



Keerthi Industries Limited

(Formerly Suvarna 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,
keerthiitd@gmail.com | CIN : L11100TG1982PLC003492 | GSTIN : 36AAFCS3938P1ZO

Date: 30th August, 2023

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

Script Code: 518011

Dear Sir/Madam,

Sub: Notice of 40th Annual General Meeting along with integrated Annual Report for the FY 2022-2023.

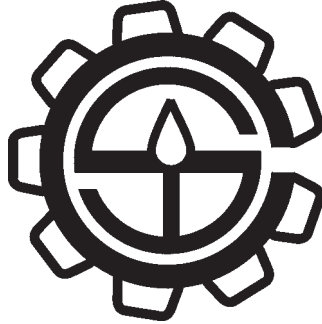
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed herewith the Notice of 40th AGM along with Annual Report for the FY 2022-2023 in respect of the Annual General Meeting (AGM) schedule to be held on Monday, 25th September 2023 at 11.30 a.m. through video conferencing mode in terms of relevant circulars issued by MCA and SEBI and A copy of Annual Report is uploaded on the website of the company at: <http://www.keerthiindustries.com/images/Annualreports/40thAnnualReport2022-23.pdf>

Please take the above information in your record.

Thanking You,
Yours faithfully,
For Keerthi Industries Limited

Arun Kumar Yadav
Company Secretary and Compliance officer

Encl: a/a



Keerthi
Industries Limited
(Formerly known as Suvarna Cements Limited)

40th
Annual Report 2022-2023

**INDEX TO THE REPORT**

S.No.	PARTICULARS	Page No.
1	Corporate Information	2-3
2	Notice of Annual General Meeting	4-14
3	Director's Report	15-21
4	Corporate Governance Report	22-50
	a Annual Report of CSR Policy	36
	b Secretarial Audit Report	39
	c Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	42
	d MD & CFO Certification of REGULATION 17(8) OF SEBI (LODR) Regulation	44
	e Declaration on compliance of Code of Conduct	44
	f Practicing Company Secretary's Certificate on Corporate Governance	45
	g Certificate of Non-Disqualification of Directors	46
	h Management Discussion and Analysis Report	47-50
5	Financial Statements	51-93
	a Auditors Report on Financial Statements	51
	b Balance Sheet	59
	c Statement of Profit and Loss	60
	d Cash Flow Statement	61
	e Notes forming part of the Financial Statements	62-93



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	Non-executive Director
7.	Sri. Ramakrishna Prasad Musunuri (w.e.f.: 01.07.2023)	Additional Independent Director

Chief Operating Officer (COO)

Smt. J. Sarada Govardhini

Chief Financial Officer (CFO)

Sri. Y. Sadasiva Rao

Company Secretary

Mr. Arun Kumar Yadav

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
4.	Sri. Jasti Venkata Krishna (w.e.f.: 10.02.2023)	Member

III. Stakeholders Relationship Committee

1	Sri. Boddu Venkata Subbaiah	Chairman
2.	Sri. J. S. Rao	Member
3.	Smt. J. Triveni	Member
4.	Sri. Jasti Venkata Krishna (w.e.f.: 10.02.2023)	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
5.	Sri. Jasti Venkata Krishna (w.e.f.: 10.02.2023)	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, Telangana.
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 Appartments,
Irum 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: 040-40078155
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

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NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of KEERTHI INDUSTRIES LIMITED ('the Company') is scheduled to be held on Monday, the 25th September, 2023 at 11.30 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 2022-23.

To consider and adopt the Balance Sheet as at 31st March, 2023, 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.

SPECIAL BUSINESS:

3. RATIFICATION OF COST AUDITORS REMUNERATION:

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 30-05-2023, the remuneration payable to M/s. Vasireddy & Associates, Cost Accountant (FRN: 004181), to conduct the audit of the cost records of the Company for the financial year 2023-2024, amounting to Proposed Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus re-imbursment 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."

4. CONTINUATION OF SRI. J. S. RAO AS THE MANAGING DIRECTOR (DIN: 00029090) OF THE COMPANY EVEN AFTER ATTAINING THE AGE OF 70 YEARS.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of 196, 196(3), 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto including Rules

made thereunder including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Articles of Association of the company and subject to such other approvals as may be necessary, if any, and pursuant to the recommendations of the Nomination and Remuneration Committee and the approval of the Board of Directors, consent of the Members of the Company be and is hereby accorded to Sri. J. S. Rao, the Managing Director (DIN: 00029090), to continue to hold office of the Managing Director of the Company till his current tenure of appointment which end on 9th May, 2024, notwithstanding that Sri. J. S. Rao has crossed 70 years of age on 18th July, 2023."

5. APPOINTMENT OF SRI. RAMAKRISHNA PRASAD MUSUNURI (DIN: 01781225) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY FOR A PERIOD OF 5 YEARS.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and all applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri. Ramakrishna Prasad Musunuri (DIN: 01781225) who was appointed as an Additional Independent Director of the Company by the Board of Directors on the recommendation of the Nomination and Remuneration Committee with effect from 1st July, 2023 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting, and who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as such and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as Independent Director of the Company to hold office for a period of 5 (five) consecutive years i.e. from 1st July, 2023 to 30th June, 2028 and whose term shall not be subject to retirement by rotation."

By Order of the Board of Directors

Sd/-

(J. S.Rao)

Managing Director

DIN:00029090

Place: Hyderabad
Date: 30-05-2023



NOTES:

1. Ministry of Corporate Affairs (MCA), vide General Circular No. 11/2022 dated December 28, 2022 & Securities and Exchange Board of India vide circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, has allowed the Companies to conduct AGM through VC/OAVM on or before September 30, 2023, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI LODR, 2015 and MCA Circulars & SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Further, MCA & SEBI vide relevant circulars has extended relaxations from dispatching physical copies of annual report to the shareholders, for the AGMs conducted till September 30, 2023. However, Companies are required to send hard copy of full annual reports to those shareholders who request for the same. The 40th 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 40th AGM shall be the Registered Office of the Company.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Businesses set above is annexed hereto.
3. The relevant details, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment and reappointment at this AGM is annexed.
4. Pursuant to the provisions of the Act and MCA Circulars, 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 is not annexed to this Notice.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. 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.
7. Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 19th September, 2023 to Monday, 25th September, 2023, both days inclusive, in terms of Section 91 of the Companies Act, 2013.
8. Cut-off date: The Company has fixed Monday 18th September, 2023, as the Cut-off Date for determining entitlement of Members to vote on the resolutions set forth in above notice for the financial year as on March 31, 2023.
9. The Remote e-voting facility will be available through CDSL platform during the following voting period:
Commencing of e-voting : 21.09.2023 (9.00 a.m.)
End of e-voting : 24.09.2023 (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 18th September, 2023, 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.
10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote during the AGM.
11. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
12. 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.
13. Dividend: The Company did not recommend any dividend for the FY 2022-23
14. In compliance with the aforesaid MCA Circulars dated May 12, 2020 and January 13th 2021 and May 05, 2022 and SEBI Circular dated May 12,



2020 and January 15 2021 and May 05, 2022, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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.cdslindia.com, respectively.

15. 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 40th AGM, i.e. 25th September, 2023. Members seeking to inspect such documents can send an email to kilinvestorservices@gmail.com.
 16. 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 18th September, 2023 through email on kilinvestorservices@gmail.com.
 17. 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.
 18. 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.
 19. KYC & Nomination: Pursuant to Section 72 of the Companies Act, 2013, and In terms of SEBI Circulars dated 03 November 2021 and December 14 2021 on Common and Simplified Norms for processing investor's service request (Physical Shareholders) by RTAs and norms for furnishing PAN, KYC details, Nomination and Bank details, it shall be mandatory for all holders of physical securities in listed entity to furnish/update PAN, Nomination, Address, Mobile Number, e-Mail Address, Bank Account mandate and Specimen Signature by submitting prescribed Forms viz., ISR-1, ISR-2, SH-13, etc., to the Company's share transfer agent. M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Tel: 040-23545913 / 14. All the above forms are available at the website of the company at www.keerthiindustries.com and the RTA at www.xlsoftech.com.
- You can also download the above cited KYC and Nomination form by using the following link: <http://www.keerthiindustries.com/images/KYCaNdNominationFormats.pdf>
20. 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.
 21. 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.
 22. 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.
 23. Issue of Duplicate Shares, Share Transfer and Transmission permitted only in Demat: As per Regulation 40 of SEBI Listing Regulations, as amended, all requests for Issue of Duplicate share certificate, transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with



Keerthi Industries Limited

physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Members may note that SEBI vide circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Hence, issue of share certificates in physical form is not permissible.

24. Shareholders' Communication: Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address, nomination 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, any changes in the particulars of members should be furnished to their respective Depository Participants (DPs).

Members are requested to quote their Registered Folio number in case of shares in physical form and DP ID and Client ID in case of shares in demat form, in their correspondence(s) to the RTA/Company

25. Unclaimed/Unpaid Dividend: Shareholders who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2017-18 and onwards, are requested to lodge their claims with the RTA, after which the unclaimed dividend shall stand transferred to the Investor Education and protection fund (IEPF) Authority account within 7 years from the date on which it becomes unpaid are tabulated as under:

Financial Year	Type of dividend	%age of dividend declared on Face Value of Rs. 10/- Each	Date of Declaration	Amount of unclaimed dividend outstanding as on March 31, 2023 (Rs.)	Number of Shareholders whose dividend remain unclaimed	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2017-18	Final	9% (i.e. Rs. 0.90 per share)	29.09.2018	7,96,583.30	8248	28.10.2025	27.11.2025
2018-19	Final	9% (i.e. Rs. 0.90 per share)	07.08.2019	7,85,409.30	8373	06.09.2026	05.10.2026
2019-20	Final	9% (i.e. Rs. 0.90 per share)	26.09.2020	7,81,170.57	8152	25.10.2027	24.11.2027
2020-21	Final	15% (i.e. Rs. 1.50 per share)	20.09.2021	12,95,934.73	8239	19.10.2028	18.11.2028
2021-22	Final	15% (i.e. Rs. 1.50 per share)	21.09.2022	13,10,810.69	8320	20.10.2029	19.11.2029

Year wise dividend remain unclaimed/unpaid has been updated in the website of the company which can be access at the Link: <http://www.keerthiindustries.com/unpaid-dividend.html>

26. 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	2022-23	2021-22
1	Number of shareholders outstanding at the beginning of the year	1531	1531
2	Outstanding shares in the DEMAT suspense account at the beginning of the year	8849	8849
3	Number of shareholders who approached the company for transfer of shares from the suspense account during the year	1	-
4	Number of shareholders to whom shares was transferred from the suspense account during the year	42	-
5	Aggregate number of shareholders outstanding at the end of the year	1530	1531
6	Outstanding shares in the suspense account lying at the end of the year	8807	8849

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

27. 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. 3 : RATIFICATION OF COST AUDITORS' REMUNERATION

The Board, on the recommendations of the Audit Committee at their respective meeting held on 30.05.2023 had approved the appointment of M/s. Vasireddy & Associates, Cost Accountants (FRN: 004181), as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2024, 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.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way to concerned or interested, in the said resolution.

The Board recommends the said resolution no.-3 to be passed as **Ordinary Resolution**.

ITEM NO. 4 : CONTINUATION OF SRI. J. S. RAO AS THE MANAGING DIRECTOR (DIN: 00029090) OF THE COMPANY EVEN AFTER ATTAINING THE AGE OF 70 YEARS

The Members of the Company may please note that the members at their 38th AGM held on 20.09.2021, had accorded necessary approval for re-appointment and remuneration of Sri. J.S Rao (DIN: 00029090), as the Managing Director of the Company for a period of 3 years i.e. from 10th May 2021 to 9th May, 2024.

It is to be further noted that Sri. J.S Rao, Managing Director has attained the age of 70 years on 18th July, 2023 and it was proposed to continue the service of Sri. J.S Rao as the Managing Director of the Company for remaining period of his tenure i.e. till 9th May, 2024 on the same terms and conditions of his appointment. A consent letter and other necessary declarations for the said proposal were received by the Company from Sri. J. S. Rao. However, in terms of the provisions of Section 196(3)(a) No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who attend the age of 70 years unless a Special resolution is passed by the shareholders within 3 Months from the date of attaining the age of 70 years. Therefore, the Company seeks the consent of the members.

Further, The Nomination and Remuneration Committee recommends and the Board has approved the proposal in their respective meetings held on 10.02.2023 and is of the view that the continued association of Sri. J. S. Rao would benefit the Company, given the knowledge, experience and performance of Sri. J. S. Rao and contribution to Board processes by him, his appointment will be in the interest of the Company. The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Sri. J. S. Rao, the Managing Director, Smt. Triveni Jasti, Executive Chairperson, Sri Jasti Venkata Krishna, Non-executive Director, and Smt. J. Sarada Govardhini, COO, is in any way to concerned or interested, in the said resolution.

