Axis Bank - Cash Credit	-	823.84
Total (a)	-	823.84
B. Unsecured		
From Related parties		
i) Inter Corporate Deposits	2,105.33	3,335.51
ii) Loan from Directors	-	-
From Others		
Trade and Rent Deposits	6.47	6.47
Total (b)	2,111.80	3,341.98
Total (a+b)	2,111.80	4,165.82
a. Secured: (i) Cash Credit from Axis Bank sanctioned limit of Rs.7.00 crores, is secured by way of hypothecation of work-in-process, finished goods, raw materials, stores and spares, receivables both present and future and also by a second charge on the immovable properties and other fixed assets of the company. Further working capital loans are guaranteed by two of the directors of the Company individually.		
b. Unsecured: Loan from Inter corporate deposits carry an interest of 10% per annum and is repayable on demand.		
21. Trade payables		
Trade payables [Refer Note below]	-	-
Amounts due to related parties	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	1,029.37	1,088.43
Total	1,029.37	1,088.43

Note : Dues to MICRO and SMALL Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

a) The principal amount remaining unpaid to any supplier at the end of the year	-	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.



	(₹ In Lakhs)	
	As at 31 st March 2021	As at 31st March 2020
22. Other financial liabilities		
i. Current maturities of long-term debt (Refer Note - 16)	94.76	385.33
ii. Interest accrued but not due	0.06	6.45
iii. Outstanding expenses	437.77	309.55
iv. Creditors for capital goods	6.80	13.00
v. Employee benefits payable	213.60	204.57
vi. Other creditors	0.47	0.47
vii. Interest on Preference Shares Payable	6.15	19.16
Total	759.61	938.53
23. Other current liabilities		
i. Advances from customers	1,337.75	725.90
ii. Statutory remittances	705.96	401.66
iii. Unclaimed Dividend (Equity)	15.83	15.60
Total	2,059.54	1,143.16
24. Current Tax Liability (net)		
Advance Income Tax & TDS Receivable (Net of Provisions)	33.23	-
Total	33.23	-



Keerthi Industries Limited

(₹ In Lakhs)

Particulars	Current Year	Previous Year
25. Revenue from operations		
Sale of cement	22118.74	16160.23
Sale of printed circuit boards	1045.62	929.24
Sale of Wind Power	59.10	91.06
Total	23223.46	17180.53
26. Other Income		
Interest Income	44.34	53.16
Miscellaneous income	42.78	90.10
Gain from foreign exchange fluctuations (Net)	3.15	0.03
Gain on fair value of Mutual Fund	82.53	-
Government Grants	114.79	114.79
Total	287.59	258.08
27. Raw materials consumed		
Opening Stock	246.00	254.70
Add: Purchases during the year	2,788.96	2,236.40
	3,034.96	2,491.10
Less: Closing Stock	364.18	246.00
Total	2,670.78	2,245.10
Details of raw materials consumed		
Lime stone	879.45	772.54
Fly Ash	381.59	257.54
Gypsum	444.55	433.82
Laterite	242.15	150.92
Others	291.99	275.31
Electronic Division	431.05	354.97
Total	2,670.78	2,245.10
28. Changes in inventories of finished goods and work-in-progress		
Opening Stock:		
Finished Goods	181.82	182.67
Work-in-process	159.99	77.41
Scrap	8.35	8.35
	350.16	268.43
Less: Closing Stock:		
Finished Goods	125.78	181.82
Work-in-process	490.58	159.99
Scrap	2.11	8.35
(Increase)/ Decrease in stocks	(268.31)	(81.73)
29. Employee Benefits Expense		
Salaries and Wages	1650.47	1460.57
Contribution to provident and other funds	91.69	77.77
Gratuity, bonus and incentives	73.84	68.37
Staff welfare expenses	60.56	48.36
Total	1876.56	1655.07



Keerthi Industries Limited

(₹ In Lakhs)

