



KEERTHI INDUSTRIES LIMITED

(Formerly known as Suvarna Cements Ltd)

Reg. Off. : Mellacheruvu Village & Mandal, Nalgonda District, Andhra Pradesh - 508246,

Phone : 08683226028/34, Fax: 08683226039, CIN No. : L26942TG1982PLC003492

Email : kilinvestorservices@gmail.com, website: www.keerthiindustries.com

POSTAL BALLOT NOTICE

(Pursuant to section 110 of the Companies Act, 2013)

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 the approval of Equity shareholders of Keerthi Industries Limited is sought for the following businesses:

The Company has appointed Mr. Ch. Veeranjanyulu, B. Com, FCS, Partner of M/s. VCSR & Associates, Company Secretaries having its address at 305D, Pancom Business Centre, Ameerpet, Hyderabad, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed Business Reply envelope so as to reach the Scrutinizer on or before the close of working hours on 20th April, 2015. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company. However, envelopes containing Postal Ballot, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.

The Company offers e-voting option to the members as an alternative, to enable members to vote electronically instead of dispatching the Postal Ballot Form. The Company has signed an agreement with CDSL for facilitating such e-voting by the members.

The Scrutinizer will submit his report to the Executive Chairperson and Wholetime Director or in her absence to the Managing Director of the Company, upon completion of scrutiny of Postal Ballots in a fair and transparent manner and the result of the Postal Ballot will be announced within 3 working days from the date of Completion of postal ballot process.

The notice and results of the Postal Ballot shall also be hosted on the website of the Company www.keerthiindustries.com and also be displayed at the registered office of the Company besides communicating to the stock exchanges, where the equity shares of the Company are listed. The date of declaration of the results of the Postal Ballot shall be the date on which the resolutions would be deemed to have been passed by the shareholders, if approved by requisite majority.

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

Extension of date of redemption of 770100- 9% cumulative redeemable preferential shares of Rs.100/- each by 5 more years:

“**RESOLVED THAT** in accordance with the provisions of Sections 80,106 of the Companies Act, 1956 or all other applicable provisions, if any, of the Companies Act 2013, and all enabling provisions of the Articles of Association of the Company and the applicable laws, rules, regulations, guidelines, clarifications and approvals issued by any statutory body or regulatory authority and subject to such approvals/consents/permissions/ sanctions as may be required in accordance with applicable laws,

rules, regulations and guidelines and subject to such conditions as such bodies or authorities may impose at the time of granting their approvals/consents/permissions/sanctions and which may be agreed to by the Board of Directors of the Company (the ‘**Board**’ which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution), consent of the members be and is hereby accorded to the Board for extension of date of redemption of 770100 9% cumulative redeemable preferential shares and the same will be redeemed at a later date as stated hereunder;

9% Redeemable preferential shares of Rs.100/- each	Date of allotment	Amount in Rs.	Original Maturity date	Revised date after rollover
2nd installment of Rs.35/- each 500000 shares	24-10-2001	17500000	12th year i.e 23-10-2013	17th year i.e 23-10-2018
3rd installment of Rs.35/- each 500000 shares.	-do-	17500000	13th year i.e 23-10-2014	18th year i.e 23-10-2017
1st installment of Rs.30/- each 270100 shares	31-10-2002	8103000	11th Year i.e 30-10-2013	16th year i.e 30-10-2016
2nd installment of Rs.35/- each 270100 shares	-do-	9453500	12th Year i.e 30-10-2014	17th year i.e 30-10-2017
3rd installment of Rs.35/- each 270100 shares.	-do-	9453500	13th Year i.e 30-10-2014	18th year i.e 30-10-2018
Total		62010000		

RESOLVED FURTHER THAT the said preference shares shall continue to carry a preferential right to dividend of 9 percent (nine per cent) per annum;