The Board recommends the said resolution no. 4 to be passed as **Special Resolution**.

ITEM NO. 5 : APPOINTMENT OF SRI. RAMAKRISHNA PRASAD MUSUNURI (DIN: 01781225) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Sri. Ramakrishna Prasad Musunuri, was appointed by the Board as an Additional Independent Director with effect from 1st July, 2023 in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder. As per the provisions contained under Section 161 of the Companies Act, 2013, the "Additional Director" so appointed shall hold office upto the date of the next Annual General Meeting. Accordingly, Sri. Ramakrishna Prasad Musunuri, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than 14 days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as they case may



be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160, the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Sri. Ramakrishna Prasad Musunuri is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, the Company has received a notice from a member proposing candidature of Sri. Ramakrishna Prasad Musunuri, for the office of Director in terms of Section 160 of the Companies Act, 2013. Sri. Ramakrishna Prasad Musunuri has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of Keerthi. A consent letter and other necessary declarations for the said proposal were received by the Company from Sri. Ramakrishna Prasad Musunuri. The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice.

As per SEBI (LODR) Regulations, 2015, effective from 1st January, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person as Director on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Therefore, the Company seeks the consent of the members.

Except Sri. Musunuri Ramakrishna Prasad, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the **Ordinary Resolution** as set out at item no. 5 for approval by the Members



Keerthi Industries Limited

(Annexure I)

ADDITIONAL INFORMATION PURSUANT TO Regulation 36 (3) of the SEBI (LODR) Regulation, 2015 FOR ITEM NO. 3, 4 and 5 OF THE NOTICE:

Name of the Director	Smt. Triveni Jasti (ITEM NO. 2)	Sri. J. S. Rao (ITEM NO. 4)	Sri. M Ramakrishna Item No. 5
DIN	00029107	00029090	01781225
Date of Birth	06-12-1961	18-07-1953	06-09-1967
Age	62 Years	70 Years	56 Years
Qualification and Nature of expertise	<p>Graduate in Commerce,</p> <p>During her tenure, the operations of the company had turned around and participating in strategizing the company's growth trajectory besides overseeing of Board process and striking balance among the stakeholders.</p> <p>During her tenure as Managing Director of 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. She has performed active role in in the development of the Company, as a second generation entrepreneur and having long standing experience in the industry</p>	<p>Post Graduate in Engineering</p> <p>Sri J.S. Rao, Post Graduate in Engineering, he is the Managing Director and Authorized Signatory of Company and having almost 40 years of vast experience in electronic industries and cement industries. Under his leadership and supervision, the company has undertaken many expansion activities and became the reputed corporate group. He is playing a key role in Undertaken modernization project for manufacturing printed circuit board under Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) in electronic division and installation of VRM projects at the cements factory and expanding the companies cement division of up to 1900 TPD after taking over from the old management and successfully handling the marketing, finance, purchase and human resource divisions.</p>	<p>Master of Business Administration</p> <p>He is a Master of Business Administration from Andhra University and is having versatile experience stretching from Administrative, Finance, Sales, Marketing, Branding and Supply Chain with proven results for over 3 decades. He is also one of the Independent Director of Dilyashakti Limited (Listed Entity).</p>
Relationship with other Directors	Spouse of Sri. J. S. Rao, Managing Director and mother of Sri. J.Venkata Krishna Non-executive director.	Spouse of Smt. J. Triveni, Executive Chairperson and father of Sri. J.Venkata Krishna Non-executive director.	None
Board Membership of other Listed Companies as on 31st March, 2023	-	Non-executive Non Independent Director at Kakatiya Cement Sugar and Industries Limited	Independent Director at Divyashakti Limited
Chairmanship / Membership of Committees other Public Limited Companies as on 31st March, 2023	-	Kakatiya Cement Sugar and Industries Limited. Membership on Audit and CSR Committee)	Divyashakti Limited Membership on Nomination & Remuneration Committee
Shareholding in Keerthi Industries Limited	21,95,348 equity shares (27.38 % of paid-up equity share capital of the Company)	37,01,559 equity shares (46.17 % of paid-up equity share capital of the Company)	-



Instructions for e-voting

THE INTRUCTIONS 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 through CDSL platform during the following voting period::

Commencing of e-voting	End of e-voting
21.09.2023 (9.00 a.m.)	24.09.2023 (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 on 18th September, 2023, 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.

- (iv) 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.
- (v) 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.

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	<ol style="list-style-type: none"> Existing Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 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 the Company. By 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 are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. 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.



Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see the e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services ,option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a personal computer or on a mobile phone. Once the home page of e-voting system is launched, click on the ‘Login’ icon available under the ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged in, you will be able to see e-voting option. Click on the 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 i.e. CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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 1800 2255 33, 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.: 022 - 4886 7000 and 022 - 2499 7000.

- vi. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on “Shareholders” module.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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) ❖ 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).

- vii. (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Keerthi Industries Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) 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 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 at least 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 (company email id). These queries will be replied 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, BANK DETAIL AND NOMINATION ETC. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical Shareholders - Please furnishing KYC details & Nomination by submitting prescribed Forms viz., ISR-1, ISR-2, SH-13, etc., to the Company's share transfer agent. M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Tel: 040-23545913 / 14. All the above forms are available at the website of the company at www.keerthiindustries.com and the RTA at www.xlsoftech.com.
You can also download the above cited KYC and Nomination form by using the following link: <http://www.keerthiindustries.com/images/KYCanNominationFormats.pdf>
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 1800 2255 33, 022- 23058738 and 22-23058542-43.

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 40th Annual Report for the Financial Year 2022-2023 together with the Audited Balance Sheet as at 31st March, 2023 and the Profit & Loss Account for the year ended on that date.

1. FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	2022-23	2021-2022
Net Operational Income	24056.39	24,995.27
Other income	235.56	373.61
Profit before interest and depreciation	174.18	3485.67
Interest	333.00	334.01
Depreciation	948.97	926.37
Profit/(Loss) before taxation	(1107.79)	2225.29
Provision for taxation including deferred tax liability	(383.85)	661.09
Other Comprehensive Income	(14.28)	2.93
Total Comprehensive Income/(Loss)	(738.22)	1567.13

2. PERFORMANCE OF THE COMPANY

The Company generated operating revenue for the year 2022-23 of Rs 24,056.39 Lakhs is reduced by 4% (Rs. 24,995.27 Lakhs in 2021-22). The Total Comprehensive Loss for the FY 2022-23 at Rs. 738.22 Lakhs (Rs. 1567.13 Lakhs profit in 2021-22).

Cement Division: Production of Cement and Clinker were 4,78,515 MTS and 4,74,584 MTS respectively during the twelve months ended 31st March, 2023 as against 5,19,834 MTS and 4,32,372 MTS MTS respectively during the previous year ended 31st March, 2022. Accordingly, revenue generated during the year ended 31st March, 2023 is Rs. 22,139.15 Lakhs as against the revenue Rs. 23,093.74 Lakhs during the previous year ended 31st March, 2022.

Electronic Division: The Company has produced 3698 sq. mts of Printed Circuit Boards as against 4255 sq. mts during the previous year. Accordingly, Revenue generated during the twelve months ended 31st March, 2023 is Rs.1,872.25 Lakhs as against the revenue Rs. 1,815.54 Lakhs during the previous year ended 31st March, 2022.

Report for year 2022-23

Electronics Division performed well in terms of sales turn over this year also. In fact there is a marginal increase in turn over this year compared to that of last year. The division showed appreciable improvement in the business in the current year. Segment-wise contribution to the total PCB business for the year 2022-2023 is given below:

Sl. No.	Segment	Contribution (Rs. in Lakhs)	% of total contribution
1.	Automobile	17.09	0.91%
2.	Defense	147.15	7.86%
3.	Health Care	1607.30	85.88%
4.	Consumer Electronics	100.09	5.35%
	Total	1871.63	100.00%

Growth from healthcare segment is steady and there is an all-round improvement in the current year.

Wind Power: Revenue generated during the twelve months ended 31st March, 2023 of Rs. 44.98 Lakhs as against 85.98 during the previous year. The Board of Directors of the Company, at their meeting held on 13th November, 2021, has approved to sale Wind power division to M/s. Mission Biofuels India Private Limited on slump sale basis. The Undertaking is sold with the receipt of total consideration of Rs. 2.24 crores for the full and final settlement after adjusting receivable and payable.

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.

3. DIVIDEND

Your Company do not recommend any dividend for the FY 2022-23.

Status of unpaid/unclaimed dividend

The Statement on the status of unpaid/unclaimed dividend is as under and Year wise dividend remain unclaimed/unpaid has been updated in the website of the company which can be access at the Link: <http://www.keerthiindustries.com/unpaid-dividend.html>

Financial Year	Type of dividend	%age of dividend declared on Face Value of Rs. 10/- Each	Date of Declaration	Amount of unclaimed dividend outstanding as on March 31, 2023 (Rs.)	Number of Shareholders whose dividend remain unclaimed	Last date for claiming Un-paid Dividend by investors	Due date for transfer to IEPF
2017-18	Final	9% (i.e. Rs. 0.90 per share)	29.09.2018	7,96,583.30	8248	28.10.2025	27.11.2025
2018-19	Final	9% (i.e. Rs. 0.90 per share)	07.08.2019	7,85,409.30	8373	06.09.2026	05.10.2026
2019-20	Final	9% (i.e. Rs. 0.90 per share)	26.09.2020	7,81,170.57	8152	25.10.2027	24.11.2027
2020-21	Final	15% (i.e. Rs. 1.50 per share)	20.09.2021	12,95,934.73	8239	19.10.2028	18.11.2028
2021-22	Final	15% (i.e. Rs. 1.50 per share)	21.09.2022	13,10,810.69	8320	20.10.2029	19.11.2029

4. RESERVE AND SURPLUS

The reserve and surplus of your company stood at Rs. 7149.46 Lakhs as against Rs. 8007.93 Lakhs in the previous year.

5. 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: As on 31st March, 2023, the Company do not have any preference share capital.

6. 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 Venkata Krishna | Non-executive Director |
| 7. | Sri. Ramakrishna Prasad Musunuri
(w.e.f. : 01.07.2023) | Additional Independent Director |



- b) During the period under review following appointment has been made:
- i. Re-appointment of Sri. J. Sivaram Prasad, (DIN: 00221271) as an Independent Director:
On the recommendation of the Nomination & Remuneration Committee, the Board has, at its meeting held on 14.02.2022, approved the Re-appointment of Sri. J. Sivaram Prasad, (DIN: 00221271) as an Independent Director of the company for second term of 5 (five) years with effect from 29.05.2022 to 28.05.2027 and the Members of the Company, through postal ballot e-voting proceeding dated 06.05.2022 confirmed the said re-appointment.
 - ii. Appointment of Sri. Musunuri Ramakrishna Prasad, (DIN: 01781225) as an Independent Director:
On the recommendation of the Nomination & Remuneration Committee, the Board has, at its meeting held on 10.02.2023, approved the appointment of Sri. Musunuri Ramakrishna Prasad, (DIN: 01781225) as an Additional Independent Director of the company consecutive term of 5 (five) years with effect from 01.07.2023 and The Board of Directors recommends his appointment at the ensuing Annual General Meeting for the approval of Shareholders.
- c) In accordance with the provisions of Companies Act, 2013, Smt. J. Triveni, Executive Chairperson & Whole time Director of the Company would retire by rotation and, being eligible, offer herself for re-appointment. The Board of Directors recommends her 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 and Regulation 16(1)(b) of the SEBI (LODR) Regulation 2015.
- 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 Five (5) Board Meetings and Five (5) 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.

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

During the period under review no change in Key Managerial Personnel of the Company. Smt. J. Triveni, Executive Chairperson & Whole-time Director, Sri. J. S. Rao, Managing Director, Sri. Y. Sadasiva Rao, Chief Financial Officer and Mr. Arun Kumar Yadav, Company Secretary & Compliance Officer are the Whole-Time Key Managerial Personal of the Company.

8. 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.

9. 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.



10. STATUTORY AUDITORS

M/s. Brahmayya and Co., Chartered Accountants (FRN: 000513S) have been Re-appointed at the 39th AGM held on 21.09.2022 as the Statutory Auditors of the Company for the Second term of five (5) consecutive years to audit the financial statements of the Company from FY 2022-23 to FY 2026-27 and to hold office from the conclusion of 39th AGM till the conclusion of 44th AGM.

11. COST AUDITORS

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. Vasireddy & Associates (FRN: 004181), Cost Accountants, as Cost Auditors of the Company for the FY 2023-24. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for FY 2023-24. M/s BVR & Associates (FRN: 000453), Cost Accountants, were the Cost Auditors of the Company for the FY 2022-23.