Particulars	Current Year	Previous Year
30. Finance Costs		
Interest expense:		
Working capital loans	8.47	31.11
Term loans	34.68	73.60
Unsecured loans	318.63	302.85
Others	18.71	14.57
Unwinding of interest on sales tax deferment	142.92	163.21
Dividend on redeemable preference shares	6.15	19.16
Total	529.56	604.50
31. Other Expenses		
Consumption of stores	506.60	678.28
Repairs to : buildings		
: plant and machinery	132.49	171.12
: others	13.06	10.20
Taxes & Duties	30.45	46.20
Insurance	34.82	25.04
Auditors remuneration - Audit fee	1.50	1.50
- Tax Audit	0.50	0.50
- Certification	0.50	0.75
Loss on Financial Instruments through Profit or Loss against Ind AS Fair Value	-	25.28
Rent	0.60	0.60
Miscellaneous Expenses	398.41	452.36
Total	1,118.93	1,411.83

32. Exceptional Item:

- a) During the Financial year ended 31st March 2021, the Company has written off Rs. 588.62 lacs with regard to advances paid for obtaining mining lease rights. With the recent amendments The State Government of Telangana declared the the Company's applications for mining lease rights as ineligible as per section 10(A)(1) of Mines & Minerals (Development & Regulations) Amendment Act, 2015.
- b) For the financial year ended 31st March 2020, exceptional income represents an amount of Rs. 719.06 lacs disbursed as industrial incentive by Industries Department, Govt. of Telangana and the same has benn adjusted by Department of Commercial Tax, Govt. of Telangana against the outstanding Sales Tax Deferement payable by the Company.



Explanatory Notes & Other Disclosures

33.1 a) Contingent Liabilities & Commitments (Claims/Demands not acknowledged as debt): (Rs. In Lakhs)

		As at 31.03.2021	As at 31.03.2020
(i)	Bank Guarantee	259.76	279.76

- (ii) A.P. General Sales Tax liability of Rs. 18.77 lakhs (Upto 31.03.2020 – Rs. 18.77 lakhs) on packing materials purchased during the accounting years 1990-91 and 1991-92 as the Company preferred appeals before Appellate Authorities and the same are pending.
- (iii) In the year 2007-08, A.P. Commercial Tax Department had revised the CST Assessment for the year 2000-2001 and demanded Rs. 39.25 lakhs. The company got stayed the demand through an order of Hon'ble High Court of A.P. and the department had collected Rs.19.09 lakhs around 50% of the demand which is grouped under Other Non-Current assets. On Company's Appeal to the Sales Tax Appellate Tribunal, the Tribunal has set aside the demand and remanded the matter to assessing authorities. No provision is made in the accounts for the disputed tax of Rs. 39.25 lakhs.
- (iv) Karnataka Sales Tax demand of Rs. 6.20 lakhs (Upto 31.03.2020 – Rs. 6.20 lakhs,) for the accounting year 1993-94 as the company preferred an appeal in the Hon'ble High Court of Karnataka.
- (v) **a) Voltage surcharge:** In the year 2003-04, Central Power Distribution Company of A.P. Ltd. had levied Voltage Surcharge of Rs. 130.29 lakhs for getting the energy through general lines over and above the contracted load instead of dedicated lines. As getting the energy through dedicated line is not within the control of the company, the company challenged the levy before Hon'ble High Court of Andhra Pradesh and the High Court was pleased to pass an order staying the collection of the said levy. However, the Company has paid Rs. 72.06 lakhs (31.03.2020 – Rs. 72.06 lakhs) under protest and shown under Other Non current assets and the said amount was not provided for in the books. The appeal is pending.
- b) Fuel Surcharge Adjustment (FSA):** FSA for the period from April 2008 to June 2010 amounting to Rs. 248.75 lakhs which were stayed by the Hon'ble High Court of judicature at Hyderabad for the states of Telangana and Andhra Pradesh was not accounted.
- (vi) Commercial tax department, Government of Telangana has issued demand notice for the payment of entry tax Rs.46.89 lakhs pertaining to financial year 2012-13 to 2017-18. Company has filed appals before the Appellate Deputy Commissioner (CT), Hyderabad Rural Division by paying 35% of the disputed tax. As the appeals are dismissed by the Appellate Deputy Commissioner(CT), Company filed writ petitions before Hon'ble Court of Telangana and Hon'ble Court of Telangana has given stay orders.
- (vii) In the year 2016, the Assistant Commissioner, Commercial Taxes, Vijayawada passed VAT Assessment Order levying tax of Rs.87.75 lakhs for the tax period June 2014 to June 2016, stating the selling price of cement for certain months in that period was lower than the Transferred Price to the Branches and also levied penalty of Rs.87.75 Lakhs.
- The Company had filed appeals by depositing Rs.21.94 lakhs before Appellate Deputy commissioner (A.D.C.), Vijayawada. The A.D.C. had remanded the appeal to the Assessing Officer for reconsideration. The Assessing Officer has reconfirmed the Order. Now, the Company has filed appeals before the A.D.C. by depositing further amount of Rs.10.97 Lakhs.
- No provision is made in the accounts for the disputed tax of Rs. 87.75 lakhs and Penalty of Rs. 87.75 Lakhs.
- (viii) Estimated amount of contracts to be executed on capital account – Rs.23.80 Lakhs (Net of advances)