RESOLVED FURTHER THAT the said preference shares shall in respect of capital, on a winding-up or repayment of capital, carry a preferential right for repayment in priority to the equity shares to the Company but shall not carry any further or other right to participate either in the profits or assets of the Company;

RESOLVED FURTHER THAT the said preference shares shall be redeemable on the expiry of 5 (five) years from the due date of redemption with an option to the Company/preference shareholders to redeem the same any time earlier;

RESOLVED FURTHER THAT for the purpose of giving effect to the above , the Board be and is hereby authorized to take all actions and do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable or expedient to the issue and allotment of the said shares and to resolve and settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of shares and utilization of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as it may deem fit.”

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

To approve Borrowing limits of the Company:

“**RESOLVED THAT** in suppression of resolution passed at the 25th Annual General Meeting held on December 29, 2008, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof constituted in this regard) under Section 180(1) (c) and other applicable provisions, if any,

of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) and applicable laws, rules and regulations, guidelines etc., if any, to borrow money for the purposes of the business of the Company as may be required from time to time either in foreign currency and / or in Indian rupees, as may be deemed necessary, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the money already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) at any time shall not exceed in the aggregate ` 400 Crore (Rupees Four Hundred Crore only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

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

Creation of Charges on the assets of the Company:

“**RESOLVED THAT** pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof constituted for this purpose) to create such charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such form and manner as the Board may deem fit in favour of Banks/ Financial Institutions/Agents/Trustees etc. (hereinafter referred to as “Lenders”) for securing the borrowings availed/to be availed by way of rupee/foreign currency loans, other external commercial borrowings, issue of debentures / Bonds etc. on such terms and conditions as may be mutually agreed with the Lenders of the Company towards security for borrowing of funds for the purposes of business of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/ or creating the aforesaid mortgage(s) and/ or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions

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

Ratification of remuneration of Cost Auditor:

“**RESOLVED THAT** pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 (‘Act’) and Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K Narasimha Murthy &Co , Cost Accountants Hyderabad, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ` 70,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of sections 196,197,203 and other applicable provisions

of the Companies Act 2103 read with its schedule V of the Act subject to approvals, if any as may be required from financial institutions and other authorities concerned, if any, and based on the recommendations of the Remuneration Committee, approval of the members be and is hereby accorded for the re appointment of Smt. J.Triveni as Executive Chairperson and Wholetime Director subject to retirement by rotation for a period of 3 (three) years with effect from 10th May, 2015 on the salary and perquisites as set out below;

1. **Period of Appointment:** The Appointment is for a period of 3 years with effect from 10th May, 2015 to 09th May 2018
2. **Salary:** Rs.400,000/- per month which includes Basic, DA, and all other allowances by whatever name called.
3. **Commission:** such amount or such percentage of profits for each accounting year as may be decided by the Committee / Board subject to the overall limit(s) of 5% of Net profits as stated in Section 197 & 198 of the Companies Act, 2013.
4. **Perquisites:** Perquisites shall be restricted to 100% of an amount equivalent to annual salary and shall be valued in terms of the provisions of Income Tax Act, 1961.

i) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family at actual.

ii) **Leave Travel Concession:** Leave Travel Concession for self and family once in a year.

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

iii) **Club Fees:** Fees for two clubs and no admission and life membership fee shall be paid;

iv) **Personal Accident Insurance:** Personal Accident Insurance premium shall be as per the rules of the Company;

v) **Reimbursement of expenses for utilities** such as gas, electricity, water, furnishings, air conditioning and repairs, all of which may be hired or owned;

vi) **Housing:** Furnished House accommodation with one domestic servant.

vii) **Use of Company's car for official duties and telephones at residence** (including long distance calls) and Cell Phone shall not be considered as perquisites;

viii) **Earned Leave:** Encashment of leave at the end of the tenure is as per the rules of the Company.

ix) **Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; and**

x) **Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.**

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

5. **Minimum Remuneration:** Where, in any financial year, the Company has no profits or its profits are inadequate, during the currency of tenure of Smt. J. Triveni, Executive Chairperson and Wholetime Director, the Company shall pay Rs. 400,000/- per month as minimum remuneration subject to such approvals, if any, as may be required under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to take necessary steps as may be required for giving effect to this resolution."

