



Keerthi
Industries Limited
(Formerly known as Suvarna Cements Limited)

36th
Annual Report 2018-2019

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CORPORATE INFORMATION:

Board of Directors

1.	Smt. J. Triveni	Executive Chairperson
2.	Sri. J. S. Rao	Managing Director
3.	Sri. J. Sivaram Prasad	Independent Director
4.	Sri. K. Harishchandra Prasad	Independent Director
5.	Sri. Boddu Venkata Subbaiah	Independent Director

Chief Financial Officer (CFO)

Sri. Y. Sadasiva Rao

Company Secretary

Ms. Akriti Sharma

Committees of the Board

I. Audit Committee

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

II. Remuneration & Nomination Committee

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

III. Stakeholders Relationship Committee

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

IV. Corporate Social Responsibility Committee (CSR)

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

V. Risk Management Committee:

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



Other Committees

VI. Internal Complaint Committee

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

Registered Office & (Electronic Division Factory)

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

Factory (Cement Division)

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

Bankers

Axis Bank Ltd

Statutory Auditors

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

Cost Auditors

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

Secretarial Auditor

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

Registrar & Share Transfer Agents (RTA)

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

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of Shareholders of the Company will be held on Wednesday the 07th August, 2019 at 09:30 AM at the Registered Office of the Company situated at Plot No. 40, I.D.A, Balanagar, Hyderabad - 500 037, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS FOR THE FY 2018-19

To consider and adopt the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss Account and cash flow statement for the year ended on that date together with the Notes, Reports of the Directors and Auditors thereon.

2. REAPPOINTMENT OF DIRECTOR WHO RETIRES BY ROTATION

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

3. DECLARATION OF DIVIDEND ON 9% CUMULATIVE REDEEMABLE PREFERENCE SHARES

To pass with or without modification the following resolutions as an Ordinary Resolution

“RESOLVED THAT a final dividend @ 9% on 9% Cumulative Redeemable Preference Shares capital for the financial year ended 31st March, 2019 as recommended by the Board be and is hereby declared in the manner as tabulated hereunder and the Dividend be paid to the eligible preference shareholders whose name (s) stand on the Register of Members as on the date of Book Closure fixed for the purpose of determining eligibility for payment of dividend in proportion to the paid up thereon.”

Sl.No.	No. of 9% Cumulative Preference Share	Per share (in Rs.)	Total amount of Dividend entitle to receive	% of dividend per share	Dividend Per share (In Rs.)
1.	5,00,000	35/-	15,75,000	9	3.15/-
2.	2,70,100	70/-	17,01,630	9	6.30/-
3.	2,68,340	44.11/-	10,65,283	9	3.96/-
Total	10,38,440		43,41,913		

4. DECLARATION OF FINAL DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR 2018-19

To pass with or without modification the following resolutions as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 123 read with Companies (Declaration and Payment of Dividend) Rules, 2014 and recommendation of the Board of Directors, final dividend of Re. 0.90/- per equity share of Rs. 10/- each be and is hereby approved and is declare out of the Accumulated Profit of the Company for the previous financial year and the Dividend be paid to the eligible equity shareholders whose name (s) stand on the Register of Members as on the date of Book Closure fixed for the purpose of determining eligibility for payment of dividend in proportion to the paid up thereon.”

SPECIAL BUSINESS:

5. RE-APPOINTMENT OF MR. K. HARISHCHANDRA PRASAD (DIN 00012564) AS AN INDEPENDENT DIRECTOR

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 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. K. Harishchandra Prasad (DIN 00012564) whose current period of office is expiring on 8th August, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015 as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015, as Non-Executive Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for another term of 5 (five) consecutive years



on the Board of the Company for a term w.e.f. 8th August, 2019 upto 7th August, 2024.

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

6. RE-APPOINTMENT OF MR. B.V.SUBBIAH (DIN 01147062) AS AN INDEPENDENT DIRECTOR

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 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of B. V. Subbaiah (DIN 01147062) whose current period of office is expiring on 8th August, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015 as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015, as Non-Executive Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for another term of 5 (five) consecutive years on the Board of the Company for a term w.e.f. 8th August, 2019 upto 7th August, 2024.