12. REPORTING OF FRAUDS

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

13. RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to 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**.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

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

15. 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 has appointed M/s VCSR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2022-2023. The Secretarial Audit report is annexed herewith as **“(Annexure IV)”** & **“(Annexure IV.1)”**. The Secretarial Audit Report for the said financial year does not contain any qualification, reservation or adverse remarks.

16. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is annexed herewith as **“(Annexure V)”**

17. WEB-ADDRESS OF ANNUAL RETURN

Web-address of the draft Annual Return pursuant to sub-section (3) of Section 92 is updated in the website of the Company. Link for the Annual Return is as under: <http://www.keerthiindustries.com/images/Annual-Return-Section/ExtractofAnnualReturn2022-23.pdf>

18. RELATED PARTY TRANSACTIONS

All Related Party Transactions entered by the Company with related party were in the ordinary course of the business and were presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Form No. AOC-2 is tabulated hereunder



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Sl. No.	Name of Related Party and Nature of relationship	Nature contracts/ arrangement/ Transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or contracts or transactions including the value, if any	Date (s) of prior approval	Date of Transaction	Transaction Amount (Rs. in Lakhs)
1	DCS Sporting	Sale of Cement	May, 2015	Sale of Cement	Omnibus approval: 14.02.2022	17.04.2022 & 22.04.2022	1.69
2	Hyderabad Bottling Co. Pvt. Ltd	Interest Paid	-	Interest Paid @ 10%	-	-	125.54
3	Triveni Capital Leasing Investment Pvt. Ltd	Interest Paid	-	Interest Paid @ 10%	-	-	93.87
4	Triveni Capital Leasing Investment Pvt. Ltd	Unsecured Loan Taken	-	Interest @ 10%	14.02.2022	05.05.2022	150.00
Total							371.10

19. HOLDING, SUBSIDIARY/ASSOCIATE COMPANIES

As on 31st March, 2023, the Company do not have any Holding Company, Subsidiary Company or Associate Company.

20. 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 several 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.

21. VIGIL MECHANISM / WHISTLE-BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has established a robust Vigil Mechanism and a whistle-blower policy in accordance with provisions of the Act and Listing Regulations. Under the whistle-blower policy, employees are free to report any improper activity resulting in violation of laws, rules, regulations, or code of conduct by any of the employees to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received is reviewed by the Competent Authority or Chairman of the Audit Committee as the case may be. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism/Whistle-Blower can be accessed on the Company's website at: <http://www.keerthiindustries.com/images/whistle-blower-policy.pdf>

22. 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.



23. 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.

24. 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 Head office and the cement plants. Training programmes and mock drills for safety awareness were also conducted for all employees. Safety Day was observed with safety competition programmes with aim to imbibe safety awareness among the employees at the Head office and the cement plants. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

25. 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 its 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.

26. 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.

27. CHANGE IN THE NATURE OF BUSINESS

During the Financial Year under review, there was no change in the nature of business of the Company. However, The Wind Power division of the Company was sold to M/s. Mission Biofuels India Private Limited on slump sale basis. The Undertaking is sold with the receipt of total consideration of Rs. 2.24 crores for the full and final settlement after adjusting receivable and payable and the proposal of Sale was completed.

28. 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. Management Discussion & Analysis Report is annexed herewith as: **(Annexure X)**

29. COMPLIANCE WITH SECRETARIAL STANDARD

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

30. OTHER CONFIRMATIONS

There is no application/proceeding pending under the Insolvency and Bankruptcy Code, 2016 and there are no application/proceeding during the year under review. Further, there are no instances of one time settlement with any Bank or Financial Institutions.

31. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. 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.



- b. 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.
- c. 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 detecting fraud and other irregularities.
- d. That the directors had prepared the annual accounts on the going concern basis.
- e. 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.
- f. 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.

32. ACKNOWLEDGEMENTS:

Your Directors are thankful to Company's employees for their dedicated service and firm commitment to pursuing the goals and Vision of the Company. Your Board also wishes to express its appreciation for the continued support of Axis Bank Limited 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 Dealers, Customers and other concerned.

By Order of the Board of Directors

Place: Hyderabad
Date: 30-05-2023

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 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 17A and 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
 - more than 7 Listed Entities at a time
 - acts as an Independent Director in more than 7 Listed entities; or
 - who is serving as a whole time director / managing director in any listed entity is not serving as an independent director in more than 3 Listed entities
 - 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, 2023, 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 and Sri . K. Harishchandra Prasad, Independent Director holding 20 shares (0%) of the Company.
- f). The Board of Directors met Five (5) times during the year on 28.05.2022, 11.07.2022, 11.08.2022, 14.11.2022 and 10.02.2023, and the maximum gap between any two meetings was not more than the



maximum days allowed as per section 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	5	5	YES	5	0	0
2.	Mr. J. S. Rao	Managing Director	5	5	YES	6	1	0
3.	Mr. J. Sivaram Prasad	Independent Director	5	5	YES	7	0	0
4.	Mr. K. Harish Chandra Prasad	Independent Director	5	5	YES	7	5	0
5.	Mr. B. V. Subbaiah	Independent Director	5	5	YES	1	2	0
6	Mr. Jasti Venkata Krishna	Non-executive Director	5	5	YES	-	0	0

*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.

Chart setting out the skills/ expertise/ competence of the Board of Directors in terms of Clause 2(h) Part C of Schedule V: Annual Report and under Regulation 34(3) 53(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

S.No.	Name of Director	Category	Specialisation
1	Smt. Triveni Jasti	Chairperson & Whole-time Director	Graduation in Commerce (B.Com) and having 34 years of vast experience in the electronic industries and the cement Industry. During her tenure, the operations of the company had turned around and participating in strategizing the company's growth trajectory besides overseeing of Board process and striking balance among the stakeholders.
2	Sri. J.S. Rao	Managing Director	Post Graduate in Engineering, having almost 40 years of vast experience in electronic industries and cement industries. Under his leadership and supervision, the company has undertaken many expansion activities and became the reputed corporate group.
3	Sri. J. Sivaram Prasad	Independent Director	Chartered Accountant and is having versatile experience stretching from Power Industry to Sugar and Cement Industry for over 3 decades. Taxation, Accounts, Auditing and Corporate management are some of his core areas of expertise.
4	Sri. B V Subbaiah	Independent Director	He is law graduate and practicing High court advocate in the state of Telangana had extensive experience in the field of finance, accounts, corporate strategy as well as general management.



5	Sri. K. Harishchandra Prasad	Independent Director	B. Tech. (Chemical Technology) M.S., in Chemical Engineering from Washington University., St. Louis, USA (1975) and M.B.A., (special emphasis on Finance) from, St. Louis University, USA (1977). He is having versatile experience stretching from Banking, Power Industry to Sugar and Cement Industry for over 3 decades. Finance, Auditing and overall Corporate management are some of his core areas of expertise.
6	Sri. Venkata Krishna Jasti	Non-Executive Director (Promoter Group)	Masters in Mechanical Engineering (MS) from Carnegie Mellon University, US in 2005. Later, he was awarded Ph.D in mechanical engineering from Carnegie Mellon University, US. In 2008. He is the 3rd generation promoter of the company, and actively looking into the electronic division of the company's operations and performance.

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 21th September, 2022 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 2022-2023, Five (5) meetings of the Audit Committee were held on 28.05.2022, 11.07.2022, 11.08.2022, 14.11.2022 and 10.02.2023. The details of the composition of the Audit Committee and attendance of these members at the meetings are given below:

Name	Designation	Category	Meetings Attended
Sri. J. Sivaram Prasad	Chairman	NED (I)	5
Sri. K. Harishchandra Prasad	Member	NED (I)	5
Sri. B. V. Subbaiah	Member	NED (I)	5
Sri. J. S. Rao	Member	ED (P)	5

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 once (1) time on 10.02.2022 during the financial year ended March 31, 2023. 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)	1
Sri. B. V. Subbaiah	Member	NED (I)	1
Sri. J. Sivaram Prasad	Member	NED (I)	1
Sri. Jasti Venkata Krishna (w.e.f: 10.02.2023)	Member	NED	NA

I. DETAILS OF REMUNERATION PAID TO 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 (Managing Director)	J. Triveni (Chairperson & WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84	84	168
	(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)	84	84	168
	Ceiling as per the Act			168

b. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount in (Rs.)
		K Harishchandra Prasad, Independent Director	B.V. Subbaiah, Independent Director	J. Sivaram Prasad, Independent Director	J. Venkata Krishna, Non-executive Director	
1	Independent Directors					
	Fee for attending board / committee meetings	35,000	35,000	35,000	-	1,05,000
	Commission	Nil	Nil	Nil	-	Nil
	Others, please specify	37,500	45,000	35,000	-	1,17,500
	Total (1)	72,500	80,000	70,000	-	2,22,500



2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	35,000	35,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	15000	15000
	Total (2)	-	-	-	50,000	50,000
	Total = (1+2)	72,500	80,000	70,000	50,000	2,72,500
	Total Remuneration					2,72,500

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		Total Amount
		Arun Kumar Yadav (CS)	Y. Sadasiva Rao (CFO)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,37,725	57,84,000	64,21,725
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	75,954	-	75,954
	Total	7,13,679	57,84,000	64,97,396

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:**

Name	Designation	Category	No. of Meetings
Sri. B. V. Subbaiah	Chairman	NED (I)	3
Sri. J. S. Rao	Member	ED (P)	3
Smt. J. Triveni	Member	ED (P)	1
Sri. Jasti Venkata Krishna (w.e.f: 10.02.2023)	Member	NED	NA

The committee met Three (3) times on 28.05.2022, 11.08.2022 and 14.11.2022 during the financial year ended March 31, 2023. The details of composition and attendance record of the members at the meeting were as follows:

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'22		Sept'22		Dec'22		Mar'23		Total	
		Receipt	Resolved	Receipt	Resolved	Receipt	Resolved	Receipt	Resolved	Receipt	Resolved
1	Non-Receipt of Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	Non-Receipt of Share Certificate sent for transfer, Transmission & Duplicate Share Certificate etc	NIL	NIL	NIL	NIL	NIL	NIL	1	1	1	1
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. The committee met twice (2) during the FY 2022-23. 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)	2
Sri. K. Harishchandra	Member	NED (I)	2
Sri. J. Sivaram Prasad	Member	NED (I)	2
Sri. J. S. Rao	Member	ED (P)	2
Sri. Jasti Venkata Krishna (w.e.f: 10.02.2023)	Member	NED	NA

The Annual Report on CSR activities carried out during the year 2022-23 is annexed

e. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of the SEBI (LODR) Regulation, constitution of Risk Management Committee is mandatory for top 1000 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

g. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on February 10, 2023, inter alia, to discuss:

- Evaluation of the performance of Non-Executive Non-Independent Directors and the Board of Directors as a Whole;
- Evaluation of performance of the Executive Chairperson and the Managing Director
- 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/Mode	Special Resolution
2021-22	21.09.2022	11.00 AM	Video Conferencing Mode	No
2020-21	20.09.2021	11.00 AM	Video Conferencing Mode	Yes
2019- 20	26.09.2020	09.30 AM	Video Conferencing Mode	Yes

B. Extra Ordinary General Meeting:

No EGM was held during the year under review.

C. Postal Ballot:

During the year One Postal Ballot proceeding was held on 06.05.2022 for approval of Members for re-appointment of Sri. J. Sivaram Prasad as Independent Director for Second term of 5 years.

Type of resolution passed : Special Resolution

Postal Ballot e-voting period : 07.04.2022 to 06.05.2022



Proceedings of Postal Ballot : e-voting through CDSL Platform.

D. Circular Resolution:

No circular resolution was conducted during the year under review.

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 Mana Telangana, vernacular newspaper. Then same is also uploaded in the Company's website at: <http://www.keerthiindustries.com/Newspaper-Publication.html>

VI. GENERAL SHAREHOLDERS INFORMATION:

a. 40th Annual General Meeting:

Date and Time	Monday, the 25th September, 2023 at 11.30 AM
Mode	Video Conferencing mode

b. Book Closure Date: 19th September, 2023 to 25th September, 2023 (Both days inclusive)

c. Cut-off date: Cut-off date for remote e-voting 18th September, 2023

d. Financial Year and Calendar (Tentative) 2023-2024:

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 2023-2024 (tentative)	On or before
Quarter Ending 30.06.2023	14.08.2023
Half year ending 30.09.2023	14.11.2023
Quarter Ending 31.12.2023	14.02.2024
Year ending 31.03.2024	30.05.2024

Listing on Stock Exchanges:

i. The Bombay Stock Limited

e. Listing Fees: Listing Fees for Financial Year 2022-23 has been paid on 27th April, 2023.