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

“**RESOLVED THAT** pursuant to the provisions of sections 196,197,203 and other applicable provisions of the Companies Act 2103 read with its schedule V of the Act subject to approvals, if any as may be required from financial institutions and other authorities concerned, if any, and based on the recommendations of the Remuneration Committee, approval of the members be and is hereby accorded for the re appointment of Mr.J.S. Rao as Managing Director subject to retirement by rotation for a period of 3 (three) years with effect from 10th May, 2015 on the salary and perquisites as set out below;

1. **Period of Appointment:** The Appointment is for a period of 3 years with effect from 10th May, 2015 to 09th May 2018
2. **Salary:** Rs. 400,000/- per month which includes Basic, DA, HRA and all other allowances by whatever name called.
3. **Commission:** such amount or such percentage of profits for each accounting year as may be decided by the Committee / Board subject to the overall limit(s) of 5% of Net profits as stated in Section 1978 of the Companies Act, 2013.
4. **Perquisites:** Perquisites shall be restricted to 100% of an amount equivalent to annual salary and shall be valued in terms of the provisions of Income Tax Act, 1961.
 - i) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family at actual.
 - ii) **Leave Travel Concession:** Leave Travel Concession for self and family once in a year.

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

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

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

5. **Minimum Remuneration:** Where, in any financial year, the Company has no profits or its profits are inadequate, during the currency of tenure of Sri J.S. Rao, Managing Director, the Company shall pay Rs.400,000/- per month as minimum remuneration subject to such approvals, if any, as may be required under Schedule V of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take necessary steps as may be required for giving effect to this resolution.”

The Explanatory Statement for the proposed resolution mentioned above pursuant to Section 102 of the Companies Act, 2013 setting out the material facts, is appended herein below.

By order of the Board

For Keerthi Industries Limited
Managing Director

Place: Hyderabad
Date: 29 May 2014

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 :

Item Nos.1:

The company has issued the following 9% cumulative redeemable preferential shares to the preferential shareholders:

No of shares	Date of allotment	Terms
5,00,000 of Rs.100/- each	24.10.2001	Redeemable at par at the end of 11th 12th and 13th year from the date of allotment and the amount payable per share is Rs. 30 Rs.35 and Rs.35 respectively.
2,70,100 of Rs.100/- each	31.10.2002	Redeemable at par at the end of 11th, 12th and 13th year from the date of allotment and the amount payable per share is Rs.30, Rs.35 and Rs.35 respectively.
2,68,340* of Rs.100/- each	13.06.2001	Redeemable at par at the end of 16th, 17th, 18th and 19th year Rs.50.00 Lakhs per year and at the end of 20th year Rs.68.34Lakhs.
10,38,440		

*These shares were issued by the Company to preference shareholder of Hyderabad Flextech Limited in scheme the of amalgamation, redeemable on the same terms on which these were issued initially by Hyderabad Flextech Limited.

The first installment of Rs. 30/- each on 500000 redeemable shares has been successfully paid on 23-10-2012. However, In spite of best efforts of the company, and in view of accumulated losses and inability to infuse massive fresh funds the company could not repay the further installments as envisaged in the redemption plan for 770100-9% redeemable preferential shares of Rs.100/- each. This coupled with the non feasibility of fresh issue of shares for the purpose of redemption of preferential shares compelled the Board of directors to approach the preferential shareholders with a proposal for extension of period of redemption of 9% redeemable preferential shares by 5 more years (i.e in respect of first tranche of 500000 redeemable preferential shares, in place of the existing 12th and 13th year of redemption will be deferred to till 17th and 18th Years from the date of allotment and in respect of 2,70,100 redeemable shares in place of existing 11th, 12th and 13th year of redemption will be deferred to till 15th ,16th and 17th Years from the date of allotment) and the same was kindly agreed by the preferential shareholder i.e Hyderabad Bottling company Ltd.