33.2 The National Savings Certificate VIII issue (shown under non- current investments) has been pledged with Sales Tax Department towards Sales Tax Deposit by Electronics Division.

33.3 Expenditure incurred on Corporate Social Responsibility activities, included in the statement of Profit and Loss is Rs. 46 lakhs (March 31, 2020 Rs. 1.15 Lakhs). The amount required to be spent under section 135 of the Companies Act, 2013 for the year ended March 31, 2021 is Rs. 4.33 Lakhs (March 31, 2020 Rs. 16.68 Lakhs) i.e 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.



34. Foreign Exchange Earnings and Expenditure:

(Rs. in lakhs)

		Current Year	Previous Year
a)	Value of Imports calculated on CIF basis		
	i) Fixed Asset- Plant and Machinery	11.69	30.72
	ii) Raw Materials	385.26	274.60
	iii) Spares	-	44.01
b)	Expenditure in foreign currency on account of travelling	-	6.27

- c) The value of consumption of imported and indigenously obtained raw materials and spare parts and the percentage of each to the total consumption:

Particulars	Current Year (Rs. in lakhs)		Previous Year (Rs. in lakhs)	
	Amount	%	Amount	%
Indigenous	2352.14	88.07	1982.53	88.30
Imported	318.64	11.93	262.57	11.70
Total	2670.78	100.00	2245.10	100.00

- d) Earnings in foreign Exchange:

		Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
	Export of goods calculated on F.O.B basis	7.19	19.16

35. Capital Management

The company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the company.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short term borrowings.

The company's policy is aimed at combination of short term and long-term borrowings. The company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the company.

The following table summarises debt to equity ratio.

Gearing Ratio

(Rs. In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Debt	2956.61	5561.72
(b) Cash & Cash Equivalentents	950.46	242.80
(c) Net Debt (a) + (b)	2006.15	5318.92
(d) Total Equity	7362.73	5515.59
Net debt to equity ratio (c)/(d)	0.27	0.96

36. Income Taxes

- (i) Reconciliation of Tax Expense and Accounting profit multiplied by Applicable tax rate (Rs. In lakhs)

	Current Year	Previous Year
(i) Tax expense recognized in Statement of Profit and loss		
Current Tax	1162.72	114.89
Deferred Tax (including MAT Credit Entitlement)	(108.70)	(36.87)
Income tax of earlier years	-	42.52
Total	1054.02	120.54



(ii) Effective tax Reconciliation			
(a)	Profit/(loss) before tax	2980.15	88.42
(b)	Applicable tax rate	29.12%	27.82%
(c)	Tax expense on Net profit (a*b)	867.82	24.60
(d)	Increase/(decrease) in tax expenses on account of:		
	- Exempt Income	(0.19)	(0.82)
	- Expenses not allowed under income tax	383.64	130.79
	- Income tax of earlier years	-	42.52
	- Others	(197.25)	(76.55)
	Total (d)	186.20	95.94
(e)	Tax Expense as per Statement of Profit and loss (c+d)	1054.02	120.54

37. Employment Benefits

i. Contributions to Defined Contribution Plans

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
Contribution to Provident and other funds	84.63	69.88
Contribution to Employee State Insurance	7.06	7.89
Total	91.69	77.77

ii) Defined Benefit Plan

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

Disclosure for defined benefit plans based on actuarial reports:

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
A Changes in Present Value of Defined Benefit Obligation		
Opening defined benefit obligation	308.26	300.61
Interest cost	20.45	21.83
Current services cost	21.05	19.15
Benefits paid	(8.11)	(30.36)
Actuarial (gains)/losses on obligation	10.92	(2.98)
Closing defined benefit obligation	352.57	308.25
B Changes in Fair Value of Plan Assets		
Opening Fair value of plan assets	265.37	248.00
Expected Return	17.83	18.97
Contributions	9.10	30.36
Benefits paid	(8.11)	(30.36)
Actuarial Gain/loss	0.43	(1.61)
Closing fair value of plan assets	284.62	265.36
C Expenses recognized in statement of profit and loss		
Current Service Cost	21.05	19.15
Interest Cost on benefit obligation	20.45	21.83
Expected return on plan assets	(17.83)	(18.97)
Premium Expenses		
Total	23.67	22.01



D	Expenses recognized in Other Comprehensive Income		
	Actuarial (gains)/losses on obligation	10.92	(1.37)
	Return on plan assets (greater)/lesser than discount rate	(0.43)	-
	Total	10.49	(1.37)
E	Actuarial Assumptions		
	Future Salary Rise	5%	5%
	Rate of Discounting	6.86%	6.72%
	Attrition rate	1%	1%
	Mortality table	IALM 2011-14	IALM 2011-14
	Average Balance Service	16.75	17.1 years

F. Sensitivity Analysis

The financial results are sensitive to the actuarial assumptions. The changes to the Defined Benefit Obligations for increase/decrease of 1% from assumed salary escalation, withdrawal and discount rates are given below:

Particulars	31st March 2021 Rs. In Lakhs	
	Increase	Decrease
Salary escalation	25.09	22.39
Attrition rate	3.71	(4.23)
Rate of Discounting	(23.14)	26.50

ii. Leave Encashment (unfunded)

(Rs. In Lakhs)

	Particulars	Current Year	Previous Year
A	Changes in Present Value of Defined Benefit Obligation		
	Opening defined benefit obligation	65.48	64.13
	Interest cost	4.10	4.29
	Current services cost	5.25	9.46
	Benefits paid	(8.73)	(16.19)
	Actuarial (gains)/losses on obligation	5.79	3.79
	Closing defined benefit obligation	71.89	65.48
B	Expenses recognized in statement of profit and loss		
	Current Service Cost	5.25	9.46
	Interest Cost on benefit obligation	4.10	4.29
	Total	9.35	13.75
C	Expenses recognized in Other Comprehensive Income		
	Actuarial (gains)/losses on obligation	5.79	3.79
	Total	5.79	3.79
D	Actuarial Assumptions		
	Future Salary Rise	5%	5%
	Rate of Discounting	6.86%	6.72%
	Attrition rate	1%	1%
	Mortality table	IALM 2011-14	IALM 2011-14



38. Related Party Disclosures

	Name of Related Parties	Nature of Relationship
a.	Hyderabad Bottling Co Ltd.	Enterprises over which key managerial personnel have significant influence
b.	Triveni Capital Leasing & Investments Pvt Limited	
c.	IOU Projects Limited	
d.	DCS SPORTING PRIVATE LIMITED	
e.	Mr. J Venkata Krishna, w.e.f. 01.02.2021	Relatives of Key Management Personnel
f.	Mrs. J Sharada Govardhini (Chief Operating Officer)	
g.	Mr. B Chetan Anand	
h.	Mrs. J. Triveni (Executive Chairperson)	Key Management Personnel
i.	Mr. J.S. Rao (Managing Director)	
j.	Mr. Y. Sadasiva Rao (Chief Financial Officer)	
k.	Miss. Akriti Sharma (Company Secretary)	
l.	Mr. J. Sivaram Prasad (Independent Director)	
m.	Mr. K. Harishchandra Prasad (Independent Director)	
n.	Mr. J Venkata Krishna, (Addl. Non Executive Director) w.e.f. 01.02.2021	
o.	Mr. Boddu Venkata Subbaiah (Independent Director)	

(i) Transaction with Enterprises over which key managerial personnel have significant influence:

(Rs. in Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2021	Receivable/ (Payable) as on 31.03.2020
Inter Corporate Deposits Repayment Hyderabad Bottling Company Ltd.	876.68	(452.75)	(1288.67)	(2165.34)
Interest Accured- Hyderabad Bottling Company Ltd.	206.22	190.50	0	0
Inter Corporate Deposits Repayments Triveni Capital leasing & Investments Pvt. Ltd.	353.51	(75.93)	(816.66)	(1170.17)
Interest Accrued-Triveni Capital Leasing & Investment Pvt Ltd.	112.41	112.35	0	0