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' 2022	184.45	157.55	55,06,780	Oct' 2022	152.00	129.05	26,70,991
May' 2022	177.45	137.95	25,94,638	Nov' 2022	145.00	128.00	32,02,155
June' 2022	149.75	119.10	18,10,756	Dec' 2022	158.75	135.95	35,03,600
July' 2022	147.90	127.50	17,15,613	Jan' 2023	157.00	139.00	19,27,114
Aug' 2022	147.65	124.15	34,14,158	Feb' 2023	154.75	135.60	19,17,377
Sep' 2022	153.80	130.05	68,36,904	Mar' 2023	151.00	130.50	8,97,912

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:

Share transfer, transmission, issue of duplicate share certificate and claim of unclaimed shares is done via demat mode through the depositories with no involvement of the Company.

k. Shareholding Pattern as on March, 2023:

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	6005951	74.92
	Sub- Total A	6005951	74.92
B	Public Shareholding		
1.	Institutions	3324	0.04
2.	Non- Institution		
	a. Body Corporate	79315	0.99
	b. Indian Public	1734082	21.63
	c. Any others:		
	i) NRI's	115949	1.44
	ii) Trust	27778	0.35
	iii) Clearing Members	-	-
	iv) HUF	50339	0.63
	Sub- Total B	2010787	25.08
	Grand Total (A+B)	8016738	100.00

l. Distribution of shareholding of the Company by number of shares held as on 31st March, 2023 is as follows:

Particulars	Shareholders		Shareholding	
	Number	%	Value	%
UPTO – 5000	12581	96.55	10295210	12.84
5001 – 10000	293	2.25	2276280	2.84
10001 – 20000	99	0.76	1434140	1.79
20001 – 30000	18	0.14	442810	0.55
30001 – 40000	10	0.08	346250	0.43
40001 – 50000	9	0.07	412560	0.51
50001 – 100000	8	0.06	574260	0.72
100001 & ABOVE	13	0.10	64385870	80.31
Total	13031	100.00	80167380	100.00

m. Dematerialization of Shares:

The Company's equity shares are dematerialized on Central Depository Services (India) Limited and National Securities Depositories Limited (NSDL). The Company's ISIN is INE145L01012. As on 31st March, 2023, mode of holding shares is as under

Mode of Holding	No. of Shares	% age
Demat		
CDSL	4358469	54.37
NSDL	2583663	32.23
Total Shares held in Demat mode (A)	6942132	86.60
Physical Holding (B)	1074606	13.40
Total Holding (A+B)	8016738	100



n. Plant Location and address for investors correspondence:

Plant Locations:

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

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: 040-23078748, 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 annexed herewith as: **(Annexure VI)**.

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 annexed herewith as **(Annexure VII)**. Compliance Certificate of the Practicing Company Secretaries:

q. As required under Clause C, D & E of Schedule V of the SEBI (LODR) Regulation, 2015, M/s. VCSR & Associates, Practicing Company Secretaries has certified that the company has complied with the conditions of the Corporate Governance as stipulated in Regulations 17 to 27 and other applicable provisions of SEBI (LODR) Regulation, 2015 and The Certificate is annexed herewith as **(Annexure VIII).**

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 annexed herewith as **(Annexure IX)**.

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. In the preparation of financial statements, no treatment materially different from that prescribed in Indian Accounting Standards had been followed.
- iii. 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.
- iv. 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.
- v. The Company does not have any subsidiary Company; hence the requirement for framing policy for determining 'material' subsidiaries is not required.
- vi. 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/Related-Party-Transaction-Policy-2022.pdf>
- vii. Familiarisation Programme For Independent Directors In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Weblink : <http://www.keerthiindustries.com/images/FamiliarisationProgrammeofIndependentDirector2022-23.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.
- 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.

VII. 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: 30.05.2023



(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 ended 31.03.2023			Previous year ended 31.03.2022		
		Cement	Electronic Division	Wind Power	Cement	Electronic Division	Wind Power
A. Power and Fuel Consumption:							
1							
a)	Purchased Units (Nos)	44052300	573952	NIL	41065000	553675	NIL
	Amount (Rs.)	337532283	6240197	NIL	271372242	4884202	NIL
	Rate/unit (Rs.)	7.66	10.87	NIL	6.60	8.81	NIL
b)	Own Generation:						
	Through Diesel Generator Units (Nos.)	5536	7584.1	NIL	8752	8101.51	NIL
	Units per Ltr. of Diesel Oil	3.1	3.07	NIL	3.0	3.12	NIL
	Cost/Unit (Rs.)	28.89	36.25	NIL	28.78	32.55	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 enenerated	NIL	105413	NIL	NIL	118852	NIL
iv)	Through waste heat recovery Units generated	5612199	NIL	NIL	6194200	NIL	NIL
2	Coal						
	Quantity (M.T.)	87752	NIL	NIL	82762	NIL	NIL
	Total Cost (Rs.)	873579755	NIL	NIL	575005595	NIL	NIL
	Average Rate/M.T. (Rs.)	9955.10	NIL	NIL	6947.70	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)	96.09	185.73	NIL	92.97	160.5	NIL
	Furnace Oil	NIL	NIL	NIL	NIL	NIL	NIL
	Coal	NIL	NIL	NIL	NIL	NIL	NIL
	Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL



FORM - B

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	
1.	Total foreign exchange outgo and earned	
a)	Foreign Exchange Outgo	Rs. 582.86 Lakhs
b)	Foreign Exchange Earned	Rs. 415.66 Lakhs



(Annexure- III)

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23

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. Composition of CSR Committee:

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
1	Sri. B. V. Subbaiah	Chairman (Non-executive Independent Director)	2	2
2	Sri. K. Harishchandra Prasad	Member (Non-executive Independent Director)	2	2
3	Sri. J. Sivaram Prasad	Member (Non-executive Independent Director)	2	2
4	Sri. J.S Rao	Member Executive Director	2	2
5	Sri. Jasti Venkata Krishna (w.e.f.: 10.02.2023)	Member Non-executive Director	-	-

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 http://www.keerthiindustries.com/Corporate-Social-Responsibility.html
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	-
6	Average net profit of the company as per section 135(5)	Rs. 1764.62 Lakhs
7	a. Two percent of average net profit of the Company as per section 135(5):	Rs. 35.29 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 2021-22:	NIL
	e. Total CSR obligation for the financial year 2022-23: (a+b-c+d)	Rs. 35.29 Lakhs



8. 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. 37.00	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.	Sports Training and coaching provided to aspirants	vii	Yes	Telangana	Rang Reddy District, Hyderabad	On going	15.00	15.00	-	Implementing Agency	Chetan Anand Badminton Formation	CSR00019120
2.	Construction and Development of ZPHS school located at Suryapet, Telangana	x	Yes	Telangana	Suryapet	On going	20.00	20.00	-	Yes	-	-
3.	Installation of CCTV Cameras for public safety at Adilabad district, Telangana	x	NO	Telangana	Adilabad	On going	2.00	2.00	-	Yes	-	-
Total							37.00	37.00	-			

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
-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

d. Amount spent in Administrative Overheads: NIL

e. Amount spent on Impact Assessment, if applicable: NIL



Keerthi Industries Limited

- f. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 37.00 Lakhs
g. Excess amount for set off, if any: NIL

Sl. No.	Particulars	Amount (Rs. In Lakhs)
i	Two percent of average net profit of the company as per section 135(5) after set-off of excess amount spent in FY 2022-23 plus carried forward unspent amount of previous FY 2021-22	35.29
ii	Total amount spent in the Financial Year (including the carried forward unspent amount of previous FY 2022-23	37.00
iii	Excess amount spent for the financial year [(ii)-(i)]	1.71
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.71

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/-
J.S. Rao
(Managing Director)

Sd/-
B.V. Subbaiah
(Chairman CSR Committee)

Place: Hyderabad
Date: 30.05.2023



**(Annexure IV)
to the Report of the Board of Directors**

MR -3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

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

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 2022-23. 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, 2023 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, 2023 ("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, 1996 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.
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.
 - 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
Company Secretaries

Sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, M No. F6121
UDIN: F006121E000427751

Place: Hyderabad
Date: 30.05.2023

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



(Annexure IV.I)

To
The Members
M/s. 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
Company Secretaries

Sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, M No. F6121
UDIN: F006121E000427751

Place: Hyderabad
Date: 30.05.2023



(Annexure - V)

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)	19.75 : 01
2	Sri J. S. Rao (Managing Director)	19.75 : 01

- 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)	NIL
2.	Smt. J. Triveni (Executive Chairperson)	NIL
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. Venkata Krishna Jasti (Non-Executive Director)	NIL
7.	Sri. Y Sadasiva Rao. (CFO)	4.90
8.	Mr. Arun Kumar Yadav (CS)	11.41

- iii. The percentage increase in the median remuneration of employees in the financial year: 7.89
- iv. The number of permanent employees on the rolls of company: 243
- v. Average increase in the salaries of employees is 13.10% other than managerial personnel during the financial year 2022-23 while it was 10.20% in the previous year 2021-22.

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 has been paid salary 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 Executive 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.



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 Statement 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. Triveni Jasti	84,00,000	Permanent	B.Com.,	25.04.2005	62	-	27.38	Promoter & Executive Chair Person
2	Sri J.S. Rao	84,00,000	Permanent	Post Graduate in Engineering	30.09.1999	70	-	46.17	Promoter & MD
3	Smt. J. Sarada Govardhini - (COO)	56,24,547	Permanent	LLM	14-02-2011	37	-	0.27	Promotor & COO and Daughter of Chairperson and Managing Director
4	Sri. Y Sadasiva Rao	57,84,000	Permanent	CA	01.04.2018	66	-	-	-
5	Shi. K.B.V Murthy -Sr.V.P.G	24,00,000	Permanent	B.Sc.	31-08-2018	69	NCL	-	-
6	Shri. C. Joginadham - G.M.(O)	21,90,000	Permanent	M.Sc.	02-11-1996	63	-	-	-
7	Sri.K V Buchi Babu - Sr.G.M (W)	5,19,000	Permanent	B.Sc.	02-01-2023	56	Saifco Cements Pvt Ltd	-	-
8	Sri. D V Ramanaiah - D.G.M. (A&F)	3,73,350	Permanent	MBA	01-03-2023	58	GVK	-	-
9	Sri. M. Govinda Rajulu - GM Marketing	13,63,743	Permanent	B.Com.	21.12.2018	58	Sri Chakra Cement	-	-
10	Sri Y. PITCHAIAH Manian-A.G.M (P)	13,53,873	Permanent	B.Sc. (Chem)	25.09.2020	56	KCP Cement	-	-

Note :

1	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
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(Annexure – VI)

**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 FY 22-23 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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 responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which that are aware and the steps have taken or propose to take to rectify these deficiencies.
- D. There are
- no significant changes in internal controls over financial reporting during the year;
 - no significant changes in the accounting policies during the year and the Company has adopted Indian Accounting Standard (IND-AS);
 - 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.

Place: Hyderabad
Date: 30.05.2023

Sd/-
J.S. Rao
Managing Director

Sd/-
Y. Sadasiva Rao
CFO

(Annexure- VII)

**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, 2023.

Place: Hyderabad
Date: 30.05.2023

For and on behalf of the Board
Keerthi Industries Limited

Sd/-
J. S. Rao
Managing Director



(Annexure - VIII)

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
M/s. 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, 2023 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.

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
Company Secretaries

Sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, M No. F6121
UDIN: F006121E000427817

Place: Hyderabad
Date: 30.05.2023



(Annexure – IX)

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, 2023 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	Non-executive Director

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
Company Secretaries

Sd/-
(Ch. Veeranjanyulu)
Partner
CP NO. 6392, M No. F6121
UDIN: F006121E000427795

Place: Hyderabad
Date: 30.05.2023



(Annexure X)

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 installed modern Vertical Raw Mills (VRM) in place of erstwhile Raw Ball mills and run under trial basic it will benefited by save cost of production, low pollution, less chances of accident as the VRM is operated from Control Room by skilled employees, save running hours and it will consumes less power and fuels.

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 is expected to give strong push to company's operations in the upcoming years. The Board of Directors of the Company at their meeting held on 14.08.2021 and 10.02.2023 have approved to modernize the process of manufacturing Printed Circuit Boards with an estimated revised project cost from Rs. 6 Crores to Rs. 10 crores under the scheme for promotion of manufacturing of Electronics components and Semiconductors (SPECS) of the Ministry of Electronics and Information Technology (MeitY) of the Government of India.

c. POWER

Your company was having one 1.50 MW Wind Energy based Electric Generating Station ("the Plant") located at Koppalahlli village, Hassan (Taluk & District), Karnataka and is being commissioning since September, 2007. The Power generated from the plant was entirely sold to Chamundeshwari Electricity Supply Corporation Limited (CESC), a Government of Karnataka Undertaking. Your Company had 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 13th November, 2021 have approved to sell the wind power division on a slump sale basis to M/s. Mission Biofuels India Private Limited and the undertaking was sold during the year with the total consideration of RS. 2.24 Crores.

d. OILFIELD AND NATURAL GAS

Under the existing circumstances, the Company is eying to explore the segment of oilfield and Natural gas along with its existing business activities. 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

While global economic growth is expected to moderate further in 2023 before marginally increasing in 2024, India is



likely to grow 6.0%-6.5% in FY 2024, the fastest among major economies in the world. Higher public sector capex, coupled with fresh capital investments by the private sector, will help drive medium-term growth, while digitalisation and efficiency-enhancing reforms will enhance productivity. Further, India's transition to clean energy and mobility through green hydrogen and electric vehicles provides significant investment opportunities. Semiconductors and IT product manufacturing are expected to position India attractively in global trade.