As per section 106 of the Companies act 1956 the rights attached to any class of shares may be varied with the consent in writing of the holders of not less than three fourth of the issued shares of that class or with the sanction of the special resolution passed at a meeting of the holders of the issued shares of that class.

Any proposal for variation of rights of preferential shareholders will be deemed to be in effect the rights of equity shareholders. The Board believes that there is no alternative to the above proposal and it would serve the long-term interest of the company and shareholders. Thus your directors commend the resolution for your approval.

The terms and conditions remain unaltered for the balance 268340- 9% cumulative redeemable preferential shares of Rs.100/- each which have been allotted on 13.06.2001 are in due for redemption from 16th, 17th, and 18th Year of allotment.”

Shri J. S Rao, Smt. J Triveni, Directors of the Company and constituents of the promoter group are concerned or interested in this resolution as they have 100% shareholding in the Hyderabad bottling company Ltd and 74.96% in the company. None of the other Directors are concerned or interested in the said Resolution.

Item Nos.2&3:

The members of the Company had at the 25th Annual General Meeting held on 29th December 2008, passed an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, granting their consent for availing borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time should not exceed 400 crores

Section 180(1)(c) of the Companies Act, 2013 ('Act'), provides for similar consent to be sought from members by way of a Special Resolution. Hence the resolution at item no. 2 of the accompanying Notice, which your Board recommends for your approval. The maximum limit for borrowings / availing of financial assistance is the same as was approved by the members at the 25th Annual General Meeting held on 29th December, 2008 referred to above. In order to secure the borrowings / financial assistance referred to in the resolution at item no. 3 of the accompanying Notice, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1)(a) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future. Hence the resolution at item no. 2 & 3 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions.

Item Nos.4:

Cost Auditors Remuneration

The Board, on the recommendations of the Audit Committee, has approved the appointment of M/s. K Narasimha Murthy & Co, Cost Accountants, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2015, at a remuneration of ` 70,000 plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

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

Hence the resolution at item no. 4 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item Nos.5:

Smt. J Triveni was re appointed as Executive Chairperson and Wholetime Director of the Company for a period of Five years w.e.f. 11th May 2010, at a remuneration of Rs 2.00 Lakhs per month plus certain allowances and perquisites, as per the approval of the Board of Directors in its meeting held on 11th May, 2010 and further approval of the shareholders of the Company in the Annual General Meeting of the Company held on September 2010.

Subsequently the remuneration of Smt J Triveni, Executive Chairperson and Wholetime Director of the Company has been increased to Rs 4.00 lacs (Rupees Four lac only) per month plus certain allowances and perquisites, as approved by the members in the 29th AGM held on 29th September, 2012. The tenure of the whole time Director and Executive Chairperson and Wholetime Director is being expired on 10th May, 2015 and she is not disqualified and eligible for reappointment.

Smt. Jasti Triveni (age 56 years) is a graduate in Commerce and is the driving force behind the success of organization. She is having 30 years of vast experience in cement and Electronic Printed circuit Board Industries.

The overall remuneration being brawn by the Executive Chairperson and Wholetime Director would be subject to overall ceiling limit of 5% of net profits of the Company.

The above resolution may also be treated as an abstract under the terms of contract/agreement entered into between the Company and Smt. J Triveni Executive Chairperson and Wholetime Director. None of the Directors are interested in the above resolution except Sri J Seshagiri Rao & Smt J Triveni.

As per the provisions of the Companies Act, 2013, read with schedule V, thereof, approval of shareholders is required for the purpose. Hence, the Board recommends the resolution for your approval by way of special resolution.