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

7. TO ALTER THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION BY ADDITION OF NEW CLAUSES

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 Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with

Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, permissions and sanctions of Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the Company be and is hereby accorded for effecting the following alterations in the existing Object Clause of the Memorandum of Association (the "MOA") of the Company by addition of the following clauses:

13. To manufacture, process, prepare and generally to deal in cement oriented products, cement precast products, crushing and manufacturing of all aggregates required for cement plasters/concrete poles, and prestressed concrete building section, bridge section, walls, drain covers, and fire clay and fire bricks of all kinds, stoneware, bricks, tiles, earthenware, glassware, glass, crockery, sanitary wares, china and terracotta, refractories and ceramic wares of all kinds and other allied goods and to manufacture, process, trade or deal in and undertake manufacturing of bricks, sand, sand particles, tiles, cement pipes, cement poles, lime, building materials, requisites and other materials used in construction or any substitute thereof.
14. To cultivate and carry on the business of horticulture, floriculture, sericulture, processing testing and packaging of all kinds of seeds, fruits, including grapes, oranges, apples, mangoes, sugarcane, sugar beet, vegetable and flower seeds, oil seeds, tea, coffee, cocoa, cinchona, rubber flex, hemp, cotton, silk, art silk, grass, timber wood, bamboo, straw, seeds fruits and other articles that are the produce of land and to sell, purchase, trade and deal in the same as principals or agents, solely or with partnership with other proprietor of orchards and traders, exporter, dealers, processors, preservers and sellers of the products of such horticulture, floriculture, sericulture, seeds and cultivation and manufacturers of drinks including beverages produced from such products or otherwise.
15. To provide the necessary infrastructure to harvest and develop forest resources based, to promote forest resources based Industries, to arrange marketing of timber and other forest resources on the mainland and abroad



and to plant, grow, cultivate, produce, and raise plantations of various forest species of proven utility and other agricultural, plantation, horticultural crops, medicinal and aromatic plants and to buy, sell, export, import, process, distribute, or otherwise deal with all kinds of forest crops, natural products agricultural, plantation and horticultural crops, medicinal, aromatic plants and vanilla beans to maintain and improve wild life and other natural resources.

“RESOLVED FURTHER THAT Sri. J. S. Rao, Managing Director and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, things and matters as may be required to do in this regards.”

8. RATIFICATION OF REMUNERATION OF COST AUDITOR:

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

“RESOLVED THAT pursuant to Section 148 (3) of the Companies Act, 2013 read with Rule 14 (a) of Companies (Audit and Auditors Rules), 2014, and as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 30-05-2019 the remuneration payable during the year 2019-20 to M/s. BVR & Associates (FRN: 000453), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2019-20, amounting to Rs. 55,000/- (Rupees Fifty Five Thousand only) plus re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit and GST as may be applicable be and is hereby ratified and confirmed.”

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

9. RECLASSIFICATION OF THE STATUS OF PROMOTER AND PROMOTER GROUP CATEGORY INTO PUBLIC CATEGORY

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

“RESOLVED THAT in accordance with Regulation 31 A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof,

for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the members of the company be and is hereby accorded to re-classify the following persons/entities (hereinafter individually referred to the applicants) forming part of the ‘Promoter & Promoter Group Category’ to ‘Public Category’

Sl. No	Name of Promoters	No. of shares held
1.	Mr. J. Veeranna Chowdary	235
2.	J.S. Krishna Murthy HUF	NIL
3	Lt. Smt. J. Bullemmai	NIL

“RESOLVED FURTHER THAT re-classification of promoter as public shareholders shall be subject to the following condition:

- Such promoter shall not directly or indirectly exercise control over the affairs of the company
- Increase in the level of public shareholding pursuant to re-classification of promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (regulation) Rules, 1957 and the provisions of Regulation 38 of SEBI (LODR) Regulation, 2015
- The event of re-classification shall be disclosed to the stock exchange as a material event in accordance with the provisions of theses regulation
- Board may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing promoter or its person acting in concert