The long-term growth drivers of the economy remain intact coupled with a large and fast-growing middle-class driving consumer spending. The rapidly growing domestic consumer market as well as the large industrial sector have made India an important investment destination for a wide range of multinationals across manufacturing, infrastructure, and services. Further, India is fast becoming the start-up capital of the world, attracting sizeable foreign investments, driven by its young population and technology edge. However, a complex interplay of geopolitical events including the neighbouring countries, high inflation and consequently elevated interest rates could pose risks to future economic growth.

a. CEMENT DIVISION

Industry Structure and Developments:

India is the world's second-largest cement producer, accounting for over 7% of the global cement installed capacity. Cement production in India grew at 7.6% for FY 2023 (368 million tonne) driven by strong demand from housing and infrastructure sectors. The housing sector accounts for majority of India's cement consumption, followed by the infrastructure sector, and commercial and industrial building constructions.

Outlook for cement sectors is favourable on the back of higher growth opportunities in the housing and infrastructure segments. The Government in the Union Budget 2023-24 has allocated \$11.4 billion for the creation of safe housing (rural and urban), sanitation and increase road connectivity. With a busy construction season ahead with the pre-election spending kicking in, the Industry is expected to see a volume growth of 6-8% going forward and is likely to reach ~390-400 million tonnes.

Opportunities:

India Ratings & Research forecasts that cement demand will grow by up to 9% in the 2024 financial year that started in April 2023, due to continued government infrastructure spending. Despite mounting inflation and a large number of capital expenditure projects in progress, it expects cement company profits to recover due to slowing increases in energy costs, according to the Press Trust of India. The current prediction for the 2024 financial year follows a growth estimate of 9% in the 2023 financial year.

The primary demand driver for the cement industry will continue to be India's expanding housing sector, which normally accounts for 65% of the country's total cement consumption. The Union Budget for the year 2023-24 has an outlay for PM Awas Yojana, which is being enhanced by 66% to over ` 79,000 Crores (US\$ 9.6 billion) to build affordable houses in urban and rural India. India built 12,000 kilometres of roadways in 2022, and this momentum is projected to continue in 2023 and 2024, supported by a number of government's programmes, which would further increase cement demand.

The cement demand in FY2023, though started on a mute note because of the inflationary environment, picked up pace in the second half as global raw material prices stabilised. Cement volumes grew by 8-9% in FY2023 to 380-385 million tonne, driven by housing demand, both rural and urban, and the infrastructure sector. Cement manufacturers are wary of further increasing their prices and this is leading to an impact on their profitability margins. Cost optimisation through tech enablement and innovating manufacturing processes have become extremely important for firms to sustain in the long run.

b. ELECTRONIC DIVISION:

Industry Structure and Developments:

The global PCB (printed circuit board) market size grew from US \$ 62.18 Billion in 2022 to US \$ 69.60 Billion in 2023 at a compound annual growth rate is 11.90%. and it is expected to grow to US \$ 104.99 Billion in 2027 at a compound annual growth rate is 10.80%.

Electronics industry is one of the largest global industries and form an integral part of several industries including Consumer Electronics, Medical equipment, IT, Telecom, Strategic Electronics (Defence, Space, and Aerospace), Industrial, & Mobility.



Indian PCB (Printed Circuit Board) Market:

The Indian PCB (printed circuit board) market size reached US\$ 4.5 Billion in 2022. Looking forward, the analyst expects the market to reach US\$ 11.8 Billion by 2028, exhibiting a growth rate (CAGR) of 16.6% during 2023-2028. The rising utilization in consumer electronic products, increasing application in electric vehicles (EVs), and favorable government policies represent some of the key factors driving the market. India represents one of the largest and fastest growing consumer electronics market in the Asia Pacific region

The Government of India is strongly encouraging the manufacturing and usage of PCBs in the country. It has launched many initiatives such as 'Make in India', 'Digital India' Specs Scheme of Meity etc. Under these schemes, the government aims to encourage manufacturers to set up more local plants in the country by easing tax regime, reducing bureaucratic hurdles, etc. This is expected to bring in significant achievement in various end-use industries (automotive, electrical, etc.), thereby creating a positive impact on the overall PCB demand.

In line with the government initiative your company started modernising the process of manufacturing Printed Circuit Boards with an estimated revised project cost of Rs. 10 crores under the scheme for promotion of manufacturing of Electronics components and Semiconductors (SPECS) of the Ministry of Electronics and Information Technology (MeitY) of the Government of India. Popularly known as 25% Subsidize Scheme.

Opportunities:

Electronics are a global driver for the world's economy. They are present in everything from life-saving medical equipment to safety and security systems, telecommunications, and automobiles. Electronics manufacturing involves significant job creation within the industry itself as well as in other industries through improved productivity and constant innovation. Applications such as wearables, augmented and virtual reality, and high-end graphics and video are just a few of the electronics-based innovations coming our way.

Favorable government policies represent one of the primary drivers increasing the sales of PCBs in India. The Government of India is encouraging the manufacturing and utilization of PCBs across the country by offering various initiatives, such as Make in India and Digital India. In addition to this, it is supporting manufacturers to set up more local plants in the country by providing easy tax regime and reducing bureaucratic hurdles.

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. Your company has shown a raising tone even in this hardship time Your Company is focusing on modernizing the manufacturing processes thereby aiming to take up new projects to improve the revenue in this segment.

c. 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.

In November 2021, India announced its target of achieving Net Zero emissions by 2070. Prior to this, earlier in the year, India had targeted the goal of being energy Independent by 2047. In relation to this, significantly, during the year, the Government of India launched its National Hydrogen Mission, advanced its ethanol blending target and launched mega production-linked incentive schemes for Solar PV, Advanced Batteries and the automotive sectors. This was followed by the announcement of Green Hydrogen/ Green Ammonia Policy that aim to boost production of 'Green Hydrogen' to 5 million tonnes by 2030 and make India an export hub for the clean fuel.

Opportunities:

25% of the global energy growth between 2020 and 2040 is envisaged to come from India due to the fast-growing economy and demographic dividend, so India's energy demand Expected to grow at about 3% per annum by 2040, compared to the global rate of 1%. Early production royalty concession of 10%, 20% and 30% for different Category producer. Any entity can set up LNG stations in any Geographical Area in India



even if they do not have a City Gas Distribution license. Liberal government policies in getting Environmental clearance also stimulates to concentrate in this field of Exploration & Production of Oilfield and Natural Gas.

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 and heavy finance cost as the cements industry is the capital intensive industry. The Operations of Cement companies in Telangana and Andhra Pradesh suffer due to availability of Coal, Fuel, lower realizations and lower demand in the state.

b. ELECTRONIC DIVISION

The complexity of the PCB design and manufacturing processes means there are numerous opportunities for PCB failure issues to arise. Some of these failures are a result of design oversights, such as insufficient clearances or incorrect measurements, which can negatively affect the functionality of the finished product. Others may result from problems in the manufacturing process, such as drilling errors or over-etching, which can be equally catastrophic.

There is a threat from major domestic and foreign competitors who, in order to maintain their scale of production, 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 also exposed to risks across its entire range of business operations i.e. Loosing of major customers due to inability to meet the customer demands on time due to lack of modern machinery and equipment.

c. 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 avenue in this segment.

5. OUR BUSINESS

The breadth and depth of 'Keerthi' expertise has been built over last 10 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 is 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.



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, 2023, 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Loss 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 the 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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 scepticism 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 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - 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.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever



by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
 - v a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - b. The Company has not declared any dividend for the current year under Repor.
3. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1 April 2023, reporting under this clause is not applicable

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

Sd/-
(K. SHRAVAN)
Partner

Membership No. 215798
UDIN: 23215798BGQQCG9928

Place: Hyderabad
Date: 30.05.2023

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, 2023.,

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
 - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.



- b. The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks on the basis of security of current assets and the quarterly returns filed by the company are in agreement with the books of accounts except as stated in Note No. 21, quarterly returns varied with books of accounts, with regard to Inventories, trade receivables and trade payables.
- iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.
- iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act 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.
- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2023 for a period of 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
Karnataka Sales tax dept.	Sales Tax	6,20,112	-	FY 1993-94	Hon'ble High Court of Karnataka
Telangana Entry Tax	Entry Dues VAT	46,89,148	16,41,202	FY 2012-13 to 2017-18	Appellate Deputy Commissioner (CT), Hyderabad

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.



- e. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (e) of the Order is not applicable;
- f. The company does not have subsidiaries, associates or joint ventures. Hence clause 3(ix) (f) of the Order is not applicable.
- x.
 - a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3 (x)(a) of the Order is not applicable.
 - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
 - a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
 - c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the 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.
- xiv.
 - a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
 - b. We have considered the reports of the Internal Auditors for the period under audit.;
- xv. 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 any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
 - a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
 - b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under 3(xvi)(d) of the Order is not applicable;
- xvii. The company has incurred cash losses amounting to Rs. 158.82 lakhs only during the current financial year and has not incurred any cash losses during the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under Para 3(xx) of the Order is not applicable to the Company.



xxi. The Company does not have subsidiaries, associates or joint ventures. Hence clause 3 (xxi) of the said Order with regard to qualifications or adverse remarks in CARO reports of the companies included in the consolidated financial statements, is not applicable.

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

Sd/-
(K. SHRAVAN)
Partner

Place: Hyderabad
Date: 30.05.2023

Membership No. 215798
UDIN: 23215798BGQQCG9928

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 March 31, 2023 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by 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 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 these 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 financial controls with reference to financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control 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 control 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 March 31, 2023, 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 ICAI.

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

Sd/-
(K. SHRAVAN)

Place: Hyderabad
Date: 30.05.2023

Partner
Membership No. 215798
UDIN: 23215798BGQCG9928



Keerthi Industries Limited

Balance Sheet as at 31st March 2023

(₹ In Lakhs)

Particulars	Note No.	As At 31st March 2023	As At 31st March 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2 (A)	7,988.89	8,583.33
(b) Capital Work-in-progress	2 (B)	4,140.51	941.81
(c) Right-of-Use Asset		-	9.00
(d) Other Intangible assets	3	10.42	27.72
(e) Financial Assets			
(i) Investments		0.06	0.06
(ii) Other financial assets	4	895.68	770.97
(f) Deferred Tax Assets (net)	19		
(g) Other non-current assets	5	284.91	546.93
(2) Current assets			
(a) Inventories	6	3,141.49	2,819.16
(b) Financial Assets			
(i) Investments	7	272.20	261.76
(ii) Trade Receivables	8	656.52	622.76
(iii) Cash and cash equivalents	9	126.33	50.33
(iv) Bank balances other than (iii) above	10	305.57	231.46
(v) Loans	11	5.45	3.27
(vi) Others	12	40.10	37.39
(c) Current Tax Assets (Net)	13	115.82	68.02
(d) Other current assets	14	776.39	1,287.38
Total Assets		<u>18,760.34</u>	<u>16,261.35</u>
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	15	801.67	801.67
(b) Other Equity		7,149.46	8,007.93
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	5,085.76	2,063.80
(b) Provisions	18	164.12	139.15
(c) Deferred Tax Liability (net)	19	431.27	781.68
(d) Other non-current liabilities	20	-	114.79
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	1,409.01	969.04
(ii) Trade payables	22		
a. Total outstanding due of Micro Enterprises and Small Enterprises		1,580.94	1,144.39
b. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		-	-
(iii) Other financial liabilities	23	581.44	574.63
(a) Other current liabilities	24	1,537.73	1,644.69
(b) Provisions	18	18.94	19.58
Total Equity and Liabilities		<u>18,760.34</u>	<u>16,261.35</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 **Brahmayya & Co.**

Chartered Accountants

Firms' Registration No. 000513S

Sd/-

K. Shravan

Partner

Membership No. 215798

Place: Hyderabad

Date: 30.05.2023

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 2023

(₹ In Lakhs)