Item Nos.6:

Sri JS Rao was re appointed as Managing Director of the Company for a period of Five years w.e.f. 11th May 2010, at a remuneration of Rs 2.00 Lakhs per month plus certain allowances and perquisites, as per the approval of the Board of Directors in its meeting held on 11th May, 2010 and further approval of the shareholders of the Company in the Annual General Meeting of the Company held on September 2010.

Subsequently the remuneration of Sri JS Rao, Managing Director of the Company has been increased to Rs 4.00 lacs (Rupees Four lac only) per month plus certain allowances and perquisites, as approved by the members in the 29th AGM held on 29th September, 2012. The tenure of the Managing Director is being expired on 10th May 2015 and she is not disqualified and eligible for reappointment.

Sri JS Rao (age 62 years) is an Engineering graduate having 30 years of vast experience in cement and Electronic Printed circuit Board Industries.

The overall remuneration being brawn by the Managing Director would be subject to overall ceiling limit of 5% of net profits of the Company.

The above resolution may also be treated as an abstract under the terms of contract/agreement entered into between the Company and Sri JS Rao Managing director. None of the Directors are interested in the above resolution except Sri J Seshagiri Rao & Smt J Triveni.

As per the provisions of the Companies Act, 2013, read with schedule V, thereof, approval of shareholders is required for the purpose. Hence, the Board recommends the resolution for your approval by way of special resolution.

Sri J S Rao & Smt. J Triveni are of the major shareholders in the promoters group and they have 76.20% controlled stake in the Company along with their relatives.

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

I. GENERAL INFORMATION:

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

S. No.	Particulars	Un Audited Figure for 9 months period ended 31.12.2014 (Rs. in lacs)	Audited Figure for 12 months period ended 31.03.2014 (Rs. in lacs)	Audited Figure for 12 months period ended 31.03.2013 (Rs. in lacs)
	Net sales/Income from operations	8558.00	12506.21	10769.28
	Other Income	60.32	109.77	61.49
	Total Expenditure (including adjustment of stock)	7282.07	12194.36	10426.36
	Interest	720.28	897.47	897.89
	Depreciation	648.67	1352.73	1372.68
	Profit/(loss) before Tax	(32.70)	(2063.05)	(2417.13)
	Exceptional items		234.97	550.97
	Provision for Tax	0	-	
	a) Current Tax			
	Deferred Tax	0	45.06	36.98
	d) MAT Credit Write Down (Entitlement)	0	-	
	e) Income Tax provision for earlier year written back	0	213.54	0.96
	Net Profit/(loss)	(32.70)	(1804.45)	(2455.07)

- (5) **Export performance and net foreign exchange collaborations :** Nil

- (6) **Foreign Investment of Collaborators, if any :** Nil

II. INFORMATION ABOUT APPOINTEES:

1. Information about the Chairperson:

1	Background details	Smt. Jasti Triveni (age 55 years) is a graduate in Commerce and She is having 33 years of vast experience in the cement Industry. During her tenure, the operations of the company had turnaround and from the sick company status the Company has made tremendous progress due to her efforts. She is one among the promoters of Kaktiya Cement and Sugar Industries Limited
2	Past remuneration	Salary Rs.4,00,000/- per month plus such percentage of commission & perquisites as approved by the members in the 29th Annual General Meeting.
3	Recognition or awards :	During her tenure as Managing Director of Keerthi Industries Ltd, the Company was awarded the best turnaround/revival of sick industry small/ medium scale for the year 2002-03 by FAPCCI from the hands of the then Hon'ble Chief Minister of Andhra Pradesh in reorganization of successful efforts in reviving sick unit.
4	Job profile and her suitability	Subject to the supervision and control of the Board of Directors, she functions as the Executive Chairperson and Wholetime Director of the Company. She has been participating in strategizing the company's growth trajectory besides overseeing of Board process and striking balance among the stakeholders. Smt. J Triveni is instrumental in the development of the Company. As a second generation entrepreneur and having long standing experience in the industry, she has hands-on experience to discharge her functions effectively.
5	Remuneration proposed	The proposed remuneration is mention in the above resolution. In the event of inadequacy of profits in any financial year, he will be paid Rs.4,00,000/- per month as Salary inclusive of all the allowances commission & perquisites with effective from 10th May 2015.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of the key managers in the industry might have been fixed depends on divergent factors which are unknown to us; hence, could not be comparable. Further it is commensurate with the qualification and experience and in accordance with the high competitive business scenario.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Smt. J Triveni is a Promoter Director holding 2195379 shares consisting of 27.38% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, she does not receive any emoluments from the Company. However Shri J S Rao (Managing Director) and Ms. Sharada Govardhini (COO) are the relatives of the Chairperson.