RESOVED FURTHER THAT after such re-classification following shall be the promoter of the company

Name of the shareholders	No. of shares held	% of paid-up capital
J. Seshagiri Rao	37,01,559	46.17
J. Triveni	21,95,349	27.38
J. Venkata Krishna	87,347	1.09
J. Sarada Govardhini	21,698	0.27
Total	60,05,953	74.91

“RESOLVED FURTHER THAT on approval of SEBI Board/Stock Exchanges upon application for re-classification of the aforesaid applicants, the



company shall effect such reclassification in the statement of Shareholding Pattern from immediate succeeding quarter under regulation 31 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and other applicable provisions.

"RESOLVED FURTHER THAT any of the Directors of the company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.

By Order of the Board of Directors

Sd/-
(J.S. Rao)

Place: Hyderabad
Date: 30-05-2019

Managing Director
DIN:00029090

NOTES:

1. The Statement pursuant to section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights.

A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
4. The Instrument appointing the Proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A Proxy form for

the AGM is enclosed.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company or RTA.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the company/Registrar and transfer agents for consolidation into a single folio.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 31st July, 2019 to Wednesday the 07th August, 2019, both days inclusive, in terms of Section 91 of the Companies Act, 2013.
8. Final dividend of Re. 0.90/- per equity share of Rs. 10/- each has been recommended for the financial year ended 31st March, 2019.
9. The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members as on 30th July, 2019 (Record date).
 - (a) The Dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on 30th July, 2019.
 - (b) The Dividend in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on 30th July, 2019.
10. The Dividend will be paid on or before 05th September, 2019.
11. Shareholders who have not yet encashed their dividend warrant(s) pertaining to the dividend for the financial year 2017-18 onwards, are requested to lodge their claims with the RTA, after which the unclaimed dividend shall stand transferred to the IEPF Authority account within 7 years from the date on which it becomes unpaid.
12. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hour of the Company, provided that not less than 3 days' notice in writing is given to the Company.



13. Members / proxies should bring the duly filed Attendance Slip enclosed herewith to attend the meeting.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
15. The Company is concerned about the environment and utilizes the natural resources in a substantial way. We request you to update your email address with your Depository Participant to enable us to send you the quarterly reports and other Communications via email.
16. Copies of Annual Report 2018-2019 are being sent by electronic mode only to those members whose email addresses are registered with the Company/ Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2018-2019 are being sent by the permitted mode.
17. The Notice of 36th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Forms, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
18. Members may also note that the Notice of 36th AGM and the Annual Report 2018-2019 will be available on the Company's website www.keerthiindustries.com. The Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hour on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: kilinvestorservices@gmail.com.
19. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
20. Additional information pursuant to Regulation 36 (3) of the SEBI (LODR) Regulation, 2015 in respect of the Directors seeking appointment/re-appointment at the AGM is furnished as **(Annexure I)** which forms part of the Notice. The Directors have furnished the requisite consent/declarations for their appointment/re-appointment.

21. A Member desirous of receiving any information on the accounts or operations of the company is requested to forward his/her queries to the company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.
22. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
23. The company has opened a DEMAT suspense Account with Anand Rathi Share and Stock Brokers Limited and credited all the unclaimed shares of the shareholders. The details are as follows:

Sl. No.	Particulars	2017-18	2018-19
1	Number of shareholders outstanding at the beginning of the year	1533	1532
2	Outstanding shares in the DEMAT suspense account at the beginning of the year	8875	8851
3	Number of shareholders who approached the company for transfer of shares from the suspense account during the year	1	0
4	Number of shareholders to whom shares were transferred from the suspense account during the year	1	0
5	Aggregate number of shareholders outstanding at the end of the year	1532	1532
6	Outstanding shares in the suspense account lying at the end of the year	8851	8851

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

24. The Notice is being sent to all members through permitted modes, whose names appear in the Register of Members, as on 29th June, 2019.
25. For any assistance or information about shares, etc. members may contact the Company's Registrar and Share Transfer Agent, as follows:

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