Particulars	Note No.	Current year	Previous year
I. Revenue from operations	25	24056.39	24995.27
II. Other income	26	235.56	373.61
III. Total Income (I+II)		24291.95	25368.88
IV. Expenses			
1. Cost of materials consumed	27	3340.95	3364.52
2. Changes in inventories of finished goods and work-in-progress	28	(855.60)	215.27
3. Employee benefits expense	29	2276.66	2083.76
4. Power and Fuel		12314.25	8496.22
5. Packing and Forwarding		5523.70	6162.38
6. Finance costs	30	333.00	334.01
7. Depreciation and amortization expense	2,3	948.97	926.37
8. Other expenses	31	1493.58	1561.06
Total expenses		25375.51	23143.59
V. Profit / (Loss) before Exceptional Items (III-IV)		(1083.56)	2225.29
VI. Exceptional Items	32	(24.23)	-
VII. Profit / (Loss) before tax (V- VI)		(1107.79)	2225.29
VIII. Tax expense:			
(1) Current tax		-	746.88
(2) Deferred tax		(185.46)	(85.33)
(3) Income Tax of earlier year		(198.39)	(0.46)
IX. Profit / (Loss) after tax for the year (VII-VIII)		(723.94)	1564.20
X. Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
- Actuarial gains/(losses) of defined benefit plans		(14.28)	4.06
- Tax impacts on above		-	(1.13)
B. Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(14.28)	(2.93)
XI. Total comprehensive income for the year (IX+X)		(738.22)	1567.13
XII. Earnings per equity share (face value of Rs.10/-)			
Basic & Diluted (in Rupees)		(9.21)	19.55

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: 30.05.2023

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 2023

(₹ In Lakhs)

	Year ended 31st March 2023	Year ended 31st March 2022
Cash Flow From Operating Activities		
Profit/ (Loss) before tax	(1,107.80)	2,225.29
Adjustments for:		
Depreciation and amortization expense	948.97	926.37
Interest income	(54.61)	(38.21)
Dividend Income		-
Finance Cost	333.00	334.01
Net (gain)/loss on Mutual Funds	(23.61)	(34.14)
Government Grant	(114.79)	(114.79)
Exceptional Income	-	-
Operating Profit before working capital Changes	(18.84)	3,298.53
Movement in Working Capital		
Decrease/(increase) in inventories	(322.33)	(655.54)
Decrease/(increase) in trade receivables	(33.75)	(87.58)
Increase / (decrease) Trade payables	436.57	114.99
Decrease / (Increase) in financial assets	(126.89)	(3.61)
Decrease / (Increase) in non-financial assets	782.00	(820.94)
Increase / (decrease) in financial liabilities	20.95	(85.26)
Increase / (decrease) in other liabilities	(106.96)	(414.85)
Increase / (decrease) in Provisions	10.03	22.93
Cash Generated from Operations	640.78	1,368.67
Taxes (Paid) or Refund (Net)	(14.35)	(491.54)
Net Cash flow from Operating Activities (A)	626.43	877.13
Cash Flow From Investing Activities		
Purchase of Property plant and equipment and intangible assets incl. CWIP	(3,535.91)	(1,290.36)
Purchase of Investments	13.17	2.34
Movement in other bank balances	(74.11)	(154.28)
Interest Received	51.89	48.04
Dividend Received	-	-
Net cash flow generated/(used) from investing activities (B)	(3,544.96)	(1,394.26)
Cash flows from financing activities		
Proceeds from/(repayment of) long-term loans and borrowings, net	2,997.54	(388.05)
Proceeds from/(repayment of) short-term loans and borrowings, net	439.97	356.26
Dividend paid including DDT	(120.25)	(120.25)
Interest paid	(308.79)	(244.89)
Net cash flow from / (used in) financing activities (C)	3,008.47	(396.93)
Net increase in cash and cash equivalents (A+B+C)	89.94	(914.06)
Cash and cash equivalents at the beginning of the period/year	36.39	950.46
Cash and cash equivalents at the end of the year	126.33	36.39
Component of Cash and Cash Equivalent		
Cash in Hand	2.22	1.31
Balance with banks In current Account	124.11	49.02
Books Over draft	-	(13.94)
Total Cash and Cash Equivalents in Cash Flow Statement	126.33	36.39

The above statement of cash flow 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. Shravan

Partner

Membership No. 215798

Place: Hyderabad

Date: 30.05.2023

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 2023****A. Equity Share Capital**

(₹ In Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
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 2021	939.55	970.10	4,650.37	1.04	6,561.06
Profit/(Loss) for the period	-	-	1564.20	-	1564.20
Other Comprehensive Income	-	-	-	2.93	2.93
Transfer to/(from) Retained Earnings	-	68.34	(68.34)	-	-
Dividend on Equity Shares	-	-	(120.26)	--	(120.26)
Balance as at 31st March 2022	939.55	1,038.44	6,025.97	3.97	8,007.93
Profit/(Loss) for the period	-	-	(723.94)	-	(723.94)
Other Comprehensive Income	-	-	-	(14.28)	(14.28)
Transfer to/(from) Retained Earnings	-	-	-	-	-
Dividend on Equity Shares	-	-	(120.25)	-	(120.25)
Balance as at 31st March 2023	939.55	1,038.44	5,181.78	(10.31)	7,149.46

Notes:**Nature & Purpose of Reserves**

- (a) Capital Reserve
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company'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 remeasurement 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 Brahmaya & Co.
Chartered Accountants
Firms' Registration No. 000513S
Sd/-
K. Shravan
Partner
Membership No. 215798
Place: Hyderabad
Date: 30.05.2023

For and on behalf of Board of Directors

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



DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES.

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 2023. These financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 30, 2023.

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

(a) Adoption of recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.



Notes forming part of the Financial Statements for the year ended 31st March, 2023

2. Property, Plant and Equipment

(₹ In Lakhs)

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31.03.2022	Additions	Deductions	As at 31.03.2023	Up to 31.03.2022	For the year	Deductions	Up to 31.03.2023	As at 31.03.2023	As at 31.03.2022
(A)	Property, Plant and Equipment:										
1	Land:										
	Freehold: Cement Division	674.77	-	-	674.77	-	-	-	-	674.77	674.77
	Sugar Division	497.59	-	-	497.59	-	-	-	-	497.59	497.59
2	Buildings:										
	Factory	3488.66	19.87	-	3508.53	1624.43	96.42	1720.85	1720.85	1787.68	1864.22
	Factory (Wind Power)	57.55	-	57.55	0.00	26.87	1.79	28.66	-	0.00	30.69
	Non-Factory	647.78	171.14	-	818.92	167.95	24.12	192.07	-	626.85	479.83
3	Plant & Machinery	14858.02	244.36	45.75	15056.63	10814.65	644.98	13.20	11446.43	3610.20	4050.85
	Plant & Machinery (Wind Power)	860.45	-	860.45	-	626.20	23.91	650.11	-	0.00	235.00
4	Electrical Installations	3247.27	-	-	3247.27	2646.93	92.72	-	2739.65	507.62	600.35
5	Furniture & Fixtures	80.95	20.00	-	100.95	72.01	3.76	-	75.77	25.18	8.94
6	Office Equipment	74.17	2.92	-	77.09	62.88	4.87	-	67.75	9.34	11.29
7	Vehicles	180.68	157.84	29.38	309.14	144.65	23.05	26.16	141.54	167.60	36.03
8	Other Assets	65.68	-	-	65.68	29.28	3.74	-	33.02	32.66	36.40
9	Data Processing Equipment	141.61	4.52	4.09	142.04	119.36	8.78	3.89	124.25	17.79	22.23
10	Effluent Treatment Plant	19.49	-	-	19.49	18.52	-	-	18.52	0.97	0.97
11	Generators	49.74	-	-	49.74	16.71	3.40	-	20.11	29.63	33.03
12	Lab Equipment	7.50	-	-	7.50	6.36	0.13	-	6.49	1.01	1.14
	Total	24951.91	620.65	997.22	24575.34	16376.80	931.67	722.02	16586.45	7988.89	8583.33
(B)	Capital work in progress	941.81	3352.83	154.13	4140.51	-	-	-	-	4140.51	941.81
3.	Other Intangible Assets										
	Computer Software	202.38	-	-	202.38	174.66	17.30	-	191.96	10.42	27.72
	Total (I+II+III)	26096.10	3973.48	1151.35	28918.23	16551.46	948.97	722.02	16778.41	12139.82	9552.86
	Less: Internal transfers	-	(154.13)	(154.13)	-	-	-	-	-	-	-
	Total	26096.10	3819.35	997.22	28918.23	16551.46	948.97	722.02	16778.41	12139.82	9552.86
	Previous Year	24812.83	1352.25	68.98	26096.10	15616.86	926.37	-	16543.23	9552.87	9188.87

**2 B Movement of capital work-in-progress**

(Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening Balance	941.81	0.23
Additions during the year	3,352.83	941.58
Capitalised during the year	154.13	-
Closing balance	4,140.51	941.81

CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March 2023					
Project in Progress	3,208.22	932.29	-	-	4,140.51
Projects temporarily suspended	-	-	-	-	-
As at 31st March 2022					
Project in Progress	941.58	0.23	-	-	941.81
Projects temporarily suspended	-	-	-	-	-



(₹ In Lakhs)

	As at 31 st March 2023	As at 31st March 2022
4. Other financial assets		
Consumption Deposit with CPDCL	567.61	471.50
S. Deposit Gokarnapuram PML	8.00	-
Margin Money Deposits with Banks for a period more than 12 months		
- Margin money Deposits	320.07	299.47
Total	895.68	770.97
Fixed deposit receipts for Rs. 202.40 (31.03.2023 - Rs.182.00 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	89.60	351.62
Voltage Surcharge paid under protest (Refer Note 33.1)	72.06	72.06
Sales Tax paid under protest (Refer Note 33.1)	123.25	123.25
Total	284.91	546.93
6. Inventories		
Raw materials	644.81	612.04
Stores and spares	802.48	771.23
Coal	379.32	986.80
Packing Material	56.07	45.89
Work-in-progress	960.03	263.23
Finished goods	279.59	138.36
Scrap (Valued at Net realisable value)	19.19	1.61
Total	3141.49	2819.16
7. Investments		
Investment at fair value through profit or loss		
Quoted		
Units of Mutual Funds	272.20	261.76
Total	272.20	261.76



(₹ In Lakhs)

**As at 31 st
March 2023**

As at 31st
March 2022

8. Trade Receivables (Unsecured considered good)

A. Secured	-	-
B. Unsecured		
i. Considered good	656.52	622.76
ii. Significant increase in credit risk	-	-
iii. Credit Impaired	-	-
Less: Provision for doubtful allowance	-	-
Total	656.52	622.76

Trade receivables ageing schedule

		Outstanding as at March 31, 2023						
		Not due	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	550.00	50.85	52.44	3.23	-	-	656.52
(ii)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for doubtful receivables		-	-	-	-	-	-	-
Total		550.00	50.85	52.44	3.23	-	-	656.52
		Outstanding as at March 31, 2022						
		Not due	Less than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables – considered good	445.54	6.24	71.9	-	-	99.08	622.76
(ii)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Less: Allowance for doubtful receivables		-	-	-	-	-	-	-
Total		445.54	6.24	71.9	-	-	99.08	622.76

9. Cash and cash equivalents

Balances with banks		
- In current accounts	124.11	49.02
Cash on hand	2.22	1.31
Total	126.33	50.33



(₹ In Lakhs)

	As at 31 st March 2023	As at 31st March 2022
10. Other Bank Balances		
- Unclaimed dividends - Earmarked balances with banks	49.83	36.79
- In margin money deposits with balance maturity of period less than 12 months	255.74	194.67
Total	305.57	231.46
Note: Fixed receipts are lodged with the bankers as a security against the overdraft / bank guarantee limits sanctioned by them		
11. Loans and Advances		
Advances to staff (Unsecured, considered good)	5.45	3.27
Total	5.45	3.27
12. Other financial assets (Unsecured, considered good)		
Sundry deposits	2.48	2.15
Interest accrued	37.62	35.24
Total	40.10	37.39
13. Current tax assets (net)		
Advance Income tax & TDS Receivable (Net of Provisions)	115.82	68.02
Total	115.82	68.02
14. Other current assets (Unsecured, considered good)		
Sundry deposits	0.20	0.20
Vendor advances	617.94	1152.09
Prepaid expenses	106.80	102.78
Goods & Service Tax Input Credit	51.45	28.37
Deposit With Central Tax Department (Refer Note 33.1)	-	3.94
Total	776.39	1287.38



Keerthi Industries Limited

(₹ In Lakhs)

**As at 31 st
March 2023**

As at 31st
March 2022

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: 80,16,738 Equity Shares of Rs.10/- each	801.67	801.67

a. Reconciliation of Equity Shares outstanding at the end of the reporting period

(₹ In Lakhs)

Particulars	31st March, 2023		31st March 2022	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	8,016,738	801.67	8,016,738	801.67
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	8,016,738	801.67	8,016,738	801.67