2. Information about the Managing Director:

1	Background details	Shri J.S. Rao, 62, Post Graduate in Engineering, is the Managing Director of Keerthi Industries Limited. Formerly he was Managing Director of Hyderabad Bottling Co. Limited for over 15 years. Under his able leadership and supervision, the company has undertaken many expansion activities and became the reputed corporate group.
2	Past remuneration	Salary Rs.4,00,000/- per month plus such percentage of commission & perquisites as approved by the members in the 29th Annual General Meeting.
3	Recognition or awards :	He is associated with various reputed institutions and had elected as president of federation of Andhra Pradesh chambers of commerce and industry (FAPCCI). Several recognitions and accolades were under his credit for his achievements and outstanding performance.
4	Job profile and her suitability	Subject to the supervision and control of the Board of Directors, he oversees the operations of the Company and actualizes the operational plans into tangible results. Mr. JS Rao played a key role in expanding Keerthi Industries Ltd up to 1900 TPD after taking over from the old management. He has vast experience of above 30 years in cement and electronic industry and successfully handled the marketing, finance, purchase and human resource divisions.
5	Remuneration proposed	The proposed remuneration is mention in the above resolution. In the event of inadequacy of profits in any financial year, he will be paid Rs.4,00,000/- per month as Salary inclusive of all the allowances commission & perquisites with effective from 10th May 2015.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of the key managers in the industry might have been fixed depends on divergent factors which are unknown to us; hence, could not be comparable. Further it is commensurate with the qualification and experience and in accordance with the high competitive business scenario.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Smt. J S Rao is a Promoter Director holding 3696825 shares consisting of 46.11% of the paid-up capital of the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company, he does not receive any emoluments from the Company. However, Shri J Triveni (Executive Chairperson and Wholetime Director) and Ms. Sharada Govardhini (COO) are the relatives of the Managing Director.

III OTHER INFORMATION:

1. Reasons for inadequacy of profits :

The cement industry for the last few years entered a phase of deceleration with the demand slackening due to the general slowdown in the infrastructure and real estate sectors due to the rising cost of finance. The lending rates across all loans becoming costlier leading to a fall in demand. While on the one hand, the growth in demand dropped steeply, on the other hand, in anticipation of all round growth, the industry had ploughed in substantial money to create additional capacities in the last 3 years. Sudden burst in capacity expansion coupled with low demand growth led to fierce competition for market share which resulted in prices dropping to unremunerative levels. Increase of power and fuels cost which constitutes 53% in the cost structure is also a prime reason for inadequacy of profits. The demand for cement in the market has been improving from the second quarter of 2014-15. The capacity utilization of the company also improved from 55% to 67%.

Steps taken or proposed to be taken for improvement:

- ❖ The company has already enhanced the capacity to 594000 tones per annum and is well equipped to participate in the future growth.
- ❖ In order to circumvent the shortage / uncertainty of power supply in Telangana, the company has entered an agreement with power traders as a supplement to TSCPDCCL for purchase of power at lower cost.
- ❖ Approvals are in place for firing the substitute raw materials like pharma wastes/ sludge in the klin as a fossil fuel.
- ❖ Dealer's network has been improved and overreached the bulky used industrial customers.