(ii) Transactions with Relatives of Key Management Personnel

(Rs. In Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2021	Receivable/ (Payable) as on 31.03.2020
Chief Operating Officer- Smt J saradha Govardhani	52.04	46.37	(4.12)	(3.76)
Sale of Cement – DCS Sporting Pvt. Ltd.	1.00	2.10	0	0.80
Rent	0.00	0.83	0	0



(iii) Transactions with Key Management Personnel

a. Executive Chairperson & Managing Director

(Rs. In Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2021	Receivable/ (Payable) as on 31.03.2020
Unsecured loan (including interest)	0	0	0	0
Executive Chairperson Remuneration	159.56	78.00	(55.17)	(25.21)
MD Remuneration	159.56	78.00	(59.00)	(13.96)
Executive Chairperson Contribution to P.F.	5.19	5.19	0	0

b. Others

(Rs. In Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2021	Receivable/ (Payable) as on 31.03.2020
Remuneration-CFO	50.90	50.04	(4.52)	(4.17)
Remuneration-CS	7.44	7.27	(0.68)	(0.60)
Sitting Fees - Directors	0.84	0.98	0	0

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

39. Earnings per share

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
(a) Profit/(loss) after tax	1929.30	(31.13)
(b) Weighted average number of equity shares	80,16,738	80,16,738
(c) Nominal value of Shares (Rs.)	10	10
(d) Earnings Per Share- Basic & Diluted (in Rupees)	23.94	(0.39)

40. Financial Instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

Level 1 - Quoted prices in an active market:

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

Level 2 - Valuation techniques with observable inputs:

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

41. Financial Risk Management Objectives and Policies

The company is exposed to financial risks arising from its operations and the use of financial investments. The key financial risks include interest rate risk, market risk, credit risk and liquidity risk. The company has risk management policy which not only covers the foreign exchange risks, but also risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management framework aims to:



Financial Assets & Financial Liabilities :

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value Hierarchy		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
As at 31st March 2021							
Financial Assets							
Investments	0.06	229.96		230.02	229.96		
Trade Receivables	535.18			535.18			
Cash and cash equivalents	950.46			950.46			
Bank balances other than above	77.18			77.18			
Loans	3.01			3.01			
Others	46.56			46.56			
Financial Liabilities							
Borrowings	2861.85			2861.85			
Trade Payables	1029.37			1029.37			
Others	759.61			759.61			
As at 31st March 2020							
Financial Assets							
Investments	0.06	218.81		218.87	218.81		
Trade Receivables	351.08			351.08			
Cash and cash equivalents	242.80			242.80			
Bank balances other than above	100.56			100.56			
Loans	1.63			1.63			
Others	39.04			39.04			
Financial Liabilities							
Borrowings	5,176.39			5,176.39			
Trade Payables	1,088.43			1,088.43			
Others	938.53			938.53			

1. Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the company's business plan.
2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives policies and processes for the management of these risks.

(i) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, currency rate risk, interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include investments in mutual funds.

a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. Since the Company has only fixed interest-bearing debts, exposure to interest rate risk is minimal.

**b. Foreign Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from goods supplied or received that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below: Rs.

Particulars	Change in Rate	For the year ended 31st March 2021	For the year ended 31st March 2020
USD	+ 0.50%	1220	(2705)
	- 0.50%	(1220)	2705

c. Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk arising mainly from investments in Mutual Funds recognized at FVTPL.

Sensitivity analysis of 1% change in price of security as on reporting date. (Rs. In Lakhs)

Particulars	Impact on Profit & Loss		Impact on OCI	
	2020-21	2019-20	2020-21	2019-20
Mutual Fund (1% change in price)	2.30	2.19	Nil	Nil
Total	2.30	2.19	Nil	Nil

(ii) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable.