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 2023		As at 31 March 2022	
	Number of Shares held	% holding	Number of Shares held	% holding
Equity Shares of Rs.10/- each:				
Sri. J S Rao	3,701,559	46.17	3,701,559	46.17
Smt. J Triveni	2,195,348	27.38	2,195,349	27.38

(d) Shares held by promoters of the Company

Promoter's Name	FY 2022-23		% change during the year	
	No of Shares	% total shares		
Equity Shares of Rs.10/- each:				
Sri. J S Rao	3,701,559	46.17	-	-
Smt. J Triveni	2195348	27.38	-	-
Jasti Venkata Krishna	87,347	1.09	-	-
Jasti Sarada Govardhini	21,697	0.27	-	-

Promoter's Name	FY 2021-22		% change during the year	
	No of Shares	% total shares		
Equity Shares of Rs.10/- each:				
Sri. J S Rao	3,701,559	46.17	-	-
Smt. J Triveni	2,195,349	27.38	-	-
Jasti Venkata Krishna	87,347	1.09		
Jasti Sarada Govardhini	21,697	0.27		



(₹ In Lakhs)

	As at 31 st March 2023	As at 31st March 2022
16. Other Equity		
Capital Reserve	939.55	939.55
Capital Redemption Reserve	1,038.44	1,038.44
Retained Earnings	5,181.78	6,025.97
Other Comprehensive Income	(10.31)	3.97
Total	7,149.46	8,007.93

Particulars	Non-current portion		Current Maturities	
	As at 31st Mar 2023	As at 31st March 2022	As at 31st Mar 2023	As at 31st March 2022
17. Borrowings				
Secured - at amortised cost				
a) Term loans from banks:				
- Axis Bank	2,706.12	-	285.00	-
b) Vehicle or Equipment Loans				
i) From Banks:				
- ICICI Bank	-	-	-	3.44
- Kotak Mahindra Bank Ltd.	-	-	-	3.88
- Kotak Mahindra Bank Ltd.	6.24	-	1.56	-
- HDFC Bank Limited	66.12	-	21.31	-
ii) From Others				
Cholamandalam Investments and Finance Co. Ltd.	4.04	-	3.80	-
Kotak Mahindra Prime Ltd.	18.83	-	4.08	-
Kotak Mahindra Prime Ltd.	70.61	-	15.29	-
Unsecured				
a) From Related parties:				
Inter Corporate Deposits	2,213.80	2,063.80	-	-
Defered payment Liabilities				
Sales Tax Deferment Loan	-	-	-	174.41
Total	5,085.76	2,063.80	331.04	181.73

- 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 Short term borrowings as 'Current Maturities of Long Term Debt'
- 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. Vehicle or Equipment loans are secured by hypothecation of the vehicles/ equipments financed through the loan arrangements.



Keerthi Industries Limited

E. Terms and repayment details of term loans :

Particulars	Rate of Interest	As at 31st March 2023		As at 31st March 2022	
		Number of installments outstanding	Amount Rs. in lakhs	Number of installments outstanding	Amount Rs. in lakhs
Secured:					
Term loans:					
- Axis Bank Limited	9.35%	60	2,911.22	-	-
Vehicle or Equipment Loans					
- ICICI Bank	8.01%	-	-	3	3.44
- Kotak Mahindra Bank Ltd.	8.40%	-	-	3	3.88
- Kotak Mahindra Bank Ltd.	9.89%	44	7.80	-	-
- Cholamandalam Investments and Finance Co. Ltd.	9.78%	31	7.84	-	-
- HDFC Bank Limited	8.20%	44	87.42	-	-
- Kotak Mahindra Prime Ltd.	8.63%	57	22.91	-	-
- Kotak Mahindra Prime Ltd.	8.63%	57	85.90	-	-

F. **Unsecured:** Inter corporate deposits carry an interest of 10% per annum.

18. Provisions

(₹ In Lakhs)

Provision for employee benefits	Non-current portion		Current Maturities	
	As at 31st March, 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Gratuity	95.14	73.89	1.84	5.09
Compensated absences	68.98	65.26	17.09	14.49
Total	164.12	139.15	18.94	19.58

19. Deferred Tax

(₹ In Lakhs)

Particulars	As At 31st Mar 2023	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	MAT Credit utilised	As at 31st March 2022	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	MAT Credit utilised	As at 31 March 2021
Deferred Tax Liabilities									
Property, Plant & Equipment & Intangible assets	855.95	(198.83)	-	-	1,054.77	(84.51)	-	-	1,139.29
Fair Value adjustments of financial liabilities	4.58	20.89	-	-	(16.31)	6.19	-	-	(22.50)
	860.53	(177.94)	-	-	1,038.46	(78.32)	-	-	1,116.79
Deferred Tax Assets									
Employee Benefits & Statutory Liabilities allowed on Payment Basis	81.07	7.52	-	-	73.55	7.01	(1.13)	-	67.67
MAT Credit entitlement	348.19	-	-	164.96	183.23	-	-	(356.14)	539.37
	429.26	7.52	-	164.96	256.78	7.01	(1.13)	(356.14)	607.04
MAT Credit Utilisation recognised in Other Equity	-	-	-	-	-	-	-	-	-
Net Deferred Tax Liability/(Asset)	431.27	(185.46)	-	(164.96)	781.68	(85.33)	1.13	356.14	509.75



(₹ In Lakhs)

	As at 31 st March 2023	As at 31st March 2022
20. Other non-current liabilities		
Deferred Government Grant	-	114.79
Total	-	114.79
21. Short-term borrowings		
A. Secured		
Current Maturities of Long Term Loan (Refer note 17)	331.04	181.73
Axis Bank - Cash Credit	969.61	667.20
Axis bank Temp Over Draft	-	100.02
State Bank of India - Overdraft	-	13.94
Axis bank Credit card	101.21	-
Total (a)	1,401.86	962.89
B. Unsecured		
From Related parties		
i) Inter Corporate Deposits	-	-
ii) Loan from Directors	-	-
From Others		
Trade and Rent Deposits	7.15	6.15
Total (b)	7.15	6.15
Total (a+b)	1,409.01	969.04

**Details of Security:**

- (i) Cash Credit from Axis Bank sanctioned limit of Rs.10.00 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.
- (ii) Working capital facility with Axis Bank obtained for Cement Division is secured against all the chargeable current assets of the Company including raw materials, stock in progress, finished goods, stores and spares and receivables both present and future. To comply with the provisions of loan arrangement, select information relating to trade receivables, inventories, and creditors for purchases are considered relevant. The differences as reported above is mainly attributed to use of information extracted from books prior to book closures. Management has taken necessary steps to minimise such differences by way of seeking extension for submission of information only after formal book closures for the relevant periods.

Quarter Ended	Inventories			Trade Receivables/(Advances Received)			Trade Payables		
	As per Books	Reported to Bankers	Short/(Excess)	As per Books	Reported to Bankers	Short/(Excess)	As per Books	Reported to Bankers	Short/(Excess)
31 March 2023	2248.79	2188.26	60.53	(907.19)	0	(907.19)	(307.27)	(319.96)	12.69
31 December 2022	2691.81	2680.48	11.33	(618.06)	0	(618.06)	(209.63)	(136.81)	(72.82)
30 September 2022	2170.02	2012.36	157.66	(679.32)	0	(679.32)	585.83	579.67	6.16
30 June 2022	1732.18	1721.85	10.33	(381.68)	0	(381.68)	105.41	118.96	(13.55)

- (ii) Bank Overdraft from State Bank of India is secured against pledge of Fixed Deposits and payable on demand (Refer Note 4)

22. Trade payables

(₹ In Lakhs)

	As at 31 st March 2023	As at 31st March 2022
Trade payables [Refer Note below]	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,580.94	1,144.39
Total	<u>1,580.94</u>	<u>1,144.39</u>

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 information 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.

Trade Payables aging schedule as at 31st March 2023:

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,533.82	47.12	-	-	1,580.94
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
	1,533.82	47.12	-	-	1,580.94

Trade Payables aging schedule as at 31st March 2022:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	1,126.10	-	18.29	-	1,144.39
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
	1,126.10	-	18.29	-	1,144.39

(₹ In Lakhs)

**As at 31 st
March 2023**As at 31st
March 2022**23. Other financial liabilities**

i. Interest accrued but not due	1.04	0.04
ii. Outstanding expenses	197.78	314.54
iii. Creditors for capital goods	180.44	33.13
iv. Employee benefits payable	202.18	225.71
v. Interest on Preference Shares Payable	-	1.21
Total	581.44	574.63

24. Other current liabilities

i. Advances from customers	907.19	878.46
ii. Statutory remittances	580.22	577.07
iii. Unclaimed Dividend (Equity)	50.32	37.16
iv. Advance received against sale of Wind Power Division	-	152.00
Total	1,537.73	1,644.69



(₹ In Lakhs)

Particulars	Current Year	Previous Year
25. Revenue from operations		
Sale of cement	22139.16	23093.74
Sale of printed circuit boards	1872.26	1815.54
Sale of Wind Power	44.97	85.99
Total	24056.39	24995.27
26. Other Income		
Interest Income	54.61	38.21
Miscellaneous income	23.54	177.58
Gain from foreign exchange fluctuations (Net)	19.01	8.89
Gain on fair value of Mutual Fund	23.61	34.14
Government Grants	114.79	114.79
Total	235.56	373.61
27. Raw materials consumed		
Opening Stock	612.04	364.18
Add: Purchases during the year	3373.72	3612.38
	3985.76	3976.56
Less: Closing Stock	644.81	612.04
Total	3340.95	3364.52
Details of raw materials consumed		
Lime stone	978.56	976.64
Fly Ash	374.61	513.51
Gypsum	597.07	546.77
Laterite	254.45	207.29
Others	420.87	378.61
Electronic Division	715.39	741.70
Total	3340.95	3364.52
28. Changes in inventories of finished goods and work-in-progress		
Opening Stock:		
Finished Goods	138.36	125.79
Work-in-process	263.24	490.58
Scrap	1.61	2.11
	403.21	618.48
Less: Closing Stock:		
Finished Goods	279.60	138.36
Work-in-process	960.02	263.24
Scrap	19.19	1.61
(Increase)/ Decrease in stocks	(855.60)	215.27
29. Employee Benefits Expense		
Salaries and Wages	2008.78	1839.04
Contribution to provident and other funds	105.12	99.28
Gratuity, bonus and incentives	79.41	68.91
Staff welfare expenses	83.35	76.53
Total	2276.66	2083.76



(₹ In Lakhs)

Particulars	Current Year	Previous Year
30. Finance Costs		
Interest expense:		
Working capital loans	57.79	12.64
Term loans	9.08	1.68
Unsecured loans	219.41	207.75
Others	22.30	10.85
Unwinding of interest on sales tax deferment	24.42	94.08
Dividend on redeemable preference shares	-	7.01
Total	333.00	334.01
31. Other Expenses		
Consumption of stores	623.65	635.67
Repairs to : buildings		
: plant and machinery	184.43	208.75
: others	14.07	27.46
Taxes & Duties	27.83	38.93
Insurance	67.53	54.07
Auditors remuneration - Audit fee	2.50	2.50
- Tax Audit	0.50	0.50
- Certification	0.60	0.50
Miscellaneous Expenses	572.47	592.68
Total	1493.58	1561.06

32. Exceptional Item:

Consequent to the approvals received from the Board of Directors on November 13,2021 ,the Company has transferred the wind power division on a going concern basis by way of slump sale to Mission Bio fuels India Pvt. Ltd. effective March 31 2023 for a consideration of Rs.223.96 Lakhs. Loss on disposal of assets amounting to Rs. 24.23 Lakhs is shown as exceptional item.



Explanatory Notes & Other Disclosures

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

		As at 31.03.2023	As at 31.03.2022
(i)	Bank Guarantee	452.32	449.10

- (ii) A.P. General Sales Tax liability of Rs. 18.77 lakhs (Upto 31.03.2022 – 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 31.03.2022 – 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 (31.03.2022 – 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 appeals 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 Telengana has given stay orders.

33.2 Capital Commitments

Estimated amount of contracts to be executed on capital account – Rs.922.85 Lakhs (Net of advances).

33.3 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.