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

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

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

By order of the Board

For Keerthi Industries Limited
Managing Director

Place: Hyderabad
Date: 09th March 2015

POSTAL BALLOT FORM

(Please read carefully before completing this form)

Serial No:.....

1. Name of the shareholder (in Block letters) :
2. Registered address of the sole/ first named shareholder/ beneficial owner :
3. Name of the joint-holders ,if any, (Name in block letters) :
4. DP ID client ID No/ Registered Folio No :
5. No of shares held :

I/we hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the notice dated 9th March, 2015 of the company by sending my/our assent /dissent to the said resolution by placing the tick mark at the appropriate box below

S. No.	Description	No.of Shares	I/we assent to the resolution (FOR)	I/we dissent to the resolution (against)
1	Extension of date of redemption of 770100-9% redeemable preferential shares of Rs.100/- each.			
2	To approve Borrowing limits of the Company:			
3	Creation of Charges on the assets of the Company			
4	Ratification of remuneration of Cost Auditor:			
5	Reappointment and fixation of remuneration of Executive Chairperson and Wholetime Director & Whole time Director			
6	Reappointment and fixation of remuneration of Managing Director			

Signature of the shareholder

Place:

Date:

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage pre stamped envelope which shall be properly sealed with adhesive or adhesive tape. The members residing outside India should stamp the envelope appropriately. The envelope containing Postal Ballot Form, if sent by courier or by Registered Post at the expense of the member will also be accepted. The Postal Ballot Form may also be deposited personally at the address provided on the attached envelope.
2. The self-addressed postage pre stamped envelope bears the postal address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The voting period commences on Friday the 20th March, 2015 and ends on Monday the 20th April, 2015. The Postal Ballot Form duly completed and signed (as per specimen signature registered with the Company) should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the working hours i.e. by Monday the 20th April, 2015.
4. Postal Ballot(s) received after this date will be treated as if the reply from the member has not been received and the same will not be considered.
5. In case shares are jointly held, this Form should be completed and signed by the first named member and in his/her absence, by the next named member.
6. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority Letter together with attested specimen signature(s) of the authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
7. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members/ list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services(India) Limited (CDSL) and Registrar of Transfer Agent (RTA) on 07th March, 2015. The voting rights shall be reckoned on the paid up value of Equity Shares registered in the name of Shareholders as on 07th March 2015.
8. Members are requested not to send any paper (other than the resolution/authority letter/copy of nomination/power of attorney as mentioned in instruction No. 6 above) along with the Postal Ballot Form in the enclosed business reply self addressed postage pre-stamped envelope as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelopes would be destroyed by the Scrutinizer.
9. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Postal Ballot Form bearing tick (✓) mark in both the columns will render the same invalid.
10. A member, including the member who has opted to receive the documents electronically may seek duplicate Postal Ballot Form from the corporate office of the Company. However, the duly filled in and signed duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at instruction No. 3.
11. The vote in this Postal Ballot cannot be exercised through proxy.
12. There will be only one Postal Ballot Form for every Folio/ Client ID.
13. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Form will be rejected.
14. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.
15. A member can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot and vice versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then the voting done through physical Ballot shall prevail and voting done by e- voting will be treated as invalid.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on 20th March, 2015 at 9.00 am and ends on 20th April, 2016 at 6.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 7th March, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ❖ Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ❖ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Your sequence number is printed on the address label of the cover.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ❖ Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant Keerthi Industries Limited on which you choose to vote.
- xii. 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.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non – Individual Shareholders and Custodians
 - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ❖ 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 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.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board

For Keerthi Industries Limited

Place : Mellacheruvu
Date:09th March 2015

JS Rao
Managing Director

“SUVARNA CEMENT - PURE GOLD AMONG CEMENTS”