(iii) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:



(Rs. In Lakhs)

Particulars	Total	On Demand	< 1 year	1 to 5 years	> 5 years
As at 31 March 2021					
Borrowings – Non-Current	750.05			750.05	
Borrowings – Current	2111.80	2111.80			
Trade Payables	1029.37		1029.37		
Other financial liabilities	759.61		759.61		
As at 31 March 2020					
Borrowings – Non-Current	1010.57			1010.17	
Borrowings – Current	4165.82	4165.82			
Trade Payables	1088.43		1088.43		
Other financial liabilities	938.53		938.53		

42. Operating Segments

Factors used to identify the reportable segments

(Rs. in lakhs)

Particulars	Cement Division	Wind Mill	Electronics Division	Unallocated	Total
External Sales:					
Current Year	22,118.75	59.09	1045.62		23,223.46
Previous Year	16,160.23	91.06	929.24		17,180.53
Inter-segment Sales	Nil	Nil	Nil		Nil
Total Revenue:					
Current Year	22,118.75	59.09	1045.62		23,223.46
Previous Year	16,160.23	91.06	929.24		17,180.53
Segment Result Before Interest and Tax:					
Current Year	2974.68	9.71	228.25		3212.64
Previous Year	258.14	33.67	143.03		434.84
Less: Unallocated Expense:					
Current Year				(287.59)	(287.59)
Previous Year				(259.07)	(259.07)
Less: Interest Expenses:					
Current Year				529.56	529.56
Previous Year				604.50)	604.50)
Less: Income Taxes:					
Current Year				1051.37	1051.37
Previous Year				120.54	120.54
Profit / (Loss):					
Current Year	2974.68	9.71	228.25	(1293.34)	1919.30
Previous Year	258.14	33.67	143.03	(465.97)	(31.13)
Segment Assets:					
Current Year	12,189.18	292.15	1,988.25	515.94	14,985.52
Previous Year	12,190.15	318.61	1,281.76	524.33	14,314.85
Segment Liabilities:					
Current Year	7238.77	Nil	298.14	85.88	7,622.79
Previous Year	8,385.26	Nil	170.56	243.43	8,799.25
Depreciation:					
Current Year	991.97	26.46	16.51	8.38	1,043.32
Previous Year	1,049.31	27.21	15.37	12.27	1,104.16
Additions to Property, plant & equipment & Intangible assets:					
Current Year	315.12	Nil	34.72	Nil	349.84
Previous Year	411.43	Nil	23.43	Nil	434.86



Keerthi Industries Limited

a. Information about Products and Services (Rs. In lakhs)

Products	Revenues
a. Cement	22118.75
b. Printed Circuit Boards	1045.62
c. Wind Power	59.09
TOTAL	23223.46

b. Information about geographical areas (Rs. in lakhs)

Geographical Location	Revenues	Non Current Assets other than financial instruments and deferred tax assets
(A) Within India	23215.50	10194.44
(B) Outside India	-	-
USA	7.96	-
TOTAL	23223.46	10194.44

c. Information about major customers

There are no revenues from transactions with a single customer amounting to 10% or more of the Company's total revenue during the current and previous year.

43. Subsequent Events.

Dividend proposed to be distributed (Rs. In Lakhs)

Particulars	As at 31.03.2021 (Note below)	As at 31.03.2020 (Note below)
Dividend Proposed for Equity Shareholders	120.25	72.15
Total	120.25	72.15

Note: Rs.1.50 per share for FY 2020-21 and Rs.0.90 per share for FY 2019-20.

44. In the face of COVID – 19 pandemic the Company's operations were stopped in April,2020 in line with the Government directives. This had an adverse impact on revenues during the quarter ended June 30, 2020. The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results. The Company believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at March 31, 2021. The Company is taking all necessary measures to secure the health and safety of its employees, workers and their families.

45. Previous Year's figures have been reclassified, wherever necessary so as to conform with those of Current Year.

As per our report of even date

For and on behalf of Board of Directors

for Brahmayya & Co.
Chartered Accountants
Firms' Registration No. 000513S
Sd/-
K. Shravan
Partner
Membership No. 215798
Place: Hyderabad
Date: 26.06.2021

Sd/-
(J.Triveni)
Executive Chairperson
(DIN:00029107)

Sd/-
(J.S.Rao)
Managing Director
(DIN:00029090)

Sd/-
(Y. Sadasiva Rao)
Chief Financial Officer

Sd/-
(Arun Kumar Yadav)
Company Secretary

If undelivered, Please return to :

KEERTHI INDUSTRIES LIMITED

Administrative Office :

Plot No. 40, I.D.A, Balanagar,

Hyderabad - 500 037.