34. 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 objective of the Company's capital management policy is also to ensure availability of funds at competitive cost for its operational and developmental needs and maintain strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value

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 31.03.2023	As at 31.03.2022
(a) Debt	6494.77	3032.84
(b) Cash & Cash Equivalents	126.33	50.33
(c) Net Debt (a) + (b)	6368.44	2982.51
(d) Total Equity	7951.13	8809.61
Gearing Ratio (c)/(d)	0.72	0.33

35. 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	-	746.88
Deferred Tax (including MAT Credit Entitlement)	(185.46)	(85.33)
Income tax of earlier years	(198.39)	(0.45)
Total	(383.85)	661.10
(ii) Effective tax Reconciliation		
(a) Profit/(loss) before tax	(1107.80)	2225.29
(b) Applicable tax rate	27.82%	29.12%
(c) Tax expense on Net profit (a*b)	(308.20)	648.00
(d) Increase/(decrease) in tax expenses on account of:		
- Exempt Income	-	-
- Expenses not allowed under income tax	14.89	8.10
- Income tax of earlier years	(198.39)	(0.45)
- Others	107.85	5.45
Total (d)	(75.65)	13.10
(e) Tax Expense as per Statement of Profit and loss (c+d)	(383.85)	661.10

36. Employment Benefits

i. Contributions to Defined Contribution Plans (Rs. In Lakhs)

Particulars	Current Year	Previous Year
Contribution to Provident and other funds	100.91	93.44
Contribution to Employee State Insurance	4.21	5.84
Total	105.12	99.28

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	382.96	352.57
	Interest cost	27.11	23.81
	Current services cost	23.67	22.23
	Benefits paid	(24.85)	(11.42)
	Actuarial (gains)/losses on obligation	12.45	(4.23)
	Closing defined benefit obligation	421.34	382.96
B	Changes in Fair Value of Plan Assets		
	Opening Fair value of plan assets	304.14	284.62
	Expected Return	22.22	19.52
	Contributions	24.85	11.42
	Benefits paid	(24.85)	(11.42)
	Premium expenses	-	-
	Actuarial Gain/loss	(1.99)	-
	Closing fair value of plan assets	324.37	304.14
C	Expenses recognized in statement of profit and loss		
	Current Service Cost	23.67	22.23
	Interest Cost on benefit obligation	27.11	23.81
	Expected return on plan assets	(22.22)	(19.52)
	Premium Expenses	-	-
	Total	28.56	26.52
D	Expenses recognized in Other Comprehensive Income		
	Actuarial (gains)/losses on obligation	12.45	(4.23)
	Return on plan assets (greater)/lesser than discount rate	1.83	-
	Total	14.28	(4.23)
E	Actuarial Assumptions		
	Future Salary Rise	5%	5%
	Rate of Discounting	7.50%	7.33%
	Attrition rate	1%	1%
	Mortality table	IALM 2012-14	IALM 2012-14
	Average Balance Service	17.52	16.97

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 2023 Rs. In Lakhs	
	Increase	Decrease
Salary escalation	27.40	(24.50)
Attrition rate	5.32	(6.01)
Rate of Discounting	(25.04)	28.56



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	79.77	71.90
	Interest cost	5.29	4.59
	Current services cost	31.01	9.74
	Benefits paid	(14.79)	(9.91)
	Actuarial(gains)/losses on obligation	(15.18)	3.73
	Closing defined benefit obligation	86.06	79.77
B	Expenses recognized in statement of profit and loss		
	Current Service Cost	31.01	9.74
	Interest Cost on benefit obligation	5.29	4.59
	Total	36.3	14.33
C	Expenses recognized in Other Comprehensive Income		
	Actuarial(gains)/losses on obligation	(15.18)	3.43
	Total	(15.18)	3.43
D	Actuarial Assumptions		
	Future Salary Rise	5%	5%
	Rate of Discounting	7.5%	7.32%
	Attrition rate	1%	1%
	Mortality table	IALM 2012-14	IALM 2012-14

37. Details of CSR Expenditure

(Amount in lakhs)

Sl. No.	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1)	Amount required to be spent by the Company during the year	37.00	16.66
2)	Amount of expenditure incurred on:		
	(i) Construction/acquisition of any asset	20.00	-
	(ii) On purposes other than (i) above	17.00	16.66
3)	Shortfall at the end of the year	-	-
4)	Total of previous years shortfall	-	-
5)	Reason for shortfall	NA	NA
6)	Nature of CSR Activities	Training to promote rural sports, nationally recognised sports, olympic sports	
7)	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :		
	Chetan Anand Badminton Foundation	15.00	16.66



38. Related Party Disclosures

	Name of Related Parties	Nature of Relationship
a.	Hyderabad Bottling Co. Pvt. 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.	Mr. Arun Kuamr Yadav (Company Secretary)	
l.	Mr. J. Sivaram Prasad (Independent Director)	
m.	Mr. K. Harishchandra Prasad (Independent Director)	
n.	Mr. Boddu Venkata Subbaiah (Independent Director)	
o.	Mr. J. Venkata Krishna (Non-Executive 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 31.03.2023	Receivable/ (Payable) as on 31.03.2022
Inter Corporate Deposits Repayments-Hyderabad Bottling Company Ltd.	-	28.12	(1260.54)	(1260.54)
Interest Accured- Hyderabad Bottling Company Ltd.	125.54	126.89	-	-
Inter Corporate Deposits Repayments- Triveni Capital leasing & Investments Pvt. Ltd.	-	13.40	(953.26)	(803.25)
Interest Accrued-Triveni Capital Leasing & Investment Pvt Ltd.	93.86	80.85	-	-

(ii) Transactions with Relatives of Key Management Personnel

(Rs. In Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2023	Receivable/ (Payable) as on 31.03.2022
Chief Operating Officer- Smt J saradha Govardhani	64.15	57.93	(14.54)	(4.55)
Sale of Cement – DCS Sporting Pvt. Ltd.	1.69	7.48	-	-

(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 31.03.2023	Receivable/ (Payable) as on 31.03.2022
Executive Chairperson Remuneration	84.00	117.33	(36.31)	(48.93)
MD Remuneration	84.00	159.56	(8.66)	(59.00)
Executive Chairperson Contribution to P.F.	-	3.88	-	-



b. Others

(Rs. In Lakhs)

Nature of transactions	Current Year	Previous Year	Receivable/ (Payable) as on 31.03.2023	Receivable/ (Payable) as on 31.03.2022
Remuneration-CFO	58.74	54.24	(4.82)	(4.52)
Remuneration-CS	7.14	6.43	(1.14)	(0.45)
Sitting Fees - Directors	1.40	1.12	-	0.28

39. Earnings per share

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
(a) Profit/(loss) after tax	(723.94)	1564.20
(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)	(9.21)	19.55

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.

Classification on financial assets and 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 2023							
Financial Assets							
Investments	0.06	272.20	-	272.26	272.20	-	-
Trade Receivables	656.52	-	-	656.52	-	-	-
Cash and cash equivalents	126.33	-	-	126.33	-	-	-
Bank balances other than (ii) above	305.57	-	-	305.57	-	-	-
Loans	5.45	-	-	5.45	-	-	-
Others	40.10	-	-	40.10	-	-	-
Financial Liabilities							
Borrowings	6494.77	-	-	6494.77	-	-	-
Trade Payables	1580.94	-	-	1580.94	-	-	-
Others	581.44	-	-	581.44	-	-	-



As at 31st March 2022							
Financial Assets							
Investments	0.06	261.76	-	261.82	261.76	-	-
Trade Receivables	622.76	-	-	622.76	-	-	-
Cash and cash equivalents	50.33	-	-	50.33	-	-	-
Bank balances other than (ii) above	231.46	-	-	231.46	-	-	-
Loans	3.27	-	-	3.27	-	-	-
Others	37.39	-	-	37.39	-	-	-
Financial Liabilities							
Borrowings	3032.84	-	-	3032.84	-	-	-
Trade Payables	1144.37	-	-	1144.37	-	-	-
Others	554.25	-	-	554.25	-	-	-

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:

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. in Lakhs

Particulars	Change in Rate	For the year ended 31st March 2023	For the year ended 31st March 2022
USD	+ 0.50%	0.38	3.27
	- 0.50%	(0.38)	(3.27)



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	
	2022-23	2021-22	2022-23	2021-22
Mutual Fund (1% change in price)	2.72	2.62	Nil	Nil
Total	2.62	2.62	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.

Maturity profile of Financial liabilities

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

(Rs. In Lakhs)

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
As at 31 March 2023				
Borrowings (including current maturities of Long term debt)	1409.01	5085.76	-	6494.77
Trade Payables	1580.94	-	-	1580.94
Other financial liabilities	581.44	-	-	581.44
As at 31 March 2022				
Borrowings (including current maturities of Long term debt)	969.04	2063.80	-	3032.84
Trade Payables	1144.37	-	-	1144.37
Other financial liabilities	574.63	-	-	574.63



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	22,139.17	-	1,872.25	44.97	24,056.39
Previous Year	23,135.90	-	1,773.39	85.98	24,995.27
Inter-segment Sales	Nil	Nil	Nil		Nil
Total Revenue:					
Current Year	22,139.17	-	1,872.25	44.97	24,056.39
Previous Year	23,135.90	-	1,773.39	85.98	24,995.27
Segment Result Before Interest and Tax:					
Current Year	(1305.09)	-	303.51	-	(1001.58)
Previous Year	1503.49	-	647.93	-	2151.42
Less: Unallocated Expense:					
Current Year	-	-	-	(226.78)	(226.78)
Previous Year	-	-	-	(407.87)	(407.87)
Less: Interest Expenses:					
Current Year	-	-	-	332.99	332.99
Previous Year	-	-	-	334.00	334.00
Less: Income Taxes:					
Current Year	-	-	-	(383.85)	(383.85)
Previous Year	-	-	-	661.10	661.10
Profit / (Loss):					
Current Year	(1305.09)	-	303.51	277.64	(723.94)
Previous Year	1503.49	-	647.93	(587.23)	1564.19
Segment Assets:					
Current Year	15,636.60	Nil	2616.53	507.21	18,760.34
Previous Year	12,944.14	Nil	2541.34	775.87	16,261.35
Segment Liabilities:					
Current Year	10,520.83	Nil	230.58	-	10,751.41
Previous Year	7,230.16	Nil	218.14	3.44	7,451.74
Depreciation:					
Current Year	882.22	Nil	36.49	30.26	948.97
Previous Year	873.81	Nil	28.01	32.21	934.03
Additions to Property, plant & equipment & Intangible assets:					
Current Year	3,689.89	Nil	129.47	Nil	3819.36
Previous Year	1,215.66	Nil	136.58	Nil	1352.24

a. Information about Products and Services

(Rs. In lakhs)

Products	Revenues
a. Cement	22,139.15
b. Printed Circuit Boards	1,872.26
c. Wind Power	44.98
TOTAL	24,056.39

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	23716.26	13,320.48
(B) Outside India		
USA	328.25	-
Malaysia	11.88	-
TOTAL	24,056.39	-

**c. Information about major customers**

There are no revenues from transactions with a 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 31.03.2023 (Note below)	As at 31.03.2022 (Note below)
Dividend Proposed for Equity Shareholders	Nil	120.25
Total	Nil	120.25

Note: Rs.1.50 per share for FY 2021-22.

44. Financial Ratios

Sl. No.	Particulars	Numerator	Denominator	FY 2023	FY 2022	% Variance
(a)	Current Ratio (in times)	Current Assets	Current Liabilities	1.06	1.23	-14%
(b)	Debt-Equity Ratio (in times)	Debt	Equity	0.82	0.34	137%
(c)	Debt Service Coverage Ratio (in times)	Earnings Available for Service	Interest + Principal	1.05	2.76	-62%
(d)	Return on Equity Ratio (in %)	PAT	Average equity	-9%	19%	-145%
(e)	Inventory turnover ratio (in times)	Net sales	Average Inventory	8.07	10.05	-20%
(f)	Trade Receivables turnover ratio (in times)	Net sales	Average trade receivable	37.61	43.17	-13%
(g)	Trade payables turnover ratio (in times)	Purchases and Expenses	Average trade payable	16.01	18.22	-12%
(h)	Net capital turnover ratio (in times)	Net sales	Net Working capital	77.15	24.44	216%
(i)	Net profit ratio (in %)	PAT	Net sales	-3%	6%	-148%
(j)	Return on Capital employed (in times)	EBIT	Average capital employed	-5%	22%	-125%
(k)	Return on investment (in %)	Income from Mutual Funds	Time weighted average investment	9%	11%	-18%

Notes

- i) Increase in debt-equity ratio is due to avilment of term loans from Axis Bank for Capital Projects (VRM Project) during the current year.
- ii) Decrease in debt service coverage ratio is due to decrease in earning available for debt service in the current year.
- iii) Net Capital Turnover ratio has increased due to decrease in working capital on account of increase in current liabilities.
- iv) Decrease in return on equity ratio, net profit ratio and return on capital employed ratio is on account of decrease in profitability due to decrease in revenue and increase in input costs during the current financial year.

44. Additional information

- (i) The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) As at March 31, 2023, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Company. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying



loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

- (iv) The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (x) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)..

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: 30.05.2023

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

INTENTIONALLY KEPT BLANK

If undelivered, Please return to:

KEERTHI INDUSTRIES LIMITED

Administrative Office :

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

Hyderabad - 500 037.